



Framework Convention on Climate Change

Distr.
GENERAL

FCCC/SBI/2009/11
5 October 2009

Original: ENGLISH

SUBSIDIARY BODY FOR IMPLEMENTATION

Thirty-first session

Copenhagen, 7–18 December 2009*

Item 14 (a) of the provisional agenda

Administrative, financial and institutional matters

Budget performance for the biennium 2008–2009

Budget performance for the biennium 2008–2009 as at 30 June 2009

Note by the Executive Secretary**

Summary

The budget performance for the first 18 months of the biennium 2008–2009 of the trust funds administered by the secretariat is presented. The aim is to inform Parties of income and expenditure and results achieved by 30 June 2009.

By 30 June 2009, USD 39.25 million or 78.5 per cent of the total indicative contributions expected for the biennium had been received. Voluntary contributions amounted to USD 11.3 million under the Trust Fund for Participation in the UNFCCC Process and USD 33.3 million under the Trust Fund for Supplementary Activities.

At this point in the biennium, about 68 per cent of core budget resources had been spent on mandated activities and achieving the expected results of the work programme for the biennium. In addition to funding participation at the sessions of the subsidiary bodies and the Conference of the Parties and the mandated activities outlined in document FCCC/SBI/2007/8/Add.2, USD 4.05 million from the Trust Fund for Participation in the UNFCCC Process and USD 12.6 million from the Trust Fund for Supplementary Activities has been spent to cover activities related to additional sessions during the reporting period.

The Subsidiary Body for Implementation is invited to take note of the information presented and to propose a draft decision on administrative and financial matters to be recommended for adoption by the Conference of the Parties at its fifteenth session, and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session.

* Exact dates within the sessional period are subject to confirmation.

** This document was submitted after the due date owing to the need for internal consultations.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), by their decisions 13/CP.13 and 11/CMP.3, approved the programme budget for the biennium 2008–2009, and requested the Executive Secretary to report to the COP on income and budget performance, and to propose any adjustments that might be needed in the budget.

B. Scope of the note

2. This document reports income and budget performance as at 30 June 2009. It should be read in conjunction with document FCCC/SBI/2007/8/Add.1, which contains the biennial work programme of the secretariat, and document FCCC/SBI/2009/INF.10, which provides updated information on the status of contributions as at 15 November 2009.

C. Possible action by the Subsidiary Body for Implementation

3. The Subsidiary Body for Implementation (SBI) may wish to take note of the information presented and decide on actions that may need to be included in draft decisions on administrative and financial matters to be recommended for adoption by the COP at its fifteenth session, and the CMP at its fifth session.

II. Programme delivery

4. The programme delivery is based on the work programme for the biennium 2008–2009, which stipulates mandates, objectives, expected results and planned major activities of each programme, and mandates given to the secretariat after the presentation of the work programme. This section should therefore be read in conjunction with document FCCC/SBI/2007/8/Add.1, which outlines the work programme.

5. The work programme for 2008–2009 is the first work programme of the secretariat that contains performance indicators intended to present Parties with information on the overall achievements of the secretariat. The following are secretariat-wide performance indicators:¹ the level of satisfaction of Parties with the work of the secretariat; the percentage of mandates completed and on time; the frequency of reference to the UNFCCC process in the media; and the utilization rate of core and supplementary funds.

6. In order to determine the level of satisfaction of Parties with the work of the secretariat during the biennium 2008–2009, all Parties will receive a questionnaire. The results of this survey will be made available as soon as a significant response rate, representing all regions, is achieved.

7. In order to determine the percentage of mandates implemented and on time, the secretariat has reviewed the Convention, the Kyoto Protocol and the session reports of the COP, the CMP, the Subsidiary Body for Scientific and Technological Advice (SBSTA), the SBI, the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA),² and identified mandates for outputs that were to be delivered during the reporting period. While all expected outputs by the secretariat during the reporting period were delivered, some were not delivered on time.

¹ FCCC/SBI/2007/8 and Add.1.

² Requests made by the constituted bodies (the Executive Board of the clean development mechanism, the Joint Implementation Supervisory Committee and the Compliance Committee) are not included in this analysis.

Miscellaneous documents were often delayed due to late submissions by Parties. Another reason for the late delivery of documents was the need to provide up-to-date information, including reports on meetings by expert groups, constituted bodies or other meetings being held close to or after the submission deadline for documents.

8. The frequency of media reporting on the UNFCCC process has greatly increased over the past two years as a result of the release of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), prioritization of the issue of climate change by the Secretary-General and the United Nations system, emergence of the 'carbon market' and the clean development mechanism (CDM), and heightened political interest in the UNFCCC process as a means to address globally the problems posed by climate change. By far the most extensive media reporting on the UNFCCC process takes place during the COP and the CMP.

9. The secretariat has reported on the utilization rate of funds for many years. Related information is contained in annex I to this document.³

10. The following sections provide a brief overview of each programme's responsibilities, indicate whether the expected results of the work programme for the biennium are being achieved and summarize the activities that have contributed to the secretariat's achievements.

A. Executive Direction and Management

11. The Executive Direction and Management programme (EDM) ensures overall coherence of the secretariat and its responsiveness to the needs of the Convention and Kyoto Protocol bodies. It provides strategic direction and leadership and furthers the secretariat-wide objectives.

12. The Executive Secretary has overseen the work of the secretariat as it supported the implementation of work initiated at the United Nations climate change conference held in Bali, Indonesia, in December 2007, including support to the COP, the CMP, the SBI, the SBSTA, the AWG-KP and the AWG-LCA.

13. The Executive Secretary established the Bali Road Map Support team within EDM to coordinate support to the AWG-KP and the AWG-LCA and ensured complementarity between the ongoing work of the various secretariat programmes and the response to emerging issues under the AWG-KP and the AWG-LCA. The secretariat delivered all outputs requested by the AWG-KP⁴ and the AWG-LCA⁵ during the reporting period. Both the AWG-KP and the AWG-LCA moved into full negotiating mode in 2009 with support from the secretariat that facilitated the work of their respective Chairs.

14. EDM strengthened cooperation with the United Nations Secretariat, specialized agencies and international organizations in order to support the UNFCCC process and action to implement decisions by the COP and the CMP. Measures taken by the Executive Secretary include holding joint senior management retreats⁶ and participation at ministerial meetings.⁷ Following an initiative by the secretariat

³ The utilization rate of core funds is provided in annex I, paragraph 6. Annex I contains information on the status of the Trust Fund for Participation in the UNFCCC Process, the Trust Fund for Supplementary Activities under the UNFCCC and the Trust Fund for the Special Annual Contribution from the Government of Germany.

⁴ Outputs include workshops, an information note and the posting of submissions by Parties on the UNFCCC website.

⁵ Outputs include three technical papers, an information note, a compilation of the proposals made by the Parties and observer organizations on decision 1/CP.13 (the Bali Action Plan), and the facilitation of workshops and other activities to improve and deepen understanding of the elements contained in the Bali Action Plan.

⁶ Retreats were held with the Food and Agriculture Organization of the United Nations, the Global Environment Facility, the United Nations Development Programme, the United Nations Environment Programme and the World Bank.

at the beginning of 2008, the Secretary-General, requested entities within the United Nations system to coordinate climate change action in support of the UNFCCC process in their respective specialist areas. The Secretary-General, on 22 September 2009, will convene a summit on climate change at the United Nations Headquarters in New York, the United States of America, to generate political momentum at the highest political level in order to encourage governments to reach an agreement at the fifteenth session of the COP in Copenhagen, Denmark. EDM is providing substantive support to the Secretary-General in preparation for the summit.

15. Measures were taken to strengthen and improve coordination among senior managers for greater programme delivery through efficient management of human and financial resources of the secretariat. Efforts made by all programme heads resulted in a more equitable geographical distribution among staff at the Professional level and above.⁸ The secretariat continues with its efforts to recruit the best-qualified staff that reflect a broad geographic spectrum and gender balance.

16. Effective and regular coordination by the management team ensured that the programme budget for the biennium 2008–2009 was monitored and used properly, and that supplementary funds were managed and used effectively. The fund-raising efforts led to generous contributions by Parties to the Trust Fund for Participation in the UNFCCC Process⁹ and the Trust Fund for Supplementary Activities.¹⁰ The secretariat prepared the budget for the biennium 2010–2011 in close consultation with Parties. The SBI recommended to the COP and the CMP to adopt a decision on the budget at their fifteenth session and fifth session, respectively.¹¹

17. Measures taken to ensure staff satisfaction include making available the services of an ombudsman and a staff counsellor as well as holding an all-staff retreat in April 2009. Efforts are underway to address the concerns raised by staff during the retreat, including improving internal communications.

B. Office of the Deputy Executive Secretary

18. The Office of the Executive Secretary (ODES) supports the President and Bureau of the COP and the CMP, and directs and coordinates the secretariat-wide support to the intergovernmental process. The Deputy Executive Secretary assists the Executive Secretary in ensuring the coherence of the work of the secretariat and oversees the service programmes (Administrative Services (AS), Conference Affairs Services (CAS) and Information Services (IS) programmes).

19. ODES and its COP secretariat team provided strategic support in the preparation of COP 14 and CMP 4, and COP 15 and CMP 5, including the development of scenarios for the organization of these sessions, the compilation of provisional agendas and annotations, the coordination of documentation, and strategic and procedural support to the COP Presidents and Bureau including the organization of 10 meetings of the COP and the CMP Bureau in the reporting period. Following COP 14 and CMP 4, ODES ensured the completion and timely issuance of the COP and the CMP reports.

20. In addition to the coordination of the secretariat-wide support to the sessions of the COP and the CMP, ODES was responsible for facilitating the AWG-KP process. In this regard, the Deputy Executive Secretary provided advice to the Chair and coordinated the secretariat's logistical and substantive support to the AWG-KP and its six sessional periods. High-quality documentation was prepared in a timely

⁷ The Executive Secretary participated at ministerial meetings of the Organisation for Economic Co-operation and Development, the United Nations Commission on Sustainable Development, the United Nations Environment Programme and the World Bank to call for increased action on climate change.

⁸ See annex II.

⁹ The Trust Fund for Participation in the UNFCCC Process stood at USD 3,215,485 at the end of April 2007 (FCCC/SBI/2007/INF.5) and USD 11,175,043.93 at the end of June 2009.

¹⁰ See annex I, paragraph 14.

¹¹ FCCC/SBI/2009/8.

manner to facilitate negotiations of the AWG-KP, assisting it to advance toward its objective of delivering the results of its work to the CMP at its fifth session in Copenhagen.

21. In the light of an unprecedented intense schedule of sessions (four sessional periods in 2008 and six in 2009), providing adequate support to these events posed significant challenges in terms of mobilization of resources, and the coordination and planning of support processes. The Deputy Executive Secretary oversaw the work of IS, AS and CAS, ensuring that the secretariat delivered integrated and efficient services to Parties.

22. In terms of the management and institutional development of the secretariat, the Deputy Executive Secretary provided strategic guidance on a number of projects aimed at strengthening the secretariat, particularly in the light of its intense workload and continued rapid growth. Measures include: a secretariat-wide road map for a new information technology governance architecture to maximize synergy and streamline increasingly complex data management and information and communication technology (ICT) services; a comprehensive external review of administrative operations in the secretariat to increase the efficiency of administrative support to Parties; the development of a conflict of interest and confidentiality policy to promote practices that avoid conflicts of interest and protect confidentiality of information; a management training initiative aimed at strengthening management skills among senior management; and a number of measures aimed at enhancing communication and collaboration among staff, including the all-staff retreat and an improved induction programme. ODES oversaw the intensified collaboration with the Host Government to ensure that adequate office space is made available, as the secretariat is expected to outgrow its current premises in the near future.

C. Reporting, Data and Analysis

23. The Reporting, Data and Analysis programme (RDA) supports the intergovernmental process on matters relating to national communications and greenhouse gas (GHG) inventories of Parties included in Annex I to the Convention (Annex I Parties) including their reviews, as well as assigned amounts, registry systems, policy instruments and emissions trading. The programme was also responsible for coordinating support to the SBI in 2008 and it contributed to the effective and efficient functioning of the SBI during the reporting period.

24. RDA ensured the continuity of the inventory review process under the Convention, which aims to improve the accuracy, reliability and completeness of the GHG inventories submitted by Annex I Parties; it also ensured a smooth transition to reporting and review under the Kyoto Protocol, which began with the submission of the initial reports before 1 January 2007. The programme further ensured continuity of the review process of national communications, which aims to provide a comprehensive technical assessment of the efforts by Annex I Parties to implement their commitments under the Convention and the Kyoto Protocol.

25. RDA continued the support of the in-depth reviews of the fourth national communications submitted by Annex I Parties; these reviews will be completed with the publication of 11 outstanding review reports.¹² The secretariat is initiating preparations for the review of the fifth national communications of Annex I Parties that are due to be submitted by 1 January 2010.

26. The reviews of the 2007 and 2008 inventory submissions of Annex I Parties took place in September 2008 and all the review reports have been published. Reviews of the 2009 inventory submissions are under preparation and are scheduled to take place in September and October 2009. The reviews will also cover information submitted under the Kyoto Protocol, including information on the assigned amount, which the majority of Annex I Parties are submitting for the first time.

¹² Centralized reviews of 21 national communications were conducted during the reporting period. Sixteen national communications were reviewed before the start of the reporting period.

27. Significant progress was made in supporting the initial reviews under the Kyoto Protocol. In total, 39 in-country reviews were conducted and the relevant reports were published and forwarded to the Compliance Committee, except for one report scheduled for publication in late 2009. These reviews involved more than 180 experts who were nominated by their governments. The review reports contained relevant emission and assigned amount data that were comprehensively reviewed and recorded in the compilation and accounting database together with the eligibility status of Annex I Parties.¹³

28. RDA assisted the review teams in their effort to conduct a consistent and thorough review of the GHG inventories submitted through the training of experts and the organization of two meetings of the lead reviewers. The programme continued to support training courses for reviewers under the Convention, and a separate online training programme on national systems, adjustments and modalities for accounting of the assigned amount under the Kyoto Protocol. RDA updated the training programme under the Convention to reflect the most recent decisions of the COP and the CMP and the conclusions of the SBI and the SBSTA, as well as the knowledge gained from the review process, in particular from the initial review under the Kyoto Protocol. It prepared and launched two new courses for the reviews under the Kyoto Protocol, including a course on the review of the registries and on activities related to the implementation of Article 3, paragraphs 3 and 4. More than 30 experts took part in the training courses and the training seminar that RDA organized in Bonn in June 2009, 20 of whom passed the relevant examinations.¹⁴

29. RDA continued to develop and improve information systems to assist Annex I Parties in their reporting of GHG inventory data, as well as the secretariat's systems for collecting, processing and disseminating these data. Improvements include: the launch of a web-based submission portal;¹⁵ the release of the beta version of CRF Reporter modules to support reporting under Article 3, paragraphs 3 and 4, of the Kyoto Protocol;¹⁶ the updating of the GHG data interface;¹⁷ and progress in the development of tools and processes to assist Parties to the Convention that are also Parties to the Kyoto Protocol with commitments inscribed in Annex B to the Kyoto Protocol (Annex B Parties) in reporting using the standard electronic format.¹⁸

30. During the reporting period, RDA responded to approximately 320 requests for GHG data from Parties, national and international organizations, the media and individuals. It also prepared a GHG inventory data report,¹⁹ containing GHG data from Annex I Parties for the period 1990–2006, and the first annual compilation and accounting report,²⁰ containing the main accounting parameters for Annex B Parties.

¹³ Thirty-eight Parties are currently eligible to participate in the Kyoto mechanisms; one more Party is expected to become eligible by the end of 2009.

¹⁴ The next training seminar will be held in Tsukuba, Japan, in October 2009. The training is intended to ensure that the review experts are well prepared for reviews under both the Convention and its Kyoto Protocol and that they enhance their expertise in order to be able to contribute substantially to the preparation of high-quality inventories in their own countries.

¹⁵ The portal allows Parties to submit inventory data and national communications online. The portal was used successfully to submit the 2009 inventory submissions.

¹⁶ The final release of the CRF Reporter was hindered by the lack of adequate funds.

¹⁷ The GHG data interface contains up-to-date data on GHG emissions for both Annex I Parties and Parties not included in Annex I to the Convention. On average, in the period from 1 January 2008 to 30 June 2009, more than 1,700 users visited the data interface pages each day, which represents an increase of approximately 50 per cent compared to 2007; in the same period, there were on average 160 searches on the online database a day.

¹⁸ The standard electronic format facilitates the annual publication of the compilation and accounting reports under the Kyoto Protocol.

¹⁹ See FCCC/SBI/2008/12.

²⁰ See FCCC/KP/CMP/2008/9/Rev.1.

31. The fully functional International Transaction Log (ITL) was presented at an interactive exercise at the thirtieth session of the SBI. The ITL administrator supports the live operations of 34 national registries and the CDM registry with the ITL.²¹ The ITL administrator continued collaboration with the Registry System Administrators Forum and made progress in the implementation of processes, including the implementation of the Standard Independent Assessment Report for the consideration of the annual review of national registries under the Kyoto Protocol by expert review teams.

32. The programme ensured that negotiations on matters related to national communications, GHG inventories, policy instruments (including emissions trading), commitments of individual countries and future commitments were supported.

D. Financial and Technical Support

33. The Financial and Technical Support programme (FTS) provides support to Parties, especially Parties not included in Annex I to the Convention (non-Annex I Parties), in the implementation of the Convention and its Kyoto Protocol in the following areas: funding under the Convention and its Kyoto Protocol; national communications; national adaptation programmes of action (NAPAs); capacity-building; and education, training and public awareness.

34. During the reporting period, the programme supported negotiations, including the fourth review of the financial mechanism, the Adaptation Fund, investment and financial flows to address climate change,²² capacity-building²³ and national communications of non-Annex I Parties.²⁴

35. FTS continued liaising with the Global Environment Facility (GEF) on several matters, including the Special Climate Change Fund, the Least Developed Countries Fund (LDCF), climate change activities under the GEF Trust Fund,²⁵ the funding of national communications of non-Annex I Parties and the implementation of NAPAs.

36. The programme assisted 11 non-Annex I Parties in assessing their financing needs to implement mitigation and adaptation measures in response to a mandate by the SBI at its twenty-eighth session.²⁶ It collaborated with United Nations agencies and financial institutions to provide information on financing to Parties, with a view to developing a web-based information tool for this purpose.

37. FTS continued disseminating information on financial and technical support available to non-Annex I Parties for the preparation of national communications. Two newsletters were produced and disseminated to national focal points, national communication coordinators and experts from developing countries.²⁷

²¹ For more detailed information on budget performance of the ITL, see the annual report of the administrator of the ITL under the Kyoto Protocol (FCCC/KP/CMP/2009/19).

²² In response to a request by the AWG-LCA at its second session, the programme prepared a technical paper entitled "Investment and financial flows to address climate change: an update" (FCCC/TP/2008/7).

²³ The programme, inter alia, supported the preparation of the part on capacity-building of the draft negotiating text for the sixth session of the AWG-LCA.

²⁴ The SBI, at its thirtieth session, reached agreement on the mandate and revised terms of reference of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention and recommended a decision to be adopted by the COP at its fifteenth session (see document FCCC/SBI/2009/8/Add.1).

²⁵ The programme, inter alia, participated in the discussions of the Technical Advisory Group and the Scientific and Technical Advisory Panel of the GEF relating to the development of the strategic programme on climate change.

²⁶ The results of the country studies under the National Economic, Environment and Development Study for climate change project will provide valuable inputs into the fourth review of the financial mechanism.

²⁷ The NAI newsletter is available at <<http://unfccc.int/354.php>>; the NAI update is available at <<http://unfccc.int/347.php>>.

A resource guide²⁸ for preparing the national communications of non-Annex I Parties was developed and communicated to all non-Annex I Parties during the thirtieth sessions of the SBI and the SBSTA. Following requests by non-Annex I Parties from South-East Asia for assistance on the preparation of national GHG inventories, the programme organized two regional training workshops.²⁹

38. FTS assisted the Least Developed Countries Expert Group (LEG) in conducting its meetings³⁰ and in providing support for the implementation of the work programme for the implementation of Article 4, paragraph 9, of the Convention.³¹ During the reporting period, 11 least developed countries (LDCs) submitted completed NAPAs, bringing the total number of submitted NAPAs to 41. The LEG provided guidance and technical advice on matters related to NAPA preparation and implementation.³² To date, five implementation projects have been processed and approved by the GEF for funding through the LDCF. FTS prepared a brochure on matters regarding LDCs,³³ and supported the LEG in publishing a technical paper summarizing the process of preparing NAPAs and steps that LDCs can take to submit revised project lists and profiles.³⁴ FTS collaborated with the United Nations Institute for Training and Research and the secretariat of the United Nations Convention to Combat Desertification to explore opportunities for NAPA project development.

39. The programme produced two reports to facilitate the discussions on the review of the framework for capacity-building in developing countries established under decision 2/CP.7 for consideration by the SBI, at its thirtieth session. It supported the organization of an expert meeting held in Rio de Janeiro, Brazil, from 6 to 7 November 2008, on experiences in using performance indicators for the monitoring and evaluation of capacity-building at the national level. The report of the meeting was considered by the SBI at its twenty-ninth session, together with a series of related documents, including a technical report on experiences using indicators for monitoring and evaluating capacity-building (FCCC/TP/2008/5) and a second annual synthesis report of capacity-building activities (FCCC/SBI/2008/11).

40. FTS continued its work on enhancing the prototype information network clearing house (CC:iNet).³⁵ The programme initiated work on the intermediate review of the New Delhi work programme on Article 6 of the Convention by further strengthening collaboration with intergovernmental and non-governmental organizations and by organizing the first of a series of mandated regional workshops.³⁶ FTS coordinated the secretariat's fellowship programme with a view to contributing to

²⁸ The resource guide for preparing the national communications of non-Annex I Parties is available at <http://unfccc.int/essential_background/background_publications_htmlpdf/items/2625.php>.

²⁹ A workshop to launch the regional project on sustainable national GHG inventory management systems was held in collaboration with the National Environment Agency of Singapore, in Singapore, from 21 to 23 April 2008. A training workshop on the agriculture and land-use software developed for the regional project was held in collaboration with the Ministry of Environment of Cambodia, in Cambodia, from 6 to 8 May 2009.

³⁰ The reports of the thirteenth, fourteenth and fifteenth meeting of the LEG are contained in documents FCCC/SBI/2008/6, FCCC/SBI/2008/14 and FCCC/SBI/2009/6, respectively.

³¹ Decision 5/CP.7.

³² Answers to frequently asked questions are available at <http://unfccc.int/cooperation_support/least_developed_countries_portal/frequently_asked_questions/items/4743.php>. A guide to NAPA implementation is expected to be released in the second half of 2009, and will be used in regional training workshops on NAPA implementation, which are due to start in October 2009.

³³ <http://unfccc.int/files/adaptation/napas/application/pdf/lde_brochure2009.pdf>.

³⁴ <http://unfccc.int/files/adaptation/napas/application/pdf/lde_tp2009.pdf>.

³⁵ See <http://unfccc.int/cc_inet/items/3514.php>. CC:iNet was expanded to present over 1,200 links to projects and activities; news and featured selected best practices in the areas of education, training and public awareness can be found on the main page.

³⁶ The European regional workshop was held in Stockholm, Sweden, from 18 to 20 May 2009.

building capacity to address climate change in non-Annex I Parties, in particular small island developing States and LDCs.³⁷

E. Adaptation, Technology and Science

41. The Adaptation, Technology and Science programme (ATS) supports Parties in developing adaptation strategies and actions to meet their specific needs and concerns relating to adaptation to the adverse effects of climate change and to the impacts of the implementation of response measures. ATS further supports the UNFCCC process in enhancing the development and transfer of technologies and improving the methodological and scientific bases for international climate policy and action by Parties, including actions to reduce emissions from deforestation and forest degradation in developing countries (REDD). The programme coordinates support for the SBSTA, contributing to its effective and efficient functioning.

42. ATS has continued catalysing actions across the nine areas of work of the Nairobi work programme on impacts, vulnerability and adaptation by, inter alia, preparing several documents and publications, and organizing two technical workshops. The Nairobi work programme has become a global framework and a mechanism for knowledge sharing and learning on adaptation; to date, over 135 organizations are involved and 85 action pledges have been received from 34 organizations.³⁸ ATS has supported the implementation of activities to address the adverse effects of climate change under decision 1/CP.10 through responding to the mandates adopted at SBI 28, such as the creation of a web-based interface on existing funds for adaptation. In addition, ATS supported Parties on activities to address the adverse impacts arising from the implementation of response measures to address climate change under decision 1/CP.10, including on enhancing the exchange of relevant information, tools and methodologies. ATS has also supported Parties to advance negotiations on matters relating to response measures under the Kyoto Protocol.

43. The programme provided support for the consultations between Parties and the GEF in elaborating the Poznan strategic programme on technology transfer, which was endorsed by the COP at its fourteenth session. ATS provided support to the Expert Group on Technology Transfer in preparing three major reports, namely: a report on future financing options (FCCC/SB/2009/2), a report on a long-term strategy to facilitate the development, deployment, diffusion and transfer of technologies under the Convention (FCCC/SB/2009/3), and a report on performance indicators (FCCC/SB/2009/1) relevant for related work under the SBSTA, the SBI and the AWG-LCA.

44. ATS, in collaboration with the United Nations Industrial Development Organization, coordinated a training programme for project developers in developing countries to increase their capacity to prepare technology transfer projects for financing, including the preparation of training materials and the organization of a training of trainers workshop and an African regional workshop.

45. The programme prepared a second synthesis report on technology needs, which was based on 70 technology needs assessment reports and 39 national communications of non-Annex I Parties. An update of the United Nations Development Programme (UNDP) handbook *Conducting Technology Needs Assessments for Climate Change* has been prepared. The programme maintained and updated the technology information clearing house (TT:CLEAR) and redesigned its website³⁹ to facilitate relevant negotiations under the Convention.

46. ATS continued to provide support to Parties on issues related to mitigation, methodological matters and science, and research and systematic observation. The programme continued to facilitate the work of Parties on methodological issues relating to REDD, including by the organization of expert

³⁷ Four individuals benefited from the fellowship programme in 2009 and another five are currently being recruited.

³⁸ <http://unfccc.int/adaptation/sbsta_agenda_item_adaptation/items/3633.php>.

³⁹ <<http://ttclear.unfccc.int>>.

meetings and the preparation of relevant documents. The programme has developed and maintained the REDD Web Platform⁴⁰ to enhance information sharing.

47. The third meeting of the SBSTA dialogue on developments in research activities relevant to the needs of the Convention took place as part of SBSTA 30.^{41, 42} It was supported by ATS and contributed to enhancing communication between Parties and research programmes and organizations, and identifying research needs under the Convention. ATS facilitated the consideration of progress with the Global Climate Observing System implementation plan, leading to the identification of priorities and gaps to be addressed by observing systems, mainly in developing countries. ATS worked closely with the IPCC to facilitate the flow of scientific information into the Convention process. The programme worked with the Food and Agriculture Organization of the United Nations, UNDP, the United Nations Environment Programme and the World Bank to enhance the capacity of developing countries to take action on REDD, and the International Maritime Organization and the International Civil Aviation Organization to inform Parties on their relevant work on international aviation and maritime transport.

F. Sustainable Development Mechanisms

48. The Sustainable Development Mechanisms (SDM) programme provided support to the bodies constituted to supervise the implementation of the project-based mechanisms under the Kyoto Protocol, namely the CDM Executive Board and the Joint Implementation Supervisory Committee (JISC). The programme continued to facilitate capacity-building activities to help foster the equitable regional distribution of CDM and joint implementation (JI) project activities and to support the implementation and enhancement of these mechanisms.

49. During the reporting period, in line with the CDM management plan for 2008 and 2009, SDM made arrangements for 36 meetings of the CDM Executive Board and its panels and working groups. This included the preparation and issuance of an estimated 4,500 documents and reports.

50. The programme facilitated the dialogue on the project-based mechanisms by supporting the CDM Executive Board's annual coordination workshops,⁴³ the fifth, sixth and seventh meetings of the Designated National Authorities Forum as well as question and answer sessions with the CDM Executive Board.⁴⁴ Communication and transparency were enhanced by further developing the CDM website,⁴⁵ the 'CDM Bazaar',⁴⁶ the CDM Catalogue of Decisions⁴⁷ and by participating in events with stakeholders. Over 14,500 subscribers to the CDM newsletters⁴⁸ regularly receive the latest information on the CDM. The programme continued to manage the daily operation of the CDM registry.

51. SDM continued to collaborate with partners on the Nairobi Framework,⁴⁹ with the aim of enhancing the equitable regional distribution of CDM project activities. The scope of and range of activities carried out under the Nairobi Framework have expanded during the reporting period, including increased cooperation with the private sector, and three new partners have joined the Nairobi Framework.

⁴⁰ <http://unfccc.int/methods_science/redd/items/4531.php>.

⁴¹ <http://unfccc.int/files/methods_and_science/research_and_systematic_observation/application/pdf/chairs_summary_research_dialogue_for_web.pdf>.

⁴² <http://unfccc.int/methods_and_science/research_and_systematic_observation/items/4888.php>.

⁴³ The workshop held on 12–13 April 2008 was attended by more than 250 participants and the workshop held on 24–28 April 2009 was attended by more than 220 participants; both events were held in Bonn.

⁴⁴ Question and answer sessions were held after the 28th, 29th and 30th meetings of the subsidiary bodies under the Convention.

⁴⁵ The CDM website, available at <<http://cdm.unfccc.int/index.html>>, is used monthly by over 14,500 named users out of 80,000 unique visitors; approximately 8,300 files are downloaded every month.

⁴⁶ <<http://www.cdmbazaar.net/>>.

⁴⁷ <<http://cdm.unfccc.int/Reference/catalogue/search>>.

⁴⁸ <<http://cdm.unfccc.int/CDMNews/index.html>>.

⁴⁹ <http://cdm.unfccc.int/Nairobi_Framework/index.html>.

52. In the area of registration and issuance, progress included the registration of 409 CDM project activities⁵⁰ and the issuance of 205,724,708 certified emission reductions during the reporting period.⁵¹ The adoption by the CDM Executive Board of the revised procedures and guidance related to the registration of CDM programmes of activities and the publishing of the first request for registration of a programme of activities were significant steps forward. Further improvements were achieved by enhancing the public availability of information related to registry and issuance.⁵²

53. With the support of SDM, the CDM Executive Board accredited 26 operational entities for validation and/or verification functions out of a total number of 43 active applications. Eleven entities received indicative letters. This brings the total number of designated operational entities accredited for validation functions to 27, of which 25 were accredited for verification functions.

54. Despite the increasing complexity of the methodologies processed, substantial progress has been made. This includes methodological work in the area of improvements in demand-side energy efficiency, leading to the approval of a new methodology in the improvement of the energy efficiency of buildings. In total, 14 new methodologies were approved, 57 requests for revision of methodologies and 75 requests for clarification on the methodologies were considered during the reporting period. Two tools and four guidelines were also developed.

55. Progress has been made on the work relating to requests made by the CMP at its fourth session. The assessment of the implications of the possible inclusion of carbon capture and storage in geological formations as CDM project activities as well as the assessment of the implications of the inclusion of lands with forests in exhaustion as afforestation and reforestation CDM project activities are expected to be presented to the CDM Executive Board for consideration at its forty-ninth meeting.

56. During the reporting period, the programme made arrangements for seven meetings of the JISC and nine meetings of the JI accreditation panel. The programme helped organize side events and question and answer sessions on JI during the sessions of the subsidiary bodies and has organized a workshop and two sets of round-table discussions with stakeholders. In addition, the JI information system and the information on JI on the UNFCCC website has been continuously maintained, updated and improved.⁵³ SDM continues to maintain the activities implemented jointly website.⁵⁴

57. Support has been provided to the SBSTA and the CMP on mechanism-related issues, in particular guidance in relation to the CDM and JI.

58. Key managerial challenges for SDM included the management of the income generated by the CDM share of proceeds and fees to cover administration expenses, and the mobilization of sufficient financial and human resources for the implementation of the programme budget and the management plans of the CDM Executive Board and JISC. Since 1 January 2008, the number of staff members has increased from 61 to 89 and the programme has processed 410 other contracts.⁵⁵ The programme secured sufficient supplementary financial resources for the work on JI in 2009.⁵⁶

⁵⁰ The total number of registered projects to date is 1,715.

⁵¹ The total number of certified emission reductions issued to date is 314,199,805.

⁵² <<http://cdm.unfccc.int/Registry/index.html>>, <<http://cdm.unfccc.int/Issuance/index.html>>.

⁵³ <<http://ji.unfccc.int/index.html>>, <http://ji.unfccc.int/JI_News/index.html>.

⁵⁴ <http://unfccc.int/cooperation_support/activities_implemented_jointly/items/2307.php>.

⁵⁵ Eighty-eight contracts for 74 consultants, 170 contracts for 49 desk reviewers, 56 contracts for members of the registration and issuance team, 81 contracts for members of the assessment team and 15 contracts for case leaders.

⁵⁶ More resources will be required in order to avoid delays in implementation in 2010 when JI becomes self-financing.

G. Legal Affairs

59. Legal Affairs (LA) provides advice and guidance to Parties, Convention and Kyoto Protocol bodies, and the secretariat in order to ensure that the Convention and its Kyoto Protocol are implemented and the associated intergovernmental processes and operations of the secretariat are conducted in accordance with legal, procedural and institutional requirements. LA also provides advice and support to the Compliance Committee in order to ensure that the compliance mechanism operates effectively and supports the environmental integrity of the Kyoto Protocol and the credibility of the market-based mechanisms.

60. During the reporting period, the President and Bureau of the COP and the CMP, the bureaux of the subsidiary bodies and the Chairs of the constituted bodies, Parties, observers, the Executive Secretary and the secretariat's programmes requested and received advice from LA on various legal, procedural and institutional issues. A guide for presiding officers was prepared to assist them in the conduct of negotiations in the climate change process in accordance with relevant legal, procedural and institutional requirements. The CDM Executive Board, the JISC and the Adaptation Fund Board received legal advice concerning their work, including advice on privileges and immunities for individuals serving on these bodies and advice to the Adaptation Fund Board with regard to its legal capacity.

61. Proposals from Parties for protocols and an amendment to the Convention and amendments to the Kyoto Protocol were communicated in accordance with the relevant legal requirements. Support was provided to Parties on the election or appointment of officers of Convention and Protocol bodies.

62. LA provided substantive legal advice, as well as organizational support, to the plenary of the Compliance Committee and its facilitative and enforcement branches in a biennium when two questions of implementation were considered and the rules of procedure of the Compliance Committee were amended. The programme supported consideration by the CMP of the third annual report of the Compliance Committee and the adoption of the proposed amendments to its rules of procedure, providing the information required to enable the CMP to provide the Compliance Committee with effective guidance and support.

63. LA ensured that legal agreements to which the secretariat is a party (host country agreements for conferences and agreements through exchange of letters for sessions held away from headquarters, as well as contracts and other agreements) were concluded in accordance with the rules and regulations of the United Nations and UNFCCC legal requirements. LA provided advice and support to the Joint Local Committee on Contracts and the Joint Local Property Survey Board. Issues and concerns raised by the Executive Secretary, programmes, vendors and host governments were resolved in a timely manner.

64. After an extensive survey of existing policies of the United Nations and the secretariat, the programme developed a draft policy on conflict of interest and confidentiality that is currently being reviewed at the United Nations Headquarters. The secretariat held regular consultations with the Host Government concerning the implementation of the Headquarters Agreement. LA advised staff of their rights and obligations under this Agreement, thus facilitating its satisfactory implementation.

H. Conference Affairs Services

65. CAS facilitates participation by Parties and observers in the intergovernmental process, makes logistical preparations for and provides support to sessions, meetings and workshops, and edits and processes UNFCCC documents. It maintains the secretariat's database of contacts and oversees the security arrangements for conferences, working in close collaboration with the United Nations Department of Safety and Security.

66. In the reporting period, CAS made logistical arrangements, including security arrangements and arrangements to facilitate the participation and registration of Parties and observer organizations for a

total of six sessional periods, including the sessions of the COP and the CMP, the SBI, the SBSTA, the AWG-KP and the AWG-LCA.

67. Apart from the plenary meetings of these bodies, the sessions in Bonn encompassed almost 2,000 in-session meetings of contact groups, regional groups, negotiating groups, delegations, observer organizations, side events and media events. In addition, 21 preparatory meetings and four pre-sessional meetings were held prior to the sessions in Bonn.

68. CAS processed an average of 250 requests for financial support for eligible Parties to facilitate their attendance at each of the sessions of the bodies established under the Convention and its Kyoto Protocol, and at the workshops and events held in conjunction with these sessions.

69. Through an enhanced web portal and an online side event registration system, CAS contributed to the effective participation of observer organizations in the negotiation process. This is reflected in the increased number of submissions posted, additional constituency requests as well as the higher number of side events and exhibits. The number of submissions from observer organizations almost tripled in this reporting period compared to the biennium 2006–2007. Requests for recognition of constituency status were made by trade union non-governmental organizations (TUNGOS); non-governmental organizations representing farmers and agricultural producers; women and gender non-governmental organizations; and youth non-governmental organizations. TUNGOS were officially recognized during the reporting period and the status of the other three is currently under assessment. The secretariat staged 522 side events and 220 exhibits during the reporting period. Side event applications for COP 14 increased by 150 per cent on the previous year. Applications for exhibit booths for SB 30 tripled compared to SBI 28, causing a change over of exhibit organizers in the middle of the session.

70. On average, one mandated UNFCCC meeting took place every working day in the period from January 2008 to June 2009. The new cost-allocation mechanism announced in the programme budget for the biennium 2008–2009⁵⁷ enabled CAS to support 104 meetings and workshops in Bonn, by pre-registering participants, facilitating visa matters and/or assisting with logistical arrangements.

71. Overall, 735 documents comprising 14,162 pages were edited and processed by CAS between January 2008 and June 2009, including parliamentary documents and other mandated documents such as review reports. CAS successfully submitted all review reports within their respective deadlines and all parliamentary documentation was available in English before each session. However, owing to the increasing frequency of meetings, translation deadlines could not always be met. As part of the preparations in the run up to the sessions in Copenhagen, CAS has been working very closely with colleagues at the United Nations Office at Geneva (UNOG) to meet the request by Parties that key documents, such as the negotiating texts of the AWG-KP and the AWG-LCA, are available in all languages in a timely manner.

72. With an expanded schedule of sessional periods (10 in this biennium) endorsed by Parties as part of the implementation of the Bali Action Plan, it became necessary to find innovative ways of cooperating with host and donor governments, and United Nations organizations on the funding and organization of meetings. Preparations for the informal meetings of the AWG-KP and the AWG-LCA and the ninth session of the AWG-KP and the seventh session of the AWG-LCA, and COP 15 and CMP 5 were well under way during the reporting period, and the host country agreements for these events were finalized or in the process of being finalized.

73. In addition, work is in progress with the prospective hosts of COP 16 and CMP 6 and COP 17 and CMP 7, and on preparations for any additional sessions in 2010. The reporting period was characterized by a six-fold increase in mandated activities of the programme. The additional financial and human resources that were made available allowed the required work programme to be implemented.

⁵⁷ FCCC/SBI/2007/8, paragraphs 8 and 25.

I. Information Services

74. IS provides the communications backbone of the secretariat covering three service areas: ICT, knowledge management, and communications and media relations. IS ensures that work mandated by Parties is taken forward using dependable and secure ICT supporting infrastructure; it also ensures that the UNFCCC website is continuously available and that Parties have easy access to official documentation, information, data, proceedings and events. The programme ensures that the general public is kept informed of the climate change process through dissemination of information materials and media relations.

75. During the reporting period, the programme maintained a dependable and secure ICT network infrastructure and services that enabled the secretariat to meet the requirements of the intergovernmental process. ICT services were provided to the sessions of the bodies established under the Convention and its Kyoto Protocol as well as 105 workshops and smaller meetings. ICT services and support were provided to the system infrastructure and operational support for the deployment and operation of mandated and secretariat-wide information systems such as the UNFCCC greenhouse gas database, the compilation and accounting database, the GHG data interface, the CDM and JI information systems and the CDM registry as well as the web content management system and the enterprise content management system.

76. The programme ensured that Parties, observers, staff and the general public have access to official documentation and information on the negotiation process. The programme provided consistent internet access at the conferences and the secretariat. A total of 772 new official documents were added to the online documentation archive and made available on the UNFCCC website. During the reporting period, the programme facilitated 10,053 general reference queries and facilitated 2,948 external requests for official documents. There were a total of 22 publications produced; 55,443 copies were distributed at conferences and by mail, and 35,805 copies were downloaded from the UNFCCC website. The programme facilitated the production and distribution of 5,000 copies of the 2009 Rio Conventions Calendar. Webcast services were provided for a total of 24 meetings, contributing to transparency in the intergovernmental process.⁵⁸

77. IS continued the development and implementation of records management procedures in the secretariat. It completed the business classification scheme, which is one of the tool kits of the records management, as well as the development of the file classification scheme and retention schedules for the GHG inventory and national communications record series. The first two phases of the records management system were completed and the records management system was set up for managing the GHG inventory, national communications and LA records series, in which 18,000 records have been saved. The implementation of the web-based submission portal for submitting GHG data and a workflow system with automated record capture was supported.

78. Significant efforts were made to enhance the information available to the general public on the work being carried out under the Convention and the Kyoto Protocol. The UNFCCC website ensures that Parties and other stakeholders have access to up-to-date information of the ongoing negotiations. The Executive Secretary has ensured that the secretariat has provided an adequate response to increased demand for information by the media by providing broadcasting facilities during conferences and a multitude of information products, including speeches, articles, interviews and press releases.

79. The programme responded to the sharply increasing demand for information and content on the UNFCCC website, public information events and information products. The website continues to be the main external source for UNFCCC data, information and documents. During the reporting period, there

⁵⁸ The meetings were: the sessions of the bodies established under the Convention and its Kyoto Protocol, 11 CDM Executive Board meetings, six JISC meetings, and the ninth meeting of the Conference of the Parties to the Convention on Biological Diversity.

were 11.1 million visits to the website, 135 million pages and documents were viewed, 12.6 million portable document format files were downloaded, 4.3 million feeds were accessed and 40,000 podcasts were downloaded. There were six issues of the online newsletter published in English and three issues published in Spanish, including a video message. The 36 videos on the online video news service on YouTube were viewed 10,500 times. There were seven video recordings and three virtual speeches delivered using teleconferencing. During the reporting period, the programme worked closely with the media to enhance understanding and ensure that the media reported accurately on climate change. The programme responded to 10,302 information requests from the media, prepared 65 speeches and articles and 28 press releases, and organized 366 interviews. In 2008 and 2009, IS organized, with support provided on a supplementary basis by some Parties, a series of media training workshops and the programme intends to continue to focus part of the secretariat's outreach effort on such activities.

J. Administrative Services

80. AS provides central support services in the management of the human and financial resources of the secretariat, the development of administrative policies and guidelines, procurement, premises management and travel arrangements. It also liaises with UNOG and the United Nations Secretariat on administrative issues and with the Government of Germany on matters relating to the implementation of the Headquarters Agreement.

81. With the guidance of the management team and in consultation with all programmes, AS ensured that the secretariat's financial resources were managed effectively and activities were implemented within available resources. In accordance with the financial procedures and related decisions of the COP, Parties were regularly informed on the status of their contributions at each session of the SBI, and budget performance reports on the use of resources and related outputs were provided on a yearly basis. AS supported the Executive Secretary in preparing the programme budget for the biennium 2010–2011 and presenting it to the SBI at its thirtieth session.

82. During this period, successful efforts were made to raise funds for a number of mandated activities financed through the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process, including the increased number of sessions in 2008–2009.

83. The programme prepared the financial statements for the biennium 2006–2007, facilitated the audit by the United Nations Board of Auditors and made the audited financial statements, the report of the auditors and the status of implementation of the audit recommendations available to the Parties at COP 14.

84. With the help of the Office of Internal Oversight Services of the United Nations, a major risk assessment analysis of the secretariat's operations was conducted. This was followed by internal auditing of the work relating to the clean development mechanism, conference services, ICT and procurement. Implementation of the recommended actions are at different stages and are continuing.

85. The programme commenced work on the transition from the United Nations System Accounting Standards to the International Public Sector Accounting Standards. This work is being carried out in collaboration with the United Nations Secretariat and UNOG and other organizations in the United Nations system. The introduction of the new accounting standards is expected to result in greater consistency, comparability and transparency in reporting the financial position and performance of the secretariat.

86. In order to optimize guidance on administrative procedures, the programme launched a number of internal policies and guidelines. The outcome from the external review of the administrative operations undertaken in 2008 has been analysed and the first steps in addressing the relevant recommendations have been undertaken. The programme achieved a number of goals in the area of human resources. A total of 141 posts were advertised between January 2008 and June 2009. Efforts to

improve the geographical distribution among staff at the Professional level and above contributed to an increase in the share of staff from non-Annex I Parties from 47.1 per cent in July 2008 to 52.1 per cent in June 2009 (see annex II for details). Despite continued efforts to increase the gender balance at the Professional level and above, no significant progress has been made in this area. The secretariat's efforts to improve the geographical distribution and gender balance resulted in a sharp increase in the volume of applications received. A new online application system helped to manage this increase.

87. Further activities in the area of human resources during the reporting period included the streamlining of the external training programme for staff; the development of a secretariat induction programme; the revision of the extranet site for newly appointed international staff; the organization of an all-staff retreat; the expansion of the writing skills programme; the development of a 360-degree feedback process, a coaching and training programme for managerial staff; the provision of staff counselling services; and the organization of a workshop on managing stress.

88. During the reporting period, 2,170 travel arrangements were made for funded participants and experts who attended a total of 156 meetings. In the area of procurement, over 60 formal and over 240 informal tenders were launched and 18 new long-term contracts were concluded. Based on these tenders and contracts, some 740 purchase orders for goods or services with a total value of approximately USD 20.5 million were placed. These mainly pertained to the establishment, maintenance and improvement of information systems and related technology; the organization of sessions and meetings; and external expertise and consultancies on issues considered by Parties at sessions, meetings and workshops.

89. While the secretariat's workforce has grown, the use of existing office space at its headquarters has been optimized in an attempt to keep staff in the same premises and continue the secretariat's ability to support efficiently the efforts of Parties during a critical period. The secretariat continued to seek support from the Government of Germany in securing appropriate accommodation until the end of 2011, by which time work on the new office facilities at the United Nations Campus is expected to be completed.

III. Additional information

90. Information on income and expenditure on all trust funds administered by the secretariat is contained in annex I. Information on human resources is contained in annex II.

Annex I

[ENGLISH ONLY]

Income and expenditure report**A. Trust Fund for the Core Budget of the UNFCCC****1. Budget**

1. The Conference of the Parties (COP), by its decision 13/CP.13, and the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP), by its decision 11/CMP.3, approved a total budget of USD 54 million (EUR 41.2 million) for the biennium 2008–2009 (see table 1).

Table 1. Programme budget for the biennium 2008–2009

	2008	2009	2008–2009	
	(USD)	(USD)	(USD)	(EUR) ^a
Direct cost for programme activities	23 894 646	23 893 030	47 787 676	36 414 210
Programme support costs	3 106 304	3 106 094	6 212 398	4 733 847
Adjustment to the working capital reserve	31 510	0	31 510	24 011
Total approved budget	27 032 460	26 999 124	54 031 584	41 172 068

^a The exchange rate used (USD 1 = EUR 0.762) is the average exchange rate for the period January to March 2007.

2. Income

2. The approved budget is to be funded from indicative contributions by all Parties, the annual contribution of the Host Government and the unspent balances of previous financial periods. Table 2 shows a list of sources of income.

Table 2. Income for the biennium 2008–2009

	2008	2009	2008–2009	
	(USD)	(USD)	(USD)	(EUR)
Indicative contributions from all Parties	25 025 980	24 992 644	50 018 623	38 114 192
Unspent balance of contributions from previous financial periods (carry-over)	1 000 000	1 000 000	2 000 000	1 524 000
Contribution from the Host Government	1 006 480	1 006 480	2 012 961	1 533 876
Total income	27 032 460	26 999 124	54 031 584	41 172 068

3. By 30 June 2009, USD 39.25 million or 78.5 per cent of the total indicative contribution for the biennium had been received; this includes USD 1.15 million received as advances in previous bienniums. This income is supplemented by receipt of contributions for previous years as shown in table 3.

Table 3. Actual income as at 30 June 2009
(United States dollars)

	2008–2009
Indicative contributions for 2008–2009 to the Convention	23 499 639
Indicative contributions for 2008–2009 to the Kyoto Protocol	14 599 392
Voluntary contribution from the Host Government	2 212 357
Voluntary contribution from other Parties ^a	47 170
Contributions for previous years	1 198 843
Contributions for future years received in advance	245 796
Interest and miscellaneous income	763 218
Total actual income	42 566 415

^a The Subsidiary Body for Implementation, at its twenty-eighth session, urged Parties to make voluntary contributions to the core budget to help cover the shortfall of funds due to the exchange rate fluctuations (see document FCCC/SBI/2008/L.6, paras. 4 and 5).

4. Contributions from five of the top 10, or eight of the top 20, contributors¹ to the Convention for 2009 had not been received by 30 June 2009. Of the 192 Parties to the Convention, 108 had not made their contributions for 2009. Twelve Parties have never made contributions to the core budget of the UNFCCC since its inception in 1996. The status of outstanding contributions is shown in table 4.

Table 4. Outstanding contributions to the Convention by year, as at 30 June 2009
(United States dollars)

	Number of Parties	Outstanding amount
Outstanding since 1 January of:		
1996	12	7 252
1997	15	10 813
1998	16	6 023
1999	16	7 003
2000	17	7 381
2001	20	12 674
2002	21	18 091
2003	25	24 963
2004	31	75 647
2005	35	92 995
2006	41	101 937
2007	49	103 447
2008	60	337 614
2009	108	7 140 740
Total		7 946 580

5. Contributions from five of the top 10, or nine of the top 20, contributors² to the Kyoto Protocol for 2009 had not been received by 30 June 2009 (see table 5). Of the 184 Parties to the Kyoto Protocol, 110 had not made their contributions for 2009.

¹ Contributions by the top 10 contributors make up 74.5 per cent, and those by the top 20 make up 88.6 per cent, of the total indicative contributions.

² Contributions by the top 10 contributors make up 70.8 per cent, and those by the top 20 make up 86.9 per cent, of the total indicative contributions.

Table 5. Outstanding contributions to the Kyoto Protocol by year, as at 30 June 2009
(United States dollars)

	Number of Parties	Outstanding amount
Outstanding since 1 January of:		
2005	30	39 830
2006	38	102 403
2007	49	128 440
2008	59	154 310
2009	110	3 139 653
Total		3 564 636

3. Expenditure

6. Expenditure as at 30 June 2009 amounted to USD 32.4 million (USD 36.6 million including programme support costs) or 68 per cent of the approved budget for the biennium 2008–2009. Table 6 (a) provides a comparison of budget appropriation for the biennium and expenditure for the first 18 months, by programme. Secretariat-wide operating costs were above the ideal implementation rate of 75 per cent for this time in the biennium, which is due to a loss resulting from exchange rate fluctuations between the United States dollar and the euro and the costs for training and recruitment and separation of staff.

Table 6 (a). Expenditure by programme, as at 30 June 2009

	Approved budget for 2008–2009		Expenditure as at 30 June 2009		Expenditure as a percentage of budget	
	(USD)	(EUR) ^a	(USD)	(EUR) ^b	(USD)	(EUR)
A. Programme						
Executive Direction and Management (EDM)	4 283 491	3 264 020	2 818 231	1 972 762	65.8	60.4
Reporting, Data and Analysis (RDA)	9 165 724	6 984 282	6 120 953	4 284 667	66.8	61.3
Financial and Technical Support (FTS)	5 767 828	4 395 085	3 417 455	2 392 219	59.3	54.4
Adaptation, Technology and Science (ATS)	5 751 568	4 382 695	3 844 309	2 691 016	66.8	61.4
Sustainable Development Mechanisms (SDM)	2 782 771	2 120 472	1 802 280	1 261 596	64.8	59.5
Legal Affairs (LA)	3 940 199	3 002 432	2 058 668	1 441 068	52.2	48.0
Office of the Deputy Executive Secretary (ODES)	1 522 014	1 159 775	1 168 697	818 088	76.8	70.5
Conference Affairs Services (CAS)	3 254 667	2 480 056	2 582 614	1 807 829	79.4	72.9
Information Services (IS)	8 104 898	6 175 932	5 689 014	3 982 310	70.2	64.5
B. Secretariat-wide operating costs^c	3 214 516	2 449 461	2 935 123	2 054 586	91.3	83.9
Total (A+B)	47 787 676	36 414 209	32 437 344	22 706 141	67.6	62.1

^a The exchange rate used (USD 1 = EUR 0.762) is the average rate for the period from January to March 2007.

^b The exchange rate used (USD 1 = EUR 0.700) is the average rate for the period from January 2008 to June 2009.

^c Secretariat-wide operating costs are managed by the Administrative Services programme (AS).

7. Table 6 (b) presents expenditure divided into six categories. ‘Staff costs’ include salaries and common staff costs of staff members appointed to approved posts, salaries of short-term staff, temporary assistance and overtime. Other external expertise, both individual and institutional, is included under

‘consultants’. Travel of staff on official missions is shown separately from travel of experts to workshops and informal consultations. ‘General operating expenses’ include payments to the United Nations Common Services Unit in Bonn, Germany, for premises management, which provides logistical and administrative services to the secretariat, and the annual contribution to the Intergovernmental Panel on Climate Change.

Table 6 (b). Expenditure as at 30 June 2009

Object of expenditure	Approved budget for 2008–2009 (USD)	Expenditure as at 30 June 2009 (USD)	Expenditure as a percentage of budget	Percentage of expenditure by object
Staff costs	35 648 213	25 065 183	70.3	77.3
Consultants	1 653 000	986 188	59.7	3.0
Expert groups	3 009 800	822 450	27.3	2.5
Travel of staff	1 490 848	1 328 748	89.1	4.1
General operating expenses	3 849 315	2 972 047	77.2	9.2
Grants and contributions	2 136 500	1 262 728	59.1	3.9
Total direct expenditure	47 787 676	32 437 344	67.9	100.0

8. Most objects of expenditure remain under the ideal implementation rate of 75 per cent with the exception of travel of staff, which is related to the increased demands on the secretariat to participate in important events. Staff costs are expected to increase slightly in the next six months due to the falling exchange rate of the United States dollar against the euro and with the settlement of education grants in the amount of USD 432,100 from the previous academic year (2008–2009). The costs of expert groups continued to remain low in the first 18 months of the biennium mainly because there were fewer Compliance Committee meetings than expected.

B. Trust Fund for Participation in the UNFCCC Process

9. The secretariat continues to apply its current policy of providing financial support to eligible Parties. Parties are eligible for funding if their per capita gross domestic product did not exceed USD 7,500 in 2006 according to the statistics published by the United Nations Conference on Trade and Development. This ceiling is raised to USD 14,000 in the case of small island developing States.³

1. Income

10. As at 30 June 2009, voluntary contributions received for this biennium amounted to USD 11.3 million. This amount, added to the carry-over balance from the previous financial period, accrued interest, and other miscellaneous income, resulted in a total income of USD 14.8 million.

2. Expenditure

11. Expenditure incurred during the first 18 months of the biennium 2008–2009 amounted to USD 7.4 million, which covered the participation of eligible Parties to six sessions (one in Accra, Ghana, one in Bangkok, Thailand, one in Poznan, Poland, and three in Bonn) resulting in a balance of income over expenditure of USD 7.4 million. After setting aside approximately USD 440,000 as operating cash reserve (based on 10 per cent of expenditures incurred in 2008), the balance, together with any further voluntary contributions received to the trust fund, will be used to cover the participation of eligible Parties to the informal meeting of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) in Bonn. It will also be used to cover the participation of eligible Parties to the first part of the ninth session of the AWG-KP and the first part of

³ The SBI, at its twenty-sixth session, requested the secretariat to discontinue the practice of not supporting Parties that have not paid their contributions to the core budget for two years or more (FCCC/SBI/2007/L.5).

the seventh session of the AWG-LCA in Bangkok the resumed ninth session of the AWG-KP and resumed seventh session of the AWG-LCA in Barcelona, Spain, and the fifteenth session of the COP and the fifth session of the CMP in Copenhagen, Denmark.

12. Table 7 provides information on income and expenditure under the Trust Fund for Participation in the UNFCCC Process during this reporting period.

**Table 7. Status of the Trust Fund for Participation in the UNFCCC Process
as at 30 June 2009
(United States dollars)**

Income	
Brought forward from 2006–2007	3 013 669
Savings on prior period obligations	254 226
Contributions received in 2008–2009	11 267 865
Interest	288 464
Miscellaneous income	22 246
Total income	14 846 470
Expenditure	
Travel of 104 participants to AWG-KP 5 and AWG-LCA 1	464 559
Travel of 180 participants to the twenty-eighth sessions of the SBI and the SBSTA, AWG-KP 5 and AWG-LCA 2	1 139 332
Travel of 162 participants to AWG-KP 6 and AWG-LCA 3	760 387
Travel of 255 participants to COP 14, CMP 2, the twenty-ninth sessions of the SBI and the SBSTA, the resumed sixth session of the AWG-KP and AWG-LCA 4	1 499 797
Travel of 195 participants to AWG-KP 7 and AWG-LCA 5	1 122 357
Travel of 255 participants to the thirtieth sessions of the SBI and the SBSTA, AWG-KP 8 and AWG-LCA 6	1 487 314
Advance costs in preparation of travel for participation at the informal meeting in August of the AWG-KP and the AWG-LCA	93 807
Other travel-related costs	14 584
Total direct expenditures	6 582 137
Programme support costs	855 678
Total expenditures	7 437 815
Balance	7 408 655

Abbreviations: AWG-KP = Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, AWG-LCA = Ad Hoc Working Group on Long-term Cooperative Action under the Convention, COP = Conference of the Parties, CMP = Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, SBI = Subsidiary Body for Implementation, SBSTA = Subsidiary Body for Scientific and Technological Advice.

C. Trust Fund for Supplementary Activities

13. A number of mandated core activities continue to be funded from the Trust Fund for Supplementary Activities through voluntary contributions made by Parties, enabling the secretariat to implement more effectively the work programme for this biennium. Contributions in support of the negotiations under the AWG-KP and the AWG-LCA, as well as fees for joint implementation (JI), are also paid into this trust fund.

1. Income

14. Voluntary contributions amounting to USD 33.3 million were received during this reporting period. In addition, USD 0.5 million in JI fees have been paid into the trust fund. Taking into account the carry-over balance from the biennium 2006–2007, interest and miscellaneous income, and savings on prior period obligations, income to the trust fund currently stands at USD 50.7 million.

2. Expenditures and commitments

15. The secretariat has spent a total of USD 25.2 million on various projects implemented in the current biennium, some of which are ongoing from the biennium 2006–2007. The available balance of USD 25 million will be used to finance ongoing activities for the remainder of this biennium and to start activities in the next biennium, pending the receipt of new contributions.

16. A list of projects and activities funded from the Trust Fund for Supplementary Activities, which will include a detailed overview of the status of income received and expenditures incurred, will be presented to Parties at the thirty-first session of the SBI (FCCC/SBI/2009/INF.10).

17. Table 8 provides information on income received and expenditures incurred under the Trust Fund for Supplementary Activities during the 18-month reporting period, which includes fee-based income related to the JI projects.

Table 8. Status of the Trust Fund for Supplementary Activities as at 30 June 2009
(United States dollars)

Income	
Brought forward from 2006–2007	13 016 170
Savings on prior period obligations	642 590
Voluntary contributions	33 335 336
Joint implementation fees	521 756
Interest	3 165 013
Miscellaneous income	58 263
Refund to donors	(12 088)
Total income	50 727 040
Expenditures	
Expenditures and commitments	22 448 759
Programme support costs	2 780 940
Less: Total expenditures	25 229 699
Fees set-aside	
Joint implementation fees	521 756
Balance	24 975 585

D. Trust Fund for the Clean Development Mechanism

18. Under the Trust Fund for the Clean Development Mechanism (see table 9), the income received in the biennium 2008–2009, including the carry-over from the previous biennium, amounted to USD 96.7 million. Expenditure as at 30 June 2009 was USD 27.4 million, leaving a balance of USD 24.3 million after accounting for the operating reserve.

19. For more detailed information on budget performance of the clean development mechanism, see the annual report of the Executive Board of the clean development mechanism to the CMP (FCCC/KP/CMP/2009/16).

Table 9. Status of the Trust Fund for the Clean Development Mechanism as at 30 June 2009
(United States dollars)

Income	
Brought forward from 2006–2007	39 894 108
Income 2008–2009	
Clean development mechanism fees	56 089 511
Voluntary contributions	288 036
Programme support cost income	45 986
Interest	394 545
Total income	96 712 186
Object of expenditure	
Staff	18 289 169
Travel	3 483 322
Contractual services	136 190
Operational expenses	1 979 999
Acquisitions of furniture and equipment	46 271
Fellowships, grants, other	369 848
Programme support costs	3 089 979
Total expenditure	27 394 778
Less: Operating reserve	45 000 000
Balance	24 317 408

E. Trust Fund for the International Transaction Log

20. The status of the Trust Fund for the International Transaction Log as at 30 June 2009 is presented in table 10. During the reporting period, 96.7 per cent of fees for 2008 and 85.0 per cent of fees for 2009 had been collected. After accounting for total expenditure and the operating reserve, the balance was USD 2.4 million.

21. For more detailed information on budget performance of the international transaction log, see the annual report of the administrator of the international transaction log under the Kyoto Protocol (FCCC/KP/CMP/2009/19).

Table 10. Status of the Trust Fund for the International Transaction Log as at 30 June 2009
(United States dollars)

Income	
Brought forward from 2006–2007	(420 187)
Income collected in 2008–2009	
International Transaction Log fees	7 770 464
Voluntary contributions	1 062 989
Interest	93 669
Total income	8 506 935
Object of expenditure	
Staff	1 812 209
Travel	65 940
Contractual services	3 044 221
Operational expenses	119 493
Acquisitions of furniture and equipment	2 886
Fellowships, grants, other	19 245
Programme support costs	652 598
Total expenditure	5 716 591
Less: Operating reserve	370 110
Balance	2 420 234

**F. Trust Fund for the Special Annual Contribution from the Government of Germany
(Bonn Fund)**

22. As part of its offer to host the UNFCCC secretariat in Bonn, the Government of Germany pledged a special annual contribution (the Bonn Fund) of EUR 1.8 million. By 30 June, the contribution for 2009 had been received in full. Table 11 shows income and expenditure under the Bonn Fund in 2008–2009 as at 30 June 2009. This fund was used to cover the costs of organizing and ensuring the flow of information relating to the twenty-eighth and thirtieth sessions of the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice. It also enabled the organization of the fifth and eighth sessions of the AWG-KP and the second and sixth sessions of the AWG-LCA (including four in-session workshops and 13 pre-sessional meetings), which were held in Bonn during the biennium.

23. The conference servicing costs related to the sessions increased slightly in this biennium, which was compounded by the weak exchange rate between the United States dollar and the euro at the time of payment. The negative balance in the Bonn Fund is attributed to the payment of value added tax that will be reimbursed before the end of the biennium.

Table 11. Status of the Bonn Fund as at 30 June 2009
(United States dollars)

Income	
Contributions ^a	5 087 461
Interest and miscellaneous income	72 954
Total income	5 160 415
Expenditure	
Conference support	
Conference facilities	2 514 002
Staff	773 575
Subtotal	3 287 577
Conference information support	
Computers and networking	779 548
Staff	127 374
Subtotal	906 922
Workshops	38 174
Share of costs for common services	125 413
Programme support costs	566 551
Total expenditure	4 924 637
Prior period adjustments	2 173
Less: Working capital reserve	300 000
Balance	(62 049)

^a Equivalent to EUR 1,789,522 per year.

G. Programme support costs

24. In accordance with the financial procedures of the United Nations, 13 per cent overhead charges are payable on all trust funds of the UNFCCC to cover administrative services. Most of these services are provided within the secretariat by the Administrative Services programme. Central services such as audit, payroll, investment and treasury services are provided by the United Nations on a reimbursable basis.

25. As at 30 June 2009, the income for the period 1 January 2008–30 June 2009 amounted to USD 12.6 million and includes interest and miscellaneous income. In the same period, USD 9.6 million was used to cover staff and non-staff costs. The charges for services rendered by the United Nations Office at Geneva, estimated at USD 490,000 for 2009, will be charged and paid during the second half of 2009. Table 12 shows the status of the programme support costs for the first 18 months of the biennium 2008–2009.

Table 12. Status of programme support costs as at 30 June 2009
(United States dollars)

Income	
Carry-over from 2006–2007	5 559 130
Programme support costs income from trust funds	12 033 698
Interest and miscellaneous income	537 698
Total income	18 130 526
Expenditure	
Secretariat staff costs	7 639 772
Secretariat non-staff costs	1 235 486
Share of costs for common services	741 348
Total expenditure	9 616 606
Less: Operating reserve	1 526 102
Balance	6 987 818

Annex II

[ENGLISH ONLY]

Human resources**A. Staff**

1. There are 364.5 established posts, of which 141.5 posts are in the approved staffing table of the core budget and 223 posts under the Trust Fund for Supplementary Activities, the Trust Fund for the Clean Development Mechanism, the Trust Fund for the International Transaction Log, the Trust Fund for the Special Annual Contribution from the Government of Germany and programme support costs (overheads) (see table 13). As at 30 June 2009, 272.5 staff members had been appointed against established posts, in addition to 36 Professional and 41 General Service level staff members hired under temporary assistance contracts, bringing the total number of staff to 349.5.

**Table 13. Comparison of established posts and filled posts
by source of funding, as at 30 June 2009**

	ASG	D-2	D-1	P-5	P-4	P-3	P-2	P-1	Sub- total	GS	Total
Core budget											
Approved	1	3	6	12	24	32	10		88	53.5	141.5
Filled ^a	1	3	5	9	22	22	9		71	44.5	115.5
Supplementary											
Approved		1		3	3	7	7		21	8	29
Filled		1		3	3	5	6		18	5	23
CDM											
Approved			1	3	14	29	37	1	85	40	125
Filled				3	8 ^b	16	22	1	50	24	74
ITL											
Approved					3	3	1		7	3	10
Filled					3	3			6	2	8
Bonn Fund											
Approved						1	1		2	6	8
Filled						1			1	6	7
Overhead											
Approved			1	2	3	9	4		19	32	51
Filled			1	2	3	7	4		17	28	45
Total											
Approved	1	4	8	20	47	81	60	1	222	142.5	364.5
Filled	1	4	6	17	39	54	41	1	163	109.5	272.5

Abbreviations: ASG = Assistant Secretary-General, CDM = clean development mechanism, D = Director, GS = General Service, ITL = international transaction log, P = Professional.

^a Filled posts are occupied by staff members who have been awarded a fixed-term contract of one year or more and are appointed against established posts after going through the complete recruitment process, including review by the Review Board.

^b One post filled by a staff member at one level lower awaiting promotion.

2. The secretariat has continued to improve on its efforts in relation to geographical distribution and gender balance among staff at the Professional level and above. Vacancy announcements are placed in many regional and global media covering as many Parties not included in Annex I to the Convention (non-Annex I Parties) as possible. Information on the geographical distribution of the staff appointed at the Professional level and above is provided in table 14 (a). The distribution of staff members appointed at the Professional level and above, between Parties included in Annex I to the Convention and non-Annex I Parties and by gender, is shown in table 14 (b). From July 2008 until June 2009, the percentage of female staff increased by 0.4 per cent. The percentage of staff from non-Annex I Parties at the Professional and higher level increased from 47.1 to 52.1 per cent.

Table 14 (a). Geographical distribution of staff members appointed at the Professional level and above, as at 30 June 2009

Grade	Africa	Asia and the Pacific	Latin America and the Caribbean	Eastern Europe	Western Europe and Others	Total
ASG					1	1
D-2	1	1			2	4
D-1	2	1	1	1	1	6
P-5	5	3	1	2	6	17
P-4	4	8	5	3	19	39
P-3	2	21	4	9	18	54
P-2	3	17	8	1	12	41
P-1					1	1
Total	17	51	19	16	60	163
Percentage of total	10.4	31.3	11.7	9.8	36.8	100

Abbreviations: ASG = Assistant Secretary-General, D = Director, P = Professional.

Table 14 (b). Distribution of staff members appointed at the Professional level and above, between Annex I and non-Annex I Parties and by gender

Grade	Annex I	Non-Annex I	Male	Female
ASG	1		1	
D-2	2	2	4	
D-1	2	4	4	2
P-5	8	9	13	4
P-4	23	16	29	10
P-3	28	26	30	24
P-2	13	28	24	17
P-1	1		1	
Total	78	85	106	57
Percentage of total	47.9	52.1	65.0	35.0

Abbreviations: ASG = Assistant Secretary-General, D = Director, P = Professional.

B. Consultants and individual contractors

3. Between 1 January 2008 and 30 June 2009 a total of 212 individual consultants and contractors were hired. They provided a combined total of 496.3 working months at a total cost of USD 3,843,581 under all sources of funding. Table 15 provides information on how services were distributed among the various programmes.

**Table 15. Services of individual consultants and contractors by programme,
1 January 2008 to 30 June 2009**

Programme	Person-months	Cost (USD)
Executive Direction and Management	22.3	209 524
Reporting, Data and Analysis	20.5	226 538
Financial and Technical Support	38.4	421 608
Adaptation, Technology and Science	70.5	893 060
Sustainable Development Mechanisms	139.7	792 126
Legal Affairs	4.2	52 268
Office of the Deputy Executive Secretary	2.0	28 434
Conference Affairs Services	90.6	479 456
Information Services	82.1	558 244
Administrative Services	26.0	182 323
Total	496.3	3 843 581
