

Proposed programme budget for the biennium 2016–2017

Questions and Answers, 15 May 2017

Q1. Does the budget clearly demonstrate how resources, including additional resources, align with specific objectives?

Paragraph 52 of the document FCCC/SBI/2017/4 (<http://unfccc.int/resource/docs/2017/sbi/eng/04.pdf>) outlines areas to which the additional resources are intended to be applied. These are aligned to the objectives outlined in the same document in paragraph 34.

The Proposed programme budget for the biennium 2018-2019 (<http://unfccc.int/resource/docs/2017/sbi/eng/04a01.pdf>) further summarizes the work programme of the secretariat for the biennium 2018–2019 and outlines the amount of core budget and supplementary resources required to implement the mandates given to it by Parties and to achieve the expected results.

The work programme is prepared on the assumption that the core budget is approved as proposed and supplementary budget is received in full.

In keeping with efforts to ensure a fully results-oriented process that is in line with best practices in the United Nations system, a results-based approach was adopted in the planning of the work of the secretariat. By articulating clear objectives, expected results and performance indicators of activities before they are implemented, this document further aims to emphasize what the secretariat intends to accomplish through its work programme. The expected results referred to in the document are the direct result of the work mandated for this biennium.

As requested by Parties during the contact group meeting, the secretariat produced an additional document outlining activities that would be undertaken in the zero nominal growth scenario and in the proposed budget. The information covered activities to be funded by core and those to be funded by supplementary resources.

(http://unfccc.int/files/secretariat/budget/funding_at_the_unfccc/application/pdf/activities_consolidated_20170512.pdf)

Q2. The proposed budget, particularly the corresponding work program, provides extensive detail on how resources align with specific objectives, results, and performance indicators. However, given that the proposed work program corresponds with the proposed 7.9% increase to the core budget, please explain how adoption of the zero-nominal growth budget would affect the achievement of specific objectives as compared to the proposed increase?

Annex III of FCCC/SBI/4 (<http://unfccc.int/resource/docs/2017/sbi/eng/04.pdf>) paragraph 9-11 lists the activities that would either not be undertaken or would only be undertaken on a reduced scale if the zero nominal growth is to be adopted.

Q3. Does the budget (both the proposed increase and zero-nominal growth) describe actual or proposed cost savings resulting from efficiencies, streamlining of business processes, and reductions of low-priority activities?

Paragraph 50 a) of document FCCC/SBI/2017/4 (<http://unfccc.int/resource/docs/2017/sbi/eng/04a01.pdf>) provides examples of actual cost savings resulting from efficiencies, streamlining business processes and reductions of low-priority activities.

In addition, a document was provided to show the Secretariat's efforts to make efficiency gains, absorb work and reduce costs.

http://unfccc.int/files/secretariat/budget/funding_at_the_unfccc/application/pdf/efficiency_gains_cost_reductions_may2017.pdf

The efforts in the current biennium include absorbing the costs for the support to CMA and the APA, providing support to the constituted bodies and providing support to the MRV/enhanced transparency framework.

In 2015, the secretariat undertook an assessment of the ICT operations which resulted in restructuring, resource optimization and improvements in the ICT process to reduce costs.

In 2018-19 the secretariat aims to reduce staff travel cost in both the proposed budget and zero growth scenario. There is also an ongoing review of the Administration Services with a view for streamlining and reduction of costs. The benefits of this review will be realized during the biennium in 2018-19.

During the contact group meeting, three programmes – Adaptation, Finance, Technology and Capacity Building and the Mitigation Data Analysis programmes presented case studies to showcase and elaborate on the use of core and supplementary funds. The presentations also included some of the efficiency measures taken by programmes to mitigate costs. These include – use of short term consultants, Junior Professional Officer and interns who help to deliver mandated activities and handle peak workload periods with minimal increase in costs and also limited impact on long term funding. The programmes also highlighted instances of drawing support from across the secretariat to provide the necessary support to ensure delivery of activities e.g. support to the PCCB, at no additional cost.

Q4. Does the proposed budget clearly identify what actions or programs would not be undertaken if the budget increase were not approved?

The zero-nominal growth scenario will result in some of the following impacts:

- IPCC grant would not be maintained. (There is, however, a collective agreement during the discussions that this would be reinstated. The Parties are yet to determine on the modality and amount to be reinstated)
- Mandates of the constituted bodies request them to meet at least twice a year (e.g. decision 2/CP.17: “Decides that the Adaptation Committee shall meet at least twice a year, where possible in conjunction with other adaptation-related UNFCCC meetings, while retaining its flexibility to adjust the number of meetings to suit its needs). The 2015-2016 budget includes only two meetings of the constituted bodies funded from core funds. The proposed 2018-2019 whilst increasing the number of meetings to be funded from core funds to 3, is still lower than the number mandated. Consequently, operations to the constituted bodies will be affected by the limited availability of core resources.

- Fewer resources for supporting the implementation of the workplans of the constituted bodies will affect to differing degrees:
 - The development of the clearing house for risk transfer;
 - The Forum of the Standing Committee on Finance;
 - The biennial assessment and overview of climate finance flows;
 - The review of the adequacy and effectiveness of adaptation and support.

- 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:
 - 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.;
 - 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;
 - 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.

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:

- The development of adaptation communications;
- The development and operationalization of the adaptation registry;
- The development of the Technology Framework and the scope and modalities for the periodic assessment of the Technology Mechanism;
- 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;

- Legal advice and services;
- The scope of conference services in relation to support to observers and meetings management;
- Webcasting services for meetings and events;
- Multilingual content on the UNFCCC website;
- Work under Article 6 of the Convention, known as Action for Climate Empowerment.

Further details of the impact of adopting the zero-nominal growth option are provided in Annex III of FCCC/SBI/2017/4, paragraphs 6-11.