

No consensus yet on UNFCCC Secretariat budget

Bonn, 15 May (Jade Chiang) – After six days of deliberations at the Bonn climate talks last week on the programme budget of the UNFCCC Secretariat for the biennium 2018-2019, Parties are nowhere near to approving it as it was deemed to be skewed against the interests of developing countries.

Developing countries expressed their deep dissatisfaction with what they see as an imbalance in the allocation of funds and staff as proposed by the Executive Secretary of the UNFCCC, Patricia Espinosa.

The concerns arise over what they see as a ‘mitigation biased’ budget over other matters such as adaptation and the means of implementation (finance, technology and capacity-building), with the latter items viewed as being closer to the heart of developing countries.

Disgruntlement has arisen in discussions over the proposed budget in respect of the four programmes under the ‘Implementation and climate action’ cluster of the budget. The four programmes under that cluster are ‘mitigation, data and analysis’ (MDA); ‘finance, technology and capacity-building’ (FTC); ‘adaptation’ and ‘sustainable development mechanisms’ (SDMs).

The imbalance in the budget allocation referred to by developing countries appear in the amount proposed to be channelled to support the activities related to the ‘MDA’ programme which is Euro 33.9 million, while the Euro 8.1 million is proposed for the ‘FTC’ programme and Euro 14 million for the ‘adaptation’ programme .

Similarly, in relation to staff allocation, developing countries have expressed concerns that the proposed budget has 61 staff allocated for the ‘MDA’ programme (an increase of 1 person from the 2016-2017 biennium) while the ‘FTC’ programme is allocated only 23 persons (up by 1 person since the last biennium) and the ‘adaptation’

programme with only 18 staff (also an increase of 1 person from the previous period).

Speaking anonymously, and in explaining the unhappiness of developing countries to TWN, a delegate involved in the budget discussions in the informal consultations from a developing country, cautioned that “the budget drives (the UNFCCC) process and the process drives outcome”. The delegate noted that a ‘mitigation-centric budget’ could significantly affect the support to developing countries in the areas of adaptation and the means of implementation which are most crucial for developing countries.

The programme budget is an agenda item of the 46th session of the Subsidiary Body for Implementation (SBI46) of the current climate talks which began on 8 May (and scheduled to end on 18 May).

Negotiations over the draft budget are being conducted in a contact group co-chaired by **Tosi Mpanu Mpanu (Democratic Republic of Congo)** and **Georg Boersting (Norway)**.

In the contact group which has been meeting since 8 May, questions were also raised by Parties on the allocation for non-core UNFCCC mandated work, including in pre-empting the outcome of the on-going negotiations on the modalities, procedures and guidance for the implementation of the Paris Agreement (PA) such as “support for economic instruments including carbon pricing” found in table 28 of the work programme of the secretariat for the biennium 2018-2019.

(The document is available here - http://unfccc.int/resource/docs/2017/sbi/eng/04_a01.pdf)

Under the SBI, Parties have been invited to consider the programme budget proposed by the Executive Secretary for the biennium 2018-2019 and to recommend a draft decision for the consideration and adoption at the 23rd meeting of

the Conference of the Parties to the UNFCCC (COP 23).

In her introduction note to the biennium budget at the opening plenary of SBI 46 on 8 May, Espinosa noted that the budget is the first presented for approval by Parties after the adoption and entry into force of the PA.

“Therefore, it is an important bridge between existing and new activities, between the present and the future. It needs to strike a careful balance to ensure continuity of mandated activities under the Convention and its Kyoto Protocol (KP) while effectively addressing new areas of work as mandated in the PA, decision 1/CP.21 and other relevant decisions,” she added.

She highlighted that while on the one hand the work programme for 2018-2019 must be ambitious to maintain momentum and move forward to enable swift implementation of the PA, “we must also recognise that many governments continue to operate under severe financial constraints”.

The budget, she added, “aimed to maximise impact through a clear prioritisation of areas of work in support of Parties’ efforts to begin implementing the PA, a prudent use of resources, and the efficient organisation of work of the Secretariat.”

Espinosa identified three areas of work as follows:

- the urgent task of completing the provisions for the operationalisation of the PA;
- continuing support for the implementation of the Convention and its KP and for the swift implementation of the PA with a special focus on turning nationally determined contributions (NDCs) and national adaptation plans (NAPs) into actions, policy interventions and investment plans; and
- strengthening the catalytic role of the Convention in engaging actors at the national and international level, including relevant United Nation entities, to support Parties more effectively in achieving their climate change and development objectives.

To be able to support the priorities above, she has proposed “a modest increase of 7.9 per cent in the core budget as compared to the current biennium (2016-2017)”, adding that she had also included a scenario of a zero nominal growth budget as requested by Parties.

“However, let me be frank. I truly believe that a budget without the proposed increase will make it impossible for the Secretariat to support you in the

way it should. As you know, we have absorbed several tasks within our existing resources, for example, the support to the two additional bodies (the CMA and the APA) or the support to the preparations for the 2018 facilitate,” she added. (The CMA is the Conference of Parties meeting as the Parties of the PA and the APA is the Ad hoc Working Group on the PA).

Espinosa also presented the budget to the contact group which met evening of 8 May, outlining the amount of core budget and supplementary resources required to implement the mandates given to the secretariat by Parties.

At the contact group meeting, representing the **G77-China, Philippines**, referring to Article 8 of the Convention which sets out the functions of the Secretariat, questioned the need to engage actors at the national level and the special focus on turning NDCs and NAPs into actions, policy interventions and investment plans. It said that national implementation is the work of Parties.

It also questioned the rationale for a new position at the Secretariat of a ‘liaison officer’ at the UN headquarters.

(The budget proposed that the new post be established for strong link with other UN entities on UN system activities related to climate change and the 2030 Agenda for Sustainable Development, and to facilitate better coordination and consideration of climate change in programmatic work supporting national governments.)

Irrked by the use of the term ‘rule book of the PA’ peppered liberally in the draft budget report, **Saudi Arabia** speaking for the **Arab Group** urged the Secretariat to refrain from using un-mandated terminology. It also requested a breakdown of the activities of the programmes.

Egypt, speaking for the **African Group** questioned the engagement with non-Party stakeholders as proposed in the budget, adding that given the tight budget, the limited resources should be spent on mandated activities that support the Parties.

Argentina shared the sentiments of the G77-China and other developing countries and noted its concern about the elimination of the contribution from the UNFCCC to the Intergovernmental Panel on Climate Change (IPCC) which was traditionally included in the core budget.

(Close to Euro500,000 was contributed to the IPCC for the biennium budget 2016-2017 and no

provision has been made in the new biennium budget. Developing countries at the opening plenary of the SBI on 8 May raised their concerns over the elimination of the contribution to the IPCC. See TWN Update 6: <https://twnetwork.org/climate-change/concerns-over-proposed-elimination-unfccc-contribution-ipcc> .)

Discussions on the proposed budget will continue this week in Bonn.

Edited by Meena Raman