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Agenda item 14 (a–c)

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Recommendation of the Subsidiary Body for Implementation

The Subsidiary Body for Implementation, at its twenty-ninth session, decided to recommend the following draft decision for adoption by the Conference of the Parties at its fourteenth session:

Revised draft decision -/CP.14

Administrative, financial and institutional matters

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 also paragraph 11 of the financial procedures for the Conference of the Parties,¹

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

¹ Decision 15/CP.1, annex I.

² FCCC/SBI/2008/3, FCCC/SBI/2008/10, FCCC/SBI/2008/13 and Add.1 and 2, FCCC/SBI/2008/18, FCCC/SBI/2008/INF.6 and FCCC/SBI/2008/INF.9.

I. Audited financial statements for the biennium 2006–2007

1. *Takes note* of the audited financial statements for the biennium 2006–2007, the audit report by the United Nations Board of Auditors, which includes recommendations, and the comments of the secretariat thereon;
2. *Expresses appreciation* to the United Nations for arranging the audits of the accounts of the Convention and for the valuable audit observations and recommendations;
3. *Urges* the Executive Secretary to implement the recommendations of the auditors, as appropriate;

II. Budget performance for the biennium 2008–2009

4. *Takes note* of the reporting on budget performance for the biennium 2008–2009 and of the status of contributions as at 15 May 2008 and 15 November 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;
5. *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;
6. *Also 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 exchange rate fluctuations;
7. *Urges* Parties to make voluntary contributions to the core budget to help cover the shortfall referred to in paragraph 6 above;
8. *Expresses appreciation* to Parties that have paid their contributions to the core budget in a timely manner;
9. *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;
10. *Expresses its appreciation* for the contributions received from Parties to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities;
11. *Also expresses its appreciation* for the contributions received from the Governments of Finland, France, Japan, Luxembourg, Malta and Spain in support of the work of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol and the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, and in particular to Denmark and Norway for the sessions held in Bangkok, Thailand, and Accra, Ghana;
12. *Urges* Parties to further contribute to the Trust Fund for Participation in the UNFCCC Process to ensure the widest possible participation in the negotiations in 2009, and to the Trust Fund for Supplementary Activities, particularly in view of the decision⁴ to increase the number of sessions in 2008–2009;

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.

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

13. *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;

III. Continuing review of the functions and operations of the secretariat

14. *Notes* the information relating to the functions and operations of the secretariat as contained in relevant documents, in particular that contained in document FCCC/SBI/2008/10;

15. *Invites* the Secretary-General of the United Nations, in consultation with the Conference of the Parties through the Bureau, to undertake an independent review of the secretariat's structure, including an evaluation of the current levels and responsibilities, taking into account the scope and complexity of work;

16. *Agrees* that the Subsidiary Body for Implementation should consider this matter at its thirty-first session, in keeping with its decision taken at its twenty-first session to continue to consider the matter annually;⁵

IV. Programme budget for the biennium 2010–2011

17. *Requests* the Executive Secretary to submit, for consideration by the Subsidiary Body for Implementation, at its thirtieth session, a proposed programme budget for the biennium 2010–2011;

18. *Also requests* the Executive Secretary, when preparing the programme budget for the biennium 2010–2011, 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, and a contingency for funding conference services, should this prove necessary in the light of decisions taken by the General Assembly at its sixty-third session;

19. *Requests* the Subsidiary Body for Implementation to recommend, at its thirtieth session, a programme budget for adoption 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;

20. *Also requests* the Subsidiary Body for Implementation to authorize the Executive Secretary to notify Parties of their contributions for 2010 on the basis of the recommended budget.

⁵ FCCC/SBI/2004/19, paragraph 105.