

Briefing on the programme budget for 2022–2023

Presentation on the proposed budget as at 17.03.2021



- 1. Budget Context**
- 2. Building the Budget**
- 3. The 2022–2023 Budget**
- 4. Timeline**

Budget Context

- Climate change remains the **greatest challenge facing this generation** and we have overwhelming evidence of the **urgency of the situation**: according to the WMO, global warming reached 1.1 °C above pre-industrial levels in 2019
- Unfortunately, the **world is not on track to stop these trends**. The secretariat's initial NDC synthesis report showed that, while individual levels of ambition were raised in terms of GHG reductions, their combined impact puts us on a path to reducing GHG emissions by less than 1% by 2030 compared with 2010 levels, as opposed to the 45% reduction required
- With countries adopting green and resilient recovery plans following the COVID-19 pandemic, the **biennium 2022–2023 provides a unique opportunity to drive forward a collective transition to low-carbon, resilient societies**
- Given that the COVID-19 pandemic and the associated economic downturn require a **responsible and reasonable budget approach**, the secretariat is presenting a **zero-growth core budget**



Building the Budget: Ongoing and New Activities in 2022–2023

- The secretariat will **continue supporting the intergovernmental process**, including by
 - a) Enabling cooperation and facilitating implementation of the goals and objectives of the Convention, the Kyoto Protocol and the Paris Agreement, including by supporting constituted bodies and established work programmes
 - b) Facilitating further development of the climate regime, including supporting negotiations on transparency-related arrangements and a new quantified finance goal
- The secretariat must also **meet new demands in 2022–2023**, including
 - a) Supporting the first Global Stocktake under the Paris Agreement
 - b) Operationalizing the enhanced transparency framework;
 - c) Supporting review, accounting and compliance processes following the entry into force of the Doha Amendment to the Kyoto Protocol
 - d) Supporting any relevant outcomes of the Article 6 negotiations, as appropriate



Building the Budget: Overall Objectives

The secretariat's work will continue to be guided by the following **Overall Objectives**:

1. Facilitating intergovernmental engagement by providing effective organizational, process-related, technical and substantive support related to:
 - a) The ongoing intergovernmental oversight of established processes and negotiation of new, revised or enhanced processes, as appropriate (**Intergovernmental Engagement**)
 - b) Operation of established processes arising from decisions of the COP, the CMP and the CMA (**Intergovernmental Processes**)
2. Enabling constituted bodies to fulfil their mandates (**Constituted Bodies**)
3. Managing a trusted repository of data and information (**Data and Information Management**)
4. Facilitating engagement in the UNFCCC process in order to promote action aimed at achieving the objectives and goals of the Convention, the Kyoto Protocol and the Paris Agreement (**Enhanced Engagement**)
5. Overseeing and managing the secretariat effectively (**Oversight and Management**)



Building the Budget: Process

- The 2022–2023 budget has been formulated to provide **predictable and adequate resources** to allow the secretariat to **respond to the mandates and expectations of Parties** in a balanced manner
- Following a similar process to the 2020–2021 budget, the 2022–2023 budget is developed **from the ground up** through **comprehensive** and **participatory secretariat-wide efforts** that commenced in October 2020
- Each division took stock of its **specific mandates, functions and activities** and assessed opportunities for any **further efficiency gains** following the structure review
- The divisional budget proposal underwent a rigorous multistep peer-review to ensure the integrity of the proposal and to avoid duplications and redundancies
- The structure of the secretariat implemented in 2020–2021 was critically reviewed and continues to be considered **fit for purpose**



Building the Budget: Categorizing Activities (1/2)

- All activities planned for 2022-2023 are categorized according to the type of mandates they support the same way as for 2020-2021:

Category 1: Essential activities

Category 2: Recurring or long-term activities

Category 3: Temporary or short-term activities

Category 4: Complementary activities beneficial to achieving the objectives and goals of the Convention, the Kyoto Protocol and the Paris Agreement

- In addition to the activities funded from core and supplementary resources, there are other activities across the different categories which will be **funded from other sources**, including the International Transaction Log budget, the Clean Development Mechanism and the Trust Fund for Participation in the UNFCCC Process

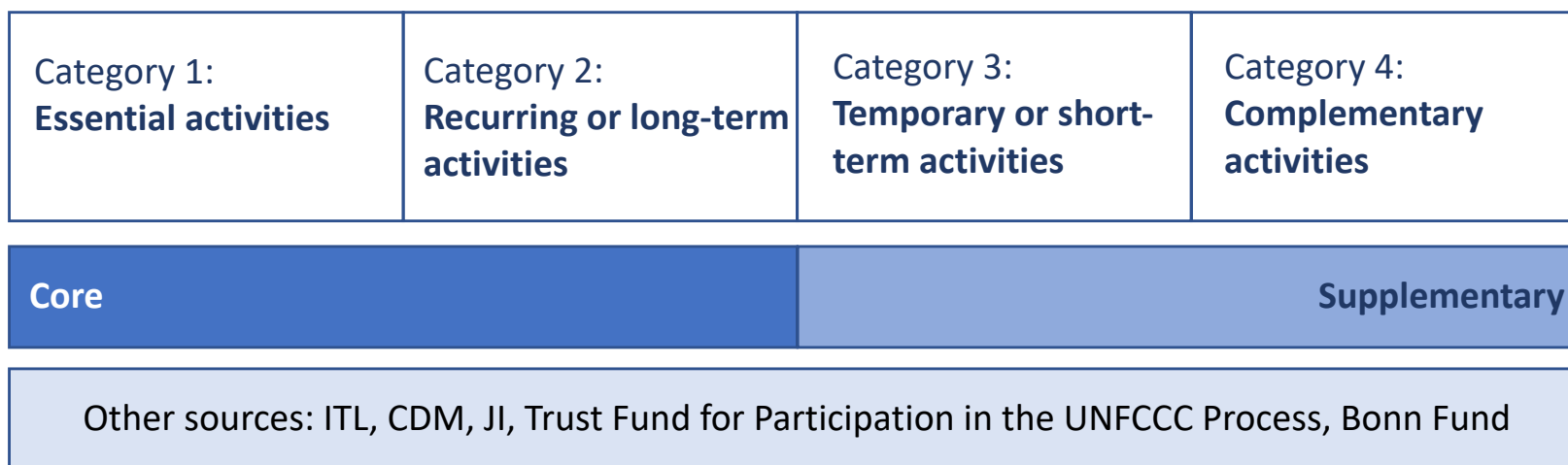


Building the budget: categorizing activities (2/2)

Activities assigned to the secretariat by the Convention, the Kyoto Protocol, the Paris Agreement, and through decisions and conclusions by the supreme and subsidiary bodies and workplans of constituted bodies



**Determining resource requirements
and categorizing all activities for 2022–2023**



Building the Budget: Defining Two Zero Growth Core Budget Scenarios

- Ideally, categories 1 and 2 activities would be funded from the core budget
- However, in view of the resource constraints resulting from the COVID-19 pandemic, the secretariat is presenting **two zero-growth scenarios for the core budget**. In each of the two zero growth scenarios, a portion of category 2 activities is proposed to be funded from supplementary rather than core resources. The two scenarios are:
 - a) A **ZeroRealGrowth (ZRG) scenario**, which is based on the approved 2020–2021 core budget with statutory and other unavoidable cost increases of 4.4%. In this scenario, core staff posts remain the same as in 2020–2021
 - b) The mandated **ZeroNominalGrowth (ZNG) scenario**, which absorbs statutory and other unavoidable cost increases by reducing core staff posts in order to match the approved 2020–2021 core budget
- **The ZRG and the ZNG only differ in terms of their allocation of core and supplementary resources for category 2 activities**

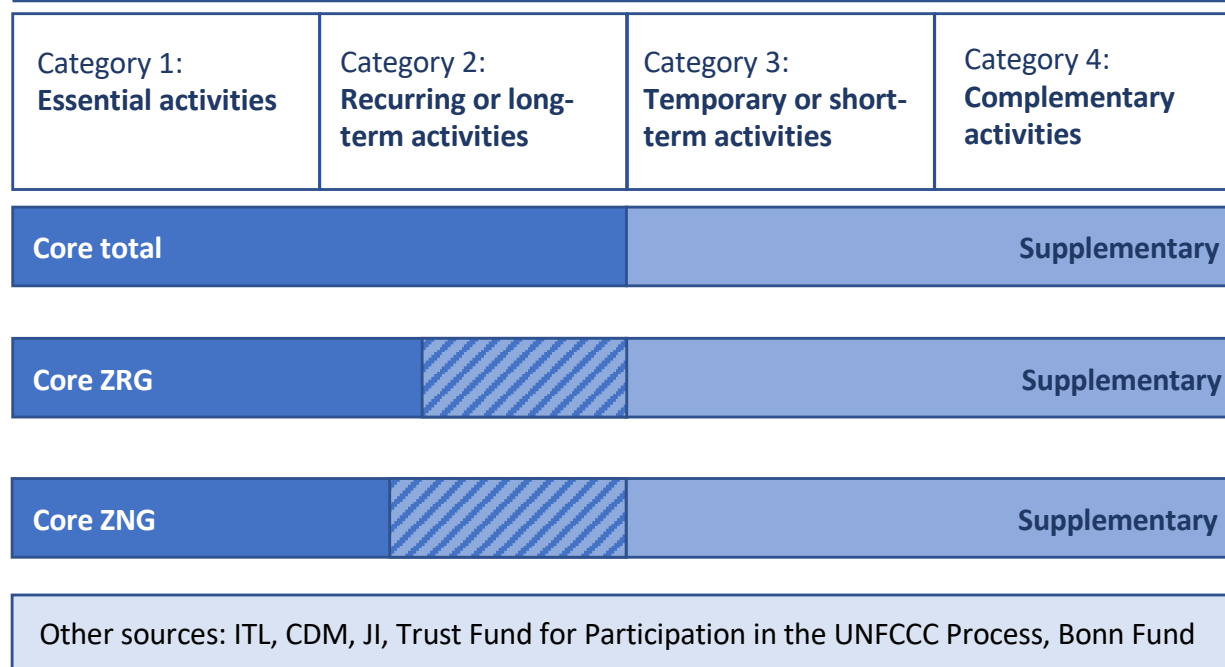


Building the Budget: Summary

Activities assigned to the secretariat by the Convention, the Kyoto Protocol, the Paris Agreement, and through decisions and conclusions by the supreme and subsidiary bodies and workplans of constituted bodies




**Determining resource requirements
and categorizing all activities for 2022–2023**



All cat. 1 and 2 activities to be funded in core – “ideal world scenario”

Zero Real Growth: Core staff posts same as 2020-21 and including statutory and other unavoidable cost increases

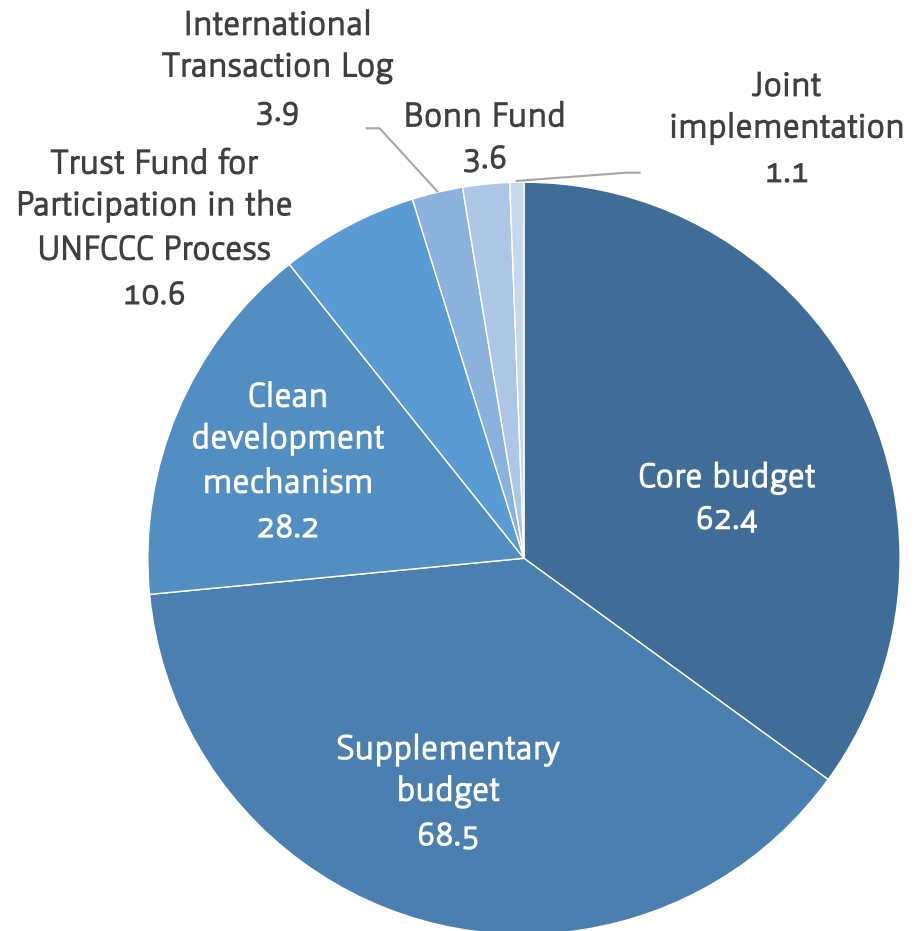
Zero Nominal Growth: absorbs statutory and other unavoidable cost increases by reducing core staff posts compared to the core budget for 2020-21

Note:  Category 2 activities to be funded from supplementary resources



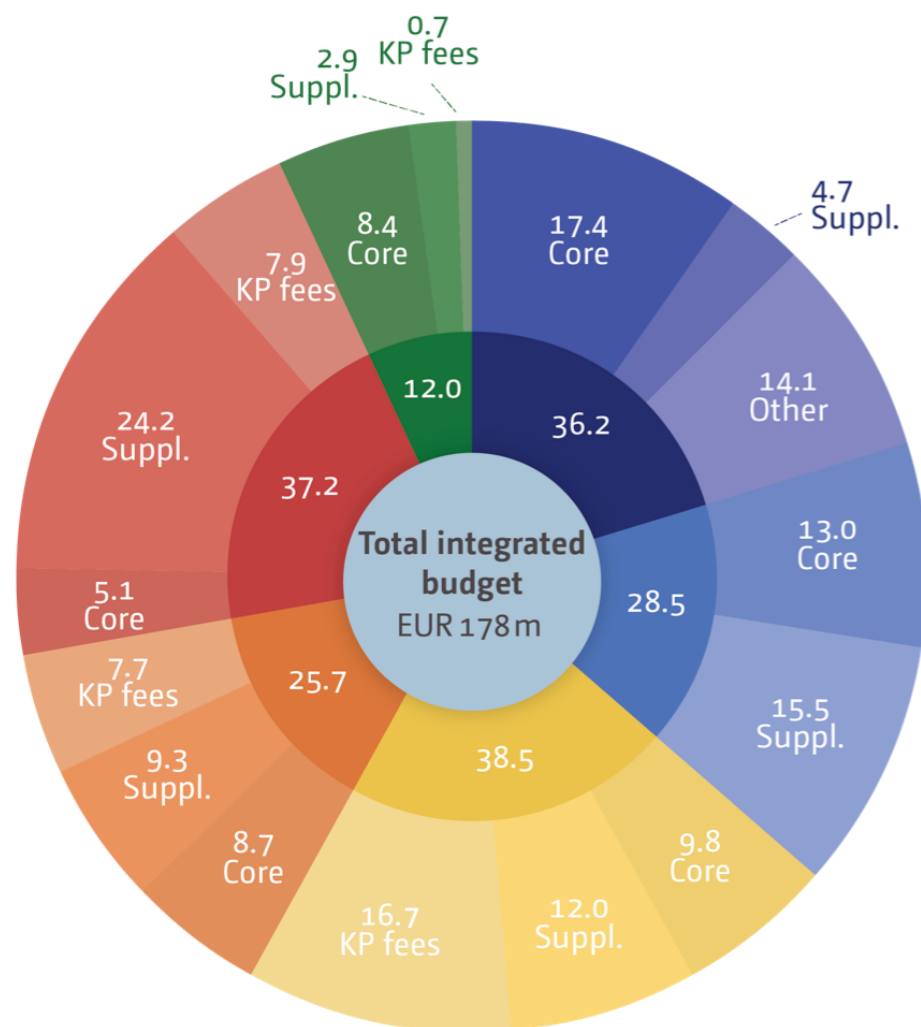
Proposed Total Integrated Budget 2022–2023

- **Total proposed integrated budget**, including all sources of funding:
EUR 178 million (+3.4%)
- **Total number of required posts** across all sources of funding: **495**
 - 181 posts under the core budget
 - 110 posts in the supplementary budget
 - 78 posts under the CDM MAP
 - 106 posts under overhead/cost recovery
 - 20 posts under other funding sources



Total Integrated Budget for 2022–2023 by Objective

in EUR million



Intergovernmental engagement: Support for the ongoing intergovernmental oversight of established processes and negotiation of new, revised or enhanced processes, as appropriate

Intergovernmental processes: Support for operation of established processes arising from decisions of the COP, the CMP and the CMA

Constituted bodies: Enable constituted bodies to fulfil their mandates, including by providing effective organizational, process-related, technical and substantive support

Data and information management: Manage a trusted repository of data and information in support of the intergovernmental response to the threat of climate change

Enhance engagement: Facilitate engagement in the UNFCCC process in order to promote action aimed at achieving the objectives and goals of the Convention, the Kyoto Protocol and the Paris Agreement

Oversight and management: Oversee and manage the secretariat effectively

Total Integrated Budget Scenarios for 2022–2023 by Funding Source

Funding source	Budget (EUR million)	Posts	Budget (EUR million)	Posts
	Proposed ZRG		ZNG	
Core budget	62.4	181	59.7	177.5
Supplementary budget	68.5	110	71.1	113.5
Clean development mechanism	28.2	78	28.2	78
Trust Fund for Participation	10.6	1	10.6	1
International Transaction Log	3.9	6	3.9	6
Bonn Fund	3.6	10	3.6	10
Joint implementation	1.1	3	1.1	3
Overhead and cost recovery	–	106	–	106
Total integrated budget	178	495	171	495

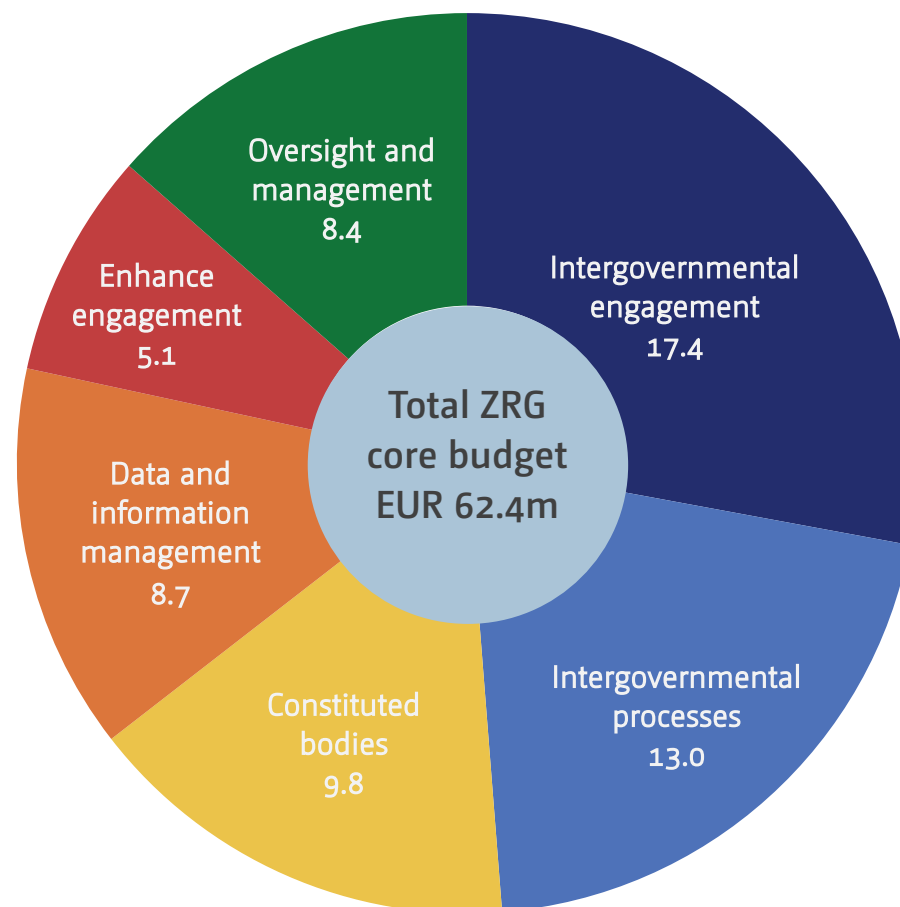
▶ ZRG and ZNG only impact the core and supplementary budget.
See slide 18 for details on the differences between ZRG and ZNG.

Proposed ZRG Core Budget for 2022–2023 compared to 2020–2021

Funding source	2020–2021		2022–2023 ZRG		Change (%)	
	Budget (EUR million)	Posts	Budget (EUR million)	Posts	Budget (EUR million)	Posts
Core budget	59.8	180.5	62.4	181	2.6	0.5
Supplementary budget	60.4	106	68.5	110	8.1	3
Clean development mechanism	30.6	85	28.2	78	–2.6	–7
Trust Fund for Participation	9.6	0	10.6	1	1.0	1
International Transaction Log	4.6	6.5	3.9	6	–0.7	–0.5
Bonn Fund	3.6	9	3.6	10	0.0	1
Joint implementation	1.1	3	1.1	3	0.0	0
Special account for conferences and other recoverable costs	2.4	6	–	–	–2.4	–6
Overhead and cost recovery	–	102	–	106	0.0	4
Total integrated budget	172	498	178	495	6.0	–3

ZRG Core Budget by Objective

in EUR million



ZNG and ZRG core budget for 2022–2023 by division/appropriation line

	Core budget 2020-21*		Proposed ZRG		ZNG	
	EUR million	Posts	EUR million	Posts	EUR million	Posts
Executive	3.6	14.5	3.8 (+0.2)	15	3.6 (+0.0)	14.5
Programmes	28.8	105	29.9 (+1.1)	105	28.6 (−0.2)	104
<i>Programmes coordination</i>	0.5	2	0.5 (+0.0)	2	0.5 (+0.0)	2
<i>Adaptation</i>	6.3	22	6.5 (+0.2)	22	6.0 (−0.3)	21
<i>Mitigation</i>	3.6	14	3.7 (+0.1)	14	3.6 (+0.0)	14
<i>Means of Implementation</i>	6.0	22	6.3 (+0.3)	22	6.0 (+0.0)	22
<i>Transparency</i>	12.4	45	12.8 (+0.4)	45	12.4 (+0.0)	45
Operations	12.7	31	12.8 (+0.1)	30	12.7 (+0.0)	30
<i>Operations coordination</i>	1.2	5	1.2 (+0.0)	5	1.2 (+0.0)	5
<i>Secretariat-wide costs</i>	2.6	–	2.9 (+0.3)	–	2.9 (+0.3)	–
<i>AS/HR/ICT</i>	4.0	8	3.8 (−0.2)	7	3.8 (−0.2)	7
<i>Conference Affairs</i>	2.6	10	2.6 (+0.0)	10	2.6 (+0.0)	10
<i>Legal Affairs</i>	2.3	8	2.4 (+0.1)	8	2.3 (+0.0)	8
Cross-cutting	7.3	30	8.1 (+0.8)	31	7.5 (+0.2)	29
<i>Intergovernmental Support and Collective Progress</i>	3.5	15	4.0 (+0.5)	16	3.8 (+0.3)	15
<i>Communication and Engagement</i>	3.8	15	4.1 (+0.3)	15	3.7 (−0.1)	14
IPCC	0.5	–	0.5 (+0.0)	–	0.5 (+0.0)	–
Total appropriations	52.9	180.5	55.2 (+2.3)	181	52.9 (+0.0)	177.5
<i>Programme support costs</i>	6.9	–	7.2 (+0.3)	–	6.9 (+0.0)	–
<i>Working capital adjustment</i>	0.1	–	0.1 (+0.0)	–	–	–
Grand total	59.8	180.5	62.5 (+2.7)	181	59.7 (−0.1)	177.5

* Including core budget reallocations under the authority of the Executive Secretary.

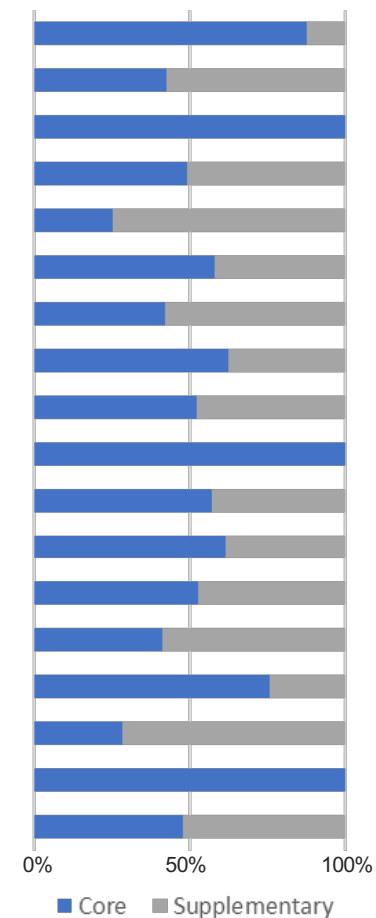
(In brackets): difference to the core budget 2020-2021 in EUR million



Divisional budget distribution between Core and Supplementary

	ZRG core		ZRG supplementary		Total
	EUR million	% of core in total	EUR million	% of suppl. in total	
Executive	3.8	87.3	0.6	12.7	4.4
Programmes	29.9	42.5	40.5	57.5	70.4
Programmes coordination	0.5	100.0	0.0	0.0	0.5
Adaptation	6.5	49.0	6.8	51.0	13.3
Mitigation	3.7	24.9	11.3	75.1	15.1
Means of Implementation	6.3	57.6	4.6	42.4	10.9
Transparency	12.8	41.9	17.8	58.1	30.6
Operations	12.8	62.3	7.8	37.7	20.6
Operations coordination	1.2	52.1	1.1	47.9	2.3
Secretariat-wide costs	2.9	100.0	0.0	0.0	2.9
AS/HR/ICT	3.8	56.8	2.9	43.2	6.6
Conference Affairs	2.6	61.3	1.6	38.7	4.2
Legal Affairs	2.4	52.5	2.1	47.5	4.5
Cross-cutting	8.1	40.8	11.8	59.2	19.9
Intergov. Support and Progress	4.0	75.6	1.3	24.4	5.3
Communications and Engagement	4.1	28.0	10.5	72.0	14.6
IPCC	0.5	100.0	0.0	0.0	0.5
Total appropriations	55.2	47.6	60.6	52.4	115.8

Proportion of core versus supplementary



The difference between ZNG and ZRG: Category 2 activities (▨) to be funded by supplementary resources

Objective, division and activity	2022–2023	
	EUR	Posts
Intergovernmental processes	1 020 000	2
• Adaptation: support for the Local Communities and Indigenous Peoples Platform	300 000	1
• ISCP: support for research and systematic observation	250 000	1
• Mitigation: support for the forum on the impact of the implementation on response measures	40 000	
• Transparency: support for technical review processes	430 000	
Constituted bodies	640 000	
• Adaptation: travel and logistics for one meeting of the AC, FWG, LEG and WIM ExCom	200 000	
• Legal Affairs: travel and logistics for one meeting of the compliance committees	85 000	
• Means of implementation: travel and logistics for one meeting of the SCF and TEC, and support for their respective workplans	240 000	
• Mitigation: travel and logistics for one meeting of the KCI	55 000	
• Transparency: travel and logistics for one meeting of the Consultative Group of Experts	60 000	
Data and information management	125 000	
• Communications & Engagement: support for the UNFCCC intranet	110 000	
• Mitigation: support for the LT-LEDS platform and knowledge hub	15 000	
Enhanced engagement	510 000	1.5
• Communications & Engagement: support for the provision of up-to-date and readily accessible information on the UNFCCC process, climate change and climate action	300 000	1
• Executive: enhanced engagement by the ES and DES	210 000	0.5
Total	2.3 million	3.5
Total including programme support costs	2.6 million	



Summary of the 2022–2023 Budget

Activities assigned to the secretariat by the Convention, the Kyoto Protocol, the Paris Agreement, and through decisions and conclusions by the supreme and subsidiary bodies and workplans of constituted bodies



Determining resource requirements
and categorizing all activities for 2022–2023

Category 1: Essential activities	Category 2: Recurring or long-term activities	Category 3: Temporary or short-term activities	Category 4: Complementary activities
--	---	--	--

Core total: EUR 83.3m	Supplementary: EUR 47.6m
------------------------------	---------------------------------

Core ZRG: EUR 62.4m	EUR 20.9m	Supplementary: EUR 47.6m
----------------------------	------------------	---------------------------------

Core ZNG: EUR 59.7m	2.6m	EUR 20.9m	Supplementary: EUR 47.6m
----------------------------	-------------	------------------	---------------------------------

Other funding sources: EUR 47.3m (ITL, CDM, JI, Trust Fund for Participation in the UNFCCC Process, Bonn Fund)
--



Category 2 activities to be funded from supplementary resources

Total integrated budget for 2022–2023: EUR 178 million



Tentative Timeline for the 2021 Budget Approval Process

24–25 March

Virtual budget briefing session

End of April

Publication of the main budget document, the work programme and the ITL budget document

June

Consultations by Parties on the budget (tbc)

September

Indicative core contributions for 2022 to be sent to the Parties for inclusion in national budgets

November

Formal adoption of the budget decisions by COP 26, CMP 16 and CMA 3



Next steps

- Thank you for following the presentation.
- Parties and observer States are kindly invited to submit **by Monday, 22 March 2021** questions they may have relating to this presentation, **specifying the section of the presentation and the slide number**, to the email address outlined in the notification received for the live questions and answers sessions.
- During the live questions and answers sessions that will take place on **Wednesday, 24 March 2021 from 16.00 to 18.00 CET** and be repeated on **Thursday, 25 March 2021 from 08.00 to 10.00 CET**, the secretariat will share responses to questions received.
- We look forward to e-meeting you during the questions and answers sessions.



Annex: Abbreviations and acronyms

AC	Adaptation Committee
AS/HR/ICT	Division of Administrative Services, Human Resources and Information and Communication Technology
Bonn Fund	Trust Fund for the Special Annual Contribution from the Government of Germany
CDM	clean development mechanism
CDM-MAP	clean development mechanism business and management plan
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
COVID-19	Coronavirus disease 2019
DES	Deputy Executive Secretary
ES	Executive Secretary
FWG	Facilitative Working Group
GHG	greenhouse gas
IPCC	Intergovernmental Panel on Climate Change
ISCP	Intergovernmental Support and Collective Progress division
ITL	international transaction log
JI	joint implementation
KCI	Katowice Committee of Experts on the Impacts of the Implementation of Response Measures
KP	Kyoto Protocol
LEG	Least Developed Countries Expert Group
LT-LEDS	long-term low-emission development strategy(ies)
NDC	nationally determined contribution
SCF	Standing Committee on Finance
TEC	Technology Executive Committee
WIM ExCom	Executive Committee of the Warsaw International Mechanism for Loss and Damage
WMO	World Meteorological Organization
ZNG	zero nominal growth scenario for the core and supplementary budget
ZRG	zero real growth scenario for the core and supplementary budget

