

## **OPENING REMARKS**

Dear delegates, I am pleased to welcome you to this informal consultation session on the development of the UNFCCC budget 2018-2019.

As you know, we are not negotiating the budget at this COP. However, as I made clear in related presentations at the pre-COP and at the informal consultations in Rabat, I am keen to engage you in the development of the budget early on.

This is YOUR budget, the budget of all Parties, and I very much want to ensure that we build it together. I therefore want to share with you my thinking on some key assumptions and challenges, and I am eager to receive your feedback.

The budget 2018-19 is crucial as it is the first one after the entry into force of the Paris Agreement. We therefore need to make sure it allocates resources in a manner that ensures we are able to respond to the historic challenges set by this agreement.

I am aware that this is not an easy task in light of the fact that governments around the globe face severe financial constraints and need to make prudent use of the resources entrusted to them by their people.

This calls for us to redouble our efforts to look hard at what we want to achieve and how the secretariat can help do this in the most efficient manner possible.

To kick off, let me re-iterate briefly what I presented at the informal consultations in Rabat and at the pre-COP as my starting point and central assumptions for building the budget 2018-19.

## **SLIDE 2**

First, we **need to see action on climate change as fundamental to achieve sustainable development at large**. Efforts on both fronts cannot be pursued in isolation but must be well integrated, both at international and at national levels.

I therefore see a **deep synergy between the Paris Agreement and the SDGs**. Through the Paris Agreement and the 2030 Agenda for Sustainable Development, the global

community converged on an integrated vision for the future. This vision will need to leverage unprecedented universal action involving all actors at all levels in all regions of the world.

It is clear to me, and I believe you will agree that, **business as usual will not deliver** given the challenge ahead. **A profound structural transformation is needed.** One of the keys to the transformation will be the way national governments integrate climate action and SDG implementation across sectors and ministries. But obviously we need the engagement of a wide range of stakeholders beyond national governments.

In light of the magnitude of the task, **rapid climate action and implementation of the Paris Agreement are of the essence.** This is our task at hand. While the negotiations towards this agreement have required a significant effort, implementation of it will require a completely different scale of joint efforts.

This also requires a re-orientation of the work of the secretariat and a re-focusing of its skills sets to effectively support implementation and climate action, **not as an executing agency** helping implementation on the ground (such as UNEP, UNDP and others) but rather as an **enabler of implementation.**

Now, what does that mean for the role of the secretariat to support work under the Convention, its Kyoto Protocol and the Paris Agreement?

### **SLIDE 3**

**The secretariat** is and will remain for the decades to come **the central forum to provide UN system leadership and to assist parties and other stakeholders in the transformation towards a climate-resilient world.** To effectively serve this global forum, the secretariat has already begun to realign its work to respond to the post-Paris reality.

One important measure in this regard is a new approach I am introducing to organize secretariat work in terms of three broad **clusters.** This approach is to ensure

- ❑ Enhanced coordination and effective use of secretariat capacity and skill sets
- ❑ More agility in responding to Parties' needs
- ❑ And higher cost-efficiency

We will also need to **identify areas of work where efforts could be minimized or streamlined** to prioritize the Paris Agreement. I will return to this important issue.

#### **SLIDE 4**

In line with the vision and priorities I outlined at the beginning of this presentation, the most important of the three clusters relates to secretariat support to **implementation and climate action**. This broadly comprises work related to:

- ❑ Means of implementation, including finance, capacity-building and technology
- ❑ Adaptation
- ❑ The transparency framework
- ❑ Support to NDCs
- ❑ And promoting climate action, which includes both supporting Parties' readiness to implement the PA and promotion of action by a wide range of non-Party actors

The other two clusters are intergovernmental affairs and secretariat operations and systems. We need a **well-run organization** with skilled, motivated staff, an efficient administration and state of the art ICT systems to provide efficient support to Parties. We also need **well-coordinated support to the intergovernmental process** and the various bodies established under the Convention, Paris Agreement and KP. Sound advice and support is all the more important in light of the large number of bodies and the complex institutional architecture created by these.

#### **SLIDE 5**

In developing the new budget, the **secretariat is poised to absorb a number of new activities emanating from the Paris Agreement**. In fact, the secretariat is already doing this. Following COP 21, support to the newly established APA has been, and will continue to be, undertaken by existing core resources. Similarly, support to the work of the new CMA will be absorbed. To the extent possible, the secretariat intends to absorb

much of the technical work related to the development of the Paris Agreement “rule book” that we are embarking on in the coming years.

The secretariat also absorbed a significant growth in workload in other key areas. To give you just two examples:

- ❑ Because of the expansion of the MRV regime (Measuring, Reporting and Verification), there is a high increase in the number of MRV events in 2016-2017. **In 2016 alone we had more events related to review and analysis processes under MRV than in the whole previous biennium.**
- ❑ In the area of Adaptation, **meetings, events and outputs related to the work of the Adaptation Committee almost doubled between 2014 and 2016**

And as we move into implementation of the Paris Agreement, there is more work ahead. While we make every effort, there are clearly limits to what the secretariat can absorb. These limits become even more pronounced in light of the increasing lack of predictable funding. Voluntary contributions have been continuously declining since 2010. despite the fact that most work funded by supplementary funding is mandated work

This trend is a serious concern in light of the challenging amount of work mandated by the Paris Agreement.

## **SLIDE 6**

The key focus areas of secretariat work in 2018-19 are:

- ❑ **Advancing Paris Agreement rule book and related institutions, bodies and mechanisms**

The secretariat supports this through procedural, institutional and technical support to the work and meetings of now three supreme bodies (COP, CMP,CMA), the APA, the subsidiary bodies and a dozen constituted bodies and expert groups. This includes support to an average of 80 meetings per year as well as the COP sessions, the biggest intergovernmental conference globally.

- ❑ **Facilitating implementation of NDCs and National Adaptation Plans (NAPs) at national level**

The secretariat supports this through technical analysis, guidance and support related to Party GHG data, the NDC registry, a registry of adaptation efforts, the

implementation of the transparency framework and means of implementation.

□ **Catalysing engagement of actors at national and international levels**

This will be an area of growth, which is linked to facilitation of NDCs at national level but going much beyond this through secretariat support not only to Parties but non-Party actors, highlighting achievements and best practices and bringing actors together in order to make action happen on the ground. This area is particularly important in the challenging times ahead of us.

**SLIDE 7**

These three broad areas of support cut across all aspects of the secretariat's activities.

I am particularly concerned about the challenge to the secretariat to provide sufficient predictable support in a number of important areas. To name a few salient examples;

**Adaptation:** Adequate and predictable support for adaptation work streams is a necessary condition for the success of the Paris Agreement. More predictable funding is needed for instance to support the work of the relevant three constituted bodies – the **Adaptation Committee, the Least Developed Countries Expert Group and the Executive Committee of the Warsaw International mechanism on Loss and Damage** – in providing technical advice, guidance and support to the work of the Parties.

**Capacity-Building:** The Paris Agreement stipulates to enhance the capacity and ability of developing country Parties, in particular countries with the least capacity, to take effective climate change action. The newly established **Paris Committee on Capacity-Building (PCCB)** will play an important role in this regard. The work of this Committee is currently unfunded and will require resources.

**Transparency framework:** The operation of the **MRV framework for both developed and developing countries** is another area which will require significant resources in 2018-2019. As briefly indicated, the secretariat already experiences sizable resource problems with the **implementation of MRV processes**, and related resource requirements are likely to continue to increase.

**Nationally Determined Contributions (NDCs):** This is a key area of work, which the secretariat supports on the one hand through the **management and processing of information**. In addition, we can and should do more in future to catalyze enhanced access to support for and implementation of NDCs by **developing partnerships with**

**relevant actors and helping them to connect**, including international organizations, national governments and other stakeholders.

**Finance:** Enabling effective financial support to developing countries is another critical issue, which the secretariat will need to support. In this area, additional resources will be needed to support the **tracking and transparency of support for means of implementation**, supporting the work of the **Standing Committee on Finance** including the resource intensive work on the **preparation of the Biennial Assessment and overview on the financial flows** and engaging with international financial institutions and private sector to **mobilize and promote an agenda in the international financial sector related to climate action**.

**Climate action and outreach:** In Paris Parties recognized the need for ambitious climate action by non-Party Stakeholders and decided to appoint two high level champions to facilitate the implementation of commitments and to scale up ambition before 2020. Parties also agreed on the need to track progress on the action by non-Party stakeholders. The secretariat is required to support the work of the **champions**, including events organized by them, and maintain the **NAZCA platform**. The secretariat also needs to **engage a broad array of actors, including the UN system, business, investors and sub-national governments**. All of these areas of work are currently under-funded

**Communications:** Climate action is evolving in terms of speed and scale. Crucial to its success will be **communicating and promoting what is happening** across the globe to support and complement governments' efforts. There is a need to communicate much more clearly on why climate action is necessary, what it means in practical terms for every citizen of the world, and the opportunities it creates for societies.

**Information platforms:** All of the above require state-of-the art ICT systems that enable the **sharing of information and interaction between Parties** and the many non-Party stakeholders to create synergy and promote enhanced climate action. This would require;

- Developing the UNFCCC website as an **information hub for climate action**
- **Upgrades of IT platforms** to enable the development of new mandated systems
- Modernizing **conference systems, virtual participation and stakeholder interaction**

## SLIDE 8

Before I conclude my presentation, let me add a few assumptions related to the structure of the budget 2018-19.

In line with the integrated vision for climate action enshrined in the Paris Agreement, it is my conviction that we need **one integrated budget** for the Convention and Paris Agreement. This entails that we will have **one scale of assessment**.

I think we also need to **adjust the budget** in terms of the proportion of funds allocated to KP-related activities. We do have a new reality and that needs to be reflected in this aspect of the budget as well.

We also need to increase the **predictability of funding**, ideally through a stricter adherence to the principle that ongoing programmatic activities should be funded from the core budget and not from voluntary sources.

As mandated by Parties, I will include in the official budget submission a **zero nominal growth scenario**, together with information on the related implications for the secretariat's work programme. However, I also want to be clear that **under a zero growth scenario the secretariat will not be able to deliver on key mandated activities as it should**.

Therefore, I also intend to present a **scenario including a budget increase to adequately reflect the resources required in the post-Paris reality**. We are currently working on a detailed scenario to present to you for consideration. I can reassure you, however, that we will develop this scenario very much with financial constraints of governments around the globe in mind.

## SLIDE 9

In concluding my presentation, I would like to invite you to constructively engage in the development of the budget 2018-19. There are about four months left before submission of the budget proposal to the SBI. Let us make good use of that time to work together on the budget.

I would be particularly interested to receive your feedback on the following questions:

- Do you agree with the **overall vision** for the process forward and the priority on implementation and climate action?
- In light of this overall priority, what would be specific **focus domains** that should receive particular attention in the budget 2018-19, and how can we ensure **balance between these**?
- How can we ensure **predictability of funding**?
- And to come back to the important issue I raised at the beginning: It is my firm belief that we all need to be better at prioritizing and taking a hard look at how existing mandates can be streamlined to help us make better use of limited resources. We need to focus our efforts and resources to those activities that are critical to achieving the objective of the Paris Agreement. So, in light of this, I would like to have your input on where you see opportunities for **streamlining mandates and activities in light of the Paris Agreement**?

## **CONCLUDING REMARKS**

With that I would like to conclude my presentation. I am happy to receive any initial reactions or questions you may have at this stage.

In the spirit of enhanced transparency, this presentation will again be made available on the dedicated secretariat web page we created specifically for the development of the 2018-2019 budget. Parties are encouraged to check the information made available on this web page and provide feedback at any point in time.

Thank you.