

Proposed programme budget for the biennium 2016–2017

Questions and Answers, 13 May 2017

Q1. Is the secretariat able to provide an update on any impacts of unpredictable cash flow and whether any plans are being developed to address such impacts?

The key impact of unpredictable cash flow is on planning and implementation of planned activities. In the case of supplementary funding, unpredictable cash flow means that no projects can commence until a proposal is both signed and cash received within the organization. In addition, for core funded activities, to ensure sound cash management, allotments are dictated by available cash which may not necessarily align to the timing and scale of planned activities.

To establish a more predictable cashflow, UNFCCC started enhancing the clarity of the reminder letters regularly sent to Parties that have outstanding contributions by referring to a provision contained in the UNFCCC financial procedures contained in the annex to decision 15/CP.1 which reads as follows:

(...) each Party shall, prior to 1 January of each year, inform the head of the Convention secretariat of the contribution it intends to make that year and of the projected timing of that contribution.

Q2. Is the secretariat able to provide an update on the issue of exchange rate losses that was raised at COP 22?

UNFCCC participates in the United National Treasury main pool. In 2015, UNFCCC saw a loss due to a negative FX loss related to the Euro currency weakening against the USD. During 2016 UNFCCC moved its holdings from the Euro Pool into the main pool and as a result the net losses for the year were USD 630 000, considerably lower than the previous year. (9.6MM USD)
