

Budgetary implications of decision 1/CP.21 and the Paris Agreement

Introduction

1. This note is made available pursuant to the statement made on behalf of the UNFCCC Executive Secretary during the closing plenary of the Conference of the Parties (COP) held on 12 December 2015 on budgetary implications of the decisions adopted at COP 21.
2. In line with decision 16/CP.9, paragraph 20 the present note contains information on the budgetary implications of the provisions contained in document FCCC/CP/2015/10/Add.1 (decision 1/CP.21, entitled “Adoption of the Paris Agreement”) as adopted by the COP, including:
 - a. The estimated cost of activities to be undertaken by the secretariat in the biennium 2016–2017 that cannot be covered under the agreed core budget;
 - b. An overview of provisions that are assumed to have additional budgetary implications that will be quantified at future sessions.
3. The secretariat will continue to make every effort to absorb additional workload within existing resources. Examples of additional work resulting from decision 1/CP.21 and the Paris Agreement that will be absorbed in the biennium 2016–2017 are provided in annex I.
4. Cost estimates are only provided for provisions that are directly actionable by the secretariat without further guidance as the nature, scale and timing of required work is sufficiently clear to make reliable estimates. The Executive Secretary will provide cost estimates for other provisions, listed in annex II, when the appropriate bodies consider implementation modalities and make specific requests to the UNFCCC secretariat.
5. This note contains information in relation to activities to be undertaken by the UNFCCC secretariat. Information on activities requested to be undertaken by other entities, including other United Nations entities is not provided here.
6. The budgetary implications presented in this note may change if the Paris Agreement enters into force during the biennium 2016-2017. Article 21 of the Paris Agreement establishes the conditions for its entry into force. It is not yet known when those conditions will be met; however, it is conceivable that the Paris Agreement may enter into force during the biennium 2016–2017.
7. A number of provisions will have budgetary implications beyond 2017. With regard to the resource requirements for 2018–2019 and beyond, they will be reviewed in the context of established budgetary procedures. In this context it will be considered whether requirements for some work programme elements would be covered more appropriately by the core budget of the UNFCCC as opposed to continuously relying on supplementary funding.

UNFCCC secretariat requirements resulting from decision 1/CP.21 and the Paris Agreement that cannot be covered under the approved core budget for the biennium 2016–2017

8. The secretariat has been called upon to undertake a number of specific activities in the biennium 2016-2017 to facilitate work in relation to decision 1/CP.21 and the Paris Agreement. Overall the estimated budgetary requirements for these activities that cannot be covered under the agreed core budget for the biennium 2016-2017 amount to EUR 9.24 million. All costs are indicative and subject to further assessment. These activities include:

Mitigation¹

9. Paragraphs 13, 15, 22, and associated activities in paragraphs 14, 26, 28, 29, 30, 36:
- a. Organizing regional and sub-regional dialogues and preparing and publishing technical materials on nationally determined contributions (NDCs) and intended nationally-determined contributions (INDCs), including technical guidelines on the implementation of NDCs and INDCs and revising the INDC manual to cover all NDC features; preparing a paper on needs of support, including support by multilateral, regional and bilateral organizations and facilitating coordination of this support; and preparing other technical materials.
 - b. Supporting the development of modalities and procedures for the operation and use of the public registry of NDCs and INDCs; making available an interim public registry of NDCs (first half of 2016) and developing a final registry, as well as supporting the operation of this public registry; maintaining and supporting the INDC submission portal;
 - c. Creating and maintaining a website for publishing low GHG emission development strategies.
10. Paragraph 19 of decision 1/CP.21: Updating the synthesis report on the aggregate effect of INDCs and making it available (by 2 May 2016), participating in events for the dissemination of results and socialization of action by Parties, and preparing communication materials.
11. Paragraph 31 of decision 1/CP.21: Organizing two workshops per year for the elaboration of guidance for accounting for NDCs, including the preparation of technical papers.
12. The total estimated supplementary requirements for the activities referred to in paragraphs 9–11 amount to EUR 2.93 million in the biennium 2016–2017.

Adaptation and loss and damage

13. Paragraphs 41 and 45 of decision 1/CP.21: Supporting the Adaptation Committee and the Least Developed Countries Expert Group (LEG) in:

¹ It should be noted that many INDCs have an adaptation component, it is not possible to assess them separately and therefore all provisions are presented under the mitigation cluster for ease of budgeting projections.

- a. Developing modalities for recognizing adaptation efforts of developing country Parties, as referred to in Article 7, paragraph 3, of the Agreement;
 - b. Developing methodologies, in collaboration with the Standing Committee on Finance and other relevant institutions, on:
 - i. Taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase referred to in Article 2 of the Agreement;
 - ii. Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Agreement;
14. Paragraph 42 of decision 1/CP.21, supporting the Adaptation Committee in:
- a. Reviewing, in 2017, the work of adaptation-related institutional arrangements under the Convention, with a view to identifying ways to enhance the coherence of their work, as appropriate, in order to respond adequately to the needs of Parties;
 - b. Considering methodologies for assessing adaptation needs with a view to assisting developing countries;
15. Paragraphs 48-50 of decision 1/CP.21, supporting the Executive Committee of the Warsaw International Mechanism in:
- a. Establishing a clearing house for risk transfer that serves as a repository for information on insurance and risk transfer;
 - b. Establishing a task force to complement, draw upon the work of and involve, as appropriate, existing bodies and expert groups under the Convention including the Adaptation Committee and the LEG as well as relevant organizations and expert bodies outside the Convention, to develop recommendations for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change.
16. Article 7, paragraph 12, of the Paris Agreement: Maintaining a public registry to record the adaptation communications referred to in Article 7, paragraph 10. To ensure efficiency gains, the registry would build upon NAP Central.
17. The total estimated supplementary requirements for the activities referred to in paragraphs 13–16 above amount to EUR 0.67 million in the biennium 2016–2017.

Technology development and transfer

18. Paragraphs 68 and 71 of decision 1/CP.21: Supporting the elaboration of the technology framework and the scope and modalities for the periodic assessment of the effectiveness of and the adequacy of the support provided to the Technology mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer. The work may include conducting analytical work, preparing technical background documents and organizing expert meetings, as required. The estimated supplementary requirements for related activities amount to EUR 0.59 million in the biennium 2016–2017.

Capacity-building

19. Paragraphs 71–81 of decision 1/CP.21: Supporting the Paris Committee on Capacity-building and the implementation of the workplan, including, inter alia, through organizing annual meetings, conducting analytical work and facilitating collaboration with other bodies under the Convention. The estimated supplementary requirements for related activities amount to EUR 0.21 million in 2017.

Transparency of action and support

20. Paragraphs 91–95 of decision 1/CP.21: Organizing two workshops per year for the development of modalities, procedures and guidelines for the transparency of action and support, including the preparation of technical papers. The estimated supplementary requirements for related activities amount to EUR 0.93 million in the biennium 2016–2017.

Global stocktake

21. Paragraph 100 of decision 1/CP.21: Organizing expert meetings on how the assessments of the Intergovernmental Panel on Climate Change can inform the global stocktake of the implementation of the Paris Agreement. The estimated supplementary requirements for related activities amount to EUR 0.35 million in the biennium 2016–2017.

Enhanced Action Prior to 2020

22. Paragraph 109(c) and (d) of decision 1/CP.21: Facilitating the participation of the Technology Executive Committee in the technical examination process on mitigation and conducting analytical work and outreach activities in relation to scaling up the implementation of policies, practices and actions.
23. Paragraph 111 of decision 1/CP.21: Organizing two technical expert meetings (TEMs) per year, including the preparation and publication of technical papers, a summary for policymakers, brochures and the maintenance and updating of a microsite on TEMs.
24. Paragraph 117 of decision 1/CP.21: Continuing to maintain and enhancing the data quality and quantity and the Non-State Actor Zone for Climate Action platform functionalities.
25. Paragraph 120 of decision 1/CP.21: Organizing a high-level event in conjunction with each session of the COP.
26. Paragraph 121 of decision 1/CP.21: Supporting the two high-level champions.
27. The technical examination process on adaptation for the period 2016-2020, launched in paragraph 24 of decision 1/CP.21, is to be undertaken through similar modalities as the technical examination process on mitigation referred to in paragraph 109 of the decision. Two TEMs per year would be organized, and an annual technical paper as well as input to the summary for policymakers referred to in paragraph 111(c) would be prepared. The request for providing information in a user-friendly format would be operationalized through producing brochures and the set-up and maintenance of a dedicated web page.
28. The total estimated supplementary requirements for the activities referred to in paragraphs 22–27 above amount to EUR 3.57 million.

Annex I

Examples of provisions with additional requests to the secretariat that will be absorbed within existing resources

1. The additional requirements set out in this note take into account the fact that some of the activities to be undertaken by the secretariat in the period 2016–2017 pursuant to decision 1/CP.21 and the Paris Agreement can be absorbed under existing resources within the agreed core budget for the biennium. This will be possible by maximizing synergies with existing work programmes under the Convention. Examples of requirements that will be absorbed in this way are provided below.
2. Paragraphs 1–5 of decision 1/CP.21: Staff supporting the finalization of the text of the Paris Agreement and liaising with the Depositary in relation to the opening of the Agreement for signature.
3. Paragraphs 26 and 28 of decision 1/CP.21: Staff supporting negotiations on developing guidance on features of nationally determined contributions (NDCs) and information to be provided by Parties on their NDCs.
4. Paragraph 29 of decision 1/CP.21: Staff supporting negotiations on the development of modalities and procedures for the operation and use of the public registry of NDCs.
5. Paragraph 31 of decision 1/CP.21: Staff supporting negotiations on the elaboration of guidance for accounting for Parties' NDCs.
6. Paragraphs 33 and 34 of decision 1/CP.21: Staff supporting negotiations on the modalities, work programme and functions of the forum on the impact of the implementation of response measures.
7. Paragraph 66 of decision 1/CP.21: Staff providing support to the TEC to undertake work on technology research, development and demonstration, and endogenous capacities and technologies to facilitate the implementation of the Agreement.
8. Paragraph 100 of decision 1/CP.21: Staff supporting the Subsidiary Body for Scientific and Technological Advice in providing advice on how the assessments of the Intergovernmental Panel on Climate Change (IPCC) can inform the global stocktake to ensure synergy with related IPCC work.
9. Paragraph 101 of decision 1/CP.21: Staff supporting negotiations on developing modalities for the global stocktake, including issues on mitigation, adaptation and the means of implementation and support.
10. Paragraph 103 of decision 1/CP.21: Staff supporting negotiations on the modalities and procedures of the committee referred to in Article 15, paragraph 2, of the Agreement;
11. Paragraph 105 of decision 1/CP.21: Staff supporting Parties to implement the Doha Amendment;
12. Paragraphs 106 and 107 of decision 1/CP.21: Staff supporting promotional activities and products to promote voluntary cancellation.

13. Paragraphs 117 and 134 of decision 1/CP.21: Staff supporting the registration of non-Party stakeholder actions in the Non-State Actor Zone for Climate Action platform.
14. Paragraphs 109 and 111 of decision 1/CP.21: Staff supporting the strengthening of the existing technical examination process on mitigation, organizing the requested technical expert meetings on mitigation and disseminating their results.
15. Paragraphs 126–132 of decision 1/CP.21: Staff supporting the technical examination process on adaptation, including the organization of technical expert meetings and the preparation of reports and other user-friendly information products.
16. Paragraphs 113 and 138 of decision 1/CP.21: Staff supporting the assessments of the mitigation and adaptation technical examination processes and the improvement of their effectiveness.
17. Paragraph 115 of decision 1/CP.21: Staff supporting a facilitative dialogue to be held in conjunction with COP22 by organizing two in-session workshops and staff supporting this dialogue, in-session workshops and related negotiations.
18. Paragraphs 116–119 of decision 1/CP.21: Staff supporting the non-Party stakeholder engagement.
19. Paragraphs 120 and 121 of decision 1/CP.21: Staff supporting the high-level events and work of the high-level champions.
20. Article 6, paragraphs 1–3, 8 and 9 of the Paris Agreement and paragraph 36, 39 and 40 of decision 1/CP.21: Staff supporting negotiations in relation to guidance to be provided by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) on cooperative approaches and framework for non-market approaches.
21. Article 6, paragraphs 4–7 of the Paris Agreement and paragraphs 37 and 38 of decision 1/CP.21: Staff supporting negotiations on the mechanism.
22. Article 16, paragraph 5, of the Paris Agreement: Staff supporting negotiations on the mutatis mutandis application of the rules of procedure of the COP to the CMA.
23. Article 21, paragraphs 1 and 2, of the Paris Agreement: Staff liaising closely with the United Nations Office of Legal Affairs to monitor and confirm the entry into force of the Paris Agreement.

Annex II

Examples of provisions with additional budgetary implications to be quantified at future sessions

1. The Conference of the Parties and other appropriate bodies established under the Convention are expected to take decisions and adopt conclusions with a view to further the implementation of the Paris Agreement. Should such decisions and conclusions call upon the secretariat to undertake specific activities the budgetary implications of these decisions and conclusions will be identified and communicated by the secretariat at future sessions of the appropriate bodies.
2. Examples of relevant provisions contained in decision 1/CP.21 and the Paris Agreement that have budgetary implications to be quantified at future sessions are provided below.
3. Paragraph 20 of decision 1/CP.21: Supporting the facilitative dialogue to take stock in relation to progress towards the long-term goal and to inform the preparation of nationally determined contributions (NDCs) (2018 or later).
4. Paragraph 25 of decision 1/CP.21: Preparing a synthesis report of submitted NDCs
5. Paragraphs 55–57 of decision 1/CP.21: Supporting processes related to the communication of information on financial support to developing countries and the development of modalities for the accounting of financial resources provided and mobilized through public interventions.
6. Paragraph 66 of decision 1/CP.21: Supporting the strengthening of the Technology Mechanism and the work of the Technology Executive Committee, in supporting the implementation of the Agreement, to undertake further work relating to, inter alia: (a) Technology research, development and demonstration; (b) The development and enhancement of endogenous capacities and technologies.
7. Paragraph 69 of decision 1/CP.21: Supporting the work on a periodic assessment of the effectiveness of and the adequacy of the support provided to the Technology Mechanism in supporting the implementation of the Agreement on matters relating to technology development and transfer.
8. Paragraph 78 of decision 1/CP.21: Undertaking analytical work and collecting data in support of the periodic assessment.
9. Paragraphs 71–81 of decision 1/CP.21: Supporting the Paris Committee on Capacity-building and the implementation of the workplan, including, inter alia, through organizing annual meetings, conducting analytical work and facilitating collaboration with other bodies under the Convention.
10. Paragraph 99(a) of decision 1/CP.21: Identifying sources of input for the global stocktake, including information on the overall effect of the NDCs (synthesis report).
11. Paragraph 102 of decision 1/CP.21: Supporting the committee referred to in Article 15, paragraph 2, of the Paris Agreement, which will become operational after the entry into force of the Agreement and the adoption of the modalities and

procedures by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session;

12. Paragraph 106 and 107 of decision 1/CP.21: Promoting voluntary cancellation and developing enhanced tools for the cancellation of units.
13. Paragraph 121 of decision 1/CP.21: Supporting the work of the two high-level champions appointed and related activities.
14. Paragraph 31 of decision 1/CP.21 and Article 4, paragraph 13 of the Paris Agreement: Supporting the accounting process and related negotiations.
15. Article 6, paragraphs 1–3, 8 and 9 of the Paris Agreement and paragraphs 36, 39 and 40 of decision 1/CP.21: Supporting cooperative approaches that involve the use of internationally transferred emission reductions and the establishment of a framework for non-market approaches by preparing technical papers and/or organizing a workshop.
16. Article 6 paragraphs 4–7 of the Paris Agreement and paragraphs 37 and 38 of decision 1/CP.21: Supporting Parties in the establishment of the mechanism, by preparing technical papers and/or organizing a workshop for the development of the modalities and procedures of the mechanism.
17. Article 13 of the Agreement and paragraph 97 of decision 1/CP.21: Starting, upon the entry into force of the Paris Agreement, the application of the modalities, procedures and guidelines for the transparency of action and support in accordance with Article 13.