

CDM-2013Q3-INFO09

Quarterly report

Financial resources

Third Quarter, 2013

Version 1.0



United Nations
Framework Convention on
Climate Change

1. Status of income and expenditure to support CDM activities during the period from 1 January to 30 September 2013

1.1. Income

1. Table 1 below shows income received in 2013, including the balance brought forward from 2012.

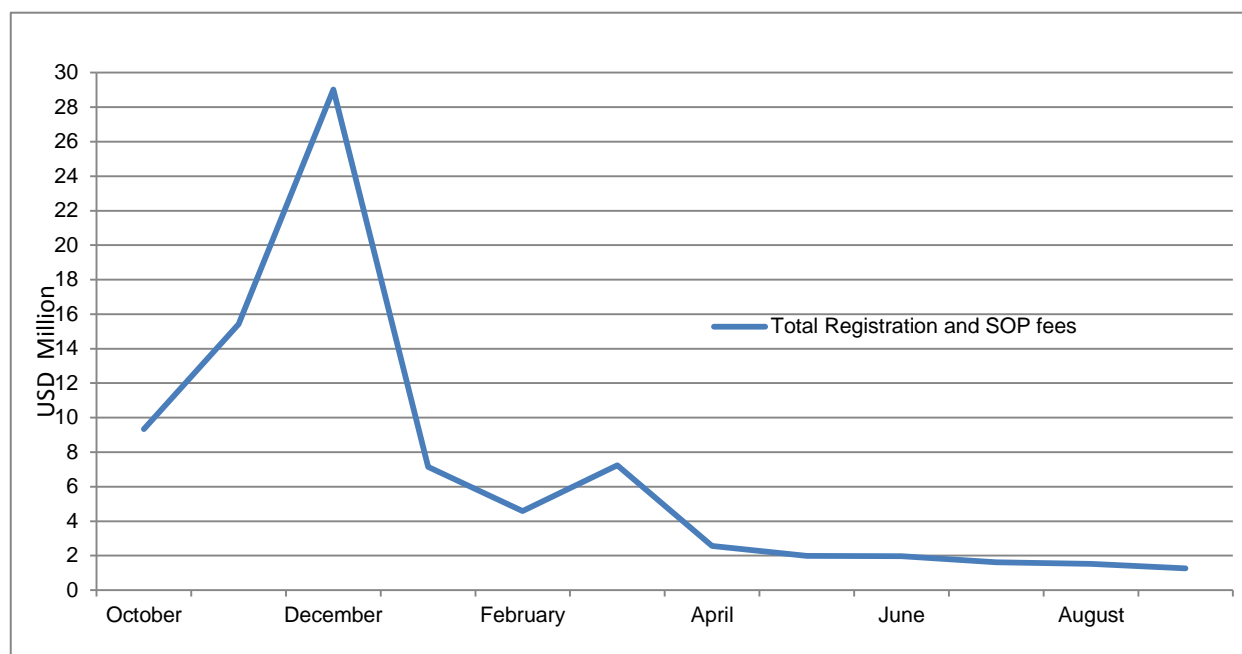
Table 1. Income received in 2013, including carry-over from 2012, in United States dollars

Carry-over figure from 2012 (A)	147,729,143
Accreditation fees	105,000
Fees from the accreditation process	109,577
Registration fees	1,753,070
Methodology fees	8,933
Share of proceeds (SOP)	28,150,506
Sub-total – Income 2013 (B)	30,127,086
Current balance of 2012 carry-over and 2013 income (A + B)	177,856,229

Note: USD 45 million held in reserve (EB 45, 2009) is not included in the above figures.

2. Interest accruing on the CDM Trust Fund from 2009 to 2012 totalled USD 6.8 million. This amount is included in the carry-over and balance given in table 1 and is ear-marked to fund the loan scheme, as decided by Parties to the Kyoto Protocol (*decision 3/CMP.6, paragraph 65*).
3. The Registration and SOP fees received as at 30 September 2013 amounted to USD 30.1 million (table 1) . This equates to 86 per cent of the USD 35 million projected income for 2013.

Figure 1. Monthly Registration fees and share of proceeds- 12 months to September 2013



1.2. Expenditure

4. Table 2 shows the current level of expenditure by object of expenditure and the utilization rate for the reporting period.

Table 2. Comparison of budget and expenditure by United Nations Object of expenditure (in United States dollars)

UN Object of Expenditure	Budget 2013 (9 months) a	Expenditure 2013 (Jan – September 2013) b	Available Balance c (a-b)	% Rate Expenditure vs Budget d (b/a)
Staff	14,297,480	13,950,721	346,759	97.6%
Consultants	1,266,556	355,150	911,406	28.0%
Experts fees	760,680	1,051,150	-290,470	138.2%
Experts travel	856,670	319,144	537,526	37.3%
Travel of Representatives	976,763	971,975	4,788	99.5%
Travel of Staff	306,409	328,627	-22,218	107.3%
Training	468,659	58,646	410,013	12.5%
Operating Expenses¹	6,825,342	5,840,545	984,797	85.6%
Communications	37,050	30,767	6,283	83.0%

¹ Operating Expenses include the Total Cost of Ownership (TCO) which is a UNFCCC secretariat-wide cost recovery mechanism for the reimbursement of services provided to secretariat programmes, applied as per Secretariat Management Team decision of 2007. In 2013, TCO (estimated) above for the first nine months amounted to USD 1.5 million

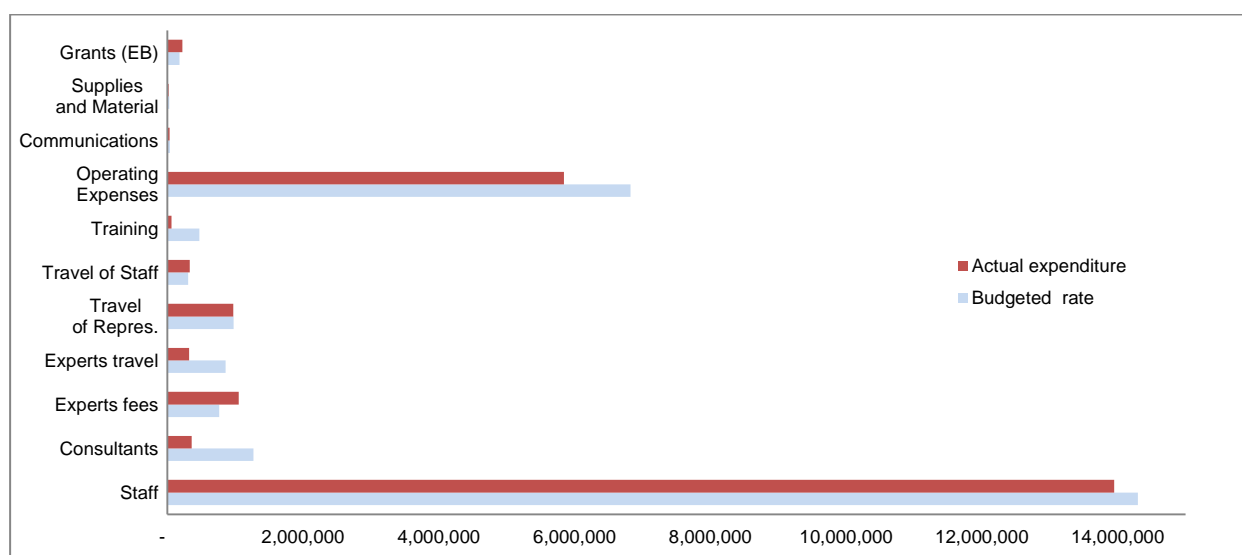
UN Object of Expenditure	Budget 2013 (9 months) a	Expenditure 2013 (Jan – September 2013) b	Available Balance c (a-b)	% Rate Expenditure vs Budget d (b/a)
Supplies and Material	26,250	16,219	10,031	61.8%
Grants (EB)	178,500	221,700	-43,200	124.2%
Sub-total	26,000,358	23,144,644	2,855,714	89.0%
13% Programme Support ²	3,380,047	3,008,804	371,243	
Total	29,380,405	26,153,448	3,226,957	

5. In this nine month period, there is a 28 per cent rate of expenditure versus budgeted for the hiring and use of consultants. Although it is expected that additional consultants will be hired during the last quarter of 2013 for work relating to strategy and policy development, the percentage rate of expenditure versus budgeted may well remain low at the end of 2013 for two reasons:
 - (a) The actual cost of consultants was less than budgeted for;
 - (b) The USD 300,000 budgeted administrative fees payable to UNOPS (related to the CDM Loan Scheme) was prepaid at the end of 2012.
6. During this same period, there is a 138 per cent rate of expenditure versus budgeted for expert fees. Approximately 31 per cent of this value is earmarked for CDM experts, Registration and Issuance Team experts, afforestation and reforestation experts and Methodologies Panel experts, but as yet, not disbursed. This figure indicates a potential for slight overspend at the end of the year.
7. There is a 37 per cent rate of expenditure versus budgeted for expert travel. Reasons for a lower rate of expenditure versus budgeted include:
 - (a) Reduction of panel members (to about 5 members each) in the Methodologies Panel (MP) and Accreditation Panel (AP) in the second half of 2013;
 - (b) No meetings of the Carbon Capture and Storage Working Group took place while one Afforestation and Reforestation Working Group meeting was held;
 - (c) One meeting each of the MP, AP and Small-Scale Working Group (SSC WG) were cancelled. In addition, it is anticipated that the meetings of the MP and SSC WG scheduled to be held in December 2013 will be cancelled.
8. It is anticipated that the expenditure for travel of representatives will exceed what was budgeted for due to an additional DNA meeting that was held during the year.
9. There is a 107 per cent rate of expenditure versus budgeted for staff travel. Travel for on-site project assessments (approximately USD 68,000), is a major part of this expenditure. This expenditure will be reimbursed by designated operational entities (DOEs) in the coming months and thus, the anticipated expenditure rate will be around 80 per cent, which is within the expected range.

² In accordance with the **financial** procedures of the United Nations, 13 per cent of overhead charges are payable on all trust funds of the UNFCCC to cover administrative services provided by the United Nations Office at Geneva and the UNFCCC secretariat

10. There is a 12.5 per cent rate of expenditure versus budgeted for training. A number of training-related expenses, such as license fees and course costs, are expected to be incurred in the fourth quarter. It is anticipated that the training budget will not be fully spent.
11. Regional Collaboration Centre (RCC) memorandum of understanding (MoU) institutional arrangements and relocation costs; ITS related expenses (including the new SDM IS system); in-house conference support services; and prorated TCO³ expenses together account for approximately 74 per cent of all operating expenses.
12. The variance between budgeted operating expenses and actual expenditure is related to the timing of the RCC expenditure. It is expected that some activities and related costs would pass over into 2014. The impact of the above-mentioned factors will be fully assessed in the 2013 annual financial report.
13. Additionally, the RCC expenditure is expected to cost less than what was budgeted. Based on preliminary estimates, the quantum of the underspend is USD 460,000.
14. Grants to Board members for secretarial support and to purchase computer equipment in the first nine months amounted to USD 221,700. This represents commitments and disbursements that were made from January to September 2013 while the budget anticipated that the remainder of these expenses amounting to USD135,300 would be incurred in the fourth quarter.

Figure 2. Comparison of actual expenditure versus budget for January to September (In United States dollars)



³ "Total Cost of Ownership (TCO)" is a UNFCCC secretariat-wide cost recovery mechanism for the reimbursement of services provide to secretariat programmes. Further information can be found under Table 2.

1.3. Summary of financial position

Table 3. Status of income and expenditure, in United States dollars

Carry-over figure from 2012 (Table 1) (A)	147,729,143
Income 2013	30,127,086
Less : Expenditure 2013 (Table 2)	26,153,448
Surplus (B)	3,973,639
Balance available (at 30 September 2013) (A+B)	151,702,782

Note: USD 45 million held in reserve (EB 45, 2009) is not included in the above figures.

15. Table 3 shows the balance of the CDM trust fund as at 30 September 2013.
16. From table 1 above, the income for the nine months ending 30 September 2013 of USD 30.1 million exceeds the expenditure of USD 26.1 million stated in table 2 (for the same period), resulting in a surplus of USD 3.9 million. However, it should be noted, as shown in table 4 below, that from the second and third quarter the expenditure exceeded the monthly income. The secretariat will continue to monitor and report on this trend throughout the year.

Table 4. Quarterly income and expenditure trend - 2013

In USD	Q1	Q2	Q3	Total
Income	19,008,969	6,626,166	4,491,951	30,127,086
Expenditure	8,443,493	9,252,918	8,457,037	26,153,448
Income minus expenditure	10,565,476	(2,626,751)	(3,965,086)	3,973,639

Document information

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