

**CDM-EB125-A01-INFO**

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# CDM two-year business and management plan 2026–2027

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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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 remains a viable and effective tool for use by Parties to meet their objectives under the Kyoto Protocol, allows 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 2026 and 2027.
3. The goals reflect the desired outcomes for the CDM in 2026 and 2027. 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.

## 2. Operational context

4. Since its inception, 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. It is also the first and only mechanism that has developed digitized methodologies that are operational;
  - (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);
  - (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 six Regional Collaboration Centres (RCCs).
5. The Doha Amendment to the Kyoto Protocol entered into force just prior to the end of the Kyoto Protocol's second commitment period. This provides clarity to the Board on the need to ensure the full availability and operation of the CDM infrastructure to support the compliance cycle of this second commitment period.
6. At its sixteenth session (CMP 16), 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, paragraph 4, of the Paris Agreement (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 significant consideration for the future demand. Conversely, this finite supply may lead to a short-term increase in interest for existing CERs, potentially driving market prices and incentivizing further remaining potential CER issuances.

### 3. Goals and objectives

9. The Board has agreed that the following two goals and supporting objectives are relevant for 2026 and 2027.

#### 3.1. Goal 1: Ensure that project participants are enabled to efficiently issue their remaining certified emission reductions

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. The Board intends to maintain the core functional areas, such as project and entity assessments, to enable the issuance of CERs for monitoring periods prior to 31 December 2020 in order to ensure that project participants are able to realize their value. Such operations should continue until such time as the CMP provides further guidance on 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 at its nineteenth session**

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 19.
13. The Board and the secretariat will continue to support designated national authorities (hereinafter referred to as the DNAs) and project participants through the six RCCs, support for the Nairobi Framework Partnership and engagement with the regional DNA forums.
14. Under this goal, the following objectives have been identified:
  - (a) **Engage with regulatory authorities using CERs for compliance 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. Under this goal the Board intends to engage with these stakeholders;
  - (b) **Engage with stakeholders using CERs for voluntary purposes:** The Board intends to engage with the wide variety of stakeholders applying the CDM as a tool for voluntary climate action, taking into account the decisions from CMP 16.

**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 strengthen its core functional components as an effective, credible and successful mechanism for 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.
17. The Board remains committed to prudent management and the careful monitoring of expenditure 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 the financial resources of the CDM and ensuring that there are no financial constraints 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) Allowing for the essential skills and expertise to be retained by the secretariat for use under any future mechanism.
- 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 maintain the CDM to best serve the needs of its users.

## Appendix. Management plan

### 1. Introduction

1. This MAP sets out the activities and resource requirements to support the 2026 and 2027 goals and objectives of the Board.

### 2. Activities, estimated volumes and resource requirements

2. As shown in table 1, the proposed budgets covered by this MAP are USD 7.5 million for 2026 (column (b)) and USD 6.7 million for 2027 (column (c)). These figures represent, compared to 2025, a 17 per cent decrease in 2026 and a 26 per cent decrease in 2027.
3. In 2026 and 2027, the proposed staff count is 19 per cent and 28 per cent lower, respectively (columns (d) and (e)), compared to 2025.
4. Staff costs show a decrease of 22 per cent (compared to 19 per cent decrease of staff (head count)) in 2026 and 32 per cent (compared to 28 per cent decrease of staff (head count)) in 2027, compared with 2025.

**Table 1. Overview of 2026 and 2027 budgets and comparison with 2025**

Budget	Approved budget 2025 (a)	Budget proposal 2026 (b)	Budget proposal 2027 (c)	2026 % change compared to 2025 (d)	2027 % change compared to 2025 (e)
<b>Staff (head count)</b>	<b>32</b>	<b>26</b>	<b>23</b>	<b>-19</b>	<b>-28</b>
<b>Staff costs<sup>(a)</sup></b>	5 032 143	3 906 818	3 446 591	-22	-32
<b>Non-staff costs<sup>(b)</sup></b>	4 017 646	3 622 604	3 265 564	-10	-19
<b>Total</b>	<b>9 049 789</b>	<b>7 529 422</b>	<b>6 712 155</b>	<b>-17</b>	<b>-26</b>

(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. The TCO charge per capita of EUR 17,290 is 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 2026 and 2027 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 275 person-months (about 26 staff equivalents) in 2026 and 250 person-months (about 23 staff equivalents) in 2027 to deliver the proposed activities.
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 2026 and 2027 also reflects expected efficiency gains in conducting certain activities and processes.

**Table 2. Indicative allocation of resources by objective**

Objective	Title of objective	Person-months 2026	Person-months 2027	Non-staff cost 2026 (USD)	Non-staff cost 2027 (USD)	% of resources 2026	% of resources 2027
1 (a)	Operate efficient project and entity assessment processes	62	56	93 000	62 650	13	13
1 (b)	Operate an effective regulatory framework	100	99	1 012 900	1 012 900	42	46
2	Engage with regulatory authorities and stakeholders using CERs for both compliance and voluntary purposes	38	34	368 406	258 724	15	13
	Carry out cross-cutting activities, including communications, internal administration, etc.	76	61	673 002	608 959	30	28
<b>Total</b>		<b>275</b>	<b>250</b>	<b>2 147 308</b>	<b>1 943 233</b>	<b>100</b>	<b>100</b>

*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.



**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)	
			2026	2027	2026	2027	2026	2027
<b>Registry</b>	Changes to modalities of communication		600	600	2.4	2.4	-	-
	Transactions	Transactions	6000	5500	24	22	-	-
	Registry reports	Reports	350	350	2.6	2.6	-	-
	Opening and maintenance of the United Nations online platform for voluntary cancellation of CERs seller accounts	Accounts	130	145	6.5	7.3	10 000	10 000
<b>Project assessments<sup>1</sup></b>	Requests for direct communication, renewal of crediting period, and review <sup>(a)</sup>	Requests	6	6	0.6	0.6	13 500	12 150
	Requests for PoA issuance covering component project activities (CPAs)	Requests	19	13	4	3	-	-
	Requests for PoA post-registration change (PRC)	Requests	11	7	4	3	-	-
	Requests for PoA registration	Requests	N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Volume data is estimated based on historic issuance rates and active CDM projects. The Board will review its assumptions and make the necessary adjustments during the 2026-2027 biennium.

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2026	2027	2026	2027	2026	2027
<b>Project assessments</b> (cont.)	Requests for project activity issuance	Requests	120	80	6.5	4	45 000	40 500
	Requests for project activity PRC	Requests	5	5	1	1	-	-
	Requests for project activity registration	Requests	N/A	N/A	N/A	N/A	N/A	N/A
	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
<b>Entity assessments</b>	Performance assessments (validation and verification)	Assessments	4	4	7	7	-	-
	Regular surveillance and spot checks	Assessments	8	6	3	3	-	-
	Requests for initial and re-accreditation	Requests	-	-	-	-	-	-
	Calibration of assessment team leads	Workshop	-	-	-	-	24 500	-
	Designated operational entities calibration workshop	Workshop	-	-	-	-	-	-
<b>Total</b>					<b>62</b>	<b>56</b>	<b>93 000</b>	<b>62 650</b>

<sup>(a)</sup> The volume for “requests for renewal of crediting period” is estimated to be zero; the volume for “requests for review” is estimated to be 6.

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

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2026	2027	2026	2027	2026	2027
<b>Servicing of panels/working groups</b>	Support to the Accreditation Panel, including preparation of meetings	Meetings	2	2	8	8	32 360	32 360
	Support to the Methodologies Panel including preparation of meetings	Meetings	2	2	14	14	50 040	50 040
	Maintenance and management of assignments for the CDM roster of experts		0	0	1	1	-	-
<b>Servicing of regulatory body</b>	Support to the Executive Board of the CDM, including preparation of meetings	Meetings	3	3	12	12	285 100	285 100
	Additional benefits for members/alternates of the regulatory body	Meetings	3	3	2	2	436 200	436 200
	Legal support		-	-	5	5	-	-
	Governance matters related to the Executive Board				5	5	-	-
	Document management of the Executive Board and support structure	Documents			18	18	9 200	9 200
<b>Accreditation system</b>	Entity administration	Entities	13	13	3	3	-	-
	Entity assessment planning	Assessments	5	5	1	1	-	-
	Entity performance monitoring system	System	1	1	2	2	-	-

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2026	2027	2026	2027	2026	2027
<b>Accreditation system</b> <i>(cont.)</i>	Handling of complaints and requests for review	Reports	1	1	1	1	-	-
<b>Methodologies</b>	Processing of submitted standardized baselines	Evaluation of submissions	-	-	-	-	-	-
	Processing of requests for clarification, deviation and revision, and new submissions	Requests	10	10	9	9	-	-
	Methodological requests from the Executive Board	Requests	0	0	-	-	-	-
<b>Secretariat interactions with stakeholders</b>	Support to stakeholders/capacity-building (designated operational entities)	Interactions	0	0	2	2	-	-
	RCC support to stakeholders/capacity-building	Interactions	30	30	10	10	200 000	200 000
<b>Registration and issuance system</b>	Registration and issuance system support	Tasks	350	300	4.5	4	-	-
<b>Regulatory management</b>	Develop and maintain regulatory documents		-	-	2	2	-	-
<b>Total</b>					<b>99</b>	<b>99</b>	<b>1 012 900</b>	<b>1 012 900</b>

**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)	
			2026	2027	2026	2027	2026	2027
<b>Market and policy analysis</b>	Public policy analysis, development and reports	Reports	-	-	1	-	-	-
<b>Secretariat interactions with stakeholders</b>	Calls for input and feedback to stakeholders	Transactions and reports	10	10	1	1	-	-
	Regional DNA forums	Events	2	2	10	10	310 620	217 434
	Nairobi Framework Partnership coordination and regional activities with a specific focus on Africa, least developed countries and small island developing States	Coordination	-	-	3	3	57 786	41 290
	External queries (stakeholder communications)	Transactions	150	150	11.5	11.5	-	-
	External engagement activities (technical support to the stakeholders and regional engagement)		-	-	10	7	-	-
	Voluntary cancellation platform maintenance		-	-	1.5	1.5	-	-
	RCCs procedural and technical support to stakeholders	Interactions	-	-	-	-	-	-
<b>Total</b>					<b>38</b>	<b>34</b>	<b>368 406</b>	<b>258 724</b>

## 2.3. Other activities

**Table 6. Cross-cutting activities**

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2026	2027	2026	2027	2026	2027
<b>Strategic coordination and oversight</b>	Strategy development		-	-	1	1	-	-
	Ensuring of consistency, coherence, and quality of deliverables		-	-	1	1	-	-
<b>Communications</b>	Communications and media-related activities (e.g., blogs, social media)		-	-	3	2	34 200	28 980
<b>Cross-cutting</b>	Data management	Platforms, portals, and tools	-	-	7	7	-	-
	Information and knowledge management (e.g., including websites, extranets, repositories, catalogue of decisions taxonomy, records management, capacity-building, software licenses)	Existing Knowledge management systems, sites and tools developed, supported, and/or maintained	143	143	5	5	40 800	40 800
	Secretariat-wide responsibilities		-	-	5	5	-	-

Activity group	Activity	Units	Volume		Person-months		Non-staff cost (USD)	
			2026	2027	2026	2027	2026	2027
<b>Cross-cutting: Internal administration</b>	Human resources, skills development, and learning materials		-	-	11	11	20 764	18 788
	Finance (including budget, expert payments, fee payments and procurement)		-	-	11	11	11 295	10 526
	Intra-secretariat information technology engagement agreement		-	-	2	2	524 918	471 068
	Supplies and subscriptions		-	-	1	1	26 025	23 798
	Travel management		-	-	1	1	15 000	15 000
	Planning, monitoring and reporting (e.g., including business plan and management plan development and midyear and end-year reporting, financial status reports, maintenance of effort tracking system)		-	-	22	11	-	-
	Management and meetings		-	-	6	2	-	-
<b>Total</b>					<b>76</b>	<b>61</b>	<b>673 002</b>	<b>608 959</b>

### 3. Programme budget

#### 3.1. Income

8. Table 7 below shows the status of income received in the period from 1 January to 30 April 2025.

**Table 7. Status of income received in 2025 as at 30 April 2025**

Income received in 2025	USD
Accreditation fees	15 000
Fees from the accreditation process	8 945
Registration fees <sup>(a)</sup>	—
Share of proceeds (SOP) <sup>(b)</sup>	382 698
<b>Total income (1 January – 30 April 2025)</b>	<b>406 643</b>

<sup>(a)</sup> This fee is based on the average annual issuance of CERs over the first crediting period and is calculated as a share of proceeds (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.

<sup>(b)</sup> 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 fees received amounted to USD 0.4 million (see table 7). This is 5.9 per cent of the projected income of the USD 6.9 million for 2025.<sup>2</sup> As such, by year end, actual income will unlikely reach the projection.
10. CERs held in the CDM registry as at 30 of April 2025 amounted to 235.8 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 46.4 million. This is a decrease of USD 14.5 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. 2026 and 2027 budgets

11. The proposed budgets covered by this MAP are USD 7.5 million for 2026 and USD 6.7 million for 2027. The 2026 budget shows a 17 per cent decrease compared to 2025, and the 2027 budget shows a 26 per cent decrease compared to 2025.
12. Table 8 provides a summarized comparison of the approved budgets for 2024 and 2025, with the proposed budgets for 2026 and 2027.

<sup>2</sup> CDM-EB119-A06, table 11 available at:

[https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20230929104556766/Info\\_note105.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20230929104556766/Info_note105.pdf)



**Table 8. Comparison: 2024 to 2027 (USD)**

<b>Budget</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Staff costs <sup>(a)</sup>	6 786 821	5 032 143	3 906 818	3 446 591
Non-staff costs <sup>(b)</sup>	4 705 116	4 017 646	3 622 604	3 265 564
<b>Total</b>	<b>11 491 937</b>	<b>9 049 789</b>	<b>7 529 422</b>	<b>6 712 155</b>

(c) 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.

(d) 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. The TCO charge per capita of EUR 17,290 is 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 2025 approved budget.
14. Table 10 shows the breakdown of the proposed budgets by the different cost categories and compares the proposed budgets for 2026 (column (a)) and 2027 (column (b)) with the previous year's budget (column (c)), the 2025 consumed budget as at 30 April 2025 (column (d)) and the projected expenditure for the period January to December 2025 (column (e)). The table also includes, as a percentage, the rate of increase or decrease between the proposed 2026 (column (f)) and 2027 (column (g)) budgets against the projected expenditure of the 2025 budget as at 31 December 2025 (column (e)).

**Table 9. Breakdown and comparison of the proposed 2026 and 2027 budgets and 2025 approved budget (USD)**

Cost category	Budget proposal 2026	Budget proposal 2027	Approved budget 2025	2026 budget against 2025 budget (%)	2027 budget against 2025 budget (%)
Staff costs <sup>(a)</sup>	3 906 818	3 446 591	5 032 143	-22	-32
Consultants <sup>(b)</sup>	68 000	64 400	36 200	88	78
Experts <sup>(c)</sup>	77 500	71 650	91 000	-15	-21
Expert travel <sup>(d)</sup>	82 900	60 400	55 200	50	9
Travel of representatives <sup>(e)</sup>	294 072	205 850	420 103	-30	-51
Travel of representatives – Executive Board <sup>(f)</sup>	240 000	240 000	326 700	-27	-27
Travel of staff <sup>(g)</sup>	108 034	93 834	115 600	-7	-19
Training <sup>(h)</sup>	9 900	8 910	11 000	-10	-19
Operating expenses <sup>(i)</sup>	167 359	154 723	168 755	-1	-8
Regional Collaboration Centres (RCCs) Operations <sup>(j)</sup>	200 000	200 000	100 000	100	100
Total Cost of Ownership (TCO) <sup>(k)</sup>	609 080	550 136	541 862	12	2
Engagement agreement (information technology) <sup>(l)</sup>	524 918	471 068	733 000	-28	-36
Mobile telecommunication <sup>(m)</sup>	3 750	3 750	3 750	—	—
Supplies and materials <sup>(n)</sup>	25 875	23 648	28 350	-9	-17
Executive Board Grants <sup>(o)</sup>	345 000	345 000	345 000	—	—
Programme support costs (PSC) <sup>(p)</sup>	866 217	772 195	1 041 126	-17	-26
<b>Total</b>	<b>7 529 422</b>	<b>6 712 155</b>	<b>9 049 789</b>	<b>-17</b>	<b>-26</b>

**Table 10. Breakdown and comparison of the proposed 2026 and 2027 budgets and 2025 expenditure projections (USD)**

Cost category	2026 budget proposal  (a)	2027 budget proposal  (b)	2025 approved budget  (c)	Jan. –Apr. 2025 expenditure (q)  (d)	Jan.–Dec. 2025 projected expenditure  (e)	Budget 2026 against projected expenditure 2025 (%)  (f)	Budget 2027 against projected expenditure 2025 (%)  (g)
Staff costs <sup>(a)</sup>	3 906 818	3 446 591	5 032 143	1 432 829	4 298 487	-9	-20
Consultants <sup>(b)</sup>	68 000	64 400	36 200	35 265	52 898	29	22
Experts <sup>(c)</sup>	77 500	71 650	91 000	40 127	100 318	-23	-29
Expert travel <sup>(d)</sup>	82 900	60 400	55 200	79 520	238 560	-65	-75
Travel of representatives <sup>(e)</sup>	294 072	205 850	420 103	14 755	336 082	-13	-39
Travel of representatives – Executive Board <sup>(f)</sup>	240 000	240 000	326 700	50 752	277 695	-14	-14
Travel of staff <sup>(g)</sup>	108 034	93 834	115 600	10 454	80 920	34	16
Training <sup>(h)</sup>	9 900	8 910	11 000	—	11 000	-10	-19
Operating expenses <sup>(i)</sup>	167 359	154 723	168 755	- 55 229	136 692	22	13
Regional Collaboration Centres (RCCs) operations <sup>(j)</sup>	200 000	200 000	100 000	25 354	95 000	111	111
Total Cost of Ownership (TCO) <sup>(k)</sup>	609 080	550 136	541 862	18 033	487 676	25	13
Engagement agreement (information technology) <sup>(l)</sup>	524 918	471 068	733 000	437 554	623 050	-16	-24
Mobile telecommunication <sup>(m)</sup>	3 750	3 750	3 750	1 679	3 358	12	12
Supplies and materials <sup>(n)</sup>	25 875	23 648	28 350	6 912	20 736	25	14
Executive Board grants <sup>(o)</sup>	345 000	345 000	345 000	62 917	293 250	18	18
Programme support costs (PSC) <sup>(p)</sup>	866 217	772 195	1 041 126	280 921	917 244	-6	-16
<b>Total</b>	<b>7 529 422</b>	<b>6 712 155</b>	<b>9 049 789</b>	<b>2 441 843</b>	<b>7 972 964</b>	<b>-6</b>	<b>-16</b>

- 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 costs 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 and the RCC Global Forum.
- k) Total Cost of Ownership (TCO) – Service divisions in the secretariat (Administration and Operations) 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. The TCO charge per capita of EUR 17,290 is 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.
- 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.
- q) Includes obligations.

15. As shown in table 9, 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 UNFCCC 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 2025 budget. The staff cost figures for the proposed budgets do not, however, reflect the same reduction. This is because of alignments to the grade/level of staff and the effects of EUR/USD rate (standard staff costs are based in euros and converted into USD at April 2025 UNROE).
16. The consultant 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. The increase represents anticipated support requirements in the area of records management.
17. Expert costs include the costs of experts who provide technical input to the Board and its support structure. The expected decrease in the expert costs category is reflected in the proposed budgets, as compared to the 2025 budget.
18. Expert travel costs include the costs of experts who provide technical input to the Board and its support structure. The increase in the expert travel category represents higher per travel cost, as compared to the 2025 budget.
19. The decrease in the travel of representative and travel of executive board cost categories in the proposed budgets, as compared to the 2025 budget, reflects reductions in the estimated number of meetings and travel days.
20. The decrease in the travel of staff cost category in the proposed budgets, as compared to the 2025 budget, reflects reductions in the estimated number staff trips.
21. The decrease in the training expenses cost category in the proposed budgets, as compared to the 2025 budget, reflects lower needs for trainings.
22. The decrease in the operating expenses cost category in the proposed budgets, as compared to the 2025 budget, reflects reductions in the costs related to meetings and general procurement.
23. The decrease in IT engagement agreement cost category in the proposed budgets, as compared to the 2025 budget, reflects the continuous cost-efficiency gains and the prudent management of resources across the IT systems and support maintenance.
24. 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 its mandated responsibilities and sustain appropriate levels of operations for the two-year period covered by this business plan and associated MAP.

**Table 11. Projected carryover and year-end balances for the period 2025 to 2027 (USD)**

	2025	2026	2027
Carryover <sup>(a)</sup>	30 630 148	23 673 791	16 975 695
Income <sup>(b)(c)</sup>	1 016 608	1 016 608	1 016 608
Expenditure	7 972 964	7 529 422	6 712 155
<b>Projected year-end balance</b>	<b>23 673 791</b>	<b>17 160 976</b>	<b>11 465 429</b>

<sup>(a)</sup> Carryover excludes the reserve of USD 45 million and the projected liabilities (FCCC/TP/2024/7).

<sup>(b)</sup> For 2025, the projected income in the CDM two-year business and management plan 2024–2025 is USD 6.9 million, this has been now adjusted, also considering the income to date. As of 30 April 2025, USD 0.4 million has been received.

<sup>(c)</sup> In 2026 and 2027, income will be reported through mid-year and end-year review reports each year.

## **4. Human resources**

### **4.1. Allocating resources**

25. A total of 26 posts are included in the MAP for 2026 and 23 posts are included for 2027 as compared to 43 posts in 2024 and 32 posts in 2025.
26. The proposed MAP estimates a resource need of 275 person-months (about 26 staff equivalents) in 2026 and 250 person-months (about 23 staff equivalents) in 2027 to deliver the proposed activities. The percentage of resources allocated to activities may be reviewed by the Board at its future meetings in 2026 and 2027 to take into account the midyear 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 use of human resources 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 and bring new skills and experience into 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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### Document information

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