

Annex III

Zero nominal growth scenario

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5. Just as in the enhanced delivery budget proposed for approval in this document, a zero growth budget would not allow for maintaining the grant to the Intergovernmental Panel on Climate Change (IPCC) that is traditionally included in the core budget (see para. 50(d) of this document).

6. The support to the intergovernmental process is essentially maintained, although there may be some reduction in responsiveness due to less staff resources being available (see para. 10 below for examples). Nevertheless, the provision of support for the recently established bodies of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and the Ad Hoc Working Group on the Paris Agreement as well as support to Parties' consultations in relation to the Paris Agreement under the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice are absorbed within the zero growth baseline.

7. The operations of the constituted bodies will be affected to some extent by the limited availability of core budget resources in a zero growth scenario. While every effort has been made in the preparation of the budget to maintain two meetings for each constituted body during the biennium, additional meetings would be reliant on supplementary funding. The potential for holding virtual meetings will be explored. Substantive support to the work of some of the bodies will be marginally affected by the staff reductions. Budgetary provisions in relation to the Paris Committee on Capacity-building will be limited. Fewer resources for supporting the implementation of the workplans of the constituted bodies will affect to differing degrees:

- (a) The development of the clearing house for risk transfer;
- (b) The Forum of the Standing Committee on Finance;
- (c) The biennial assessment and overview of climate finance flows;

(d) The review of the adequacy and effectiveness of adaptation and support.

8. The budget in a zero growth scenario will continue to include significant provisions for the implementation and further development of the measurement, reporting and verification (MRV) regime. However, in spite of the ongoing measures to increase efficiency, a number of limitations apply, including:

(a) While technical reviews of the submitted greenhouse gas (GHG) inventories from Parties included in Annex I to the Convention (Annex I Parties) are to be implemented every year for every Party, there would be provision in the core budget to support the individual reviews of these inventories and the related supplementary information under the Kyoto Protocol only once per Party involved per biennium. Additional individual reviews could be implemented if supported through supplementary funding. However, it might be argued that after over 20 years, further improvements to inventories attributable to annual reviews add little value and do not justify the high costs associated with this effort.;

(b) There would be provision in the core budget to support technical in-depth reviews of national communications and biennial reports from developed country Parties, as part of the international assessment and review process, once every four years for every Party involved; supplementary funding would be required to implement such reviews once per biennium for every Party;

(c) There will be provision in the core budget to support the conduct of up to 22 analyses of biennial update reports from developing country Parties, as part of the international consultation and analysis process; additional analyses, if needed, would have to be supported by supplementary funding.

9. More limited resources and/or less predictable funding for promoting stakeholder engagement and outreach will affect:

(a) The development and operationalization of the local communities and indigenous peoples platform;

(b) Support of the management of a large array of side events and exhibits, an area of significant growth over the past years;

(c) The implementation of technology action plans, in particular in relation to the engagement of financial providers and the ability of the Technology Executive Committee to play a catalytic role.

10. In the zero nominal growth scenario, the advancement of the post-Paris priorities identified by the Executive Secretary will be dependent on supplementary funding and therefore cannot be assured. Affected priorities will include:

(a) Basic support to the high-level champions and to stronger coordination of diverse initiatives;

(b) The ability of the secretariat to catalyse support for countries in their implementation of nationally determined contributions, national adaptation plans, technology needs assessments and other key deliverables, by working with partners and using targeted initiatives, which will not be advanced;

(c) Efforts to promote stronger engagement of other United Nations entities and the integration of the implementation of the Paris Agreement with the 2030 Agenda for Sustainable Development, which will be minimal.

11. Furthermore, a significantly more constrained budget, consistent with a zero nominal growth scenario, would affect other areas of support of the intergovernmental process, in terms of reducing the level and/or quality of services and/or delaying action, including:

- (a) The development of adaptation communications;
- (b) The development and operationalization of the adaptation registry;
- (c) The development of the Technology Framework and the scope and modalities for the periodic assessment of the Technology Mechanism;
- (d) Support of negotiations in relation to the clean development mechanism, joint implementation, land use, land-use change and forestry, and Article 6 of the Paris Agreement;
- (e) Legal advice and services;
- (f) The scope of conference services in relation to support to observers and meetings management;
- (g) Webcasting services for meetings and events;
- (h) Multilingual content on the UNFCCC website;
- (i) Work under Article 6 of the Convention, known as Action for Climate Empowerment.