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CDM two-year business and management plan 2024–2025

Version 01.0



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1. Introduction

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) considers that its role, within the guidance set by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), is to ensure that the CDM infrastructure facilitates Parties to promote climate action, including to allow for the voluntary cancellation of certified emission reductions (CERs) by the public and private sectors, and mobilizes funds for adaptation purposes through its funding of the Adaptation Fund.
2. To this end, the Board actively promotes the contribution the CDM can make to help the world combat climate change and achieve the ultimate objective of the Convention. The present business plan sets out the Board's strategic direction for the CDM under two goals, each supported by a set of objectives for 2024 and 2025.
3. The goals reflect the desired outcomes for the CDM in 2024 and 2025. The objectives are intended to guide the work to be undertaken to achieve the Board's goals. The Board intends to prioritize and allocate resources, via a supporting two-year management plan (MAP) which defines the work and associated resource requirements for the Board and its support structure to achieve the goals and objectives of the business plan. The Board will continue reviewing the implementation of MAP taking into account decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and noting the end of the additional period for fulfilling commitments under the second commitment period and end of consideration of provisional cases under the temporary measures.
4. The Board also noted that it may need to revise the MAP following consideration by the CMP at its eighteenth session of the functioning and operation of the processes and institutions of the CDM in the future, including appropriate time frames, with a view to avoiding a gap before the operationalization of the corresponding processes under the Article 6, paragraph 4, mechanism (hereinafter referred to as Article 6.4 mechanism).

2. The operational context

5. In almost 20 years of operation, the CDM has developed world-leading expertise in the development and implementation of greenhouse gas emission reduction and removal activities. This includes expertise in four core functional areas:
 - (a) In assessments, the CDM maintains and administers uniform procedures for registering activities that reduce emissions or enhance removals, issuing credits for such reductions or removals, and accrediting third-party verifiers;
 - (b) In standards, the CDM maintains the world's largest source of credible and internationally accepted standards for measuring, reporting and verifying emission reductions and removals, and these are also used by mechanisms and stakeholders outside of the CDM;
 - (c) In operations and infrastructure, the CDM has an established, transparent and trusted governance structure, a functional CER registry and a transparent repository of the status and description of all registered project activities and programmes of activities (PoAs); and

- (d) In stakeholder engagement, there are established fora for national authorities and accredited entities, structured engagement with project and programme participants, and a network of the Regional Collaboration Centres (RCCs).
- 6. At its sixteenth session, the CMP also provided clarity on the limited nature of the functioning of the CDM beyond the end of the second commitment period. Specifically, the CMP decided that requests for registration, renewal of crediting period and issuance of CERs for project activities, including equivalent submissions for PoAs, related to emission reductions occurring after 31 December 2020, may not be submitted under the CDM but may be processed under the mechanism established by Article 6.4 mechanism. Furthermore, the CMP recognized the need for a smooth transition from the CDM to the Article 6.4 mechanism.
- 7. Consistent with prior business plans, the secretariat has also engaged with stakeholders utilizing the CDM for purposes beyond Kyoto Protocol compliance throughout this period. This includes its use as a compliance instrument in domestic emissions trading and carbon taxation systems, and voluntary cancellation, with ongoing demand for engagement with the CDM from these aspects. In addition, by decision 3/CMA.3, Parties can use CERs towards achieving their initial or first updated nationally determined contributions, potentially creating a demand for CERs until 2030.
- 8. However, due to the absence of CER issuance for monitoring periods beyond 31 December 2020, there is a finite supply of CERs. This finite supply may be a consideration for the future demand. In addition, noting the end to the support of temporary measures, the subsequent impact on operations has been taken into account.

3. Goals and objectives

- 9. The Board has agreed that the following two goals and supporting objectives are relevant for 2024 and 2025.

3.1. Goal 1: Ensure that project participants are enabled to efficiently seek issuance of CERs for remaining monitoring period until 31 December 2020

- 10. The core strength of the CDM is its capacity to drive the implementation of a broad range of mitigation activities through the verification of emission reductions and removals. Taking into account the CMP decisions, the Board intends to manage the core functional areas such as project and entity assessments to enable the issuance of CERs for monitoring periods prior to 31 December 2020 and notes the pending guidance from the CMP as to the end of issuance from the CDM.
- 11. Under this goal, the following objectives have been identified:
 - (a) **Operate efficient project and entity assessment processes:** The Board intends to continue operating the project cycle and accreditation procedures and meet all prescribed timelines without compromising the quality of assessments;
 - (b) **Operate an effective regulatory framework:** The Board intends to continue to support any necessary clarifications or refinements of relevant standards to ensure that the issuance of remaining CERs is facilitated in a manner that ensures environmental integrity.

3.2. Goal 2: Enable stakeholders to understand and adjust to the evolving operating environment taking into account decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

12. CDM stakeholders need clarity and support in adjusting their engagement considering the evolving landscape for climate action and policy in relation to the CDM stemming from CMP decisions.

13. The Board and the secretariat will continue to support designated national authorities (DNAs) and project participants through the RCCs, support for the Nairobi Framework Partnership and engagement with the regional DNA forums.

14. Under this goal, the following objective has been identified:

Engage with regulatory authorities and stakeholders using CERs for both compliance and voluntary purposes: National authorities and international bodies have taken decisions outside the framework of the Kyoto Protocol to accept CERs for compliance purposes under their regimes. The Board intends to engage with the wide variety of stakeholders applying the CDM as a tool for voluntary climate action.

4. Principles guiding the elaboration of the management plan

15. The Board recognizes the supervisory role it plays in ensuring that the CDM continues to operate with effectiveness and a high degree of credibility mitigating climate change and driving sustainable development.

16. The CDM components include: tools for the measurement, reporting and verification of activity-level emission reductions and removals; methodologies that are widely recognized as international standards; an accreditation system for third-party validators/verifiers; a registry for issuing CERs and tracking their transfers; and a tested and proven approach to engaging non-Party stakeholders in emission reduction and removal activities through the CDM, including direct access to offsetting for the public through the United Nations online platform for voluntary cancellation of CERs (hereinafter referred to as the VC platform).

17. The Board remains committed to prudent management and the careful monitoring of expenditures under the Trust Fund for the CDM in order to ensure the efficient use of resources to allow for the continued operation of the CDM until the end of the true-up period of the second commitment period under the Kyoto Protocol.

18. As such, the principles guiding the elaboration of this MAP include:

(a) Safeguarding of the financial resources of the CDM and ensuring that there is no financial constraint in operating the CDM;

(b) Ensuring that the needs of the CDM and the expectations of the Parties regarding the CDM are met in an effective and cost-efficient way; and

(c) Utilizing available skills and expertise effectively.

19. The MAP defines the work and associated resource requirements needed by the secretariat to implement the Board's strategy and support the Board in its efforts to continue to maintain the CDM to best serve the needs of its users.

Appendix. Management plan

1. Introduction

1. This management plan (MAP) sets out the activities and resource requirements to support the 2024 and 2025 goals and objectives of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board).

2. Activities, estimated volumes and resource requirements

2. As shown in table 1, the proposed budgets covered by this MAP are USD 11.5 million for 2024 (column (b)) and USD 9.0 million for 2025 (column (c)). These figures represent, compared to 2023, an 18 per cent decrease in 2024 and a 35 per cent decrease in 2025.

3. In 2024 and 2025, the proposed staff count is 30 per cent and 48 per cent lower, respectively (columns (d) and (e)), compared to 2023.

4. Staff costs show only a decrease of 21 per cent (compared to 30 per cent decrease of Staff (head count)) in 2024 and 41 per cent (compared to 48 per cent decrease of Staff (head count)) in 2025, due to an increase in statutory staff cost in line with the United Nations common salaries and entitlements system.

Table 1. Overview of 2024 and 2025 budgets and comparison with 2023

Budget	Approved budget 2023 (a)	Budget proposal 2024 (b)	Budget proposal 2025 (c)	2024 % change compared to 2023 (d)	2025 % change compared to 2023 (e)
Staff (head count)	61	43	32	-30%	-48%
Staff costs ^(a)	8 592 000	6 786 821	5 032 143	-21%	-41%
Non-Staff costs ^(b)	5 416 154	4 705 116	4 017 646	-13%	-26%
Total	14 008 154	11 491 937	9 049 789	-18%	-35%

- (a) Staff costs include Staff, General Temporary Assistance and related costs such as salaries, overtime payments, dependency allowance, education grant, rental subsidy, home leave travel, travel on appointment and separation, after-service health insurance costs, etc.
- (b) Non-staff costs include: the Total Cost of Ownership (TCO) and the 13 per cent Programme Support Costs (PSC).
- TCO – Service programmes in the secretariat (Information and Communication Technology and Administrative Services) render services to all secretariat activities funded from both core and non-core sources of funding, such as the Trust Fund for the CDM. The purpose of TCO charges is to ensure the allocation of costs of these support services to the sources of funding to which they relate. In 2024 and 2025, the TCO charge per capita of EUR 15,460 will be applied.
- PSC – In accordance with the financial procedures of the United Nations, 13 per cent of overhead charges are payable on all trust funds of the United Nations Framework Convention on Climate Change (UNFCCC) to cover administrative services provided by the United Nations Office at Geneva and the UNFCCC secretariat (PSC).
5. An overview of the resources allocated by objective for 2024 and 2025 is provided in table 2. The table shows the resource allocation per objective per year, which is expressed as a percentage of the total allocation. The table shows an estimated resource need of 447 person-months (about 43 staff equivalents) in 2024 and 328 person-months (about 32 staff equivalents) in 2025 to deliver the proposed activities and projects.
6. In planning human resource utilization and deployment, the secretariat bases estimated human resource requirements on previous years' data for activities covered by the MAP. The reduction in person-months in 2024 and 2025 also reflects expected efficiency gains in conducting certain activities and processes.

Table 2. Indicative allocation of resources by objective

Goal / Objective	Title of objective	Person-months 2024	Person-months 2025	Non-staff cost 2024 (USD)	Non-staff cost 2025 (USD)	% of resources 2024	% of resources 2025
1 (a)	Operate efficient project and entity assessment processes	104	80	134 170	109 170	18%	18%
1 (b)	Operate an effective regulatory framework	169	117	972 900	866 375	38%	36%
2	Engage with regulatory authorities and stakeholders using CERs for both compliance and voluntary purposes	46	20	650 502	625 502	14%	12%
	Carry out cross-cutting activities, including communications, internal administration, etc.	128	111	897 335	833 610	30%	34%
Total		447	328	2 654 907	2 434 657	100%	100%

Note: This table excludes the TCO and the 13 per cent PSC.

7. Tables 3 to 6 link specific activities to the objectives as set out in the business plan. The ‘person-months’ column in each table provides an indication of the effort required to perform an activity. The indicator not applicable (n/a) has been used for instances where activities are not continuing.

2.1. Goal 1: Ensure that project participants are enabled to efficiently seek issuance of CERs for remaining monitoring period until 31 December 2020

Table 3. Objective 1(a): Operate efficient project and entity assessment processes

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
Registry	Changes to modalities of communication and transactions	Transactions	8 800	7 600	49	30	-	-
	Registry reports	Reports	400	400	3	3	-	-
	Opening and maintenance of the United Nations online platform for voluntary cancellation of CERs (VC platform) seller accounts	Accounts	80	80	4	4	-	-
Project assessments	Requests for direct communication, renewal of crediting period, and review ^(a)	Requests	25	20	3	2	15 000	15 000
	Requests for programme of activity (PoA) issuance covering component project activities (CPAs)	Requests	50	50	9	10	-	-
	Requests for PoA post-registration change (PRC)	Requests	30	25	10	7	-	-
	Requests for PoA registration	Requests	n/a	n/a	n/a	n/a	n/a	n/a
	Requests for project activity issuance	Requests	300	300	14	15	75 000	50 000
	Requests for project activity PRC	Requests	10	10	2	2	-	-
	Requests for project activity registration	Requests	n/a	n/a	n/a	n/a	n/a	n/a

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
	PoA post-registration CPA inclusion	CPA inclusions	n/a	n/a	n/a	n/a	n/a	n/a
	Sustainable development co-benefits, including reporting and promotional activities		n/a	n/a	n/a	n/a	n/a	n/a
Entity assessments	Performance assessments (validation and verification)	Assessments	5	6	4	5	-	-
	Regular surveillance and spot checks	Assessments	10	6	3	2	-	-
	Requests for initial and re-accreditation	Requests	4	n/a	1	n/a	-	n/a
	Calibration of assessment team leads	Workshop	1	-	1	-	24 500	24 500
	Designated operational entities calibration workshop	Workshop	1	-	1	-	19 670	19 670
	Total				104	80	134 170	109 170

(a) The volume for 'requests for renewal of crediting period' is estimated to be zero; the volume for 'requests for review' is estimated to be 15.

Table 4. Objective 1(b): Operate an effective regulatory framework

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
Servicing of panels/working groups	Support to the Accreditation Panel, incl. preparation of meetings	Meetings	3	3	8	8	26 500	21 000
	Support to the Methodologies Panel incl. preparation of meetings	Meetings	3	3	14	14	60 500	39 875
	Maintenance and management of assignments for the clean development mechanism (CDM) roster of experts		-	-	0.2	0.2	-	-
Servicing of regulatory body	Support to the Executive Board, including preparation of meetings	Meetings	4	4	16	16	229 900	227 600
	Additional benefits for members/alternates of the regulatory body	Meetings	4	4	2	2	570 900	570 900
	Legal support		-	-	11	10	-	-
	Governance matters related to the Executive Board		-	-	5	5	-	-
	Documents management of the Executive Board and support structure	Documents	-	-	18	18	-	-
Accreditation system	Entity administration	Entities	30	20	7	4	-	-
	Entity assessment planning	Assessments	20	14	2	1	-	-
	Entity performance monitoring system	System	1	1	2	2	-	-

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
	Handling of complaints and requests for review	Reports	1	1	1	1	-	-
Methodologies	Processing of submitted standardized baselines	Evaluation of submissions	7	n/a	9	n/a	56 700	n/a
	Processing of requests for clarification, deviation and revision, and new submissions	Requests	20	10	16	9	6 700	3 500
	Regional Collaboration Centres (RCCs) support to bottom-up standardized baselines	Requests	7	n/a	-	n/a	15 000	n/a
	Methodological requests from the Executive Board	Requests	20	10	20	11	6 700	3 500
Secretariat interactions with stakeholders	Support to stakeholders/capacity-building (designated operational entities)	Interactions	11	5	2	1	-	-
	RCC on-site support to project activities	Supported projects	60	60	-	-	-	-
Registration and issuance system	Registration and issuance system support	Tasks	1 500	1 200	16	11	-	-
Regulatory management	Develop and maintain regulatory documents		-	-	20	4	-	-
	Total				169	117	972 900	866 375

2.2. Goal 2: Enable stakeholders to understand and adjust to the evolving operating environment, taking into account decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

Table 5. Objective: Engage with regulatory authorities and stakeholders using CERs for both compliance and voluntary purposes

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
Market and policy analysis	Public policy analysis, development and reports	Reports	1	1	2	2	12 180	12 180
Secretariat interactions with stakeholders	Calls for input and feedback to stakeholders	Transactions and reports	20	10	2	1	-	-
	Regional designated national authority forums	Events	4	2	7	5	435 742	435 742
	Nairobi Framework Partnership coordination and regional activities with a specific focus on Africa, least developed countries and small island developing states	Coordination	4	-	11	3	77 580	77 580
	External queries (Stakeholder communications)	Transactions	500	200	19	7	-	-
	External engagement activities (technical support to the stakeholders and regional engagement)		-	-	5	2	125 000	100 000
	Voluntary cancellation platform maintenance				0.2	0.2		
	Total					46	20	650 502

2.3. Other activities

Table 6. Cross-cutting activities

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
Strategic coordination and oversight	Strategy development		-	-	2	-	-	-
	Ensuring of consistency, coherence, and quality of deliverables		-	-	3	1	-	-
Communications	Communications and media-related activities (blogs, social media, etc.)		-	-	10	3	30 000	25 000
							13 000	13 000
Cross-cutting	Data management		-	-	23	21	-	-
	Information and knowledge management (including websites, extranets, repositories, catalogue of decisions taxonomy, records management, capacity-building, software licenses, etc.)	KM systems developed, supported, and maintained	42	42	17	17	58 725	-
	Secretariat-wide responsibilities		-	-	19	19	-	-
	Quality management		-	-	9	9	-	-
Cross-cutting: Internal administration	Human resources, skill development and learning, materials		-	-	10	10	21 960	21 960

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2024	2025	2024	2025	2024	2025
	Finance (including budget, expert payments, fee payments and procurement)		-	-	11	11	12 150	12 150
	Intra-secretariat information technology engagement agreement		-	-	2	2	733 000	733 000
	Supplies and subscriptions		-	-	0.3	0.3	28 500	28 500
	Travel management		-	-	3	1	-	-
	Planning, monitoring and reporting (including business plan and management plan development and mid-year and end-year reporting, financial status reports, maintenance of effort tracking system)		-	-	11	11	-	-
	Management and meetings		-	-	9	6	-	-
	Total				128	111	897 335	833 610

3. Programme budget

3.1. Income

8. Table 7 below shows the status of the income received in the period from 1 January to 31 August 2023.

Table 7. Status of income received in 2023 as at 31 August 2023

Income received in 2023	USD
Accreditation fees	37 480
Fees from the accreditation process	71 692
Registration fees ^(a)	—
Share of proceeds (SOP) ^(b)	6 966 241
Total income (1 January – 31 August 2023)	7 075 413

^(a) This fee is based on the average annual issuance of CERs over the first crediting period and is calculated as an SOP 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 and those hosted by least developed countries 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 SOP to cover administrative expenses.

^(b) The SOP, 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.

9. The total income received as at 31 August 2023 amounted to USD 7.1 million (see table 7). This is 78.6 per cent of the projected income of the USD 9 million for 2023.¹ As such, by the end of 2023, actual income will likely exceed the projection.
10. The CERs with pending fees held in the CDM registry at the end of June 2023 amounted to 236.5 million. The secretariat has already performed all related tasks (with the exception of forwarding) for the corresponding issuance requests. The SOP for administration due on CERs held in the pending account of the CDM registry amounted to USD 46.6 million at the end of the reporting period. This is a decrease of USD 14.3 million in comparison to August 2018, when the outstanding SOP for administration peaked at USD 60.9 million. The decrease is mainly a consequence of the rules approved by the Board in 2018 for partial payment of SOP on already approved issuances and upfront payment of SOP on issuances submitted after 1 June 2018.

3.2. 2024 and 2025 budgets

11. The proposed budgets covered by this MAP are USD 11.5 million for 2024 and USD 9.0 million for 2025. The 2024 budget shows an 18 per cent decrease compared to 2023, and the 2025 budget shows a 35 per cent decrease compared to 2023.
12. Table 8 provides a summarized comparison of the approved budgets for 2022 and 2023, with the proposed budgets for 2024 and 2025.

¹ CDM-EB112-A01-INFO, table 12 available at: https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220317123305450/Info_Note95.pdf

Table 8. Comparison: 2022 to 2025 (USD)

Budget	2022	2023	2024	2025
Staff costs ^(a)	9 388 000	8 592 000	6 786 821	5 032 143
Non-Staff costs ^(b)	5 928 362	5 416 154	4 705 116	4 017 646
Total	15 316 362	14 008 154	11 491 937	9 049 789

^(a) Staff costs include Staff, General Temporary Assistance and related costs such as salaries, overtime payments, dependency allowance, education grant, rental subsidy, home leave travel, travel on appointment and separation, after-service health insurance costs, etc.

^(b) Non-staff costs include: the Total Cost of Ownership (TCO) and the 13 per cent Programme Support Costs (PSC).

TCO – Service programmes in the secretariat (Information and Communication Technology and Administrative Services) render services to all secretariat activities funded from both core and non-core sources of funding such as the Trust Fund for the CDM. The purpose of TCO charges is to ensure the allocation of costs of these support services to the sources of funding to which they relate. In 2024 and 2025, the TCO charge per capita of EUR 15,460 will be applied.

PSC – 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 (PSC).

13. Table 9 shows the breakdown of the proposed budgets by the different cost categories and compares them against the 2023 approved budget.
14. Table 10 shows the breakdown of the proposed budgets by the different cost categories and compares the proposed budgets for 2024 (column (a)) and 2025 (column (b)) with the previous year's budget (column (c)), the 2023 consumed budget as at 30 June 2023 (column (d)) and the projected expenditure for the period January to December 2023 (column (e)). The table also includes, as a percentage, the rate of increase or decrease between the proposed 2024 (column (f)) and 2025 (column (g)) budgets against the projected expenditure of the 2023 budget as at 31 December 2023 (column (e)).

Table 9. Breakdown and comparison of the proposed 2024 and 2025 budgets with 2023 approved budget (USD)

Cost category	Budget proposal 2024	Budget proposal 2025	Approved budget 2023	2024 budget against 2023 budget (%)	2025 budget against 2023 budget (%)
Staff costs ^(a)	6 786 821	5 032 143	8 592 000	-21%	-41%
Consultants ^(b)	165 325	36 200	201 095	-18%	-82%
Experts ^(c)	128 000	91 000	77 000	66%	18%
Expert travel ^(d)	67 750	55 200	76 500	-11%	-28%
Travel of representatives ^(e)	420 103	420 103	258 636	62%	62%
Travel of representatives – Executive Board ^(f)	326 700	326 700	326 700	—	—
Travel of staff ^(g)	115 600	115 600	134 080	-14%	-14%
Training ^(h)	11 000	11 000	11 664	-6%	-6%
Operating expenses ⁽ⁱ⁾	170 330	168 755	261 796	-35%	-36%
Regional Collaboration Centres (RCCs) Operations ^(j)	140 000	100 000	296 275	-53%	-66%
Total Cost of Ownership (TCO) ^(k)	728 127	541 862	1 026 000	-29%	-47%
Engagement agreement (information technology) ^(l)	733 000	733 000	733 000	—	—
Mobile telecommunication ^(m)	3 750	3 750	3 750	—	—
Supplies and materials ⁽ⁿ⁾	28 350	28 350	53 100	-47%	-47%
Executive Board Grants ^(o)	345 000	345 000	345 000	—	—
Programme support costs (PSC) ^(p)	1 322 081	1 041 126	1 611 558	-18%	-35%
Total	11 491 937	9 049 789	14 008 154	-18%	-35%

Table 10. Breakdown and comparison of the proposed 2024 and 2025 budgets with 2023 expenditure projections (USD)

Cost category	2024 budget proposal	2025 budget proposal	2023 approved budget	Jan. –Jun. 2023 expenditure ^(q)	Jan.–Dec. 2023 projected expenditure	Budget 2024 against projected expenditure 2023	Budget 2025 against projected expenditure 2023
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Staff costs ^(a)	6 786 821	5 032 143	8 592 000	3 621 258	7 423 579	-9%	-32%
Consultants ^(b)	165 325	36 200	201 095	168 022	201 095	-18%	-82%
Experts ^(c)	128 000	91 000	77 000	79 013	161 977	-21%	-44%
Expert travel ^(d)	67 750	55 200	76 500	47 736	75 000	-10%	-26%
Travel of representatives ^(e)	420 103	420 103	258 636	17 570	250 000	68%	68%
Travel of representatives – Executive Board ^(f)	326 700	326 700	326 700	141 795	326 700	—	—
Travel of staff ^(g)	115 600	115 600	134 080	70 854	130 000	-11%	-11%
Training ^(h)	11 000	11 000	11 664	218	11 000	—	—
Operating expenses ⁽ⁱ⁾	170 330	168 755	261 796	87 819	245 000	-30%	-31%
Regional Collaboration Centres (RCCs) operations ^(j)	140 000	100 000	296 275	124 769	150 000	-7%	-33%
Total Cost of Ownership (TSO) ^(k)	728 127	541 862	1 026 000	404 538	829 303	-12%	-35%
Engagement agreement (information technology (IT)) ^(l)	733 000	733 000	733 000	695 425	733 000	—	—
Mobile telecommunication ^(m)	3 750	3 750	3 750	2 450	3 750	—	—
Supplies and materials ⁽ⁿ⁾	28 350	28 350	53 100	343	50 000	-43%	-43%
Executive Board grants ^(o)	345 000	345 000	345 000	216 700	345 000	—	—
Programme support costs (PSC) ^(p)	1 322 081	1 041 126	1 611 558	738 206	1 421 602	-7%	-27%
Total	11 491 937	9 049 789	14 008 154	6 416 714	12 357 006	-7%	-27%

- (a) Staff costs include Staff, General Temporary Assistance and related costs such as salaries, overtime payments, dependency allowance, education grant, rental subsidy, home leave travel, travel on appointment and separation, after-service health insurance costs, etc.
- (b) Consultant costs include consultants and individual contractor fees and travel costs.
- (c) Expert costs include panel and working group attendance fees and case fees.
- (d) Expert travel includes ticket costs and daily subsistence allowance (DSA) of panel and working group members.
- (e) Travel of representatives – includes ticket cost and DSA for participants in the clean development mechanism (CDM) meetings and workshops, including the regional designated national authorities' forums.
- (f) Travel of representatives (Executive Board) includes ticket costs, DSA, and 40 per cent additional DSA for members/alternate members for meetings of the Board and the Executive Board events at the United Nations Framework Convention on Climate Change (UNFCCC) sessions.
- (g) Travel of staff costs includes ticket cost, DSA, terminal expenses and miscellaneous expenses.
- (h) Training costs include staff attendance or course fees, consultant costs for training, ticket costs and DSA.
- (i) Operating expenses include rental of equipment, shipping and transport costs, maintenance costs and other logistics costs.
- (j) RCC operations costs include costs related to administering the RCCs, RCC staff missions (including travel and mission subsistence allowance costs) and the RCC Global Forum.
- (k) TCO – Service programme in the secretariat, the Information and Communication Technology renders services to all secretariat activities funded from both core and non-core sources of funding, such as the Trust Fund for the CDM. The purpose of TCO charges is to ensure the allocation of costs of these support services to the sources of funding to which they relate. In 2024 and 2025, the TCO charge per capita of EUR 15,460 will be applied.
- (l) Engagement agreement (IT) – Includes IT costs related to the support for the management plan projects and activities and the maintenance of the operational IT infrastructure.
- (m) Official mobile telephone charges – This does not include the charges incurred on the regular office telephones, which are covered through TCO.
- (n) Acquisition of hardware, supplies, software and subscriptions. As there were no meetings outside Bonn in 2023, there was no procurement of supplies.
- (o) Executive Board grants include support to individual members/alternate members for: (i) secretarial/administrative support (temporary secretarial staff and related services, printing, stationery and consumable materials, telephone and internet costs, insurance to cover the loss or theft of laptops); and (ii) IT-related expenses (laptop and software, printers).
- (p) PSC - 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 (programme support costs).
- (q) Includes obligations.

15. The secretariat applies the United Nations rules governing salaries and employee benefits. The salary and common costs for staff on fixed-term contracts are calculated using standard rates for each grade. The United Nations Framework Convention on Climate Change rates are determined based on a historical analysis of a set of staff cost parameters such as pay scales and employee benefits. This resulted in a change in standard salary staff rates for all levels. The staff count in the proposed budgets has been reduced, as compared to the 2023 budget. The staff cost figures for the proposed budgets do not, however, reflect the true reduction. This is in part due to increases in statutory staff costs.
16. The consultants cost category in the proposed budgets is indicative. As per the secretariat's ongoing human resource strategy, priority is given to ensuring the full use of available staff resources over consultants or temporary hires and allows for the flexible use of the Mitigation Division work force.
17. Expert costs include the costs of experts who provide technical input to the Board and its support structure. The increase in the expert costs category in the proposed budgets, as compared to the 2022–2023 budget, is due to envisaged wider use of experts to assist the Board in considering requests for issuance, providing technical input to the Methodologies Panel and/or providing services to the Accreditation Panel.
18. The travel of representatives cost category in the proposed budgets reflects an increase due to regional DNA forums.
19. The decrease in the travel of staff cost category budgets, as compared to the 2023 budget, reflects continued efforts to increase virtual participation of staff for meetings outside of Bonn and reduce the number of staff assigned to a mission.
20. The decrease in the operating expenses cost category in the proposed budgets, as compared to the 2023 budget, reflects cost optimization related to DNA forums, media relations, and general procurement.
21. There is a decrease in the RCC operations cost category in the proposed budgets, as compared to the 2023 budget. In addition to USD 15 000 for RCC support to bottom-up standardized baselines for 2024, an amount of USD 125 000 for 2024 and USD 100 000 for 2025 have been allocated to the RCCs to ensure adequate engagement with stakeholders to meet the relevant requirements to be established by the host Parties. This support will include developing knowledge products, organizing peer-to-peer consultations, etc.
22. The unchanged IT engagement agreement cost category in the proposed budgets, as compared to the 2023 budget, reflects the continuous need for cost-efficiency gains and the prudent management of resources across the information technology systems and support maintenance.
23. As can be seen in table 11, current financial projections indicate that there are sufficient resources to continue funding a programme of work for the CDM to fulfil mandated responsibilities and sustain appropriate levels of operations for the two-year period covered by this business plan and associated MAP.
24. The carryover balance of USD 37 million in table 11, takes into account the decisions by the CMP at its sixteenth session, to make transfers from the CDM Trust Fund for the work of the Supervisory Body to facilitate the expedited implementation of the Article 6.4 mechanism (USD 30 million), Adaptation Fund (USD 20 million) and Article 6 capacity building programme (USD 10 million). In addition, the carryover balance of USD 37 million

excludes USD 45 million held in reserve in the CDM Trust Fund pursuant to the Board decision at its 45th meeting.

Table 11. Projected carryover and year-end balances for the period 2023 to 2025 (USD)

	2023	2024	2025
Carryover	37 131 025	33 774 019	29 254 683
Income ^(a) ^(b)	9 000 000	6 972 601	6 912 601
Expenditure	12 357 006	11 491 937	9 049 789
Projected year-end balance	33 774 019	29 254 683	27 117 495

^(a) For 2023, projected income is USD 9 million. As at 31 August 2023, USD 7.1 million has been received.

^(b) In 2024 and 2025, actual income will be reported through mid-year and end-year review reports each year. Projected income for 2024 is based on expected volume for the entity assessment and project activity issuances. Projected income for 2025 is based on expected volume for project activity issuances.

4. Human resources

4.1. Allocating resources

25. A total of 43 posts are included in the MAP for 2024 and 32 posts are included for 2025 as compared to 67 posts in 2022 and 61 posts in 2023.
26. The proposed MAP estimates a resource need of 447 person-months (about 43 staff equivalents) in 2024 and 328 person-months (about 32 staff equivalents) in 2025 to deliver the proposed activities. The percentage of resources allocated to activities may be reviewed by the Board at its future meetings in 2024 and 2025 to take into account the mid-year reviews and relevant decisions of the CMP on the CDM.
27. The secretariat prudently manages and monitors resource allocations against priority areas of work to ensure the full utilization of available staff in delivering high quality products on time.

4.2. Ensuring the continued prudent management of resources

28. The secretariat will ensure efficient and optimal human resource use by assessing the need for specific posts at the time that posts become vacant. As a principle, preference will be given to allowing for natural attrition and either redistributing required tasks of the posts or delivering tasks through other means.
29. As part of the planning of resource utilization and deployment, priority will be given to ensuring the full use of available staff resources over consultants or temporary hires, taking into account the expertise required and the optimal use of staff-related expertise versus external resource use.
30. Additionally, in efforts to prudently manage resources in the secretariat, interns, fellows and junior professional officers will continue to support the work on the implementation of the MAP in accordance with United Nations rules and regulations.
31. The secretariat has in place a system for managing a roster of external expertise to assist with its project assessment-related activities in support of the CDM. The roster allows for the improved management of unforeseen peak workloads, as well as for the reallocation of staff resources to priority areas of work when necessary.

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