

**CDM-2015Q1-INFO03**

## Quarterly report

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# Financial resources

First Quarter, 2015

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Status of income and expenditure to support CDM activities during the period from 1 January to 31 March 2015

### 1.1. Income

- Table 1 below shows the income received in the period from 1 January to 31 March 2015 and the balance brought forward from 2014.

**Table 1. Income received in 2015, including carry-over from 2014, (in United States dollars)**

<b>Carry-over figure from 2014 (A)</b>	<b>128 031 562</b>
<b>Fees income received in 2015</b>	
Accreditation fees	7 500
Fees from the accreditation process	6 355
Registration fees <sup>(a)</sup>	205 293
Methodology fees <sup>(b)</sup>	3 000
Share of proceeds (SOP) <sup>(c)</sup>	1 674 916
<b>Sub-total – Income 1 Jan-31 Mar 2015 (B)</b>	<b>1 897 064</b>
<b>Current balance of 2014 carry-over and 2015 income (A + B)</b>	<b>129 928 626</b>

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

<sup>(a)</sup> This fee is based on the average annual issuance of certified emission reductions (CERs) over the first crediting period and is calculated as a share of proceeds to cover administrative expenses, as defined in decision 7/CMP.1, paragraph 37. Projects with annual average emission reductions of less than 15,000 tonnes of carbon dioxide equivalent are exempt from the registration fee, and the maximum fee applicable is USD 350,000. This fee is considered to be a pre-payment of the share of proceeds to cover administrative expenses.

<sup>(b)</sup> A non-refundable submission fee of USD 1,000 is payable at the time a new methodology is proposed. If the proposal leads to an approved methodology, the project participants receive a credit of USD 1,000 against payment of the registration fee or a pre-payment of share of proceeds.

<sup>(c)</sup> The share of proceeds, payable at the time of issuance of CERs, is USD 0.10 per CER issued for the first 15,000 CERs for which issuance is requested in a given calendar year, and USD 0.20 per CER issued for amounts in excess of 15,000 CERs.

- The total fees received as at 30 March 2015 amounted to USD 1.9 million (Table 1). Although this is an increase when compared to the projected income of USD 0.8 million for the first three months, based on a linear rate against the USD 3.1 million projected income for 2015<sup>1</sup>, it is too early to predict if this trend will continue and translate to a material difference in income received by year end.
- The total interest accrued in the CDM Trust Fund from prior years to the end of 2014 amounted to USD 9.1 million and is included in the carry-over and balance reported in Table 1. The accrued interest is currently earmarked to fund the loan scheme to support

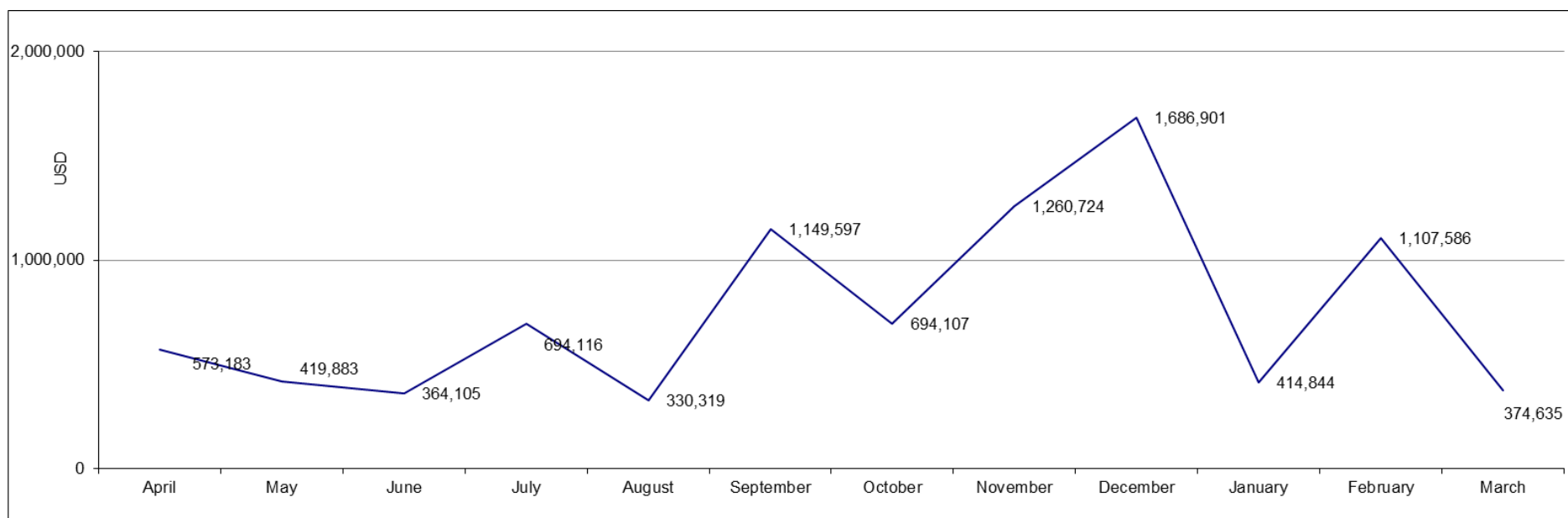
<sup>1</sup> As per CDM business plan 2014–2015 (CDM-EB81-A01 section 4.1, paragraph 13)

the development of CDM project activities in countries with fewer than ten 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 2014 to 31 March 2015 (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 1 January to 30 March 2015 (in United States dollars)**

UN Object of Expenditure	Budget (Jan–Dec'15) a	Expenditure (Jan–Mar'15) b <sup>(f)</sup>	Difference (a-b) c	% Rate expenditure vs. budget (b/a) d
Staff <sup>(a)</sup>	15 380 762	3 512 144	11 868 618	23%
Consultants	219 203	51 825	167 378	24%
Experts fees <sup>(b)</sup>	442 800	195 700	247 100	44%
Experts travel <sup>(c)</sup>	439 588	65 857	373 731	15%
Travel of representatives – EB	1 131 841	220 254	911 587	19%
Travel of representatives – DNA	498 164	219 364	278 800	44%
Travel of staff	244 658	62 936	181 722	26%
Training	161 464	43 443	118 021	27%
Operating expenses <sup>(d)</sup>	5 865 287	1 642 523	4 222 764	28%
Mobile communications	18 800	8 855	9 945	47%
Supplies and material	95 000	23 069	71 931	24%
Grants (EB)	357 000	-16 700	373 700	-5%
<b>Subtotal</b>	<b>24 854 567</b>	<b>6 029 269</b>	<b>18 825 298</b>	<b>24%</b>
13% Programme support <sup>(e)</sup>	3 231 093	655 484	2 575 609	20%
<b>Total</b>	<b>28 085 660</b>	<b>6 684 752</b>	<b>21 400 908</b>	<b>24%</b>

<sup>(a)</sup> Staff costs include Staff, General Temporary Assistance (GTA) and staff-related costs.

<sup>(b)</sup> Expert fees refer to panel and working group attendance fees and case fees.

<sup>(c)</sup> Expert travel refers to travel costs of panel and working group members.

<sup>(d)</sup> Operating expenses include engagement agreements (conference affairs, IT, regional collaboration centres), rental of equipment, shipping and transport costs, maintenance costs and other logistics costs. It also includes 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 a secretariat Management Team decision of 2007. In 2015 TCO is estimated to be USD 1.7 million.

<sup>(e)</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. The linear rate of expenditure for the first three months in 2015 is 25 per cent.

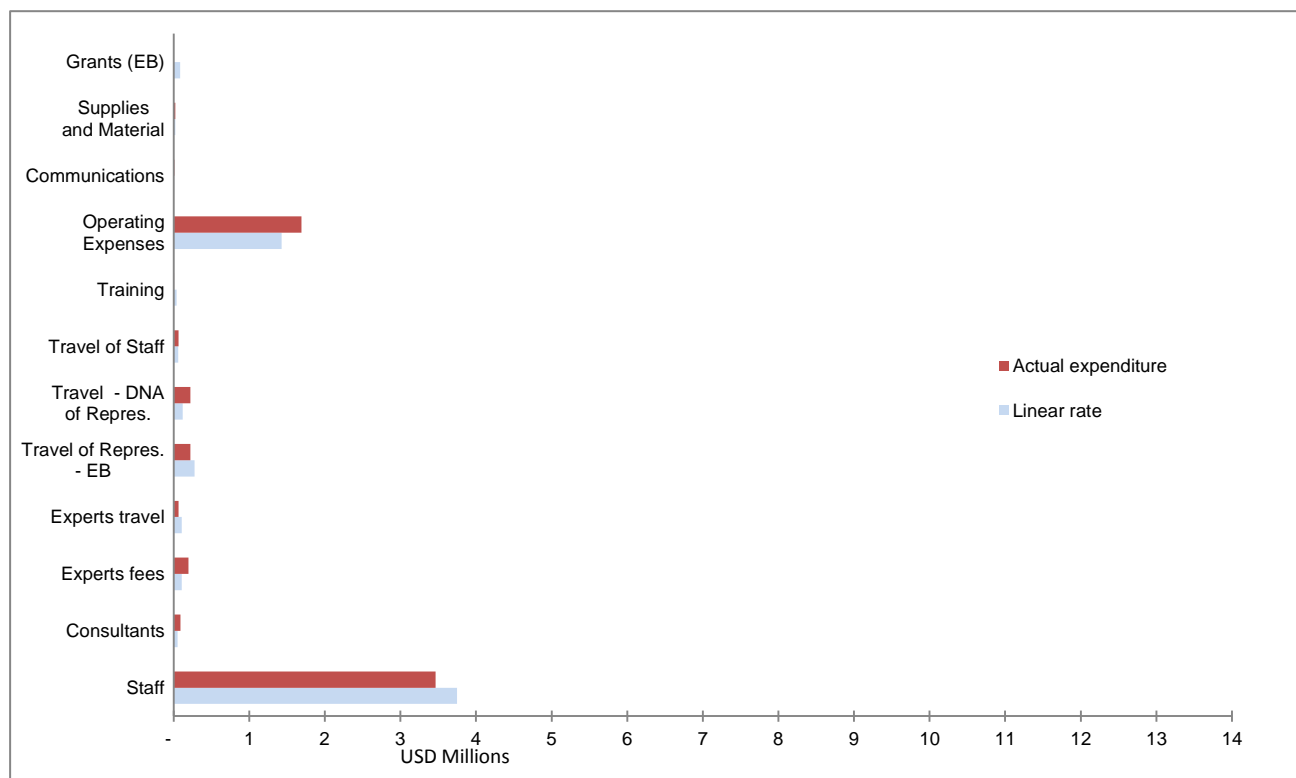
<sup>(f)</sup> Expenditure includes obligations.

6. Expert fees (44 per cent) are higher than the expected linear rate of expenditure for the first three months (25 per cent). This expenditure figure represents committed, but not yet disbursed, fees for experts to panels and working groups (Methodologies Panel meetings 66-68, Small-Scale Working Group meetings 47-49 and Accreditation Panel

meetings 71–73). Expenditure is expected to align with the original projections as the year progresses.

7. Both expert travel (15 per cent) and travel of CDM Executive Board representative fees (19 per cent) are lower than the expected linear rate of expenditure for the first three months (25 per cent). This is because the total number of meetings of each regulatory body during the calendar year is not equally distributed across the quarters of the year. Expenditure is expected to align with the original projections as the year progresses.
8. Travel of designated national authority (DNA) representatives (44 per cent) is higher than the expected linear rate of expenditure for the first three months (25 per cent) but in line with the planned budgets for the three regional workshops to be held in 2015. Expenditure is expected to align with the original projections as the year progresses.
9. Mobile communications (47 per cent) is higher than the expected linear rate of expenditure for the first three months (25 per cent). The high expenditure rate in the first quarter is due to commitments for telephone expenses which cover the whole year. Expenditure is therefore expected to align with the original projections as the year progresses.
10. Grants (EB) include a negative expenditure due to an accounting adjustment of the 2014 committed amount. Final transactions will be recorded in April 2015 and the expenditure is expected to align with the projections.

**Figure 2. Status of budget versus expenditure for the period 1 January to 30 March 2015 (in United States dollars)**



11. Figure 2 shows the actual expenditure against the linear rate for the first three months of 25 per cent. Column (d) in Table 2 shows the rate of expenditure as a percentage of the total 2015 budget for each cost category.

### 1.3. Summary of financial position

12. Table 3 below shows the balance of the CDM Trust Fund as at 31 March 2015. The expenditure of USD 6.7 million stated in table 2 exceeds the income for the period ending 31 March 2015 (table 1) of USD 1.9 million, resulting in a deficit of USD 4.8 million.

**Table 3. Available balance as at 31 March 2015 (in United States dollars)**

<b>Carry-over figure from 2014 (A)</b>	<b>128 031 587</b>
<b>Status of funds for the period Jan – Mar 2015</b>	
Income received	1 897 064
Less : Expenditure	6 684 752
<b>Total surplus/(deficit) (B)</b>	<b>(4 787 688)</b>
<b>Balance available at 30 March 2015 (A+B)</b>	<b>123 243 899</b>

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

**Table 4. Income and expenditure trend April 2014–March 2015**

In United States dollars	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Income	1 423 743	2 210 408	3 654 013	1 897 064
Expenditure	7 708 562	8 021 384	6 545 214	6 684 752
Income minus expenditure	<b>(6 284 819)</b>	<b>(5 810 976)</b>	<b>(2 891 201)</b>	<b>(4 787 688)</b>

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### Document information

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