

## Briefing to Parties and observer States on the programme budget for 2024–2025 biennium

### Summary of questions from Parties and responses from the UNFCCC secretariat

(ver. of 5 June 2023)

#### Background:

On 12 April 2023 (14:00–15:30 hrs Central European Summer Time) and 13 April 2023 (08:00–09:30 hrs Central European Summer Time), the SBI Chair convened a virtual briefing and question and answer (Q&A) sessions with Parties and observer States on the programme budget for the biennium 2024–2025. The two sessions followed a similar format and were scheduled to accommodate different time zones. In the lead up to the live briefing and Q&A sessions, the secretariat made the official programme budget documents and briefing material available on the UNFCCC web site at: <https://unfccc.int/about-us/budget/2425-budget-preparation-process>. Parties and observer States were notified and encouraged to access the material and to submit any questions they may have in advance of the live sessions. Below is a compilation of the questions that were received and the corresponding responses provided by the UNFCCC secretariat organized by theme:

1. Timing and format of planned further briefing;
2. Unfilled positions;
3. Additional scenarios;
4. Benefits of the secretariat's restructuring;
5. Modalities of the suggested SBI 58 contact group;
6. Eligibility criteria for funding in the Trust Fund for Participation in the UNFCCC process.

#### Question:

1. What will be the date and time of the hybrid (virtual and in-person) meeting that the secretariat is planning to hold towards the end of the SB58 pre-sessional period?

#### Response from the secretariat:

The briefing meeting is planned to be held at the beginning of the upcoming sessional period of the subsidiary bodies. Party representatives will be invited to join in person or to participate virtually. A notification with further details will be send to Parties in due course.

#### Questions:

2. Can you give us an **update on the vacancy rate** of the secretariat? As far as we know, there are still many vacant posts and we are concerned that more personnel - as suggested in the budget documents - are therefore necessary. Can you provide us with a **list of posts unfilled for more than one year**? What are the **reasons for not filling the posts**? **If posts have not been filled for several years, did the secretariat evaluate if those posts are necessary**?

#### Response from the secretariat:

Detailed information on budgeted posts and filled posts by source of funding as at 31 December 2022 is contained in FCCC/SBI/2023/6, annex IV.

As at April 2023, the overall vacancy rate is 24%. There has been significant progress in filling posts at UNFCCC: whereby 236 posts have been filled (9 in 2020, 95 in 2021, 106 in 2022); over 80 posts are under recruitment as at 1 April 2023.

As of May 2023, 12 posts have been vacant for more than one year in all funding sources with 6 of them currently at the final stages of recruitment or initial stages of onboarding. Delays in filling the posts were due to some candidates declining offers of appointment for personal reasons, funding constraints which caused delays in the recruitment process, managing significant unavoidable costs increases with prolonged reduced staff capacity/headcount due to vacancies and hiring managers juggling multiple priorities. UNFCCC is committed to managing the vacancy rate to an acceptable level whilst considering the impact of inflation and other relevant staff costs to ensure that budgets are managed prudently.

Position Title	Division	Since Date
D1 7563 CHIEF OF BRANCH, PROGRAMME	FCCC MOI	14.07.2021
P3 8412 PROGRAMME MANAGEMENT OFFICER	FCCC Mitigation	05.03.2021
P3 8412 PROGRAMME MANAGEMENT OFFICER	FCCC Adaptation	10.02.2022
P5 8411 CHIEF OF SECTION, PROGRAMME MANA	FCCC Mitigation	09.03.2022
P5 8411 CHIEF OF SECTION, PROGRAMME MANA	FCCC Mitigation	28.02.2022
G7 4964 SENIOR STAFF ASSISTANT	FCCC EDM	28.04.2022
G6 4045 INFORMATION SYSTEMS ASSISTANT	FCCC AS/HR/ICT	01.12.2020
P5 7848 SENIOR CHANGE & PROJECT MANAGER	FCCC CA	16.02.2022
P3 8412 PROGRAMME MANAGEMENT OFFICER	FCCC Transparency	29.08.2021
P3 8412 PROGRAMME MANAGEMENT OFFICER	FCCC Transparency	08.12.2021
P3 8412 PROGRAMME MANAGEMENT OFFICER	FCCC Transparency	01.12.2021
P2 1584 ASSOCIATE PROGRAMME MANAGEMENT O	FCCC Transparency	01.01.2022

#### Questions:

- Two scenarios have been presented to Parties, a ZNG scenario and a scenario implying an increase of 41,9 percent in relation to the previous budget – and only the latter is considered a feasible option by the secretariat. This is a huge increase, also compared to other UN organisations and previous budgets, and we are concerned that this might not be a realistic option for Parties. It would be beneficial for the process if the secretariat could also **present a middle-way option that lies between the two scenarios** included in the proposal, as an

additional point of reference. Could the secretariat present a **scenario that reflects unavoidable cost increases and no additional resources**? Where is **information on unavoidable cost increases already realized in the official programme budget documents**?

**Response from the secretariat:**

COP 26 requested the Executive Secretary to apply the budget methodology used by the secretariat to develop the programme budget for the biennium 2022–2023 to future bienniums. The requested budget methodology is based on the principle that essential, recurring, and long-term activities should be funded from the core budget. As stated in the official documents on the 2024-2025 programme budget, the actual requirements for the secretariat to undertake all category 1 and category 2 activities amounts to EUR 131.2 million (EUR 122.6 million exclusive of 7 per cent for future inflation).

COP 21 requested the Executive Secretary to include a zero nominal growth scenario in preparing future programme budget proposals. The zero nominal growth scenario for 2024-2025 maintains the total core budget at the approved 2022–2023 level of EUR 62.3 million. This scenario absorbs realized statutory and other cost increases at the expense of staff and non-staff resources, resulting in a de facto 19 per cent reduction in the core budget and a prohibitive dependence on supplementary funding, jeopardizing the sustainability of the UNFCCC secretariat and limiting support to critical recurring and long-term activities. Most of the cost increases relate to unavoidable increases in staff costs. Detailed information on the method applied in determining standard staff costs for the biennium 2024-2025 is contained in FCCC/SBI/2023/2, annex I, section B.

The proposed core programme budget, which carefully considers both the extensive mandates given to the secretariat and the constraints in funding, is estimated at EUR 88.4 million for the biennium 2024–2025. It represents a middle-way option that lies between the zero nominal growth scenario and the actual requirements as per the party decisions and mandated methodology. The proposed core budget reflects both cost increases and the inclusion of critical category 2 activities in the core budget that would otherwise rely on the provision of voluntary contributions. Table 3 of FCCC/SBI/2023/2 contains a description of category 2 activities to be funded from core resources in the proposed core budget scenario and from supplementary resources and through an internal cost recovery mechanism in the zero nominal growth scenario in 2024–2025.

While we realize that this is a significant increase, note that 19% of the increase is related to unavoidable cost increases such as realized statutory and other cost increases at the expense of staff and non-staff resources in the core budget. While the percentage of increase is significant, the total difference is approximately EUR 26.1 million for the biennium.

**Question:**

4. The restructuring process was meant to deliver structural and organizational benefits. Can you tell us whether you think there are benefits already in the “fit for purpose” approach of the Secretariat? **What are the major benefits achieved in terms of increased efficiency and outcomes/outputs?**

**Response from the secretariat:**

- The work of the secretariat has evolved over time and increased considerably in scope and complexity. The adoption of the Paris Agreement has resulted in a mature institutional architecture to support emission reductions, increase resilience, enhance assistance for developing countries, as well as promote and disseminate information on climate action.

- The restructuring was intended to make the UNFCCC secretariat more fit-for purpose, in other words, to be more responsive, proactive and agile in delivering on its mandate. Further elements that define being “fit-for-purpose” relate to improved internal communications, information sharing and knowledge management and enhanced internal mobility within the secretariat to break organizational silos.
- The new structure includes two new cross-cutting divisions and a re-organization of the Programmes and Operations Departments to focus on their specific work and mandates, and embodies the possibility for further and continuous structural and non-structural change initiatives within the newly established Organizational Development and Oversight Unit (ODO). The ODO function leads all organizational change necessary to optimize the performance of the new structure and implements plans to address the needs identified by the organizational performance assessment.
- The new structure is designed to ensure seamless coordination of programmes, operations/administrative functions, engagement with parties and non-Party stakeholders. With the creation of the Programmes department, synergies can be achieved within the party driven mandates and programmes of work. Support to the presidencies and support to heads of delegation on critical topics now have dedicated support from the ISCP team. Collaboration with non-party stakeholders and civil society has been emphasized in the new structure. The Operations department was created to support a strong institution that provides a framework for the programmatic work.
- Specific benefits that have been derived include: better coordination of divisions through departmental leadership, focus on closing United Nations Board of Auditors recommendations and on risk management by the newly established ODO, focused support to current and incoming presidencies by the newly established ISCP, a dedicated sub-division within C&E for engagement with non-Parties.
- An important element of the reform is that non-structural issues must be addressed if the secretariat is to deliver on its purpose. The critical issues include improved internal control and delegation of responsibilities, as well as a stronger culture of accountability and delegation of authority.

**Question:**

5. As the SBI announced that there will be either a **chair or two co-facilitators** leading the negotiations, we would like to request the secretariat to appoint two facilitators, who represent all Parties in a balanced way (e.g. from developed and developing countries).

**Response from the secretariat:**

The secretariat has brought this request to the SBI Chair. Potential co-chairs have been approached to confirm their availability as part of the normal budget process

**Question:**

6. What are the **criteria used to determine eligibility for funding in the Trust fund for Participation in the UNFCCC process?**

**Response from the secretariat:**

The criteria is described in the Trust Fund for Participation (TFP) policy published on UNFCCC official website. Please refer to the link provided herewith. [https://unfccc.int/files/secretariat/budget/funding\\_at\\_the\\_unfccc/application/pdf/trust\\_fund\\_for\\_participation\\_in\\_the\\_unfccc\\_process.pdf](https://unfccc.int/files/secretariat/budget/funding_at_the_unfccc/application/pdf/trust_fund_for_participation_in_the_unfccc_process.pdf)

Highlights of the policy are:

1. 144 Parties are eligible for funding.
2. In accordance with the availability of funds in the TFP, the current practice for sessions of the:
  - a. SBs is to provide financial support to all eligible Parties for funding plus an additional delegate from LDCs and SIDS Parties (1+1 = 220 delegates).
  - b. COP is to provide financial support for two delegates from all eligible Parties plus an additional delegate from LDCs and SIDS (2+1 =364 delegates).
3. A Party that provides a vice president of the Bureau or a chair to a Convention body has the right to request for funding of a second delegate to attend COP and SB sessions.
4. The Party that coordinates the G77 & China is provided funding for up to four delegates.
5. An eligible Party that would host the next Conference of the Parties is provided funding for up to three delegates.