

## **Proposed programme budget for the biennium 2018–2019**

### **Questions and Answers, 7 May 2017**

**Q1. It seems that the proposed work program budget described in FCCC/SBI/2017/4/Add. 1 is solely based on the proposal by the Executive Secretary to increase the core budget by 7.9 percent. Since the Parties required that the secretariat include a zero-nominal growth (ZNG) budget scenario, which is described in the same document that describes the proposed budget, I think it is important that there should be a comparable version of the work program that tracks the ZNG proposal in addition to the executive secretary's proposal, so that we have the same level of detail with which to evaluate the two scenarios.**

The work programme provides information on the planned work and expected results in the coming biennium. This information is based on the mandates given to the secretariat by the relevant bodies under the Convention, the Kyoto Protocol and the Paris Agreement. The Executive Secretary made a proposal on how best to fund this work which is presented in the main budget document (FCCC/SBI/2017/4) together with a zero nominal growth scenario. Information on resource requirements provided in the work programme document reflects the proposal by the Executive Secretary. The work programme of the secretariat would not change significantly under a zero growth scenario, but a higher share of the work would need to be funded from voluntary contributions as specified in Annexes I (Resource requirements for the Trust Fund for Supplementary Activities in the biennium 2018–2019) and III (Zero nominal growth scenario) of FCCC/SBI/2017/4.

**Q2. I'd appreciate your explanation of the relationship between the information proposed in the main budget paper with that in the work program. For example, the budget proposal shows a total of EUR 2,980,020 for 2018-19 under Appropriations – Executive Direction and Management (SBI/2017/4, p. 16, Table 1). That EUR 2.98 million figure matches the subtotal under the core budget for EDM (SBI/2017/4/Add.1, p. 9, Table 5).**

**However, I do not see that same clear relationship between the proposed budget and work program under Implementation and Climate Action and Intergovernmental Affairs and Secretariat. For Implementation and Climate Action, the proposed core budget includes a total of EUR 29,365,488 (SBI/2017/4, p. 16, Table 1). In the work program, the subtotal (core amount) is EUR 1,207,600 (SBI/2017/4/Add.1, p. 12, Table 9). For Intergovernmental Affairs and Secretariat, the proposed core budget includes a total of EUR 19,702,518 (SBI/2017/4, p. 16, Table 1). In the work program, the subtotal (core amount) is EUR 1,257,960 (SBI/2017/4/Add.1, p. 45, Table 36).**

Table 9 provides the resource requirements for the Implementation and Climate Action cluster management unit and not for the cluster as a whole. The resource requirements for the whole cluster consist of the resource requirements for the management unit and the requirements of the four programmes under this cluster (MDA, FTC, Adaptation and SDM).

**Q3. SBI/2017/4, p. 22 estimates carry-over at EUR 5-6 million, but that is only for Supplementary funding, right?**

Correct.

**Q4. Presumably there will be none, or a very minimal amount, of carry-over from the core budget, right?**

There will be no carry over for the core budget.

**Q5. You plan to introduce cluster management. Would you elaborate a bit more how the overall budget will change compared to the one for 2016-17?**

Details of changes as compared to the current biennium are provided in chapters IV.B (by commitment item) and IV.C (on a programme basis) of FCCC/SBI/2017/4.

**Q6. Would you elaborate what kind of problems will happen in your operation if we adopt the zero nominal growth option?**

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

**Q7. How much amount (and percentage) you rely on supplementary funding in the budget 2016-17?**

Supplementary funding for 2016 - 17 (excluding the CDM fund and participation fund) as per Add.1 was EUR 51 647 777, this amounts to 30% of the total income for 2016-17.

**Q8. According to para59 (b) and (c) in p15, you expect more meetings. Please explain the purpose and themes of the meetings.**

Paragraphs 59 (b-c) make reference to the proposed increase in the number of meetings of the constituted bodies (e.g. Adaptation Committee, Technology Executive Committee) to be funded from the core budget as compared to the biennium 2016-2017. They do not refer to an overall increase in the number of meetings. The budget for the current biennium as approved by the Conference of the Parties only provides for 2 meetings of each constituted body to be covered from the core budget and additional meetings from supplementary funding. It is proposed that the core budget for the biennium 2018-2019 covers three meetings of each body, i.e. an increase of one meeting per body compared to the current biennium.

**Q9. You mention the need to rely on supplementary funding in para37 in p10, para66 in p19, para7 in p27 and para8, 10 in p28. Have you ever given up any projects due to lack of supplementary funding? If so, please let us know them.**

1. Project on support to the implementation of technical reviews of GHG inventories from Annex I Parties, which did not receive any funding in this biennium. As a result the secretariat will undertake fewer review activities than originally planned.
2. Supplementary Activity #41: Managing and preserving video and sound recordings of the session of the Conference of the Parties, (Conference of the Parties serving as the meeting of the Parties of the Kyoto Protocol and the subsidiary bodies). This project has been discontinued after an initial digitization effort funded the initial phase of the project.
3. NAP expo was postponed due to funding constraints
4. SCF forum – funded by Asian Development bank in 2016, but no funds yet identified for 2017

**Q10. You refer to change from short-term staff to consultants as in para59(a) in p15 and para15 in p30. What is the rationale to change from short-term staff to consultants? (e.g. flexible timing of employment) Can you keep the task for short-term staff by overcoming any barriers?**

**(e.g. adjust the timing of employment) We assume cost of a short-term staff is less than that of a consultant.**

The clause "work that was previously covered by short-term staff" refers to temporary staff for meetings. While there is a reduced need to cover the cost of temporary staff for meetings under the core budget there is an increased need for consultants who provide specialized services. When considering available contract options the secretariat makes cost comparisons. For example, in the case of short term needs for editorial services the option of editors working remotely as consultants is less costly than giving them short term contracts for work at the secretariat premises.

**Q11. According to para15 in p30, only one individual review of inventories from Annex I, scaled down from once per biennium in a four-year cycle for national communication and biennial reports from developed country Parties and no more than 22 analysis of biennial reports from developing country Parties. How do you evaluate the impact on the implementation of the Convention?**

Scaling down the review/analysis activities does imply an impact on implementation. That is why the secretariat proposes, in the enhanced delivery scenario, a moderate increase in resources to keep the implementation momentum as high as possible.

The need to scale down results from the lack of resources in the core budget; the impact is particularly notable in case of retaining the budget within the nominal zero-growth limit (which means, in real terms, a reduction in resources).

At the same time, certain factors/measures envisaged by the secretariat can alleviate/mitigate the impact, at least to some extent:

- Supplementary resources are asked for supporting those review activities for which core funding is no more sufficient; should sufficient supplementary funding be available, the secretariat will be able to continue with the full scale of implementation;

- In case resources are still not sufficient and the number of reviews has to be reduced, while the reviews of information would be scaled down, the submission of the information by Parties and certain technical checks of the information would be still carried out; for example, for GHG inventory reviews it is planned to continue the implementation of the initial checks for inventory submissions, with the preparation/publication of the status reports; this would help in ensuring quality in reporting;

- Despite the lower number of reviews, the secretariat will continue with the preparation/publication of reports presenting/summarizing the information reported, such as reports with aggregated GHG information or the compilation and synthesis reports of the information provided in national communications and biennial reports of Annex I Parties;

- Regarding the GHG inventory reviews, they have been in place annually for almost 15 years by now (or more, if one counts also the period before these reviews became mandatory) and therefore the quality of national inventories of Annex I Parties has already reached a high level. Changes to these inventories have been minor in the recent years, in terms of impact on the total emission levels, and therefore the impact of conducting detailed technical reviews less frequently is likely not to be significant.

**Q12. Would you elaborate the reason why you think IPCC budget can be eliminated from core budget? How do you evaluate the impact of elimination to the activity of IPCC? Have you ever received concern from IPCC?**

In light of the difficult fiscal situation faced by many Parties no provision was made in the UNFCCC budget for a grant to the IPCC as it was deemed necessary to limit the increase in contributions.

Priority was given in the budget to the implementation of the UNFCCC work programme for the biennium 2018-2019. Requirements by the IPCC could be covered through the IPCC budget process.