



Subsidiary Body for Implementation

Fifty-second to fifty-fifth session

Glasgow, 31 October to 6 November 2021

Agenda item 20(a), (c) and (d)

Administrative, financial and institutional matters

**Budget performance for the bienniums 2018–2019 and
2020–2021**

Audit report and financial statements (for 2019 and 2020)

Other financial and budgetary matters

Administrative, financial and institutional matters

Draft conclusions proposed by the Chair

Recommendation of the Subsidiary Body for Implementation

The Subsidiary Body for Implementation, at its fifty-second to fifty-fifth session, having taken note of the information in the documents on administrative, financial and institutional matters,¹ recommended the following draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its sixteenth session:

Draft decision -/CMP.16

Administrative, financial and institutional matters

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 13, paragraph 5, of the Kyoto Protocol,

Also recalling the financial procedures for the Conference of the Parties, which also apply to the Kyoto Protocol,²

Taking note of decision -/CP.26,³

¹ FCCC/SBI/2020/3 and Add.1–2, FCCC/SBI/2021/5 and Add.1, FCCC/SBI/2021/INF.8, FCCC/SBI/2020/INF.9 and Add.1, FCCC/SBI/2021/INF.4 and Add.1, FCCC/SBI/2020/INF.2 and FCCC/SBI/2020/INF.3.

² Decision 15/CP.1, annex I.

³ Draft decision entitled “Administrative, financial and institutional matters” proposed under agenda item 20(a), (c) and (d) of the Subsidiary Body for Implementation at its fifty-second to fifty-fifth session.



Having considered the information contained in the documents prepared by the secretariat on administrative, financial and institutional matters,⁴

I. Budget performance for the bienniums 2018-2019 and 2020–2021

1. *Takes note* of the information contained in the reports on budget performance for the bienniums 2018–2019 (as at 31 December 2019) and 2020–2021 (as at 31 December 2020)⁵ and the note on the status of contributions to the trust funds administered by the secretariat as at 22 October 2021;⁶
2. *Expresses its appreciation* to Parties that made contributions to the core budget in a timely manner;
3. *Expresses concern* regarding the high level of outstanding contributions to the core budget for the current and previous bienniums, which has resulted in difficulties with cash flow and the effective implementation of activities;
4. *Strongly urges* Parties that have not made contributions in full to the core budget for the current and/or previous bienniums to do so without further delay;
5. *Calls upon* Parties to make their contributions to the core budget for 2022 in a timely manner, bearing in mind that contributions are due on 1 January of each year in accordance with the financial procedures for the Conference of the Parties;
6. *Expresses its appreciation* for the contributions to the Trust Fund for Participation in the UNFCCC Process and to the Trust Fund for Supplementary Activities received from Parties, including those contributions that allow for greater flexibility in allocation;
7. *Urges* Parties to further contribute to the Trust Fund for Participation in the UNFCCC Process in order to ensure the widest possible participation in the process in 2022–2023, and to the Trust Fund for Supplementary Activities to ensure a high level of implementation of the UNFCCC work programme;
8. *Reiterates its appreciation* to the Government of Germany for its annual voluntary contribution to the core budget of EUR 766,938 and its special contribution of EUR 1,789,522 as Host Government of the secretariat;
9. *Requests* the Executive Secretary to take further measures to reduce Parties' outstanding contributions;
10. *Also requests* the Executive Secretary to prepare annual budget performance reports covering 12 and 24 months of the biennium, respectively;

II. Audit reports and financial statements for 2019 and 2020

11. *Takes note* of the audit reports of the United Nations Board of Auditors⁷ and the financial statements for 2019 and 2020, which include recommendations, and the comments of the secretariat thereon;
12. *Expresses its appreciation* to the United Nations for arranging the audit of the accounts of the Convention;
13. *Also expresses its appreciation* to the auditors for their valuable observations and recommendations and the written statement thereon shared with Parties at the fifty-second to fifty-fifth session of the Subsidiary Body for Implementation;

⁴ FCCC/SBI/2020/3 and Add.1–2, FCCC/SBI/2021/5 and Add.1, FCCC/SBI/2021/INF.8, FCCC/SBI/2020/INF.9 and Add.1, FCCC/SBI/2021/INF.4 and Add.1, FCCC/SBI/2020/INF.2 and FCCC/SBI/2020/INF.3.

⁵ FCCC/SBI/2020/3 and Add.1–2 and FCCC/SBI/2021/5 and Add.1.

⁶ FCCC/SBI/2021/INF.8.

⁷ FCCC/SBI/2020/INF.9 and Add.1 and FCCC/SBI/2021/INF.4 and Add.1.

14. *Expresses concern* about the high number of recommendations from the United Nations Board of Auditors not yet implemented by the secretariat;
15. *Urges* the Executive Secretary to implement the recommendations of the auditors, as appropriate, and to update Parties on progress;

III. Other financial and budgetary matters

16. *Takes note* of the information contained in the documents prepared by the secretariat on other financial and budgetary matters, including on efforts to further improve the efficiency and transparency of the UNFCCC budget process⁸ and on standard costs;⁹
17. *Reiterates* the request to the Executive Secretary to prepare, regularly update and publish before each session of the subsidiary bodies brief reports on standard costs and, if available, options for reducing the cost of activities where practicable;
18. *Welcomes* the information on standard travel costs provided by the secretariat;¹⁰
19. *Recommends* that the secretariat publish and regularly update information on standard costs on the UNFCCC website (instead of the brief update reports) and inform Parties in a timely and clear manner when new information is available (at least before each session of the subsidiary bodies);
20. *States* that the purpose of reporting on standard costs is to provide Parties with insight into the budgetary impact of any planned decisions of the governing bodies;
21. *Welcomes* the proposed measures for improving the efficiency and transparency of the UNFCCC budget process;¹¹
22. *Requests* the secretariat to report on the implementation of those measures in the report on efforts to improve the efficiency and transparency of the UNFCCC budget process;
23. *Acknowledges* the increase in unearmarked contributions in relation to earmarked contributions to the Trust Fund for Supplementary Activities;
24. *Also acknowledges* that reducing earmarking and establishing longer and more flexible utilization periods would increase flexibility in using contributions to the Trust Fund for Supplementary Activities, which would enable the secretariat to allocate funding to the activities most in need of resources;
25. *Appreciates* the approach taken by the Executive Secretary to presenting supplementary resource requirements by overall objective and thematic area while also enclosing a list of projects;
26. *Requests* the secretariat to enhance follow-up on Parties' outstanding core contributions, including through payment plans;
27. *Decides* to keep the level of the working capital reserve at 8.3 per cent of annual total expenditure (in line with the UNFCCC financial procedures);
28. *Requests* the secretariat to inform Parties of the review and prioritization criteria for unearmarked contributions to ensure that they are allocated to activities in line with the secretariat's work programme and the priorities set by Parties.

⁸ FCCC/SBI/2020/INF.2.

⁹ FCCC/SBI/2020/INF.3.

¹⁰ FCCC/SBI/2020/INF.3.

¹¹ FCCC/SBI/2020/INF.2, paras. 30, 31 and 33.