

**CDM-2014Q1-INFO09**

## Quarterly report

---

## Financial resources

First Quarter, 2014

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

# 1. Status of income and expenditure to support CDM activities during the period from 1 January to 31 March 2014

## 1.1. Income

1. Table 1 below shows the income received in the period from 1 January to 31 March 2014 and the balance brought forward from 2013.

**Table 1. Income received in 2014, including carry-over from 2013, (in United States dollars)**

<b>Carry-over figure from 2013 (A)</b>	<b>148,940,705</b>
<b>Income received in 2014</b>	
Accreditation fees	0
Fees from the accreditation process	32,000
Registration fees	616,074
Methodology fees	2,000
Share of proceeds (SOP)	1,292,113
<b>Sub-total – Income 1 Jan–31 Mar 2014 (B)</b>	<b>1,942,187</b>
<b>Current balance of 2013 carry-over and 2014 income (A + B)</b>	<b>150,882,892</b>

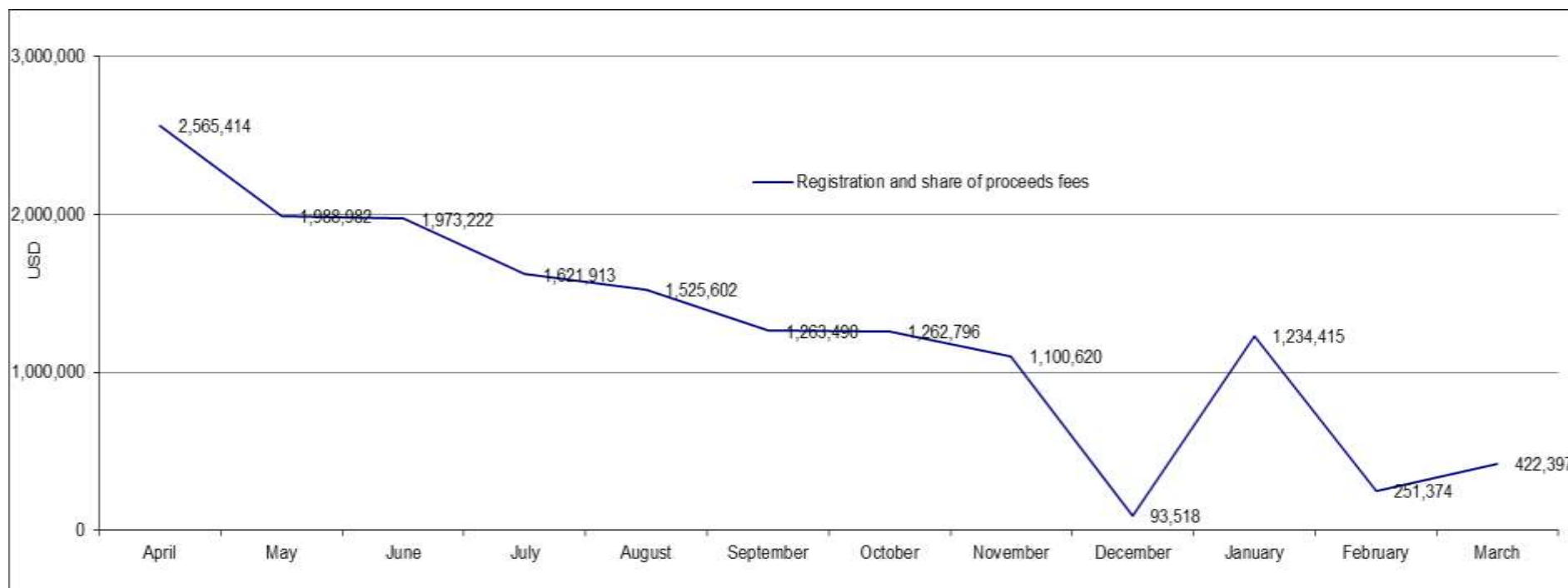
Note: USD 45 million held in reserve (EB 45, 2009) is not included in the above figures.

2. The total fees received as at 31 March 2014 amounted to USD 1.9 million (Table 1). This is equivalent to 31 per cent of the expected income (USD 6.2 million) for the first quarter, based on the USD 25 million projected income for 2014.
3. Interest accrued in the CDM Trust Fund from 2009 to 2013 totalled USD 8.0 million and is included in the carry-over and balance reported in Table 1. The accrued interest is earmarked to fund the loan scheme to support the development of CDM project activities in countries with fewer than 10 such activities registered, in accordance with decision 3/CMP.6, paragraph 65.

### 1.1.1. Registration fees and shares of proceeds

4. Figure 1 below provides a monthly overview of the income received.

**Figure 1. Monthly registration fees and share of proceeds – 1 April 2013 to 31 March 2014 (12-month period)**



## 1.2. Expenditure

5. Table 2 shows the actual expenditure incurred and the utilization rate for the reporting period.

**Table 2. Comparison of budget and expenditure for the period from 1 January to 31 March 2014 (in United States dollars)**

UN Object of Expenditure	Budget (Jan–Dec'14) a	Actual expenditure (Jan–Mar'14) b	Difference (a-b) c	% Rate Expenditure vs Budget (b/a) d
Staff	17,867,510	4,340,591	13,526,919	24.3%
Consultants	596,181	67,289	528,892	11.3%
Experts' fees	366,200	156,400	209,800	42.7%
Experts' travel	519,957	36,318	483,639	7.0%
Travel of representatives - EB	1,127,012	217,411	909,601	19.3%
Travel of representatives - DNA	783,022	0	783,022	0.0%
Travel of staff	389,744	48,207	341,537	12.4%
Training	279,139	109,529	169,610	39.2%
Operating expenses <sup>1</sup>	6,768,085	1,657,687	5,110,398	24.5%
Communications	45,600	23,639	21,961	51.8%
Supplies and material	30,000	41,317	-11,317	137.7%
Grants (EB)	357,000	156,900	200,100	43.9%
<b>Sub-total</b>	<b>29,129,450</b>	<b>6,855,288</b>	<b>22,274,162</b>	<b>23.5%</b>
13% programme support <sup>2</sup>	3,786,829	891,187	2,895,641	
<b>Total</b>	<b>32,916,279</b>	<b>7,746,476</b>	<b>25,169,803</b>	

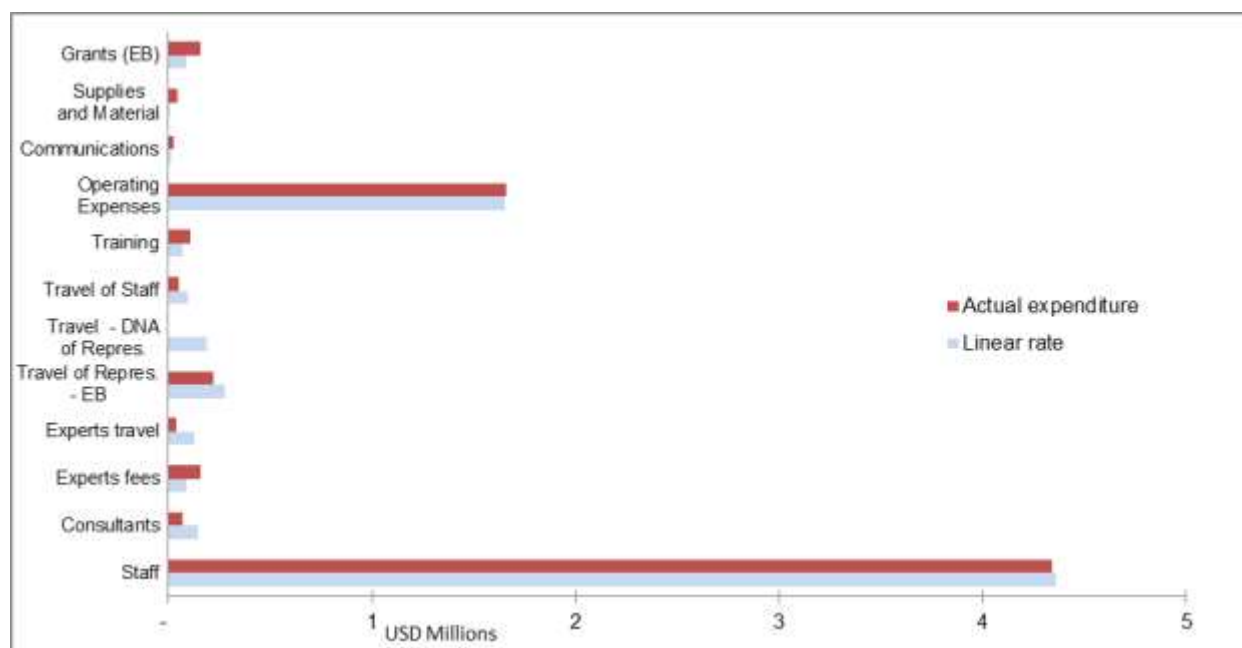
6. The linear rate of expenditure for the first quarter of 2014 is 24.4 per cent.
7. Expert fees are 42.7 per cent of the 2014 budget. This expenditure figure includes approximately 31 per cent committed, but not yet disbursed, fees for experts to the Small-Scale Working Group (SSC-WG), and the Methodology Panel (MP). Expenditure is expected to align with the original projections as the year progresses.
8. Expert travel fees are 7 per cent of the 2014 budget. The expert travel expenditure rate reflects the fact that part of the travel costs relating to the Accreditation Panel (AP), MP and SSC-WG meetings held in January 2014 was processed and paid for in the December 2013 financial accounting period.

<sup>1</sup> Operating expenses include 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 the secretariat Management Team decision of 2007. In 2014, TCO is estimated to be USD 1.9 million.

<sup>2</sup> 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.

9. Travel fees of DNA representatives are zero per cent of the 2014 budget. The DNA Forum has not yet taken place and expenditure is expected to align with the original projections as the year progresses.
10. Training fees are 39 per cent of the 2014 budget. Expenses for the Lean Six Sigma initiative (enhancing the efficiency and effectiveness of operations) and annual licence fees for the Learning Management System (LMS) were expenses incurred in the first quarter. Expenditure is expected to align with the original projections as the year progresses.
11. Communications fees are 52 per cent of the 2014 budget. The high expenditure rate in the first quarter is due to commitments for communication expenses which cover the whole year. Expenditure is therefore expected to align with the original projections as the year progresses.
12. The expenditures for supplies and material are 139 per cent of the 2014 budget. As the total amount of budget for supplies and materials is only USD 30,000, the overspend under this budget item is not expected to have significant impact on overall budget performance at the end of the year. However, the need for further expenditure on this budget item will be closely monitored during the remainder of the year.
13. Grants to EB member fees are 44 per cent of the 2014 budget and include secretarial support and the purchasing of computer equipment for members. The expenditure rate in the first quarter is due to expenses such as computer equipment, which cover the whole year. Expenditure is expected to align with the original projections as the year progresses.

**Figure 2. Status of budget versus expenditure for the period from 1 January to 31 March 2014 (in United States dollars)**



14. Figure 2 shows actual expenditure against the linear rate for the first three months of 2014 at 24.4 per cent. Column (d) in Table 2 shows the rate of expenditure as a percentage of the total 2014 budget for each cost category.

### 1.3. Summary of financial position

15. Table 3 below shows the balance of the CDM Trust Fund as at 31 March 2014. The expenditure of USD 7.7 million stated in Table 2 exceeds the income for the quarter ending March 2014 (Table 1) of USD 1.9 million, resulting in a deficit of USD 5.8 million. Although it had been anticipated at the time of consideration of the CDM MAP 2014 that the operationalization of the CDM is entering a difficult period, where expenditure would exceed income, the income received during this first quarter is far below the projected expected income. Therefore, the secretariat is reviewing the strategy paper on income/expenditure projections, and will present a revised paper to the Board at EB80 in July 2014, for consideration in conjunction with the mid-year review of the CDM MAP 2014.

**Table 3. Available balance as at 31 March 2014, in United States dollars**

<b>Carry-over figure from 2013 (A)</b>	<b>148,940,705</b>
<b>Status of funds for the period Jan–Mar 2014</b>	
Income received	1,942,187
Less : actual expenditure	7,746,476
<b>Total surplus/(deficit) (B)</b>	<b>(5,804,289)</b>
<b>Balance available at 31 March 2014 (A+B)</b>	<b>143,136,416</b>

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

- - - - -

### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	13 May 2014	Initial publication.
Decision Class: Operational		
Document Type: Information note		
Business Function: Governance		
Keywords: budget, EB, reporting procedures		