



Annex 7

**COMPREHENSIVE REPORT ON THE STATUS OF RESOURCES
AND RECRUITMENT FOR THE FIRST QUARTER OF 2011
(REPORTING PERIOD 1 JANUARY TO 31 MARCH)**

I. Overview

1. This budget performance report contains information on income, expenditure and recruitment for the three-month period ending 31 March 2011. The income received in the three months to 31 March represents over half of what was projected for the whole of 2011 (Clean development mechanism (CDM) Management Plan (CDM-MAP) 2011, EB59, Annex 17). This is attributable to the registration and issuance caseload backlog intervention held at the beginning of December 2010 which processed over 270 cases, that subsequently led to a peak in income as seen in Figure 1. A further two such interventions, as budgeted in the 2011 CDM-MAP, will take place during the course of the year and are expected to produce similar results. The total income for 2011 remains as projected in the CDM-MAP.
2. At the end of March the level of expenditure was slightly below the projected 25%. An increase in expenditure is expected in the coming months by which time the majority of vacancies are scheduled to have been filled and the associated recruitment related costs incurred.
3. The budget as at 31 March had an implementation rate of 19%, against the 25% projected for the quarter. This represents an overall implementation rate of 75% against the projected spending for the first quarter. This is further elaborated under the section “Status of Expenditure”.

II. Budget performance

A. Status of income

4. Table 1 shows total available income from fees received during the reporting period. The current total represents 53% of the USD 33.2 million projected total fees for the year. At this stage the secretariat expects the projected total income for the year 2011 (see CDM-MAP, EB59, Annex 17) to remain the same.

Table 1. Income from share of proceeds and fees, 1 January–31 March 2011

Fees and carry over		USD
2010 Carry over balance		33,643,652
2011 Fees		17,541,397
Meth fees	2,000	
Registration fees	5,658,757	
Shares of Proceeds (SOP)	11,880,641	
Accreditation Fee	0	
Accreditation process related fees	0	
Total available income 2011¹		USD 51,185,049

¹ Income from interest is excluded from this sum above. Decision 3/CMP.6 refers. The reserve of USD 45 million set by EB45 is also not included.

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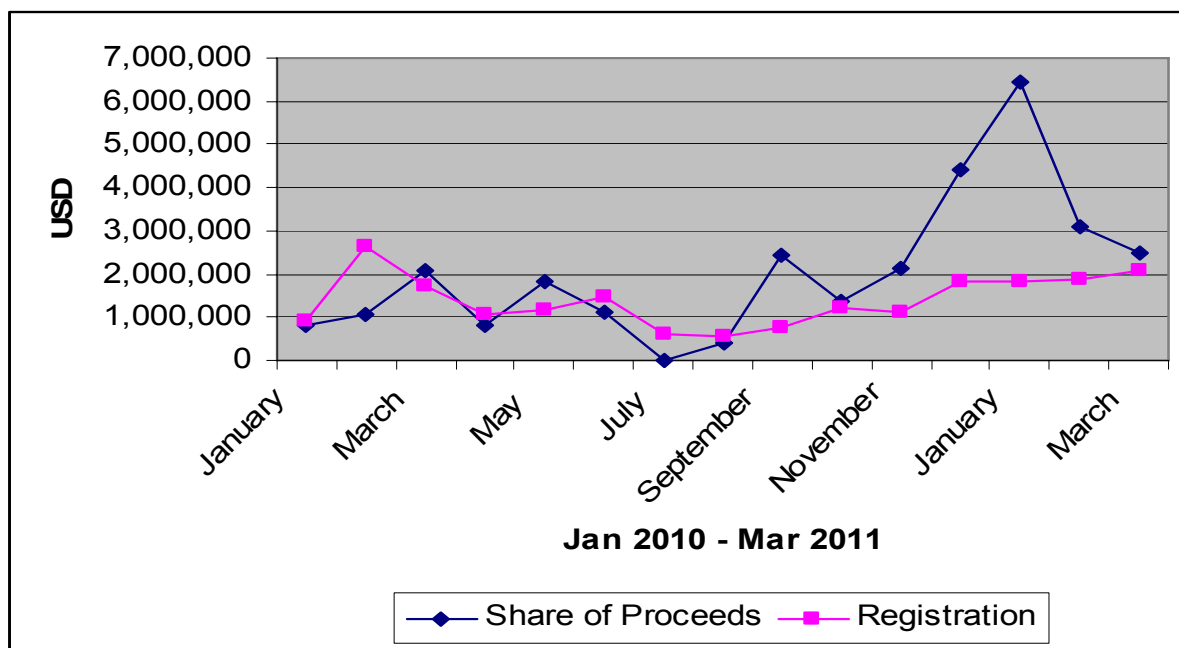
5. Interest accruing on the Trust Fund for the CDM in 2009 and 2010 totaled USD 4,402,055. This amount is available to fund the loan scheme as decided by Parties to the Kyoto Protocol (3/CMP.6, paragraph 65).

6. Table 2 details the share of proceeds and registration fees by month for 2010 and the first quarter of 2011.

Table 2. Share of proceeds and registration fees by month (Amounts are in USD)

		Share of proceeds	Registration fees
2010	January	824,089	925,328
	February	1,069,213	2,655,675
	March	2,056,358	1,701,402
	April	818,388	1,041,318
	May	1,840,664	1,171,390
	June	1,125,252	1,479,737
	July	17,724	623,712
	August	400,492	575,681
	September	2,443,083	736,376
	October	1,346,356	1,236,536
	November	2,136,454	1,094,400
	December	4,403,545	1,804,904
	Total 2010 Fees	18,481,617	15,046,459
2011	January	6,436,385	1,824,231
	February	3,108,132	1,857,806
	March	2,480,487	2,059,230

7. The graph below (Figure 1) compares the trends in registration fees and share of proceeds over the past fifteen months, January 2010 through March 2011. During the first quarter of 2011, income from share of proceeds increased dramatically due to the backlog intervention in December 2010. The table above shows the data associated with figure 1 below which serves to illustrate the development of both fees and SOPs from a historical perspective encompassing fifteen months.

**Figure 1. Income from registration fees and share of proceeds, January 2010 to March 2011, in USD**



B. Status of expenditure

8. Expenditure² for the quarter amounted to USD 7,456,775, which was 75% of projected expenditure³ for the first quarter.
9. Staff costs, which includes regular and temporary staff, were 14% below projected expenditure⁴ for the quarter. At the beginning of 2011 there were 39 vacant positions under recruitment. This was reduced to 29 vacancies as at 31 March. Some staff entitlements, such as educational grant claims and relocation grants, will only be reflected in subsequent reports.
10. Consultant costs, which were 42% below projected expenditure, are expected to increase in the second quarter when consultants will be brought to the secretariat, for example to assist with registration and issuance caseloads.
11. Objects of expenditure for expert fees and travel are below projected expenditure, however, this is expected to increase as costs related to workshops/panels held in March are recorded in the second quarter.
12. Travel of representatives was 7% above projected expenditure, but this not a concern as two major meetings (Joint Workshop and DNA) took place in the reporting period.
13. Expenditure for training was 19% of the projection for training, as the bulk of courses will be held in the subsequent periods.
14. Operating expenses, which would include services provided to SDM by the secretariat, were 58% of projected expenditure for the period. This will rise in subsequent quarters when such services (referred to as total cost of ownership and amounting to an estimated USD 2.78 million in 2011) are reflected.
15. Provision for licenses and fees for Sharepoint represents the largest component of Supplies and materials. This cost will only be incurred during second half of the year.
16. Grants to the CDM Executive Board (hereinafter referred to as the Board) are currently 68% above projections. This seemingly high level of expenditure is due to fact that obligations are approved for periods extending beyond the reporting period.

² Expenditure comprises actual costs and amounts obligated or encumbered for future activities.

³ The expenditure reported in the report is subject to change as the accounting period was still open at the time of preparing this report.

⁴ This and subsequent numbers in this section are percentages above or below a linear projection of expenditure for the reporting period. As such, a low percentage does not necessarily represent slow implementation and a high percentage does not necessarily indicate accelerated or over implementation.

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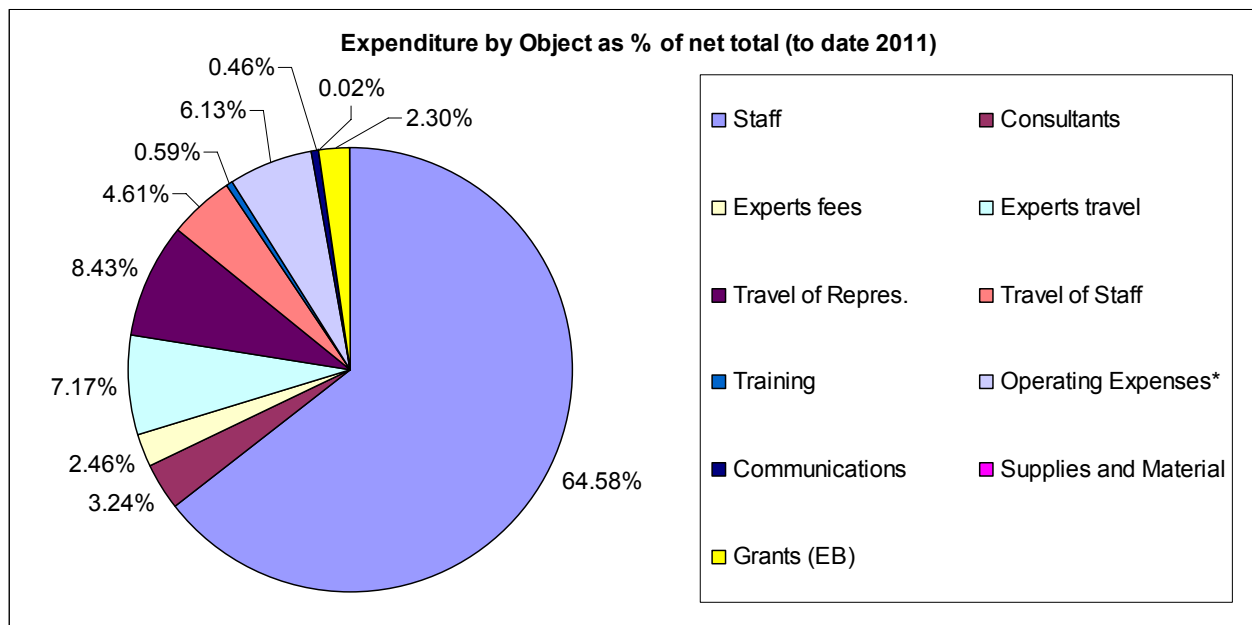
17. Table 3 below shows the breakdown by object of expenditure. Expenditure against each object is compared to the total for that same object as a percentage. The final column compares the rate of expenditure against a straight-line projection for the quarter (25%). It should be noted that the total figure for expenditure in row 12 (USD 6,598,916) does not reflect the 13% programme support costs. This is included in the grand total in row 14 (USD 7,456,775).

Table 3. Comparison of budget and expenditure 2011 by UN objects codes of expenditure

		a	b	c (a-b)	d (b/a)	e (1 st of 4 quarters)	F (d/e)
	UN Object of Expenditure	Budget 2011 CDM-MAP	2011 Expenditur e & Obligated Amounts	Available Balance	% Rate Expenditur e vs Budget	First quarter Linear Projection %	Rate of expenditur e against the 1 st quarter linear projection %
1	Staff cost	19,917,247	4,261,268	15,655,979	21	25	86
2	Consultants	1,474,226	213,610	1,260,616	14	25	58
3	Experts fees	1,568,400	162,655	1,405,745	10	25	41
4	Experts travel	3,069,500	473,287	2,596,213	15	25	62
5	Travel of Repres.	2,083,500	556,143	1,527,357	27	25	107
6	Travel of Staff	1,271,300	304,342	966,958	24	25	96
7	Training	831,000	39,148	791,852	5	25	19
8	Operating Expenses	3,881,610	404,755	3,476,855	10	25	42
9	Communications	72,000	30,535	41,465	42	25	170
10	Supplies and Material	631,535	1,172	630,363	0	25	1
11	Grants (EB)	362,000	152,000	210,000	42	25	168
12	Total	35,162,318	6,598,916	28,563,402	19	25	75
13	13% Programme Support Costs (PSC)/(Overhead)	4,571,101	857,859	3,713,242	19	25	75
14	Grand total incl. 13%	39,733,419	7,456,775	32,276,644	19	25	75

18. Figure 2 “Expenditure by Object” gives the breakdown by various objects of expenditure in rows 1 to 11 of table 3, as a percentage of the total in row 12 of the same table. For example, in row 1 “Staff costs” expenditure amounting to USD 4,261,268 is divided by the total expenditure for the first quarter in row 12 (USD 6,598,916) which is approximately 64%.

Figure 2. Expenditure by Object



19. It should be noted that USD 1,498,100 was budgeted for the Board and meetings of the Board. By the end of the reporting period USD 603,948 had been expended or committed, which includes USD 152,000 in member grants.

III. SDM human resources

20. The table 4 provides an overview of the current staffing status by unit as at 31 March 2011 which corresponds to 83% of the total approved CDM posts.

Table 4. Current SDM staffing

Unit	Approved	In place as at 31 March	Positions filled by temporary staff
OD	3	2	
SPD	5	3	
OSD	18	14	
SSU	32	28	1
PEA	56	48	3
PMU	37	31	1
SMS	21	17	4
Total	172	143	9

21. At the beginning of the year a total of thirty nine vacancies were carried forward from the prior year. In the period under review, ten posts were filled leaving a total of twenty nine vacancies. As of 31 March:

- (a) Three of eight job descriptions (JDs) are in the process of being classified while vacancy announcements will be issued for the remaining five in April;
- (b) Vacancy announcements (VAs) have been issued for seven posts;
- (c) Twelve posts are at the interview stage, of which interviews for five posts have already been held and candidates have been contacted for interviews in connection with the remaining seven posts;
- (d) Recommendations to fill four posts have been submitted to the Review Board for approval and appointment.

22. Timelines for the recruitment of the remaining posts have been created, as shown in Table 5, with the aim to complete the selection process by the end of July. Thereafter, the recruitment process will be finalized comprising of the issuance and acceptance of a letter of appointment, time to serve a notice period and the relocation of the appointee to Bonn when applicable.

23. During this period two new vacancies have arisen comprised of one at the managerial level and one support staff. Vacancy announcements have been issued to expedite this recruitment and ensure it does not extend into the following year. Thus the total of vacant posts amount to 31 (29 relate to 2010 and 2 pertain to 2011).

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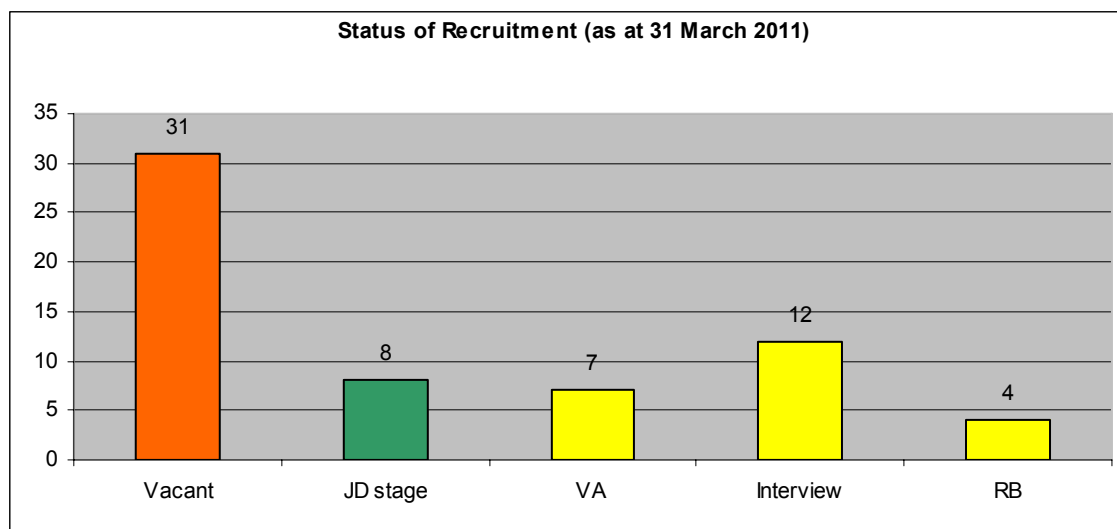
24. The table provides an overview of the current vacancies detailed by unit and indicates the stage of recruitment. The focus has been to reduce the number of posts at the JD stage which has impeded the recruitment process in the past. It should be noted that approximately 50% of vacancies are now at the interview and review board (RB) stage.

Table 5. Vacancies by unit and stage of recruitment as at 31 March 2011

	OSD	SPD	SMS	PMU	SSU	PEA	OD	OC	Totals
Job description stage		1		1	1	5			8
Vacancy announcement	2		2	1	1			1	7
Interview			2	5	2	3			12
Review Board	3	1							4
Totals	5	2	4	7	4	8	0	1	31

25. The chart below details the various stages of recruitment and the relevant number of posts pertaining to each stage.

Figure 3. Chart detailing the status of recruitment



26. The table below shows estimated offer of appointment dates as at 31 March 2011.



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Table 6. Estimated recruitment dates

Level	Unit	April		May		June		July	
		Estimated	Achieved	Estimated	Achieved	Estimated	Achieved	Estimated	Achieved
P5	PEA								
	OSD							1	
	PMU							1	
	SMS								
	SSU								
	SPD			1					
P4	PEA								
	OSD							1	
	PMU								
	SMS							1	
	SSU					2			
	SPD								
P3	PEA	1							
	OSD								
	PMU			3				1	
	SMS								
	SSU								
	SPD								
P2	PEA			2		2		2	
	OSD	3							
	PMU							1	
	SMS					1			
	SSU	1				1			
	SPD								
G5	PEA								
	OSD								
	PMU					1			
	SMS								
	SSU								
	SPD								
	OC	1							
G4	PEA								
	OSD			1					
	PMU								
	SMS			1				1	
	SSU								
	SPD					1			
Totals		6		8		8		9	
Total estimated			31						
Total achieved			0						

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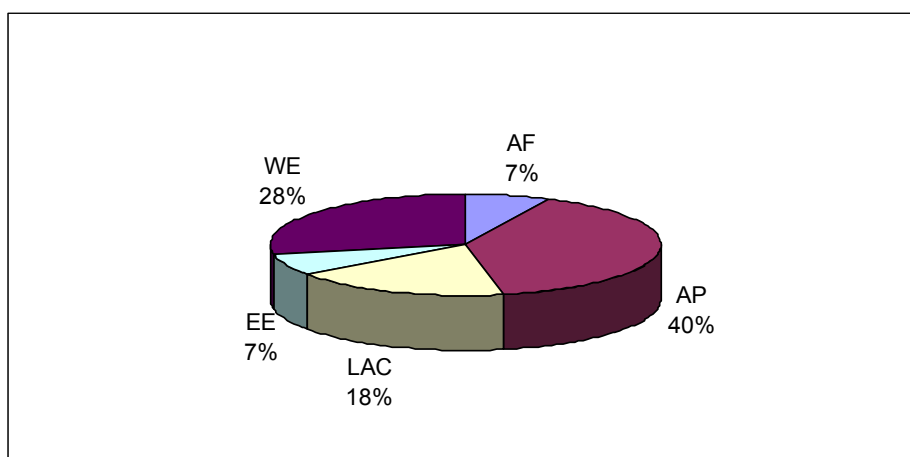
27. Table 7 provides a comparison of the change in the number of gender and geographical balance of CDM staff at the professional category as of January 2010 and March 2011

Table 7. Summary of the geographical distribution of staff in professional categories

Gender		Geo balance numbers		Annex I/Non-Annex I	
Jan 10	Mar 11	Jan 10	Mar 11	Jan 10	Mar 11
M =43	m = 59	AF = 7	AF = 7	A1 = 25	A1 = 38
f = 32	f = 39	AP = 31	AP = 39	NA1 = 50	NA1 = 60
Total = 75	Total = 98	LAC = 13	LAC = 18	Total = 75	Total = 98
		EE = 7	EE = 7		
		WE = 17	WE = 27		
		Total = 75	Total = 98		

28. Figure 4 details the percentage of geographical balance of the staff at the professional category as of 31 March 2011

Figure 4. Geographical balance of staff in the clean development mechanism subprogramme
(percentage of staff at Professional level and above)

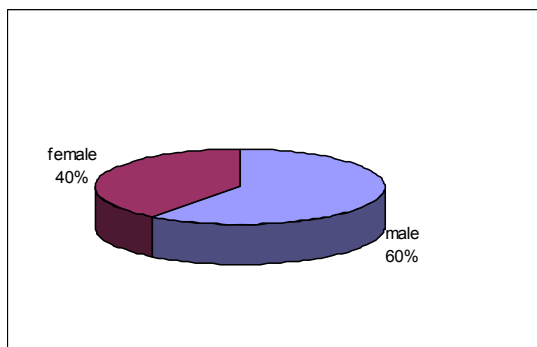


Regional Distribution CDM posts in SDM

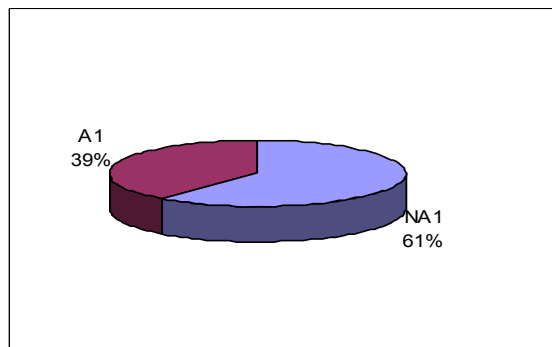
29. Figure 5 details the percentage by gender balance of staff at the professional category and the geographical balance (Annex I/Non Annex I) of staff at the professional category as of 31 March 2011

Figure 5: Gender and geographical balance of staff in the clean development mechanism subprogramme

(percentage of staff at Professional level and above)



Gender Balance of CDM posts in SDM



Geographical Balance of CDM posts in SDM
