



SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-eighth session

Bonn, 4–13 June 2008

Agenda item 14 (a)

Administrative, financial and institutional matters

Budget performance for the biennium 2008–2009

Budget performance for the biennium 2008–2009

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI) took note of the information on the budget performance for the biennium 2008–2009, including information on measures to address the adverse effects of the exchange rate fluctuations on the core budget of the secretariat,¹ and the status of contributions as at 15 May 2008.²
2. The SBI prepared texts for two draft decisions for the Conference of the Parties (COP) at its fourteenth session and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fourth session (December 2008), and agreed to continue deliberating on this matter at its twenty-ninth session (December 2008) on the basis of these draft texts contained in the annex to these conclusions.
3. The SBI recommended that the COP and the CMP authorize the Executive Secretary to incur expenditure for the biennium in United States dollars up to the equivalent of EUR 41,172,068³ at the average exchange rate between 1 January 2008 and 31 December 2009, provided that expenditure is covered by related income.
4. The SBI recommended that the COP and the CMP authorize the Executive Secretary to draw up to an additional USD 2.0 million from unspent balances (carry-over) from previous financial periods to offset part of the shortfall due to the exchange rate fluctuations.
5. The SBI urged Parties to make voluntary contributions to the core budget to help cover the shortfall referred to in paragraph 4 above.
6. The SBI took note that the Executive Secretary may have to delay certain activities until such voluntary contributions are received.

¹ FCCC/SBI/2008/3.

² FCCC/SBI/2008/INF.6.

³ This amount was approved by the COP at its thirteenth session by its decision 13/CP.13. The authorization to spend up to this amount will not affect indicative contributions in the biennium 2008–2009.

7. The SBI recommended that the COP and the CMP request the Executive Secretary, when preparing the programme budget for the biennium 2010–2011 for consideration by the SBI at its thirtieth session (June 2009), to take into consideration ways to minimize the effects of exchange rate fluctuations on the core budget, including the measures suggested in document FCCC/SBI/2005/8.

8. The SBI expressed its appreciation to Parties that paid their contributions to the core budget in a timely manner, and expressed concern over the outstanding contributions and urged those Parties that have not yet paid their contributions to do so as soon as possible.

9. The SBI acknowledged with appreciation the voluntary contributions made by Parties to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities, and urged Parties to further contribute to these trust funds, particularly in view of the decision⁴ to increase the number of sessions in 2008–2009.

⁴ Decision 1/CP.13 (the Bali Action Plan).

Annex**Texts for draft decisions for consideration by the
Subsidiary Body for Implementation at its twenty-ninth session**

[The Subsidiary Body for Implementation, at its twenty-eighth session, decided to continue its consideration of issues relating to the budget performance for the biennium 2008–2009 at its twenty-ninth session on the basis of the draft texts below.

I. Budget performance for the biennium 2008–2009

The Conference of the Parties,

Recalling decision 13/CP.13, which approved the programme budget for the biennium 2008–2009 and requested the Executive Secretary to report to the Conference of the Parties at its fourteenth session on income and budget performance, and to propose any adjustments that might be needed in the programme budget for the biennium 2008–2009,

Recalling paragraph 11 of the financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change,¹

Having considered the information in documents prepared by the secretariat on administrative, financial and institutional matters,²

1. *Takes note* of the report on budget performance for the biennium 2008–2009 and of the status of contributions as at 15 May 2008 to the Trust Fund for the Core Budget of the UNFCCC, the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process;

2. *Authorizes* the Executive Secretary to incur expenditure for the biennium in United States dollars up to the equivalent of EUR 41,172,068³ at the average exchange rate between 1 January 2008 and 31 December 2009, provided that expenditure is covered by related income;

3. *Authorizes* the Executive Secretary to draw up to an additional USD 2.0 million from unspent balances (carry-over) from previous financial periods to offset part of the shortfall due to the exchange rate fluctuations;

4. *Urges* Parties to make voluntary contributions to the core budget to help cover the shortfall referred to in paragraph 3 above;

5. *Requests* the Executive Secretary, when preparing the programme budget for the biennium 2010–2011 for consideration by the Subsidiary Body for Implementation at its thirtieth session, to take into consideration ways to minimize the effects of exchange rate fluctuations on the core budget, including the measures suggested in document FCCC/SBI/2005/8;

6. *Requests* the Subsidiary Body for Implementation to recommend, at its thirtieth session, a programme budget for approval by the Conference of the Parties at its fifteenth session, and by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its fifth session;

¹ Decision 15/CP.1, annex I.

² FCCC/SBI/2008/3 and FCCC/SBI/2008/INF.6.

³ This amount was approved by the Conference of the Parties at its thirteenth session by its decision 13/CP.13. The authorization to spend up to this amount will not affect indicative contributions in the biennium 2008–2009.

7. *Expresses appreciation* to Parties that have paid their contributions to the core budget in a timely manner;

8. *Calls upon* Parties that have not paid their contributions to the core budget to do so without delay, bearing in mind that contributions are due on 1 January of each year in accordance with the financial procedures;

9. *Expresses its appreciation* for the contributions received from Parties to the Trust Fund for Participation in the UNFCCC Process and for contributions to the Trust Fund for Supplementary Activities;

10. *Urges* Parties to further contribute to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities, particularly in view of the decision⁴ to increase the number of sessions in 2008–2009;

11. *Reiterates its appreciation* to the Government of Germany for its annual voluntary contribution to the core budget of EUR 766,938 and its special contribution of EUR 1,789,522 as Host Government to the secretariat in Bonn.

II. Budget performance for the biennium 2008–2009

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 13, paragraph 5, of the Kyoto Protocol,

Recalling also decision 13/CP.13, in particular its paragraph 6,

Recalling further paragraph 11 of the financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change,⁵

Taking note of decision XX/CP.14,

Having considered the information in documents prepared by the secretariat on administrative, financial and institutional matters,⁶

1. *Takes note* of the report on budget performance for the biennium 2008–2009 and of the status of contributions as at 15 May 2008 to the Trust Fund for the Core Budget of the UNFCCC, the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process;

2. *Endorses* decision XX/CP.14 on budget performance for the biennium 2008–2009 adopted by the Conference of the Parties at its fourteenth session, as it applies to the Kyoto Protocol;

3. *Expresses appreciation* to Parties that have paid their contributions to the core budget in a timely manner;

4. *Calls upon* Parties that have not paid their contributions to the core budget to do so without delay, bearing in mind that contributions are due on 1 January of each year in accordance with the financial procedures;

⁴ Decision 1/CP.13 (the Bali Action Plan).

⁵ Decision 15/CP.1, annex I.

⁶ FCCC/SBI/2008/3 and FCCC/SBI/2008/INF.6.

5. *Expresses its appreciation* for the contributions received from Parties to the Trust Fund for Participation in the UNFCCC Process and for contributions to the Trust Fund for Supplementary Activities;

6. *Urges* Parties to further contribute to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities, particularly in view of the decision⁷ to increase the number of sessions in 2008–2009;

7. *Reiterates its appreciation* to the Government of Germany for its annual voluntary contribution to the core budget of EUR 766,938 and its special contribution of EUR 1,789,522 as Host Government to the secretariat in Bonn.]

⁷ Decision 1/CP.13 (the Bali Action Plan).