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Proposed programme budget for the biennium 2012–2013

Note by the Executive Secretary*

Summary

This document contains the programme budget for the biennium 2012–2013 proposed by the Executive Secretary for consideration by the Subsidiary Body for Implementation at its thirty-fourth session, adoption by the Conference of the Parties at its seventeenth session and endorsement by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its seventh session. It should be considered in conjunction with the addenda to this document, which provide details of the work programme and corresponding resource requirements, a list of activities to be funded from supplementary sources and the budget of the international transaction log.

* This document was submitted after the due date owing to the need for internal consultations.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by its decision 11/CP.16, requested the Executive Secretary to submit, for consideration by the Subsidiary Body for Implementation (SBI), at its thirty-fourth session, a proposed programme budget for the biennium 2012–2013 and a contingency for funding conference services, should this prove necessary in the light of decisions taken by the General Assembly at its sixty-sixth session.

2. The COP also authorized the SBI to recommend, at its thirty-fourth session, a programme budget for adoption by the COP at its seventeenth session, and by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session.

B. Scope of the note

3. This document contains the proposed programme budget for the biennium 2012–2013. In addition to presenting the required human and financial resources, the document outlines the details of the overall approach of the Executive Secretary in framing the programme budget proposal and seeks to give Parties a comprehensive overview of all activities that are financed from different sources, including information on contingencies for conference services and on requirements for the arrangement of additional sessional meetings. The proposed work programme of the secretariat is presented in document FCCC/SBI/2011/2/Add.1. Activities for which supplementary funding is sought are presented in document FCCC/SBI/2011/2/Add.2, and the resource requirements for the Trust Fund for the International Transaction Log are presented in document FCCC/SBI/2011/2/Add.3. These documents are complemented by the clean development mechanism (CDM) management plan¹ and the joint implementation (JI) management plan.²

C. Possible action by the Subsidiary Body for Implementation

4. The SBI is expected:

(a) To recommend a programme budget and agree on a draft decision for adoption by the COP at its seventeenth session and by the CMP at its seventh session;

(b) To recommend a budget for the international transaction log and agree on a draft decision for adoption by the CMP at its seventh session;

(c) To authorize the Executive Secretary to notify Parties of their contributions for 2012 on the basis of the recommended budget.

5. The SBI is also invited:

(a) To take note of the financing arrangements for the CDM and JI;

(b) To take note of the requirements for voluntary contributions to the Trust Fund for Supplementary Activities and the Trust Fund for Participation in the UNFCCC Process.

¹ <<http://cdm.unfccc.int/EB/index.html>>.

² <<http://ji.unfccc.int/Ref/Docs.html>>.

II. Approach of the Executive Secretary in framing the programme budget proposal

6. In presenting this programme budget for consideration by the Parties, the Executive Secretary has been guided by four **priorities**:

(a) Ensuring that the secretariat is able to fully support Parties in their efforts to address climate change;

(b) Taking on board the very significant increase in workload that arises from the scope and scale of the Cancun Agreements and their implementation in the coming biennium, as well as from decisions that may reasonably be expected to be taken by the COP at its seventeenth session and the CMP at its seventh session in further fulfilment of the Bali Road Map;

(c) Respecting the budgetary constraints faced by Parties by undertaking a major effort to seek efficiencies, remove duplication and consolidate work in a more synergetic and coherent way, while at the same time enhancing the engagement of stakeholders in the implementation of the Convention;

(d) Further developing the solid technical, analytical and organizational strengths of the secretariat while promoting a healthier and more sustainable working environment.

7. The Cancun Agreements, and the decisions presumed to be taken pursuant to the Bali Road Map at the United Nations Climate Change Conference to be held in Durban, South Africa, constitute a significant step in the evolution of the Convention process, with **fundamental institutional and process implications** for Parties and the secretariat. These implications concern new elements, including but not limited to the Adaptation Framework and Committee, the Technology Mechanism and its components, the new Green Climate Fund, the Standing Committee, institutional arrangements for capacity-building, the new registry on nationally appropriate mitigation actions (NAMAs), and provisions related to enhanced measurement, reporting and verification of targets, actions and support.

8. The scope and scale of the resulting mandates and **workload** are such that it will not be possible to implement them fully and effectively, to the level of quality required and expected, on the basis of a zero real growth budget baseline. At the same time, the Executive Secretary is fully aware of, and respects, the current budgetary constraints of national governments, which would seem to provide only limited scope, if any, for increases in funding. Matching these two realities is a major challenge.

9. In the light of these conflicting demands, the Executive Secretary proposes a **budget in two tiers**, with tier 1 maintaining zero real growth while taking on board some new mandates. This will be achieved by some internal realignment, consolidation of related work, investment in seeking efficiencies and “working smarter”. However, important gaps remain between mandates and resource levels in this baseline approach. A second tier of limited additional core budget requirements to close these gaps is therefore presented for consideration by Parties.

10. A number of **uncertainties** constrain the ability to frame definitive budgetary proposals. The result is the presentation of additional scenarios that Parties may wish to consider. These relate to the provision of conference services by the United Nations and the expansion of the calendar of meetings based on historical experience and placing such meetings on a firmer budgetary footing. The Executive Secretary highlights the possibility of the Durban conference resulting in a series of decisions or outcomes that would even more significantly accelerate both action and the related workload.

11. After an intense period of activity focused on the delivery of a demanding schedule of meetings and support to complex negotiations among Parties, the Executive Secretary is committed to strengthening support to the implementation of the Convention and its Kyoto Protocol while promoting a working culture that favours **innovation, creativity and efficiency** and ensuring a healthier working environment for staff. This approach will emphasize, inter alia: enhancing efficiency through greater coherence, streamlined work processes, the strengthening of internal collaboration and the enhanced use of information technology (IT); a more disciplined approach to managing workload imbalances; and investing in management, skills development and knowledge transfer.

12. Further details on the above priorities and features are elaborated in the budget proposal given below.

III. Structure of the proposed programme budget

13. The work of the secretariat in support of the implementation of the Convention and its Kyoto Protocol is funded from six trust funds:

- (a) The Trust Fund for the Core Budget of the UNFCCC;
- (b) The Trust Fund for Participation in the UNFCCC Process, which funds the travel of delegates from eligible Parties to participate at sessions;
- (c) The Trust Fund for Supplementary Activities, which finances mandated activities for which resources from the core budget have not been provided;
- (d) The Trust Fund for the Special Annual Contribution from the Government of Germany (the Bonn Fund), which is used to finance the logistical and support arrangements for events taking place in Germany, including workshops and sessions of the subsidiary bodies;
- (e) The Trust Fund for the Clean Development Mechanism, which finances the activities of the CDM from fees and shares of proceeds;
- (f) The Trust Fund for the International Transaction Log, which finances the activities of the international transaction log from fees by user Parties only.

14. The core budget is approved by decisions of the COP and the CMP and is funded through indicative contributions from all Parties. The level of income and expenditure under the other five trust funds is determined by the amount of voluntary contributions and/or the amount of fees received. A summary of the proposed or estimated resources for all trust funds is provided in the annex to document FCCC/SBI/2011/2/Add.1.

15. As indicated in chapter II above, the core budget presented in this document has the following key elements:

- (a) A zero real growth budget scenario³ (also referred to as “tier 1”), which would enable the secretariat to move forward key activities mandated in the Cancun Agreements but would place restrictions on the full implementation of all aspects of the work mandated in these and future decisions;⁴
- (b) A scenario including a measured increase (also referred to as “tier 2”), which would allow for a more comprehensive implementation of the Cancun Agreements and the fulfilment of the Bali Road Map;⁵

³ Allowing for adjustments to reflect slight increases in the standard staff costs and non-staff costs.

⁴ An overview of new mandates that will be absorbed under tier 1 is presented in chapter V.A below.

⁵ Additional requirements under tier 2 are presented in chapter V.B below.

(c) Additional scenarios as referred to in paragraph 10 above and elaborated on in chapters XII and XIII below.

16. The ratio of contributions towards core budget requirements under the Kyoto Protocol and under the Convention is presented in chapter VII below.

17. The Executive Secretary has maintained the principle that essential activities should be funded from the core budget. However, in order to limit increases to the core budget, it is proposed that some mandated activities be funded in part from voluntary contributions, wherever expected income is predictable and sufficient to sustain these activities. For example, based on decision 12/CP.11, three meetings of each of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE),⁶ the Least Developed Countries Expert Group (LEG), the Adaptation Committee⁷ and the Technology Executive Committee (TEC)⁸ will be funded from the core budget in the biennium 2012–2013, while voluntary contributions will finance any additional meetings. With regard to the Compliance Committee, two plenary meetings and 12 branch meetings are planned for the next biennium. Half of these meetings will be funded from the core budget, while voluntary contributions to the Trust Fund for Supplementary Activities will be sought for the remaining meetings. Although voluntary contributions and special projects play an important role in service delivery, it must be noted that they do not provide sufficient security to guarantee the effective delivery of results.

18. In accordance with the principle set out in the financial procedures (decision 15/CP.1) that the core budget shall not subsidize activities funded from supplementary sources,⁹ the costs of support services, which include per capita costs for information services such as data communication, equipment and software, and secretariat-wide costs for telephone and fax communication, training and common premises, have been budgeted, to the extent possible, under the respective source of funding. In this budget proposal, therefore, requirements for support services have been factored into the requirements for supplementary funds for the respective activity.

IV. Enhancing efficiency and maximizing resources

A. Realigning programmes in response to the evolving priorities of the Parties

19. Since the adoption of the Bali Road Map by the COP at its thirteenth session and the CMP at its third session, the work of the secretariat has evolved significantly. It will continue to do so in response to the Cancun Agreements and decisions that Parties may take at future sessions of the COP and the CMP in further fulfilment of the Bali Road Map. Given these developments, the programme structure of the secretariat put in place in 2006 no longer provides the optimal frame for the efficient implementation of the secretariat's mandates.

⁶ Pending the decision by the COP to extend the mandate for the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention.

⁷ Provisions for three meetings of the Adaptation Committee are made under tier 2 of the core budget proposal.

⁸ Provisions for one meeting of the TEC are made under tier 1 of the core budget proposal. Tier 2 covers the requirements for two meetings.

⁹ Decision 15/CP.1, annex I, paragraph 17.

20. Guided by the structure of the Bali Road Map, and taking into account the need for the maximization of the use of resources under a zero real growth budget scenario, the Executive Secretary has launched a process to realign the secretariat's resources with the new and evolving requirements. The revised programme structure serves as the basis for the work programme for the 2012–2013 biennium and the accompanying determination of resource requirements. The programmes are:

- (a) Executive Direction and Management (EDM);
- (b) Adaptation;
- (c) Mitigation, Data and Analysis (MDA);
- (d) Finance, Technology and Capacity-building (FTC);
- (e) Sustainable Development Mechanisms (SDM);
- (f) Legal Affairs (LA);
- (g) Conference Affairs Services (CAS);
- (h) Communications and Knowledge Management Services (CKM);
- (i) Information Technology Services (ITS);
- (j) Administrative Services (AS).

21. The main changes in the secretariat structure are due to a realignment of former work streams in the Adaptation, Technology and Science, Financial and Technical Support, and Reporting, Data and Analysis programmes into three new programmes: Adaptation, MDA and FTC. In addition, IT services have been reorganized and consolidated into the new ITS programme, which centralizes resources that were previously fragmented across several programmes together with the former Information Services infrastructure service. CKM has been refocused to support enhanced external online delivery and the internal management of data, documents and information for Parties and observers.

22. The realignment of the secretariat's work related to adaptation, mitigation, technology, finance and capacity-building will ensure that better use is made of secretariat resources by eliminating overlaps and duplication, optimizing available skill sets and creating an enhanced framework for collaboration among all staff. Importantly, the realignment also means that support to Parties not included in Annex I to the Convention (non-Annex I Parties) is more fully integrated into the work of the secretariat across all programmes.

1. Adaptation

23. Building on the Bali Action Plan, the Cancun Agreements have confirmed adaptation as a central work area under the Convention. More specifically, the Cancun Adaptation Framework has added a new work programme on loss and damage, a new process for least developed country (LDC) Parties to formulate and implement national adaptation plans, an invitation to other developing countries to employ the modalities formulated to support these plans and a new institution, the Adaptation Committee, to the adaptation work streams. The national adaptation plans as well as the extension and expansion of the mandate of the LEG entail further strengthening the support given to the LDC Parties.

24. The Cancun Agreements also foresee a number of actions to catalyse a more effective implementation of adaptation, such as the engagement of international, regional and national institutions; sharing of information, knowledge and expertise, which could be undertaken through an enhanced Nairobi work programme on impacts, vulnerability and

adaptation to climate change; and the incorporation of provisions for the monitoring and evaluation of adaptation action and support provided and received.

25. While it is evident that the scope and scale of the work of the secretariat on adaptation mandated by the COP is still far from reaching the level of activity in support of mitigation, it is now the right time for consolidation of the different adaptation work streams and the pooling of the secretariat's resources, in order to make optimal use of existing capacity and expertise. In addition to ending fragmentation, the realignment creates a strong basis for taking on new tasks resulting from any future decisions to further enhance action on adaptation.

2. Mitigation

26. Another priority work area of Parties is enhanced action on mitigation, clearly differentiating between action by Parties included in Annex I to the Convention (Annex I Parties) and by non-Annex I Parties. Secretariat support to Annex I Parties includes support for the reporting and review processes for their national communications and greenhouse gas (GHG) inventories. As a result of the Cancun Agreements, the assistance provided by the secretariat will be strengthened in a number of ways, including through support to work programmes on the development of modalities and guidelines for enhanced reporting by Annex I Parties, as well as in a number of other areas requiring technical expertise and analysis by the secretariat.

27. New and still evolving tasks relate to NAMAs by developing countries. An important area of work is the establishment and maintenance of a registry to record and regularly update information provided by Parties in relation to NAMAs, including information on international support in the form of technology, finance and/or capacity-building, either provided or received. Secretariat support will be strengthened in relation to the communication of information provided by non-Annex I Parties, and will include giving support related to biennial update reports.

28. A key aspect of the secretariat's work on mitigation is the collection, processing, analysis and dissemination of information and data from a wide variety of sources, including national communications and GHG inventories. The realignment of secretariat resources will consolidate capacity in this area and will strengthen the support given to non-Annex I Parties while fully recognizing their specific needs.

3. Technology, finance and capacity-building

29. The Bali Road Map and the Cancun Agreements also confirmed the importance of international collaboration on technology, finance and capacity-building as a crucial means of enhancing the implementation of the Convention.

30. One of the key decisions adopted at the United Nations Climate Change Conference in Cancun, Mexico, was the establishment of the Green Climate Fund as an operating entity of the financial mechanism under Article 11 of the Convention, and a Standing Committee to assist the COP in exercising its functions with respect to the financial mechanism. The Cancun Agreements established a Technology Mechanism, comprising the TEC and a Climate Technology Centre and Network (CTCN), to substantially scale up international and regional collaboration in the development, demonstration, deployment, diffusion and transfer of technologies for mitigation and adaptation. It is anticipated that the Technology Mechanism will be fully operationalized in 2012 and that the secretariat will need to provide effective support as it continues to evolve, including in its linkages with activities and institutions related to finance, mitigation, adaptation and capacity-building. The Cancun Agreements also provide for enhanced monitoring and review of the effectiveness of, and the institutional arrangements for, capacity-building.

31. A key objective of consolidating the related work areas into one programme is to maximize synergy and coherence and thereby provide more focused support to the adaptation and mitigation efforts undertaken by developing countries, including in the measurement, reporting and verification of support provided.

B. Working smarter

32. The Executive Secretary is committed to continuously reviewing the efficiency and effectiveness of the work of the secretariat. The aim is to ensure that the secretariat establishes itself as a top-performing organization that continues to meet the requirements of a highly dynamic process through the efficient use of available resources. Hence, the Executive Secretary puts a special emphasis on efforts to streamline and maximize the use of resources across the secretariat, foster new ways of thinking and make better use of synergies.

33. An important aspect in this regard is the rationalization and automation of internal processes. The new IT architecture and governance structure, implemented technically through the new ITS programme with functional support provided by CKM, is a key element in this effort and is expected to significantly streamline systems development in the secretariat and end fragmentation of IT resources.¹⁰ In addition to efforts related to the enhanced use of technology, the Executive Secretary has launched a process that will allow for continuous feedback from staff on secretariat business processes and on ways to work smarter. This process aims at anchoring innovation and the continuous improvement of business processes and practices in the culture of the secretariat.

34. Lastly, another priority for the Executive Secretary is the strengthening of the secretariat's strategic capacity at all levels, from senior management to issues managers. In line with this priority, the Executive Secretary has strengthened the coordination of support given to the implementation of the Cancun Agreements. The Director for Implementation Strategy in EDM will ensure coherence of all secretariat efforts related to the implementation of related decisions. In addition, the Chief of Staff will be responsible for enhancing the strategic oversight of secretariat activities both internally and in relation to external stakeholders. A key task of this new post will be to enhance the secretariat's role in catalysing action by stakeholders in support of the implementation of the Convention.

V. Implementing more mandates – the post-Cancun reality

A. Absorbing new mandates at the current level of resources

35. The secretariat will continue to provide support to the implementation of the Kyoto Protocol. Support required under a second commitment period is assumed to be at the same level as during the first commitment period.

36. The Cancun Agreements will have a major impact on the work of the secretariat in the biennium 2012–2013 and on the associated resource requirements. However, every effort has been made to integrate implementation of elements of the Cancun Agreements into the work programme of the secretariat without the need for an increase in core

¹⁰ Examples of rationalization and automation activities are the recently deployed online job application system for secretariat posts and the online registration system for admitted organizations. Among planned activities are the deployment of technology and systems for online collaboration to boost information sharing within the secretariat as well as with external stakeholders and the enhancement of the UNFCCC website.

resources. This impact could be magnified by the adoption of additional decisions by the Durban conference.

37. At the current level of resources, the secretariat will continue to provide substantive support to negotiations and the consideration of information at the sessional meetings, as well as the preparation of a certain amount of documentation. The secretariat will allocate some of its resources to mobilize support from the United Nations system, international organizations and stakeholders for the implementation of the Cancun Agreements and decisions anticipated to be taken by the COP and the CMP in Durban in further fulfilment of the Bali Road Map.

38. Under a zero real growth budget scenario the secretariat will do its best to incorporate the different work streams resulting from the Cancun Agreements. Available resources will be used for a variety of activities and outputs, for example the following:

(a) Servicing the **TEC**, including basic administrative support to its members, strategic and substantive support to its Chair and Vice-Chair, some substantive support related to work on finance, barriers and actions, as well as interaction with the Adaptation Committee and the Standing Committee. Core budget resources previously allocated to meetings of the now concluded Expert Group on Technology Transfer (EGTT) will be used to fund some meeting costs of the TEC, which will allow arrangements to be made for one meeting of the new committee and for processing its reports for consideration by the COP;

(b) Supporting the formative phase of the **CTCN**, including facilitating the selection of its host and ensuring information flow on the activities and plans of the TEC and the CTCN, as well as their mutual interaction;

(c) Servicing the **LEG** in undertaking expanded functions. The secretariat will continue to support the meetings of the LEG, including the preparation of substantive documentation and logistical, travel and organizational arrangements for up to three meetings over the biennium, and will facilitate the revision and update of national adaptation programmes of action through the preparation of new guidelines, training activities and support to individual countries upon request. The secretariat will prepare guidance materials and reports for use by the LEG to support the identification of medium- and long-term adaptation needs and to facilitate the integration of adaptation into development planning and actions. It will facilitate the consideration of gender issues and the provision of technical guidance related to the formulation and implementation of national adaptation plans;

(d) Providing some support to the **Adaptation Committee**, including for the preparation of its annual report and its knowledge-sharing function;

(e) Facilitating the work of the COP with respect to **fast-start and long-term finance**, including support for the consideration of information and the provision of guidance to the Standing Committee, supporting the development and implementation of the work programme of the Standing Committee and interaction with the secretariat of the Green Climate Fund;

(f) Facilitating the enhanced process of **reporting under the Convention**, including the receipt, storage and publishing of various regular submissions by developed and developing countries, the compilation of information on emissions and removals related to targets, the provision of information related to financial and technical support, and the training of experts;

(g) Supporting work related to **NAMAs** by developing countries, in particular providing a simple pilot set-up of the **registry** in the form of web pages, facilitating the development of guidelines, assigning staff to the organization of possible regional capacity-

building workshops, and providing technical input related to the development of low-carbon development strategies;

(h) Providing **legal advice and support** related to multiple work streams;

(i) Supporting the implementation of various **work programmes**, including the Subsidiary Body for Scientific and Technological Advice (SBSTA) work programme on policy approaches and positive incentives for issues relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries, and the work programme to address the impact of the implementation of response measures. Limited capacity will also be available in 2012 to provide technical support to the work programme to address loss and damage.

B. Additional requirements

39. The Cancun Agreements constitute a significant step in the evolution of the Convention process, in that they establish four new constituted bodies with important substantive mandates. Significant work-intensive processes and systems related to measurement, reporting and verification are put in place [or envisaged] in the Agreements, for which the secretariat will have a technical implementation role. However, the secretariat is not in a position to support these institutions and processes without additional resources. The additional resources proposed under tier 2 of the budget proposal will be used for effective support for the implementation of the Cancun Agreements and in further fulfilment of the Bali Road Map. Resource requirements for activities and outputs in support of enhanced action on mitigation and adaptation, as well as for the implementation of decisions related to finance and technology, add up to a required overall budget increase of 15 per cent.

1. Enhanced action on adaptation

40. The secretariat has been mandated to support the implementation of the Cancun Adaptation Framework, including related institutional arrangements under the Convention. While the mandate is broad and the list of activities under the framework long, some elements of this mandate are specific enough to enable the assessment of related resource requirements. Additional core budget provisions are therefore made for:

(a) Servicing the **Adaptation Committee, a completely new and significant institution**, including the preparation of substantive documentation, making logistical, travel and organizational arrangements for up to three meetings over the biennium and giving technical and strategic advice. Planned technical input relates, inter alia, to the provision of information on the means of implementation (finance, technology and capacity-building), as well as to the monitoring and review of adaptation actions and support;

(b) Facilitating the formulation and implementation of **national adaptation plans**, including the preparation of user-friendly guidance material and supporting the organization and undertaking of regional consultations and training activities;

(c) Supporting the **LEG** in undertaking expanded functions, including giving input to training activities and to strengthening national institutions as well as other elements of the LDC work programme. In this context, the secretariat will continue to help to facilitate access by LDCs to resources from the Least Developed Countries Fund, including through identifying bottlenecks and recommending solutions;

(d) Supporting the implementation of the **work programme to address loss and damage**, including through input to workshops and expert meetings and the preparation of technical reports and other documentation;

(e) Engaging relevant multilateral, international, regional and national organizations, the public and private sectors, civil society and other relevant stakeholders with a view to enhancing action on adaptation at all levels and to making information available on the progress made.

2. Enhanced action on mitigation

41. The secretariat has been mandated to support the various elements of the Cancun Agreements related to enhanced action on mitigation,¹¹ including elements related to:

(a) Nationally appropriate mitigation commitments or actions by developed country Parties;

(b) NAMAs by developing country Parties;

(c) Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries;

(d) Various approaches, including opportunities for using markets, to enhance the cost-effectiveness of, and to promote, mitigation actions, bearing in mind the different circumstances of developed and developing countries;

(e) The economic and social consequences of response measures.

42. As all of these activities entail significant new work, provisions are made in the budget proposal under tier 2 for:

(a) Supporting the process for the **international assessment of emissions and removals** related to quantified economy-wide emission reduction targets. The secretariat will process progress reports by developed countries and will assign staff to organize workshops and expert meetings. It will prepare documentation containing draft modalities and guidelines relating to new reporting requirements upon request and will develop or modify IT tools, including reporting software, review tools and databases;

(b) Supporting work related to **NAMAs**. The secretariat will assign staff to arrange workshops on understanding the diversity of mitigation actions submitted and the underlying assumptions and will provide the support needed for the implementation of these actions. It will develop and maintain the system and IT tools required for the registry to record NAMAs seeking international support and to facilitate matching of finance, technology and capacity-building support for these actions. It will support the work programme for the development of modalities and guidelines for the facilitation of support to NAMAs and will provide any mandated support for the preparation and implementation of NAMAs;

(c) Supporting **enhanced reporting by developing countries**, including the preparation of biennial update reports. The secretariat will modify and maintain the UNFCCC submission portal and related databases and software to allow for electronic receipt of submissions and the automatic import of data;

(d) Developing new courses and **training** materials to reflect enhanced guidelines for the review of reports submitted by Annex I Parties and developing enhanced

¹¹ See decision 1/CP.16.

training for inventory experts from developing countries to meet the new reporting requirements;

(e) Supporting activities related to **reducing emissions from deforestation and forest degradation in developing countries (REDD)**, including through organizing the provision of feedback on reports submitted by Parties. The secretariat will assign staff to make arrangements for possible workshops and expert meetings and will provide relevant documentation;

(f) Supporting the consideration of the establishment of one or more **market-based and/or non-market-based mechanisms**. The secretariat will facilitate the elaboration of modalities and procedures and will support technical work to identify the implications of options for the operation of the mechanisms. Furthermore, it will engage relevant stakeholders.

3. Finance

43. The secretariat has been mandated to support various elements related to finance. Specific resource requirements for the secretariat result from the provisions related to fast-start and long-term finance, the Green Climate Fund and the Standing Committee. Budget provisions under tier 2 relate to:

(a) Supporting the work of the Standing Committee in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism, mobilization of financial resources, and measurement, reporting and verification of support provided to developing country Parties. The secretariat will, inter alia, facilitate interaction of the Standing Committee with the operating entities of the financial mechanism of the Convention, relevant financial institutions, the private sector and other relevant entities and bodies. It will assign staff to make arrangements for the regular meetings of the Standing Committee, including the preparation of background information and reports;

(b) Supporting the COP in its work related to the Green Climate Fund. The secretariat will analyse information related to the Green Climate Fund, including on the sources of funding, with a view to supporting the provision of guidance by the COP and ensuring its implementation. It will facilitate linkages between the relevant bodies of the Convention, such as the TEC and the Adaptation Committee, with the Green Climate Fund in order to ensure coherence in the delivery of resources.

4. Technology

44. The secretariat has been mandated to support various elements related to technology development and transfer. Budget provisions under tier 2 relate to providing high-quality professional support in order that the TEC can undertake its functions related to the provision of advice, recommendations and guidance to promote action on technology development and transfer. Resources proposed under tier 2 will also be sufficient for making arrangements for two meetings of the TEC over the biennium. The secretariat will mobilize technical input and support for the work of the TEC from relevant international organizations and agencies, academic and research communities, and the private sector, including through assigning staff to the organization of workshops and expert meetings.

5. Review

45. The secretariat will support the process among Parties to review the adequacy of the long-term global goal referred to in paragraph 4 of decision 1/CP.16 and of the overall progress towards achieving it. It will facilitate the identification of a global goal for substantially reducing emissions by 2050 and a time frame for their global peaking.

Secretariat staff will be assigned to organize related workshops and expert meetings, undertake analytical work and prepare technical documentation.

6. Services

46. While the impacts of the Cancun Agreements on the resources of the secretariat are most evident in the areas referred to above, the processes launched and institutional arrangements made in Cancun also have significant resource implications for the service programmes of the secretariat, including conference affairs, strategic communications and outreach, and legal affairs, and ensuring compliance with the standards regarding the quality and security of information, communication and collaboration systems. Budget provisions under tier 2 relate to:

- (a) The larger number of meetings and constituted bodies;
- (b) The enhanced importance attached by Parties to the engagement of non-governmental organizations;
- (c) The growing complexity of IT systems and the increasing volume of data being submitted by Parties and needing to be compiled, managed and synthesized;
- (d) The need to provide better information to Parties given the growing complexity and breadth of the climate change process.

VI. Proposed programme budget

47. The proposed programme budget is presented in two tiers: tier 1, which reflects zero real growth, and tier 2, which includes an additional 15 posts, amounting to an increase of 15 per cent over tier 1 levels.

48. Under **tier 1**, the redeployment of resources will enable the following functions to be performed and will result in the associated changes to posts:

- (a) Strengthening the provision of authoritative quantitative information on the GHG emissions from Parties: one P-5 post will be established to manage the MDA subprogramme responsible for the storage, processing and publishing of data on GHG emissions reported by Parties under the Convention and its Kyoto Protocol;
- (b) Providing mandated support related to NAMAs, including the registry, and supporting the intergovernmental process in the work related to the economic and social consequences of response measures: one P-4 post will be established to lead the unit within the MDA programme dedicated to these functions;
- (c) Supporting efforts to improve the scientific basis for enhancing the implementation of the Convention and supporting the initial review of the adequacy of the long-term global goal. Providing secretarial and administrative support to the subprogramme responsible for these tasks: one General Service post will be established in the Adaptation programme;
- (d) Providing enhanced strategic guidance to all secretariat programmes and ensuring the coherence of efforts undertaken by the secretariat in support of new institutions mandated by the Cancun Agreements and possible follow-up decisions: one existing D-2 post will be redeployed from the LA programme to the EDM programme;
- (e) Ensuring enhanced coherence and efficiency in secretariat internal management processes as well as strategic oversight of activities aimed at strengthening the secretariat's outreach to civil society organizations, including private-sector organizations: one post will be upgraded from P-5 to D-1 in the EDM programme;

(f) Responding to the increased complexity of the IT requirements of the secretariat and ensuring the confidence of Parties in the security and quality of mandated IT systems: in order to guide and lead efforts in the development of IT security strategies, policies and procedures, to lead the development of an IT architecture for the secretariat that can sustainably address new mandated requirements, to ensure the adoption and implementation of quality standards for the systems and services delivered by ITS and to increase conformity with IT best practices and international standards, one P-5 post will be established in the ITS programme;

(g) Maintaining the quality, clarity and readability of documents, and ensuring their timely availability, while coping with a higher number, volume and complexity of documents, overseeing a more complex process, setting editorial policy, providing guidance, maintaining quality control and constantly improving secretariat-wide documentation processes: one post will be upgraded from P-4 to P-5 in the CAS programme;

(h) Enhancing the UNFCCC website and making data and information related to the UNFCCC process available in a user-friendly and cost-effective manner, including through the use of interactive and social networking tools. The provision of information online requires complex coordination of information architectures as well as detailed management and presentation of substantive content: one post in the CKM programme will be upgraded from P-2 to P-3.

49. The responsibilities of the Chief Legal Adviser and Manager of the LA programme, currently a P-5 post, will be combined with those of the Director of the Programme and Secretary to the Compliance Committee, currently a D-2 post. For this purpose, the P-5 post will be upgraded to D-1 and the D-2 post will be moved to the EDM programme in order to strengthen its functions related to the Cancun Agreements, as stated in paragraph 48(d) above.

50. In view of the requirements outlined in chapter V above, the Executive Secretary proposes to strengthen programmes that are facing an increased workload due to the implementation of new and ongoing mandates that cannot be fully absorbed at the current resource levels. The establishment of additional posts under **tier 2** would allow the strengthening of the following areas of work:

(a) Supporting the implementation of the process to enable LDCs to formulate and implement national adaptation plans and supporting the LEG in undertaking expanded functions: one P-3 post, with, inter alia, responsibility for preparing user-friendly guidance material and giving support to the organization of anticipated consultations and training activities, will be established in the Adaptation programme;

(b) Supporting the implementation of the work programme to address loss and damage and supporting the implementation of the Nairobi work programme, which is anticipated to be expanded and aligned with the Cancun Adaptation Framework by the SBI at its thirty-fourth session: one P-5 post will be established in the Adaptation programme to lead work on impacts, risks and vulnerability;

(c) Supporting the review of the adequacy of the long-term global goal referred to in paragraph 4 of decision 1/CP.16 and of the overall progress towards achieving it and supporting the identification of a global goal for substantially reducing emissions by 2050 and a time frame for their global peaking: one P-3 post, with responsibility for organizing anticipated workshops and expert meetings, undertaking analytical work and preparing technical documentation, will be established in the Adaptation programme;

(d) Providing support to the TEC additional to the support provided previously by the secretariat to the EGTT, undertaking mandated activities to implement the

Technology Transfer Framework and facilitating interaction between the TEC and the CTCN during the formative phase of the CTCN: one P-3 post will be established in the FTC programme;

(e) Supporting the implementation of the Cancun Agreements in relation to finance: one P-2 post will be established in the FTC programme in order to provide analytical input and support to the meetings of the Standing Committee and to facilitate interaction between major stakeholders;

(f) Providing administrative support to the organization of meetings of the Standing Committee and the TEC and to the preparation of documents on fast-start finance, measurement, reporting and verification and the implementation of the Technology Mechanism: one General Service post will be established in the FTC programme;

(g) Supporting work related to the preparation and implementation of NAMAs, including support for the operation and maintenance of the registry, facilitating consideration of modalities for and guidelines on measurement, reporting and verification of both internationally supported and domestically funded mitigation actions, and eventually supporting measurement, reporting and verification of these actions: one P-3 post will be established in the MDA programme;

(h) Developing documentation on measurement, reporting and verification in the form of guidelines, guides and information materials: one P-3 post will be established in the MDA programme;

(i) Supporting the preparation, timely processing and review of biennial reports by developing country Parties and maintaining a submission portal and related databases and software to allow for the electronic receipt of submissions and the automatic import of data: one P-3 post will be established in the MDA programme;

(j) Developing tools for the receipt and processing of additional data and information related to measurement, reporting and verification: one P-3 post will be established in the MDA programme;

(k) Supporting an expanded meetings calendar, in particular supporting complex arrangements for meetings taking place away from the headquarters of the secretariat. Managing the deployment of strategies for conference organization and optimally integrated conference services, including logistics, documents management and external relations: one P-5 post will be established in the CAS programme;

(l) Supporting the elaboration of modalities and procedures for the establishment of market-based and non-market-based mechanisms: one P-4 post will be established in the SDM programme;

(m) Meeting additional demands for legal expertise and inputs, addressing the growing volume of legal issues and providing legal support to new institutional arrangements and processes: one P-5 post will be established in the LA programme;

(n) Responding to the greater information requirements of Parties, observers and the general public in the context of the growing complexity and breadth of the intergovernmental process and providing user-friendly, cost-effective and timely online products, such as the UNFCCC newsletter: one P-3 post will be established in the CKM programme;

(o) Streamlining and enhancing the design, implementation and maintenance of defences to protect the secretariat and its mandated new and existing IT systems against the increasing threats of cyber attack and the timely identification, and effective mitigation, of any security risks that the existing and mandated new IT systems might be exposed to: one P-4 post will be established in the ITS programme.

51. In addition to staff costs, the tier 2 proposal includes provisions for non-staff costs, including for consultants, experts, operating expenses and travel of staff. The provisions cover a variety of tasks, including:

(a) Logistical, travel and organizational arrangements for up to two meetings of the TEC and three meetings of the Adaptation Committee;

(b) Analysing and implementing changes related to measurement, reporting and verification in the IT systems and databases containing GHG emissions data and other relevant information, including the UNFCCC data submission portal, the UNFCCC greenhouse gas database and CRF Reporter;

(c) Developing and launching a full-scope registry as an IT system to record NAMAs by non-Annex I Parties, with a linkage, as appropriate, to the technology and funding mechanisms;

(d) Developing and maintaining information systems on finance, including new modules of the finance web portal; preparing background materials related to the work of the Standing Committee and on measurement, reporting and verification of support; attending relevant meetings outside of Bonn, Germany.

52. Table 1 presents the 2012 and 2013 posts by grade for tier 1 and tier 2. The redeployment and establishment of new posts outlined in paragraphs 48 and 49 above result in a net increase of four posts under tier 1 when compared with 2011. A total of 15 new posts is requested under tier 2.

Table 1
Secretariat-wide staffing from the core budget

	<i>Tier 1</i>			<i>Tier 2</i>	
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Professional category and above^a					
ASG	1	1	1	–	–
D-2	3	3	3	–	–
D-1	5	7	7	–	–
P-5	12	13	13	3	3
P-4	29	29	29	2	2
P-3	29	29	29	7	8
P-2	12	12	12	1	1
Subtotal Professional category and above	91	94	94	13	14
Subtotal General Service category	49.5	50.5	50.5	1	1
Total	140.5	144.5	144.5	14	15

^a Assistant Secretary-General (ASG), Director (D) and Professional (P).

A. Proposed core budget by object of expenditure

53. Details of the proposed 2012–2013 core budget by object of expenditure for tier 1 and tier 2 are shown in table 2.

Table 2
Proposed core budget by object of expenditure

<i>Object of expenditure</i>	2010–2011 (EUR)	2012–2013		
		<i>Tier 1 (EUR)</i>	<i>Variance (%)</i>	<i>Tier 2 (EUR)</i>
Staff costs	28 924 233	30 110 474	4.1	3 527 559
Consultants	1 279 025	898 656	–29.7	796 296
Travel of staff	1 327 070	1 311 801	–1.2	170 800
Experts and expert groups	1 811 887	1 716 656	–5.3	383 000
General operating expenses	2 429 392	2 529 452	4.1	614 520
Supplies and materials	279 720	284 056	1.6	21 170
Acquisition of furniture and equipment	1 060 651	834 680	–21.3	42 000
Training	238 462	246 702	3.5	20 300
Contributions to common services	1 041 468	1 079 994	3.7	107 590
Grants and contributions (IPCC) ^a	489 510	489 510	0.0	–
Total core programme budget	38 881 418	39 501 981	1.6	5 683 235
Programme support costs	5 054 585	5 135 258	1.6	738 821
Adjustment to working capital reserve ^b	264 096	24 469	–90.7	277 591
Grand total	44 200 099	44 661 708	1.0	6 699 647

^a Intergovernmental Panel on Climate Change.

^b In accordance with the financial procedures (decision 15/CP.1, annex I, para. 14), the working capital reserve shall be increased to EUR 1,855,754 under tier 1 in 2012 and increased by an additional EUR 277,591 for tier 2. The same levels will be maintained for 2013.

54. The principal component of the core budget consists of staff costs. For the 2012–2013 biennium, staff costs represent approximately 76 per cent of the proposed total core programme budget under tier 1. Other major components include general operating expenses (6 per cent) and experts and expert groups (4 per cent).

55. The 2012–2013 tier 1 budget proposal reflects a 1 per cent increase when compared with 2010–2011. The overall increase is derived from an adjustment in the standard costs of staff¹² and a 1 per cent price adjustment applied to all other objects of expenditure, except for the contribution to the Intergovernmental Panel on Climate Change, which remains at the same level as in the previous biennium.

56. For the 2012–2013 biennium, total staff costs are proposed to increase by 4.1 per cent under tier 1 when compared with 2010–2011. The increase in staff costs of EUR 1.2 million is attributable to several factors, including the following: (a) an adjustment in the standard costs of staff, amounting to 1 per cent; (b) new posts; and (c) upgrades of existing posts. This increase is being offset by a reduction in non-staff costs and the adjustment of the working capital reserve.

57. The tier 1 budget proposal for non-staff costs amounts to EUR 9.4 million in 2012–2013, a decrease of approximately EUR 565 000 when compared with the current biennium. The decrease reflects the redistribution of non-staff resources, mainly consultants, to staff costs, in order to strengthen the functions identified in paragraph 48 above. The other significant decrease is in the acquisition of furniture and equipment. The

¹² Refer to table 11 in the annex.

decrease, which amounts to approximately EUR 226 000, reflects a shift of resources to general operating expenses for a new data centre contract. The external data centre is a new component in the IT infrastructure strategy, which covers, inter alia, the maintenance of existing systems, data processing equipment and consultancies. It will provide higher service levels for hosted systems, increase the capacity of the secretariat to deploy and operate new mandated information systems in the future and provide a disaster recovery platform for these systems.

58. Under tier 2, an additional EUR 6.7 million, or 15.0 per cent of the requirements under tier 1, is requested. Staff costs represent approximately 62 per cent of the core programme budget proposal under tier 2. Other major components include consultants (14 per cent) and general operating expenses (11 per cent).

B. Proposed core budget by programme

59. Table 3 summarizes the proposed core budget by programme for the biennium and the expected source of income. Tier 1 represents zero real growth, whereas tier 2 represents an increment of 15 per cent over tier 1. Tier 2 reflects additional resource requirements to allow for a more comprehensive implementation of the Cancun Agreements. See document FCCC/SBI/2011/2/Add.1 for a comparison between the bienniums 2010–2011 and 2012–2013.

Table 3

Proposed core budget for 2012–2013 by programme

	Tier 1 (EUR)	Tier 2 (EUR)	Total (tier 1 + tier 2) (EUR)
A. Programme appropriations			
Executive Direction and Management	4 371 974	–	4 371 974
Mitigation, Data and Analysis	9 201 832	1 101 432	10 303 264
Finance, Technology and Capacity-building	4 197 108	1 755 286	5 952 394
Adaptation	3 107 215	766 329	3 873 544
Sustainable Development Mechanisms	874 848	257 170	1 132 018
Legal Affairs	2 710 628	287 042	2 997 670
Conference Affairs Services	2 957 328	329 104	3 286 432
Communications and Knowledge Management Services	3 207 006	207 858	3 414 864
Information Technology Services	6 048 090	497 104	6 545 194
Administrative Services ^a	–	–	–
B. Secretariat-wide operating costs^b	2 825 952	481 910	3 307 862
Programme expenditures (A + B)	39 501 981	5 683 235	45 185 216
C. Programme support costs (overheads)^c	5 135 258	738 821	5 874 079
D. Adjustment to working capital reserve^d	24 469	277 591	302 060
Total (A + B + C + D)	44 661 708	6 699 647	51 361 355
<i>Income</i>			
Contribution from the Host Government	1 533 876	–	1 533 876
Indicative contributions	43 127 832	6 699 647	49 827 479
Total income	44 661 708	6 699 647	51 361 355

^a Administrative Services (AS) is funded from programme support costs (overheads).

- ^b Secretariat-wide operating costs are managed by AS.
^c Standard 13 per cent applied for administrative support. See chapter XI.
^d In accordance with the financial procedures (decision 15/CP.1), the core budget is required to maintain a working capital reserve of 8.3 per cent (one month of operating requirements).

60. Table 4 summarizes the proposed core budget by programme for tiers 1 and 2 combined for 2012 and 2013, and in total for the biennium.

Table 4

Proposed tier 1 and tier 2 combined core budget for 2012–2013 by programme

	2012 (EUR)	2013 (EUR)	Total (EUR)
A. Programme appropriations			
Executive Direction and Management	2 185 987	2 185 987	4 371 974
Mitigation, Data and Analysis	5 199 506	5 103 758	10 303 264
Finance, Technology and Capacity-Building	3 019 510	2 932 884	5 952 394
Adaptation	1 894 567	1 978 977	3 873 544
Sustainable Development Mechanisms	566 009	566 009	1 132 018
Legal Affairs	1 498 835	1 498 835	2 997 670
Conference Affairs Services	1 643 216	1 643 216	3 286 432
Communications and Knowledge Management Services	1 707 432	1 707 432	3 414 864
Information Technology Services	3 282 497	3 262 697	6 545 194
Administrative Services ^a	–	–	–
B. Secretariat-wide operating costs^b	1 748 416	1 559 446	3 307 862
Programme expenditures (A + B)	22 745 975	22 439 241	45 185 216
C. Programme support costs (overheads)^c	2 956 977	2 917 102	5 874 079
D. Adjustment to working capital reserve^d	302 060	–	302 060
Total (A + B + C + D)	26 005 012	25 356 343	51 361 355
Income			
Contribution from the Host Government	766 938	766 938	1 533 876
Indicative contributions	25 238 074	24 589 405	49 827 479
Total income	26 005 012	25 356 343	51 361 355

- ^a Administrative Services (AS) is funded from programme support costs (overheads).
^b Secretariat-wide operating costs are managed by AS.
^c Standard 13 per cent applied for administrative support. See chapter XI.
^d In accordance with the financial procedures (decision 15/CP.1), the core budget is required to maintain a working capital reserve of 8.3 per cent (one month of operating requirements).

VII. Ratio of contributions towards core budget requirements under the Kyoto Protocol and under the Convention

61. The fact that not all Parties to the Convention are also Parties to the Kyoto Protocol necessitates some differentiation in the contribution regime. With regard to the ratio of contributions towards core budget requirements under the Kyoto Protocol and under the

Convention, the same ratio as negotiated in the last biennium¹³ will be retained for tier 1; that is, 63.2 per cent for the Convention and 36.8 per cent for the Kyoto Protocol.

62. With regard to the ratio for tier 2, all resources are related to the Convention, since the focus of the work arising from the Cancun Agreements is on the Convention. Resource requirements for support to the implementation of the Kyoto Protocol during a second commitment period are assumed to be at the same level as during the first commitment period.

63. The split of resources required for activities directly related to the Convention and its Kyoto Protocol for both tier 1 and tier 2 is shown in table 5.

Table 5

Ratio of work programme activities and core budget requirements in 2012–2013 under the Convention and under the Kyoto Protocol

	<i>Total</i>	<i>Convention</i>	<i>Kyoto Protocol</i>
Tier 1 (EUR)	44 661 708	28 226 199	16 435 509
Percentage	100%	63.2%	36.8%
Tier 2 (EUR)	6 699 647	6 699 647	–
Percentage	100%	100%	0%
Total (EUR)	51 361 355	34 925 846	16 435 509
Percentage	100%	68%	32%

64. The share of Kyoto Protocol related activities will decrease from 36.8 per cent in 2010–2011 to 32 per cent in the 2012–2013 core budget for tiers 1 and 2 combined; accordingly, the share of Convention activities will increase from 63.2 per cent in 2010–2011 to 68 per cent in 2012–2013.

65. Based on this approach, the expenditure against the core budget will be funded from two sources of income with two indicative scales of contributions applied – one for Parties to the Convention and one for Parties to the Kyoto Protocol. Parties to the Kyoto Protocol will contribute to both, whereas those Parties that have not ratified the Kyoto Protocol will contribute to the Convention only.

VIII. Trust Fund for Supplementary Activities

66. Preliminary indications of resource requirements for supplementary activities in 2012–2013 are provided in document FCCC/SBI/2011/2/Add.2. The information provided should enable Parties to identify the resources required to fund extrabudgetary activities for the biennium. It is expected that the outcome of the deliberations on the programme budget at SBI 34, as well as other deliberations at the sessions of the bodies established under the Convention and its Kyoto Protocol in 2011, 2012 and 2013, will further influence the requirements from the Trust Fund for Supplementary Activities in 2012–2013.

IX. Trust Fund for Participation in the UNFCCC Process

67. The Trust Fund for Participation in the UNFCCC Process is funded from voluntary contributions. Table 6 provides the estimated resource requirements for each session from the Trust Fund for Participation in the UNFCCC Process for the biennium 2012–2013. The

¹³ Refer to decision 12/CP.15, paragraph 7, and decision 10/CMP.5, paragraph 2.

overall level of resource requirements is dependent on the number and length of sessions, as well as related pre-sessional and preparatory meetings, and the number of delegates from each eligible Party who are supported in order to ensure as wide a representation as possible.

Table 6

Resource requirements for the Trust Fund for Participation in the UNFCCC Process

<i>Number of delegates</i>	<i>Estimated cost (EUR)</i>
Support for one delegate from each eligible Party to participate in organized sessions	860 000
Support for one delegate from each eligible Party plus a second delegate from each least developed country and each small island developing State to participate in organized sessions	1 333 000
Support for two delegates from each eligible Party to participate in organized sessions	1 721 000

X. Bonn Fund

68. The Host Government makes an annual contribution of EUR 1 789 522 to the Trust Fund for the Special Annual Contribution from the Government of Germany (otherwise known as the Bonn Fund). The Bonn Fund was established to finance events held in Germany. Expenditures are determined every year through a bilateral arrangement between the Government of Germany and the secretariat.

69. The activities to be funded and associated costs are presented in table 7 for information purposes only.

Table 7

Bonn Fund

	<i>2012–2013 (EUR)</i>
<i>Income</i>	3 579 044
<i>Expenditure</i>	
Conference support for staff and facilities	2 517 052
Conference information support for staff, computers and networking	650 244
Programme support costs	411 748
Total expenditure	3 579 044

XI. Overhead charge and its use

70. In accordance with the financial procedures (decision 15/CP.1), the budget includes a 13 per cent provision to cover administrative overhead costs. As indicated in the annex to document FCCC/SBI/2011/2/Add.1, the resource requirements for the administrative services of the secretariat are funded from the overheads payable on all UNFCCC trust funds. Through its AS programme, the secretariat has taken full responsibility for the preparation of its operational budget and related allotments, the procurement of goods and services, the arrangements for the travel of staff and participants, and the recruitment and administration of staff and consultants. The programme provides key management support in terms of programme planning, results-based budgeting and reporting on programme and

budget performance. It is also responsible for all tasks related to the premises of the secretariat.

71. The main portion of the overhead funds is used for the services provided by the AS programme. The remainder covers the cost of sharing common services with other United Nations organizations in Bonn, the provision of internal and external audit, the provision of payroll, investment and treasury services, staff training and development, services related to the administration of justice and other support services from the United Nations that are not available in the secretariat.

72. New projects planned for the 2012–2013 biennium include the adoption of International Public Sector Accounting Standards and the implementation of an enterprise resource planning system to replace the current Integrated Management Information System. Efforts are being made to automate various administrative forms and processes in order to increase efficiency. The staffing and resource requirements shown in tables 8 and 9, respectively, are indicative only. The Executive Secretary will approve expenditures based on the actual income.

Table 8

Staffing requirements funded from the overhead charge on all UNFCCC trust funds

	<i>2012</i>	<i>2013</i>
<i>Professional category and above^a</i>		
D-1	1	1
P-5	3	3
P-4	3	3
P-3	13	13
P-2	4	4
Subtotal Professional category and above	24	24
Subtotal General Service category	49	49
Total	73	73

^a Director (D) and Professional (P).

Table 9

Proposed resource requirements funded from the overhead charge on all UNFCCC trust funds

	<i>2012 (EUR)</i>	<i>2013 (EUR)</i>
Secretariat staff costs	5 374 100	5 374 100
Secretariat non-staff costs	1 821 300	1 996 100
Total secretariat costs	7 195 400	7 370 200
Services rendered by the United Nations	384 600	384 600
Total	7 580 000	7 754 800

XII. Conference services contingency

73. To date, the costs of conference services (mainly interpretation at meetings, translation, reproduction and distribution of documents, and related services) for up to two sessions of the Convention bodies have been covered by the United Nations Office at Geneva (UNOG) or other United Nations offices, financed from the regular budget of the

United Nations adopted by the General Assembly. As in previous years, a contingency provision has been made in the proposed budget to cover the cost of such services in the event that the General Assembly does not maintain its past practice.

74. The methodology used to calculate the costs of the conference services contingency is the same as that used in the 2010–2011 budget proposal. It is based on the assumption that the annual calendar of meetings of Convention bodies will include two sessional periods of two weeks each (one of which would be sessions of the COP and the CMP hosted by a government) and uses standard cost figures employed by UNOG for conference services. It is further envisaged that full conference services will be sought from the United Nations on a reimbursable basis so as to maintain the quality of translation and interpretation services. This means that no additional secretariat staff would be required. The contingency is also based on the assumption that the sessions of the COP, the CMP and the subsidiary bodies would be accommodated within the conference services portfolio of services and costs prevailing in past years.

75. The contingency for conference services in the biennium 2012–2013 would amount to EUR 9.2 million for interpretation, documentation and meetings services support, making a total of EUR 10.9 million including programme support costs and the working capital reserve (see table 10).

76. The COP and the CMP rely on the Parties to host the sessions of the COP and the CMP and any additional sessions of the Convention and Kyoto Protocol bodies that Parties may decide to hold. In the event that no Party offers to host the COP and the CMP or an additional session, rule 3 of the draft rules of procedure¹⁴ being applied foresees that the session would take place at the seat of the secretariat. To date, it has been customary among governments to host the COP and additional subsidiary body sessions, taking on the portion of costs that exceeds those covered from secretariat funds and those borne by the United Nations as outlined in paragraph 73 above. The secretariat suggests that contributions do not need to be collected for a contingency that is unlikely to arise.

Table 10

Resource requirements for the conference services contingency

	2012 (EUR)	2013 (EUR)	2012–2013 (EUR)
<i>Object of expenditure</i>			
Interpretation ^a	917 500	945 100	1 862 600
Documentation ^b			
Translation	2 664 900	2 744 800	5 409 700
Reproduction and distribution	771 000	794 200	1 565 200
Meetings services support ^c	186 300	191 900	378 200
Subtotal	4 539 700	4 676 000	9 215 700
<i>Programme support costs</i>	590 200	607 900	1 198 100
<i>Working capital reserve</i>	425 800	12 800	438 600
Total	5 555 700	5 296 700	10 852 400

Note: Assumptions used for calculating the conference services contingency budget include the following:

- The expected number of meetings with interpretation does not exceed 40 per session;
- The expected documentation volume is based on the calculations provided by the United Nations Office at Geneva;

¹⁴ FCCC/CP/1996/2.

- Meetings services support includes staff normally provided by United Nations Office at Geneva conference services for the in-session coordination and support of interpretation, translation and reproduction services.
 - Overall, the figures used are conservative and have been applied on the assumption that there will be no major increase in requirements during the biennium.
- ^a Includes salaries, travel and daily subsistence allowance for interpreters.
- ^b Includes all costs related to the processing of pre-, in- and post-session documentation; translation costs include revision and typing of documents.
- ^c Includes salaries, travel and daily subsistence allowance for meetings services support staff and costs for shipment and telecommunications.

XIII. Likely additional requirements

A. Requirements for the arrangement of additional sessional meetings

77. The budget has always been based on the assumption of two sessional periods per year. However, in the past four years the total number of sessions (including sessions of the COP and the CMP, the subsidiary bodies and the ad hoc working groups) has increased to four or five per year. Arrangements for meetings of the ad hoc working groups not held in conjunction with sessions of the COP/CMP and the subsidiary bodies have been funded through voluntary contributions, but the expanded meeting calendar has had a significant impact on the workload in many areas. This is not sustainable. The time between the adoption of decisions to hold additional meetings and the date of such meetings has often been short and sufficient funding was not always available at the time when the secretariat had to make firm commitments with conference service providers, including for the renting of venues. Another aspect to be considered in this regard is the equitable distribution of financial responsibility among Parties for such meetings.

78. Since many Parties have expressed the view that the frequency of sessions is likely to continue to exceed two sessions per year for the foreseeable future, some Parties have proposed that the core budget include sufficient resources to provide a secure and equitable financial basis for such an expanded calendar of meetings.

79. The secretariat has undertaken an assessment of the level of resources required to cover the organizational costs for additional sessions in the coming biennium. Based on costs for sessions of the ad hoc working groups in the past years, the secretariat estimates that any additional session of a similar type would require up to EUR 2.9 million for a session held in Bonn and up to EUR 5.6 million for a session held outside of Bonn. Additional funds would be required under the Trust Fund for Participation in the UNFCCC Process.

80. The Executive Secretary invites Parties to consider whether the requirements for any additional sessions should be incorporated into the core budget.

B. Being prepared for significant progress

81. While the proposed programme budget for the biennium 2012–2013 covers the secretariat requirements resulting from the decisions adopted in Cancun and the presumed decisions to be taken in Durban in further fulfilment of the Bali Road Map, it will not cover all requirements resulting from the decisions anticipated to be taken by the COP and the CMP in 2011 and 2012.

82. Some of these decisions are likely to have significant financial implications, but at present it is not possible to provide a solid assessment of related resource requirements for

the secretariat, as the outcomes of negotiations on important modalities cannot be predicted. Included, for example, are the operational details of the CTCN, including the question of hosting, and the finance architecture.

83. The secretariat will continue to assess the resource implications of draft COP and CMP decisions before their adoption with a view to enabling Parties to take informed decisions. The Executive Secretary underlines, however, that due to the anticipated scope and scale of decisions to be taken by the COP in Durban, all efforts should be made by the Parties to estimate the potential resource implications of proposed activities well in advance and to consider predictable, equitable and sustainable ways of funding.

Annex

Methodologies used to calculate costs

A. Staff costs

1. **Salary and common staff costs:** the standard costs applied in determining staff costs in the proposed budget are based on actual salary costs for January 2010 to December 2010. Staff costs include provisions for staff entitlements such as home leave, education grants and step increases.

Table 11
Standard salary costs^a

<i>Level^b</i>	<i>2008–2009 (EUR)</i>	<i>2010–2011 (EUR)</i>	<i>2012–2013 (EUR)</i>
ASG	182 880	194 000	194 000
D-2	160 020	176 000	176 000
D-1	156 210	163 000	164 000
P-5	136 398	142 000	145 000
P-4	120 396	124 000	124 000
P-3	102 870	105 000	105 000
P-2	83 058	85 000	89 000
GS	60 960	62 000	63 000

^a Only 98 per cent of the standard salary costs was used in the preparation of the 2012–2013 programme budget.

^b Assistant Secretary-General (ASG), Director (D), Professional (P) and General Service (GS).

B. Non-staff costs

2. The costs for **consultants** include institutional and individual contracts for services that require specialized expertise not available in the secretariat. Costs are estimated on the basis of actual requirements and past expenditures on similar activities.

3. The costs for **experts and expert groups** encompass the costs of experts' travel, participation in meetings of constituted bodies and work on reviews. Costs are estimated on the basis of actual requirements and past expenditures.

4. **General operating expenses** include, inter alia, the costs of rental and maintenance of premises and equipment, communications, shipping and other contractual services required for meetings as well as the operation of the secretariat. Costs are estimated on actual requirements and historical data.