



# INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE



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ON CLIMATE CHANGE

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## IPCC PROGRAMME AND BUDGET FOR 2003 TO 2007

(Submitted by the Secretary)

## **The IPCC Trust Fund Programme and Budget.**

### **Background**

The Budget presented in this document relates only to the IPCC Trust Fund. It should be noted that there are other resources available to the IPCC, most notably those generously contributed by the governments of Japan, the Netherlands, the United Kingdom and the United States of America to supporting Technical Support Units (TSUs). The Japanese support for the TSU to the Task Force on National Greenhouse Gas Inventories Programme is reflected in this document because the Japanese Government has chosen to pass the funds through the Trust Fund to the agency hosting the Unit.

2 This Budget document contains of two parts. Part A deals with the income and existing reserves of the IPCC. Part B deals with expenditure plans.

3 The draft expenditure plans contained in Part B of this document have been developed with input from the TSUs and takes account of requests from SBSTA.

### **Part A: Revenues and Carryover**

4 The IPCC has received contributions of CHF 4,335,816 to the end of December 2002 for general Trust Fund use (See Box 1). It should be noted that the USA has provided a contribution of CHF 1,986,285 for translation and publication of Good Practice Guidance and an additional CHF 1,520,715 for general Trust Fund use. CHF 2,251,013 was transferred through the Trust Fund for the support of the TSU in Japan (Table 1). The budgets presented in Part B of this paper do not take account of funds reserved for special purposes such as TSU support or translation and publication of specific documents.

#### **BOX 1: IPCC Cash Flow - 1 January 2002 to 31 December 2002**

Balance of the IPCC Trust Fund at 1 Jan 2002	(CHF millions) 5,763
INCOME DURING 2002	
Contributions	
To the "core" Trust Fund*	4,336
EXPENDITURE DURING 2002 (to end-October 2002)	(4,753)
NET CASH FLOW 2002	( 417)
<b>31 December 2002 Balance</b>	<b>5,346</b>

**\* One contribution to the Trust Fund included CHF 1,986,285 that is tied to the translation and publication of Good Practice Guidance and is not included with these contributions. The funds to support the TSU in Japan are also not included in the contributions to the Trust Fund.**

**Table 1: Contributions to the IPCC Trust Fund**

<b>IPCC TRUST FUND CONTRIBUTIONS</b>	
<b>TO December 31, 2002</b>	
<b>(All amounts in Swiss Francs (CHF))</b>	
Australia	91,794
Canada	547,627
China	14,900
France	44,301
Germany	245,388
Iceland	10,000
Japan	180,000
Mauritius	1,480
Netherlands	50,000
New Zealand	29,026
Norway	38,200
Spain	133,125
United Kingdom	228,415
United States of America	1,520,715 *
European Union	194,225
UNEP	330,000
UNFCCC	518,000
WMO	158,620
<b>TOTAL</b>	<b>4,335,816</b>
USA (GPG translate/publish)	1,986,285
Japan (TSU)	2,251,013

5 The 2002 end-of-year carryover to 2003 was CHF 5,346 million. Historically the Secretary of the IPCC has aimed for a cash reserve (carryover) of around CHF 1,000,00 at the end of the financial year so that the IPCC can operate effectively in the new year. This is particularly important if a plenary is to be held early in the year before new contributions are received (a plenary costs around CHF1,000,000 to conduct).

6 Currently the carryover is particularly large because a change to the WMO's accounting systems in early 2002 revealed the presence of a backlog of unexpended (and uncommitted) funds that had built up over the previous three or so years. This large carryover is a blessing and a curse. It gives the IPCC the flexibility to plan for the next few years however its presence could act to discourage governments from contributing in a regular and predictable way to the Trust Fund.

7 The historical rate of contribution to the Trust Fund over the recent years (not including funds reserved for special purposes) has been around CHF 4M to 5M per annum (see Table 2a). It is planned to budget on an expected income of around CHF 5M per annum and it is hoped that the governments which are members of the IPCC will build into their annual budgets a regular contribution that aggregates to around this amount. With the CHF 5M carryover this would make available around CHF 30M between now and end-2007 for the conduct of the Fourth Assessment report and any Special Reports, Technical Papers and Methodology Reports the Panel might choose to undertake.

**Table 2a: Annual rate of voluntary cash contributions to the IPCC Trust Fund  
(past 6 years plus current).**

YEAR	CONTRIBUTIONS (CHF)
1996	2,888,806
1997	2,712,930
1998	3,602,304
1999	7,352,470
2000	5,414,047
2001	5,661,638
2002	4,335,816*^

( \* The US contribution to translation of Good Practice Guidance is not included in this figure.

^ This figure gives the contributions to 31 December 2002. )

8 All members of the IPCC contribute "in-kind" support through the provision of experts to the assessment processes. Developed countries also contribute travelling expenses of experts. In addition to this, four countries (Netherlands, Japan, UK and USA) contribute through the provision of Technical Support Units (TSUs), two UN elements (WMO and UNEP) provide staff and other support and The Energy and Resources Institute (TERI) provides website support. Estimates of the value of some of these in-kind contributions are provided in Table 2b.

**Table 2b: Estimates of in-kind contributions 2002**

	Purpose	CHF
Netherlands	TSU III	N/A
Japan	TSU TFB	2,250,000
UK	TSU II	300,000
USA	TSU I	N/A
WMO	Secretariat	590,000
UNEP	Secretariat	175,000
TERI	Web support	40,000

## **Part B: Planned Expenditure**

9 The 28<sup>th</sup> Session of the IPCC Bureau (10-11 December 2002) recommended that the IPCC prepare a budget through to the end of 2007, thus covering the entire period of the AR4. This has been done, with Tables 3 through 7 giving projected expenditure for the years 2003 through 2007 respectively. For the years 2003 through 2005 the budget expenditures previously approved by the Panel at its 19<sup>th</sup> Session (April 2002) are given in the Table (generally near, or at, the last line of each year's table).

10 Some key assumptions relating to the IPCC's work programme that are built into the budget are:

- (a) The Panel will approve: Two scoping meetings for AR4 in 2003. Selection, in 2004, by the three Working Groups (WG I, II and III), of their report authors and the meeting of the authors to prepare the zero-order chapter drafts. Two further meetings in 2005 of Coordinating Lead Authors/Lead Authors. CLA/LA meetings in 2006 and in 2007 the WG reports will be approved and published.
- (b) Provision will be made to carry out additional work on cross-cutting themes as a part of the AR4
- (c) Land Use, Land Use Change and Forestry (LULUCF) Tasks 1 and 2 will proceed with LA meetings this year for approval by plenary in October 2003.

- (d) The SBSTA requests for the IPCC to carry out the LULUCF Task 3, and the second revision of the 1996 Good Practice Guidelines, will be approved at the February 2003 plenary.
- (e) The February 2003 plenary will agree to the SBSTA requests to carry out Special Reports on carbon storage, and the effect of substitute gases under the Montreal Protocol on climate change.
- (f) The Task Group on Scenarios for Climate and Impacts Assessment (TG CIA) will continue to operate, and that associated with it will be a number of expert meetings.
- (g) There will be an on going need to conduct outreach, with an increased effort towards the end of the AR4.
- (h) There is a need to make provision for translation and publication of various IPCC documents including AR4.

11 Generally the costs for a meeting are built up according to the number of developing country, Economy in Transition (EIT) country experts attending the meeting. The standard cost per mission is CHF 5740 with 10% of travel costs being budgeted for support activities. For Bureau and Panel meetings the cost of interpretation is added.

12 The expenditure plans therefore reflect the requirements of the Working Groups for a range of expert meetings relating to Special Reports, Methodology Reports and Technical Papers under consideration but not yet approved by plenary. Also in the plans are notional funds for meetings relating to cross-cutting themes. At the time of preparing this draft budget plenary had not yet considered the concept of themes. Because of this the draft budget does not contain details of the meetings planned to support cross-cutting activities, the TSU's have however made a preliminary estimate of their bids for special purpose meetings, including those related to special purpose meetings and cross-cutting themes. These bids are contained in a separate briefing document. It is expected that the Financial Task Team (FiTT) will update these draft expenditure tables as the 20<sup>th</sup> Session of the Panel decides on the detail of the cross-cutting themes.

13 The aggregate amount of expenditure planned for the five years 2003 to 2007 is CHF 34,994,669. This exceeds, by around 16.65%, the estimated current rate of contributions plus carryover. Noting the uncertainty in estimating contributions this should be a reasonable budget, and should provide governments with the guidance they need to commit to regular contributions at a level that will support the IPCC. It should also be noted that 2007 is expected to be a year of large expenditure with two Panel Sessions, plenary sessions of all the Working Groups and the publication costs of the AR4. Depending upon the level of contributions in the intervening years there may be need to seek additional funding around 2005 and/or 2006 to cover some of these requirements.