

## **Secretariat responses to requests from Parties for information and clarification received at the budget contact group meeting on 7 June 2023 and in writing after the meeting<sup>1</sup>**

- 1. Request:** Please clarify whether GST-related activities are embedded in the core budget even under ZNG scenario despite not being category 1?

➤ **Response:**

There is a small portion of support for GST-related activities in the core budget under the ZNG scenario (category 2). Support would be provided by existing staff resources who are also working on research and systematic observation, cooperation with the IPCC and strengthened ocean-based action.

- 2. Request:** Clarify why some elements that should be classified as category 2 and 3 (for example facilitation of strategic direction), are costed as core.

➤ **Response:**

The provision of strategic direction and planning in order to effectively implement party mandates is an essential and long-term requirement for any effective institution, including the UNFCCC secretariat. The budget methodology endorsed by the COP requires the inclusion of essential and long-term activities in the core budget.

- 3. Request:** Present core budget with the same elements and level of details as other budgets.

➤ **Response:**

The core budget is presented at the same or greater level of details as compared to other budgets. Activities in the core budget should be long-term in nature (category 1 and category 2) and are therefore presented in a programme format. Projects are presented under the Trust Fund for Supplementary Activities and not under other funding sources. Supplementary activities are grouped into projects and overarching objectives for fundraising purposes.

- 4. Request:** Could NDC formulation be included in core? NDC formulation is currently not included. ZRG is not sufficient to address all issues, we believe some activities should be moved to core as they are mandated.

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<sup>1</sup> Responses to other requests received by the secretariat will be provided as soon as they become available.

➤ **Response:**

Certain activities currently in supplementary budget could be funded by Core Budget. With the Parties' support, the shifting of some mandated activities under Category 3 and 4 and even Category 2, which could not be included in the core budget such as EFT, could be achieved enabling the Secretariat to plan activities based on reliable and predictable core budget. However, the ZRG scenario as currently prepared only includes the statutory costs increases and inflation.

- 5. Request:** The ETF is fully under supplementary which provokes a crisis. This function should be entirely funded by core. Please provide information on other contributions to ETF (other than from the US).

➤ **Response:**

The implementation of the ETF is covered by both core and supplementary budget in 2022-2023. However, the development of the ETF tools is fully covered by supplementary funding as the 2022-23 budget has already been approved when Parties agreed on the ETF tables/formats at Glasgow COP. Consequently, there are no core funds for ETF tools in the current budget. Preparation of ETF tools started after Glasgow COP, based on the expected funding to be provided by developed Parties that pledged their contributions at the time of adoption of the tables/formats. By July we urgently need EUR 2 million to continue the project and deliver the test versions in August. Then, we need EUR 3 million in September to deliver the second release of the test versions in mid-November (before COP) and then EUR 3.5 million in Jan. 2024 to be able to deliver the final versions of the tools in June 2024. The main contributors to the ETF tools project are: before Jan 2022 - Japan, Russian Federation, Norway, Germany (these funds were used in the early phases of the project during 2022); since Jan 2022 - Japan, Norway, Germany, USA, Switzerland.

- 6. Request:** Can you indicate the "total net assets", in other words, how much budget is left over the past five years for the Core budget and Supplementary fund?

➤ **Response:**

The net assets for all trust funds managed by UNFCCC Secretariat are reflected in the unaudited annual financial statements (AFS) posted on the UNFCCC website. Please find the AFS on the UNFCCC website at: <https://unfccc.int/documents/627779>.

- 7. Request:** Please indicate the total budget for each category, in particular Category 1. We only know the total amount of Category 1 and Category 2

➤ **Response:**

Please find the category breakdown for the total integrated budget against the various categories. The below does not include the 7% adjustment for future inflation.

#### **Integrated budget for the biennium 2024-2025 by category of activities**

<b>Category of activities</b>	<b>EUR million</b>
1=Essential activities	59.7
2=Recurring or long-term activities	135.3
3=Temporary or short-term activities	52.0
4=Complementary activities	54.1
<b>Total</b>	<b>301.1</b>

**8. Request:** Provide a rationale plus linked mandate to explain increases requested for these projects that have low budget implementation rate in the current biennium (totaling 17,865,533 EUR):

- Project 101-006 (1) - EUR 1,939,726
- Project 102-006 - EUR 2,053,538
- Project 300-006 - EUR 5,725,046
- Project 400-001 - EUR 2,371,463
- Project 400-006 (1) - EUR 3,336,129
- Project 400-007 - EUR 744,631
- Project 500-009 - EUR 1,695,000

➤ **Response:**

Please find the rationale and mandate for the projects outlined.

Project 101-006 (1) - EUR 1,939,726:

For the 2024/25 biennium this project updates project 101-006 from the current biennium and incorporates also project 400-006-3 from the current biennium in order to streamline and consolidate the number of projects. The implementation rate for both of these projects has increased in 2023 compared to 2022 based on the completion of recruitments for relevant positions and therefore a higher implementation rate is expected for 2024/25

Project 102-006 - EUR 2,053,538:

Based on the mandates for engagement in COP27 decisions some aspects of the work in the current biennium have been reclassified from objective 4 to objective 1b and as a result some activities and related budgets reassigned from project 400-006-2 to project 1002-006. This implementation rates of projects 1002-006 and 4000-006-2 are greater in 2023 than in 2022 and this increase in implementation rate is expected to continue into 2024.

Project 300-006 - EUR 5,725,046:

Implementation rates for 2023 are ahead of the rate in 2022. The increased budget estimate relates to necessary upgrades and operational processes for GCAP/NAZCA in response to COP27 and CMA 4 decisions.

Project 400-001 - EUR 2,371,463:

The increase in budget from 2022/2023 to 2024/2025 is approximately EUR 200k. The main reason for the low budget implementation in the current biennium is the lack of funding. This is an interagency initiative that expands and contracts based on support availability. As it is a Category 4 activity in our budget, it relies totally on non-governmental contributions.

Project 400-006 (1) - EUR 3,336,129:

The Communications subdivision has multiple cross-cutting objectives and communicates authoritative, relevant and timely information to Parties, non-Party stakeholders and the public regarding the UNFCCC process and action on climate change. Given the increasing number of mandates overall, the tasks for the Communications subdivision to communicate about progress in delivering these programmes and activities has risen in tandem. The secretariat has a mandate to communicate authoritative, relevant and timely information to Parties, non-Party stakeholders and the public regarding the UNFCCC process and action on climate change. Specific mandates emanating from the UNFCCC process, including those related to the constituted bodies, request that progress updates and decisions be made publicly available. These mandates are implemented by the Communications subdivision.

Project 400-007 - EUR 744,631:

- Mandate: Article 6 of the Convention and Articles 11 and 12 of the Paris Agreement on education, training, public awareness and capacity building.
- The objectives of the project have been expanded from the previous one, as well as the corresponding activities to meet the overarching goal of enhancing the legal knowledge of the UNFCCC process to ensure a meaningful engagement of young negotiators, presiding officers, observer organizations, policy makers and legislators. Activities range from developing two e-learning courses on priority climate matters to conducting capacity-building events (4 training sessions and 2 thematic workshops) to enhance the capacity of negotiators to take effective climate action and implement international climate commitments at national level. The project also encompasses enhancing the data and knowledge management practice in the Legal Affairs Division to support the development of a trusted and up-to-date repository of legal advice. Staff needed to implement and coordinate this project is also included.

Project 500-009 - EUR 1,695,000:

- Mandate: Article 12 of the Convention, Articles 5–8, 12 and 17 of the Kyoto Protocol and Article 17 of the Paris Agreement.
- The secretariat has initiated the process of upgrading the ICT infrastructure in line with keeping the secretariat's infrastructure well-managed, up-to-date and secure. This also involves end-user capabilities like desktop, mobile equipment and other productivity tools for hybrid meetings. This project aims to enhance and modernize the infrastructure, networks and end-user equipment and productivity tools. The implementation rate in 2022 is limited to the funds that were made available for this purpose. The remaining work in this initial phase is planned for completion in 2023. The 2024-2025 budget considers further modernization/enhancement of secretariat IT infrastructure and equipment to address evolving users demands. The 2024-2025 biennium also considers purchasing IT licenses that follow a 3-year cycle that is due in that biennium.

**9. Request:** Provide explanation of how these specific category 2-3 activities are mandated

➤ **Response:** the secretariat has provided the specific references to mandates for each of the categories below.

Activity (Cat. 2-3)	HR	Amount	Mandate
Coordination of work in response to the first global stocktake and provision of basic support for ocean and climate change dialogues and strengthened ocean-based action, as well as for events and documents related to research and systematic observation	2	543,312	Decision 19/CMA.1, para.15; decision 1/CP.26, para.61; Articles 4.1(g) and 5 of the Convention. Preamble of the Paris Agreement, importance of science/ research/observation re-emphasised in Articles 4, 7, 8, 10 and 14. Biannual SBSTA conclusions on RSO
Provision of support for Parties on the development and implementation of mitigation policies and actions including issues relating to international transport	1	383,860	NDC Synthesis Report: 1/CMA.3, para 30 LTLEDS Synthesis Report: 1/CMA.4, para 26 Support NDC preparation (ICTU): 3/CMA.1 and 3/CMA.1, para 3 Emissions from international transport: 4/CP.1, para 1(f)
Facilitation of strategic direction and oversight for the four Programmes divisions – Adaptation, Mitigation, Means of Implementation and Transparency – to ensure their coherence in implementation and alignment with the outreach by the Executive division	2.1	995,223	Supporting critical cross-cutting issues, in particular on the mutual co-benefits of mitigation and adaptation actions; the Just Transition work programme; preparation of the NDC synthesis annual report; and preparation of the synthesis report on long-term strategies. This as well as ensuring cohesion and aligning outreach activities with the Executive Division. General Mandates: Articles 4, 7-12 of the Convention; Articles 2-15, 17 of the Kyoto Protocol; and Articles 2-14, 16-19 of the Paris Agreement
Provision of support for the ocean and climate change dialogue and strengthened ocean-based action as well as for the research dialogue and Earth Information Day, including the preparation of summary reports	2	1,060,636	Decision 19/CMA.1, para.15; decision 1/CP.26, para.61; Articles 4.1(g) and 5 of the Convention. Preamble of the Paris Agreement, importance of science/ research/observation re-emphasised in Articles 4, 7, 8, 10 and 14. Biannual SBSTA

and organization of follow-up activities			conclusions on RSO
Provision of support to high-level champions, Presidency teams and Parties to enhance the interaction between Parties and non-Party stakeholders, organization of high-level climate action events at sessions of the COP and annual publication of progress reports	1	858,976	Decision 1/CP.20, paragraph 20; decision 1/CP.21 paragraph 120, decision 1/CP.21 paragraph 118, decision 1/CP.21 paragraph 117 decision 1/CP.25 Paragraph 25-29
Provision of high-level inputs to climate-related activities of other organizations in the United Nations system, in particular with regard to linkages of climate action with sustainable development	0.9	408,169	Providing inputs on critical issues relating to climate change to other UN organisations, including UNDP, UNEP, UNDESA, UN HQ, etc. Relevant inputs to their work greatly assist in utilising synergies and avoiding duplication of work to ensure consistency and efficiency in the UN system. General Mandates: Articles 7 and 8 of the Convention; Articles 13 and 14 of the Kyoto Protocol; and Articles 16 and 17 of the Paris Agreement.
Collaboration with relevant international organizations and agencies, United Nations organizations, the private sector and academic institutions	0.5	172,339	<ul style="list-style-type: none"> <li>• 15/CMA.1</li> <li>• Sharm el sheikh Implementation plan Decision 1/CMA.4 para 69 and 70</li> </ul>
Provision of support for communications campaigns featuring the outcomes of intergovernmental processes, work programmes and activities by the constituted bodies to foster more ambitious action on climate change and establish partnerships with organizations that can help amplify those campaigns	1	395,154	The secretariat has a mandate to communicate authoritative, relevant and timely information to Parties, non-Party stakeholders and the public regarding the UNFCCC process and action on climate change. Specific mandates emanating from the UNFCCC process, including those related to the constituted bodies, request that progress updates and decisions be made publicly available. These mandates are implemented by the Communications subdivision.
Strengthening of strategic direction, oversight and outreach, across all relevant divisions, in relation to the work of constituted bodies	0.2	29,366	Provision of strategic coordination, direction, and oversight of the four programme divisions on relevant work in relation to their constituted bodies to ensure consistency in approach as well as to facilitate sharing of relevant information. General Mandates: Articles 4, 7-12 of the Convention; Articles 2-15, 17 of the Kyoto Protocol; and Articles 2-14, 16-19 of the Paris Agreement
101-012 Support for partnerships for transformative climate action	3	1,530,936	<p>Article 8 of the Convention</p> <p>The secretariat has a mandate to ensure that it administers the institution in a financially sound manner enabling all the party driven mandates. The secretariat relies on significant supplementary funding to carry out activities in category 1-4</p>
102-005 Comprehensive support for the response to the first global stocktake, preparation for the second global stocktake, consideration of research and systematic observation, science, enhanced	4	2,590,556	Art.14 of PA, Decision 19/CMA.1, para.15 and 16; decision 1/CP.26, para.61; Articles 4.1(g) and 5 of the Convention. Preamble of the Paris Agreement, importance of science/ research/observation re-

collaboration with the IPCC and enhanced ocean-based climate action			emphasized in Articles 4, 7, 8, 10 and 14. Biannual SBSTA conclusions on RSO
102-006 Mobilization of non-Party stakeholders, including developing climate action events at sessions of the COP and other impactful platforms	2	970,643	Decision 1/CP.20, paragraph 20; decision 1/CP.21 paragraph 120, decision 1/CP.21 paragraph 118, decision 1/CP.21 paragraph 117 decision 1/CP.25 Paragraph 25-29

**10. Request:** Core should never fund not mandated activities.

➤ **Response:**

The core budget is solidly based on mandates and has category 1 and category 2 activities.

Core budget includes category 1 and category 2 activities as proposed in our actual needs scenario. As this, scenario was almost double the current biennium budget, the secretariat has proposed a scenario that include category 1 activities and some category two activities as the proposed budget.

**11. Request:** Accountability of non-party stakeholders should be removed entirely from core budget. Response Measure should be in the core budget.

➤ **Response:**

The proposed core budget does not contain funds related to the recognition and accountability of non-Party climate action. All proposed funding related to such activities are contained in category 4, supplementary project SB300-006.

In terms of Response Measures, staff, non staff, including constituted bodies, costs, are within core. Other activities and costs are currently in category 2 and category 4, The financial and post impacts of moving costs and related outputs from supplementary to core are as follows:

**Currently Category 4** (1 P-2 staff resource and EUR 755,155 in non-staff costs):

- Facilitate development of tools and a training framework to enhance understanding of impacts of response measures and reporting
- Implementation of KCI communication and engagement strategy
- Capacity Building to facilitate development and use of tools and methodologies,
- Outreach and engagement with stakeholders to promote strategies and best practices for just transition

**Currently Category 2** (EUR 37,652 in non-staff costs):

- Operational and substantive support to KCI in implementation of the workplan including 1 KCI meetings, 1 annual reports of the KCI, 1 meeting reports of the KCI, 1

inputs from experts, practitioners and international organizations in support of the activities of the KCI workplan, 1 Technical paper, 1 Exchange and sharing of experience and best practices