

SBI unable to conclude on UNFCCC Secretariat's programme budget

Warsaw, Nov 17 (Meena Raman)- At the closing of the UNFCCC's Subsidiary Body for Implementation (SBI) in Warsaw, held on 16 Nov, which spilled over to the wee hours of the morning of 17 Nov, Parties could not reach conclusion on the programme budget of the Secretariat for the biennium 2014-2015.

Since the SBI could not reach conclusion, the issue now will be considered by the Conference of the Parties (COP 19) and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 9) this coming week.

The 'budget issue' is expected to be controversial, as the climate talks enters the second week of meetings and ministers have already begun to arrive.

The Chair of the contact group Robert van Lierop (St. Kitts and Nevis) on this issue [agenda item 18 (b)] proposed draft conclusions (as contained in document L22), which was distributed to Parties sometime around 2 am on the morning of Nov 17. (See details below).

In his conclusions, the contact group Chair also provided his proposal from the contact group discussions, which is contained in an Annex to his draft conclusions and is in brackets. The contact group had considered proposals by Parties which included the G77 and China.

According to sources, among the reasons for the impasse were concerns from developing countries over increased support from the core budget for matters related to the work of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) and for measuring, reporting and verification (MRV) related activities, compared to support for other existing thematic bodies related to adaptation, finance and technology transfer.

(The UNFCCC has 3 trust funds – for the core budget; for supplementary activities; and for the participation in the UNFCCC process. Contributions are made to the core budget by all the Parties to the Convention based on a scale of assessment, while contributions for the supplementary activities and for participation in the UNFCCC process, is based on voluntary contributions).

In a presentation by the UNFCCC's Executive Secretary, Christiana Figueres, in Bonn, Germany, in June this year, as regards the proposed core budget, said there will be "zero real growth with the exception of ADP support".

According to Figueres, among the main features of the proposed programme budget relates to an 'MRV budget', which amounts to an additional Euro13.2 million. The presentation states that the MRV budget provides for new work on international assessment and review (IAR) for Annex 1 Parties, international consultation and analysis (ICA) for non Annex 1 Parties; the operation of the Registry for Nationally Appropriate Mitigation Actions (NAMAS) of developing countries and MRV activities concerning forest related activities i.e. reducing emissions from deforestation and forest degradation in developing countries (REDD-plus).

Another related concern expressed by developing countries was the proposal to increase Secretariat-wide staffing from the core budget from 106 persons in 2013 to 131 persons in 2014/2015, which is an addition of 25 persons, connected mainly to the MRV-budget and the ADP.

The G77 and China wanted the proposed additional staffing to be funded through the Trust Fund for Supplementary Activities. They also

called for the funding of at least four meetings, including the participation of developing country representatives for the Standing Committee on Finance, the Adaptation Committee, the Technology Executive Committee and the Consultative Group of Experts on national communications from Parties not included in Annex I to the Convention. It also wanted the transfer costs of all staff for the activities relating to the impact of the implementation of response measures from supplementary budget to the core budget.

The G77 and China also wanted a decision to enhance the adaptation programme under the Convention in a way to achieve a balanced approach between mitigation and adaptation in the programme budget.

Another additional issue raised by developing countries was the need to ensure the funding of their representatives designated by their respective regional groups to all meetings of all bodies under the Convention and the Kyoto Protocol without any conditions. They were concerned about policy decisions in the Secretariat to limit funding to developing country representatives based on the GDP per capita of a country.

During the final plenary session of the SBI, **Philippines**, speaking for the **G77 and China** (under the agenda item 18(a) on 'Budget Performance for biennium 2012-2013) said there is a policy decision apparently applied by the Executive Secretary which limits the participation of developing country representatives of regional groups to meetings based on GDP per capita of a country, which will allow only certain individuals or Parties to be represented in the bodies of the Convention. It stressed that when we choose representation, we look at competence, knowledge, experience as well as regional rotation. There has been never been a UN policy for choosing regional groups on the basis of GDP per capita and questioned where this policy came from. Philippines said this meant interference of the sovereign right of regional groups in UN system to choose their representatives.

Draft conclusions proposed by the Chair of the Subsidiary Body for Implementation contact group on the programme budget for the biennium 2014–2015

“ 1. The Subsidiary Body for Implementation (SBI) considered, but did not conclude, its consideration on the programme budget for the biennium 2014–2015. The SBI agreed to invite the

Conference of the Parties at its nineteenth session and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its ninth session to further consider this matter.

2. In the course of its consideration of this matter, the SBI contact group on the programme budget for the biennium 2014–2015 considered many proposals. A proposal of the chair of the contact group is contained in the annex.

Annex

Draft decision -/CP.19

Programme budget for the biennium 2014–2015

[The Conference of the Parties,

Recalling paragraph 4 of the financial procedures for the Conference of the Parties to the United Nations Framework Convention on Climate Change,

Having considered the proposed programme budget for the biennium 2014–2015 submitted by the Executive Secretary,

Taking note of the proposal on the additional staff postings as included in paragraph ...

1. *Acknowledges* the efforts made by the Executive Secretary to achieve 3 per cent efficiency gains during the implementation of the 2012–2013 programme budget;

2. *Emphasizes* the need for Parties to further save costs by using Bonn, Germany, as the principal venue for meetings;

3. *Approves* the programme budget for the biennium 2014–2015, amounting to EUR [xxx] for the purposes specified in table 1;

4. *Notes with appreciation* the annual contribution of EUR 766,938 of the Host Government, which offsets planned expenditures;

5. *Approves* a drawing of EUR [xxx] from unspent balances or contributions (carry-over) from previous financial periods to cover part of the budget for the biennium 2014–2015;

~~6. Also approves the staffing table (table 2) for the programme budget;~~

6 (alt) Approves the proposed staffing as reflected in the proposal on the additional staff postings to be funded through the Trust Fund for Supplementary Activities.

7. Decides to fund at least four meeting, including the participation of developing country Parties representatives for the

Standing Committee on Finance, the Adaptation Committee, the Technology Executive Committee and the Consultative Group of Experts on national communications from Parties not included in Annex I to the Convention and further mandates the secretariat to provide the funding needed for any additional meetings.

8. *Decides* to transfer costs of all staff for the activities relating to the impact of the implementation of response measures from supplementary budget to the core budget.

9. *Decides* that all developing country Parties designated by their respective regional groups are eligible for funding for participation in all meetings of all constituted bodies under the Convention and the Kyoto Protocol, without any conditions.

11. *Decides* to further enhance the adaptation programme under the Convention in a way to achieve a balanced approach between mitigation and adaptation in the programme budget;

12. *Notes* that the programme budget contains elements relating to the Convention as well as to the Kyoto Protocol;

13. *Adopts* the indicative scale of contributions for 2014 and 2015 contained in the appendix, covering 74.4 per cent of the indicative contributions specified in table 1;

14. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its ninth session, to endorse the elements of the recommended budget as it applies to the Kyoto Protocol;

15. *Also invites* the United Nations General Assembly to decide at its sixty-eighth session (17 September 2013–15 September 2014) on the issue of meeting the conference services expenses from its regular budget;

16. *Approves* a contingency budget for conference services, amounting to EUR 8,381,600, to be added to the programme budget for the biennium 2014–2015 in the event that the United Nations General Assembly decides not to provide resources for these activities in the United Nations regular budget (table 3);

17. *Requests* the Executive Secretary to report to the Subsidiary Body for Implementation on the implementation of paragraph 10 above, as necessary;

18. *Authorizes* the Executive Secretary to make transfers between each of the main appropriation lines set out in table 1, up to an aggregate limit of 15 per cent of total estimated expenditure for those appropriation lines, provided that a further limitation of up to minus 25 per cent of each such appropriation line shall apply;

19. *Decides* to maintain the level of the working capital reserve at 8.3 per cent of the estimated expenditure;

20. *Invites* all Parties to the Convention to note that contributions to the core budget are due on 1 January of each year in accordance with paragraph 8(b) of the financial procedures and to pay promptly and in full, for each of the years 2014 and 2015, the contributions required to finance expenditures approved under paragraph 3 above and any contributions required to finance the expenditures arising from the decision referred to in paragraph 11 above;

21. *Authorizes* the Executive Secretary to implement decisions taken by the Conference of the Parties at its nineteenth session for which provisions are not made under the approved budget, using voluntary contributions and resources available under the core budget;

22. *Urges* Parties to make voluntary contributions, as necessary for the timely implementation of the decision referred to in paragraph 16 above;

23. *Takes note* of the funding estimates for the Trust Fund for Participation in the UNFCCC Process specified by the Executive Secretary (table 4), and invites Parties to make contributions to this fund;

24. *Also takes note* of the funding estimates for the Trust Fund for Supplementary Activities specified by the Executive Secretary (EUR xxx for the biennium 2014–2015) (table 5), and invites Parties to make contributions to this fund.]