



## Trust Fund for Participation in the UNFCCC Process

### *Background of this document*

At the forty-sixth session of the Subsidiary Body for Implementation (SBI) Parties requested the secretariat to organize a technical workshop on the margins of SBI 47 to discuss ways to increase the efficiency and transparency of the UNFCCC budget process.<sup>1</sup>

This document, one of five that the secretariat has prepared for the above-mentioned technical workshop, provides information on the Trust Fund for Participation in the UNFCCC process and eligibility criteria established thereunder.

## I. Executive Summary

1. This document provides background information on the Trust Fund for Participation in the Negotiation Process, describes the eligibility criteria applied to provide financial support to Parties, and implementation of the policy by the secretariat.

## II. Background information

### A. Establishment and coverage of the Trust Fund for Participation in the UNFCCC Process

2. The Trust Fund for Participation in the UNFCCC Process (hereinafter referred to as the trust fund) was first set up in support of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change to ensure that developing countries, in particular the least developed countries (LDCs) and small island developing States (SIDS), were able to participate fully and effectively in the climate change negotiating process.<sup>2</sup>

3. Pursuant to paragraph 15 of the financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change, its subsidiary bodies and its permanent secretariat contained in the annex to decision 15/CP.1, the trust fund supports the participation of representatives of developing country Parties, in particular the LDCs and SIDS, and other Parties with economies in transition in the sessions of the Conference of the Parties (COP) and its subsidiary bodies, under the administration of the UNFCCC Executive Secretary.

4. Pursuant to paragraph 8 (b) of decision 16/CP.2, the trust fund is also used to finance the participation of representatives of eligible Parties in intersessional meetings of the Bureau of the Convention bodies, and the participation of Bureau members in consultations or official meetings relating to the UNFCCC process.

5. In addition, the trust fund provides support to the chairs of the negotiating groups of the Group of 77 and China, the LDCs and SIDS and the African Group to attend the sessions under

<sup>1</sup> FCCC/SBI/2017/7, paragraph 129

<sup>2</sup> United Nations General Assembly resolution 45/212.

the Convention, and covers the participation of all eligible Parties in the preparatory meetings of these negotiating groups.

6. The eligibility criteria for accessing the trust fund were established at the beginning of the negotiating process on climate change, even before the ratification of the Convention. The United Nations General Assembly, by resolution 45/212 of 21 December 1990, decided to establish a Special Voluntary Fund, administered by the head of the ad hoc secretariat under the authority of the United Nations Secretary-General. The Special Voluntary Fund was the predecessor for the trust fund. On 5 May 1992, in reviewing the extra-budgetary funds, the head of the ad hoc secretariat informed United Nations Member States that the ad hoc secretariat was using gross domestic product (GDP) as the criterion for elaborating the list of funded States.<sup>3</sup> This criterion was developed further on 20 November 1992.<sup>4</sup> When the secretariat was established at COP 1,<sup>5</sup> this criterion formed the basis for policies maintained in the organization of the trust fund. Since then, the policy has been noted every year by Parties without objection in the corresponding budgetary documentation.

## **B. Eligibility criteria**

7. The eligibility criterion to gain access to the resources of the trust fund is based on a measure of Parties' GDP per head as an indicator of their need for support.

8. Two different thresholds are fixed on that basis: one represents the ceiling for all Parties, and the other for SIDS and Bureau members. The latter threshold is higher in order to take into consideration the economic structure (based on banking and financial transactions) of certain SIDS with a high GDP per capita that does not reflect a high revenue of the population. This threshold also facilitates the work of the Bureau members, maximizing the possibility to provide financial support to Parties providing officers to the Bureau.

9. Currently, the trust fund provides financial support to Parties with a GDP per capita income of less than USD 14,000, and USD 18,000 for SIDS and for Parties that provide officers to the Bureau, which is based on the statistics provided by the United Nations Conference on Trade and Development for 2011. Statistics and thresholds are reviewed periodically taking into consideration the needs of the negotiating process.

10. The administration of funds by the secretariat must include clear and consistent guidelines and limits to allow the determination of Parties eligible for funding in a transparent and unbiased manner. The criterion based on the GDP per capita income of each Party has been used to determine eligibility over the last 20 years.

11. Thresholds are fixed in such a way as to maintain the level of financial support while matching the needs of the negotiating process. The advantage of using a GDP indicator is that it allows the secretariat to set limits in accordance with the resources available. It also provides objectivity to the selection process, in particular when statistics come from recognized global institutions.

12. The criterion reflects the essential purpose of the trust fund, which is to facilitate the participation of developing country Parties in the negotiating process on climate change. It also provides a clear distinction between contributors to the trust fund and funded Parties.

13. Another important element of this policy is its applicability. The eligibility criterion based on GDP per capita income is applied to the funding of participation in all UNFCCC bodies with the exception of those that set up particular rules. In that case, the rules must be accompanied by sufficient resources available in the relevant fund and the decision thereon must be consistent with the financial rules and regulations of the United Nations.

---

<sup>3</sup> See United Nations General Assembly document A/AC.237/20.

<sup>4</sup> See United Nations General Assembly document A/AC.237/23.

<sup>5</sup> Article 21, paragraph 1, of the Convention.

### III. Management of the Trust Fund for Participation in the UNFCCC Process

14. The number of participants and Bureau members financed from the trust fund in 2016 was 579.

15. Following current practice, and subject to the availability of financial resources, for sessions of the subsidiary bodies the secretariat provides financial support to one delegate from each Party eligible for funding, plus an additional delegate for SIDS and the LDCs. For sessions of the COP the secretariat provides financial support to two delegates from each Party eligible for funding, plus an additional delegate for SIDS and the LDCs.

16. Table 1 provides an overview of the funding provided by the trust fund for sessions in 2016.

Table 1  
Number of Parties funded by the Trust fund in 2016

	<i>Expected number of Parties</i>	<i>Processed number of Parties</i>	<i>Actual participation (number of Participants)</i>	<i>Funded Parties</i>
First sessional period, in Bonn	233	227	223	<b>138</b>
Second sessional period, in Marrakech	377	369	356	<b>142</b>
<b>Total</b>	<b>610</b>	<b>596</b>	<b>579</b>	

### IV. Resources needed per year to operate the Trust Fund for Participation in the UNFCCC Process

17. The requirements for funding the participation of eligible Parties in the sessions of the relevant bodies and the meetings of the COP bureau vary depending on factors such as location and time of meeting, flight availability, etc., as these affect the cost of travel and the daily subsistence allowance for each participant. Participation is based on available funding to support various options. Table 2 provides an example of the possible costs for 4 different options for delegates participation.

Table 2  
Resource requirements for the Trust Fund for Participation in the UNFCCC Process

<i>Sessional option</i>	<i>Estimated cost (EUR)</i>
Option 1: support for one delegate from each eligible Party to participate in a two-week session organized in Bonn <sup>a</sup>	1 017 582
Option 2: support for one delegate from each eligible Party, plus a second delegate from each least developed country and each small island developing State, to participate in a two-week session organized in Bonn <sup>a</sup>	1 561 042
Option 3: support for two delegates from each eligible Party to participate in a two-week session organized in Bonn <sup>a</sup>	2 035 164
Option 4: support for two delegates from each eligible Party, plus a third delegate from each least developed country and each small island developing State, to participate in a two-week session organized in Poland <sup>a</sup>	2 880 338

<sup>a</sup> Locations provided as examples.

## **V. Policies on financial support for the participation of representatives of Parties from other UNFCCC trust funds**

### **A. Participation in meetings of the constituted bodies under the Kyoto Protocol of all members and alternate members**

1. The issue of funding for travel-related expenditures of members and alternate members of constituted bodies was considered and discussed by the SBI and the CMP in the past. Different constituted bodies have different approaches decided by each constituted body. Concerning new bodies, in the absence of alternative guidance, the policy applied for the Trust Fund for Participation in the UNFCCC Process has been applied by default to those bodies, including the established eligibility criteria for funding for travel-related expenditures.

2. In this context, it should be recalled that the Subsidiary Body for Implementation (SBI), at its thirty-sixth session, considered and reviewed the policy and budgetary implications of funding the travel to and participation in meetings of the constituted bodies under the Kyoto Protocol of all members and alternate members. This was in response to a request made by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its seventh session, for the secretariat to prepare a report on such implications for consideration at SBI 36.<sup>1</sup>

3. On the basis of that report,<sup>2</sup> the SBI recommended to the CMP for its consideration that the current practice relating to funding for travel-related expenditures of members and alternate members of the constituted bodies be maintained.<sup>3</sup>

### **B. Funding the participation of representatives from developing country Parties designated by their respective regional groups to participate in meetings of the constituted bodies established under the Convention, and elected by parent bodies**

4. Representatives of developing country Parties designated by their respective regional groups to participate in meetings of the constituted bodies established under the Convention, and elected by parent bodies, are eligible for funding under the Trust Fund for the Core Budget of the UNFCCC and the Trust Fund for Supplementary Activities.<sup>4</sup>

---

<sup>1</sup> Decision 12/CMP.7, paragraph 4.

<sup>2</sup> FCCC/SBI/2012/INF.1.

<sup>3</sup> FCCC/SBI/2012/15, paragraph 270.

<sup>4</sup> FCCC/CP/2013/10, paragraph 145.