**Annex I.**

**UNDP overview**

1. **Statement of financial performance for the year ended 31 December 2014**

*(Thousands of United States dollars)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Regular resources** | **Cost sharing** | **Trust funds** | **Reimbursable support services & misc. activities** | **Elimination**b/ | **Total UNDP** |
|  |   | 2014 | 2013 (restated) | 2014 | 2013 (restated) | 2014 | 2013 (restated) | 2014 | 2013 (restated) | 2014 | 2013 (restated) | Total UNDP 2014 | Total UNDP 2013 (restated) |
| **Revenue** |   |   |   |   |   |   |   |   |   |   |   |   |
|   | Voluntary contributions, net | 834,990  | 932,901  | 2,807,963  | 2,997,759  | 856,662  | 743,265  | 144,830  | 163,220  | - | - | 4,644,445  | 4,837,145 |
|   | Investment revenue | 10,023  | 12,739  | 17,285  | 25,117  | 6,116  | 8,922  | 5,163  | 7,791  | - | - | 38,587  | 54,569 |
|   | Other revenue  | 33,359  | 24,282  | 3,651  | 5,964  | 1,355  | 2,778  | 502,127  | 441,401  | - | - | 540,492  | 474,425 |
| Total revenue before elimination | 878,372  | 969,922  | 2,828,899  | 3,028,840  | 864,133  | 754,965  | 652,120  | 612,412  | - | - | 5,223,524  | 5,366,139 |
|   | Elimination - internal UNDP cost recovery |   |   |   |   |   |   |   |   | (222,609) | (212,948) | (222,609) | (212,948) |
| Total revenue  | 878,372  | 969,922  | 2,828,899  | 3,028,840  | 864,133  | 754,965  | 652,120  | 612,412  | (222,609) | (212,948) | 5,000,915  | 5,153,191 |
| **Expenses a/** |   |   |   |   |   |   |   |   |   |   |   |   |
|   | Development activities |   |   |   |   |   |  |   |   |   |   |   |   |
|   |  Programme | 466,000  | 472,427  | 2,922,706  | 2,832,564  | 919,019  | 939,858  | 89,622  | 109,959  | - | - | 4,397,347  | 4,354,808 |
|   | Development effectiveness | 79,004  | 87,841  |   |   | 3,615  | 3,496  | 92,623  | 49,486  | - | - | 175,242  | 140,823 |
|   | sub total - development activities | 545,004  | 560,268  | 2,922,706  | 2,832,564  | 922,634  | 943,354  | 182,245  | 159,445  | - | - | 4,572,589  | 4,495,631  |
|   | UN development coordination activities | 88,406  | 74,448  |  -  |  -  |  -  |  -  | 28,797  | 45,106  | - | - | 117,203  | 119,554 |
|   | Management activities | 211,592  | 260,090  |  -  |  -  | 37,438  | 32,628  | 201,114  | 168,636  | - | - | 450,144  | 461,354 |
|   | Special Purpose activities | 18,921  | 16,637  |  -  |  -  |  -  | (20) | 47,449  | 39,198  | - | - | 66,370  | 55,815 |
|   | Other activities | 75,693  | 87,551  |  -  |  -  |  -  |  -  | 254,910  | 239,477  | - | - | 330,603  | 327,028 |
| Total expenses before elimination | 939,616  | 998,994  | 2,922,706  | 2,832,564  | 960,072  | 975,962  | 714,515  | 651,862  | - | - | 5,536,909  | 5,459,382 |
|   | Elimination - internal UNDP cost recovery |   |   |   |   |   |   |   |   | (222,609) | (212,948) | (222,609) | (212,948) |
| Total expenses  | 939,616  | 998,994  | 2,922,706  | 2,832,564  | 960,072  | 975,962  | 714,515  | 651,862  | (222,609) | (212,948) | 5,314,300  | 5,246,434 |
|   |  |   |   |   |   |   |   |   |   |   |   |   |   |
| Surplus(deficit) for the year | (61,244) | (29,072) | (93,807) | 196,276  | (95,939) | (220,997) | (62,395)  | (39,450) |  -  |  -  | (313,385) | (93,243) |

*Source:* Table 2a, DP/2015/26/Add.1. Annex 1 expenses presented based on cost classifications.

a/Includes general management support service cost.

b/This adjustment is required to remove the effect of internal UNDP cost recovery.

1. **Statement of financial position as at 31 December 2014**

*(Thousands of United States dollars)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Regular resources** | **Cost-sharing** | **Trust funds** | **Reimbursable support services and miscellaneous activities** | **Total UNDP** |
|  |  | **2014** | **2013(Restated)** | **2014** | **2013(Restated)** | **2014** | **2013(Restated)** | **2014** | **2013(Restated)** | **2014** | **2013(Restated)** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  90 835  |  232 384  |  191 054  |  481 443  |  63 487  |  165 188  |  81 399  |  196 920  |  426 775  |  1 075 935  |
| Cash and cash equivalents – funds held in trust |  127 592  |  229 750  |  -  |  -  |  -  |  -  |  -  |  -  |  127 592  |  229 750  |
| Investments |  454 071  |  481 853  |  953 608  |  1 114 058  |  316 433  |  383 920  |  405 200  |  453 058  |  2 129 312  |  2 432 889  |
| Investments – funds held in trust |  239 302  |  240 331  |  -  |  -  |  -  |  -  |  -  |  -  |  239 302  |  240 331  |
| Receivables – non-exchange transactions |  -  |  -  |  141 486  |  113 865  |  4 908  |  17 628  |  3 516  |  7 676  |  149 910  |  139 169  |
| Receivables – exchange transactions, net |  47 554  |  80 790  |  1 212  |  717  |  341  |  869  |  7 036  |  10 699  |  56 143  |  93 075  |
| Advances issued, net |  28 707  |  26 433  |  193 454  |  272 965  |  18 018  |  23 998  |  3 638  |  834  |  243 817  |  324 230  |
| Loans to governments |  -  |  -  |  -  |  -  |  -  |  -  |  892  |  772  |  892  |  772  |
| Inventories |  1 411  |  1 731  |  15 197  |  14 038  |  86  |  682  |  1 488  |  1 318  |  18 182  |  17 769  |
| Other current assets, net |  628  |  810  |  326  |  368  |  43  |  86  |  -  |  6  |  997  |  1 270  |
|  | Total current assets |  990 100  |  1 294 082  |  1 496 337  |  1 997 454  |  403 316  |  592 371  |  503 169  |  671 283  |  3 392 922  |  4 555 190  |
| **Non-current assets** |  |  |  |  |  |  |  |  |  |  |
| Investments |  635 656  |  378 605  |  1 239 690  |  936 821  |  417 415  |  325 636  |  526 760  |  380 980  |  2 819 521  |  2 022 042  |
| Investments – funds held-in-trust |  159 260  |  26 480  |  -  |  -  |  -  |  -  |  -  |  -  |  159 260  |  26 480  |
| Loans to governments |  -  |  -  |  -  |  -  |  -  |  -  |  7 215  |  10 039  |  7 215  |  10 039  |
| Property, plant and equipment |  41 593  |  38 376  |  12 546  |  9 571  |  3 395  |  2 993  |  58 439  |  49 396  |  115 973  |  100 336  |
| Intangible assets |  4 193  |  3 468  |  67  |  39  |  122  |  257  |  3 264  |  3 643  |  7 646  |  7 407  |
|  | Total non-current assets |  840 702  |  446 929  |  1 252 303  |  946 431  |  420 932  |  328 886  |  595 678  |  444 058  |  3 109 615  |  2 166 304  |
|  | **Total assets** |  **1 830 802**  |  **1 741 011**  |  **2 748 640**  |  **2 943 885**  |  **824 248**  |  **921 257**  |  **1 098 847**  |  **1 115 341**  |  **6 502 537**  |  **6 721 494**  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Accounts payable and accrued liabilities |  75 541  |  39 007  |  27 901  |  43 946  |  8 735  |  5 413  |  49 431  |  38 331  |  161 608  |  126 697  |
| Advances payable |  439  |  1 174  |  3 223  |  6 481  |  5 933  |  8 419  |  460  |  593  |  10 055  |  16 667  |
| Funds received in advance and deferred revenue |  -  |  99  |  59 868  |  137 124  |  112  |  60  |  8 267  |  9 788  |  68 247  |  147 071  |
| Funds held on behalf of donors |  31 208  |  6 254  |  1 077  |  366  |  10 821  |  12 715  |  3 519  |  20  |  46 625  |  19 355  |
| Payables – funds held in trust |  434 087  |  526 325  |  -  |  -  |  -  |  -  |  -  |  -  |  434 087  |  526 325  |
| Employee benefits |  181 838  |  169 351  |  24  |  13  |  6  |  -  |  17 960  |  16 285  |  199 828  |  185 649  |
| Other current liabilities  |  6 946  |  7 720  |  139  |  20  |  40  |  110  |  2 889  |  660  |  10 014  |  8 510  |
| Provision for restructuring |  -  |  -  |  -  |  -  |  -  |  -  |  5 592  |  -  |  5 592  |  -  |
|  | Total current liabilities |  730 059  |  749 930  |  92 232  |  187 950  |  25 647  |  26 717  |  88 118  |  65 677  |  936 056  |  1 030 274  |
| **Non-current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Payables – funds held in trust |  159 260  |  26 480  |  -  |  -  |  -  |  -  |  -  |  -  |  159 260  |  26 480  |
| Funds received in advance and deferred revenue |  -  |  -  |  -  |  -  |  -  |  -  |  8 687  |  6 827  |  8 687  |  6 827  |
| Employee benefits |  763 328  |  601 912  |  -  |  -  |  -  |  -  |  449 950  |  326 125  |  1 213 278  |  928 037  |
| Other non-current liabilities |  -  |  2  |  -  |  -  |  -  |  -  |  19  |  -  |  19  |  2  |
|  | Total non-current liabilities |  922 588  |  628 394  |  -  |  -  |  -  |  -  |  458 656  |  332 952  |  1 381 244  |  961 346  |
|  | **Total liabilities** |  **1 652 647**  |  **1 378 324**  |  **92 232**  |  **187 950**  |  **25 647**  |  **26 717**  |  **546 774**  |  **398 629**  |  **2 317 300**  |  **1 991 620**  |
| **Net assets/equity** |  |  |  |  |  |  |  |  |  |  |
| Reserves |  207 670  |  212 669  |  -  |  -  |  3 000  |  3 000  |  141 968  |  144 969  |  352 638  |  360 638  |
| Accumulated surpluses/(deficits) |  (29 515) |  150 018  |  2 656 408  |  2 755 935  |  795 601  |  891 540  |  410 105  |  571 743  |  3 832 599  |  4 369 236  |
|  | **Total net assets/equity** |  **178 155**  |  **362 687**  |  **2 656 408**  |  **2 755 935**  |  **798 601**  |  **894 540**  |  **552 073**  |  **716 712**  |  **4 185 237**  |  **4 729 874**  |
|  | **Total liabilities and net assets/equity** |  **1 830 802**  |  **1 741 011**  |  **2 748 640**  |  **2 943 885**  |  **824 248**  |  **921 257**  |  **1 098 847**  |  **1 115 341**  |  **6 502 537**  |  **6 721 494**  |

**Annex II.**

**Regular resources – comparison of budget to actual, 2014**

*(Thousands of United States dollars)*

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Approved budget** | **Actual expenditure on comparable basis** | **Difference: final approved budget and actual expenditure** |
|   | **Original** | **Final** |  |  |
|   |  |  |  |  |
| **Development activities** |   |   |   |   |
| Programme | 503,429 | 503,429 | 469,888 | 33,541 |
| Development effectiveness | 108,016 | 108,016 | 77,730 | 30,286 |
| **Subtotal** | **611,445** | **611,445** | **547,618** | **63,827** |
| **United Nations development coordination activities** | **90,823** | **90,823** | **88,965** | **1,858** |
| **Management activities** |  |  |  |  |
| Recurring  | 183,846 | 183,846 | 176,030 | 7,816 |
| Non-recurring | 3,200 | 3,200 | 3,150 | 50 |
| **Subtotal** | **187,046** | **187,046** | **179,180** | **7,866** |
| **Special purpose activities** |   |   |   |   |
| Capital investments | 4,655 | 4,655 | 2,308 | 2,347 |
| Non-UNDP operations administered by UNDP | 14,847 | 14,847 | 13,807 | 1,040 |
| **Subtotal** | **19,502** | **19,502** | **16,115** | **3,387** |
| **Total**  | **908,816** | **908,816** | **831,878** | **76,938** |
| **Budget from additional resources for security measures (per Executive Board decision 2013/28)** | 3,500 | 3,500 | 2,675 | 825 |
| **Grand total**  | **912,316** | **912,316** | **834,553** | **77,763** |

**Annex III.**

1. **Integrated resources plan, 2014-2015 compared to 2014 actuals**

*(Millions of United States dollars)*





1. **Indicative estimates - institutional components of the integrated resources plan by functional cluster**

*(Millions of United States dollars)*



**Annex IV.**

**General Management Support waivers**

During 2014, 24 waivers were granted as follows:

1. **Thirteen One-time waivers:**
2. **Five waivers due to transition to the new policy, e.g. agreements signed in 2014 but negotiations with donors occurred in 2013, a reduced (7 per cent) fee:**
3. a contribution to ‘Aid for Trade in the Arab States (RBAS/HQ/Regional);
4. a contribution to ‘Industrias Extractivas Guajira (Colombia);
5. a contribution to ‘Renovation and rehabilitation of maternities in the Gaza Strip for the Programme of Assistance to the Palestinian People;
6. a contribution to ‘Social Local Development Programme (Lebanon);
7. a contribution to ‘Fortalecimiento política de transparencia (Colombia);
8. **Eight One-time exceptional waivers to a reduced (7 per cent) fee:**
9. a contribution to ‘UNDP/SKHF Pilot Project “Shaping the Future of the World” in China;
10. a contribution to ‘Sponsorship Programme – Humanitarian initiative on the Impact of Nuclear Explosions (Crisis Prevention);
11. a contribution to ‘Joint UNDP-DPA Programme (Crisis Prevention);
12. a contribution to ‘New Deal - travel facility (Crisis Prevention);
13. a contribution to ‘UN Global Focal point (Crisis Prevention);
14. a contribution to ‘ROL project in Somalia (Crisis Prevention);
15. a contribution to ‘Building Capacity for Post Disaster Recovery (Crisis Prevention);
16. a contribution to ‘CPR TTF country window for project in Central African Republic (Crisis Prevention);
17. **Eleven exceptional approvals due to previous arrangements:**
18. a reduced (3 per cent) fee for a contribution to ‘Republic of Korea UNDP TF- greater Tumen Initiative in China;
19. a reduced (7 per cent) fee for a contribution to ‘Human Rights Adviser and Human Rights Analyst to Support UNCT Office in Honduras and;
20. a reduced (4 per cent) fee for a contribution to ‘Law & Order Trust Fund for Afghanistan (Phase VII).

A reduced (7 per cent) fee for eight contributions from UNOCHA/ERF:

1. a contribution to ‘Renovation and Rehabilitation Works for Health facilities in the Gaza Strip/ERF for the Programme of Assistance to the Palestinian People;
2. a contribution to ‘Security Support for Humanitarian Operations UNDP on behalf of UNDSS (Syria);
3. a contribution to ‘Improvement of Basic Service Infrastructure in the Host Communities / IDP Settlements Saudi Humanitarian fund for Iraq;
4. a contribution to ‘Limit the risk of blood transmitted diseases in Syria;
5. a contribution to ‘Emergency Support to the Electricity Sector due to Damages in the Gaza Strip through the Gaza Electricity Distribution Corporation (GEDCO) for the Programme of Assistance to the Palestinian People;
6. a contribution to ‘Emergency Assistance to Victims of Conflict in Northern and Central Yemen;
7. a contribution to ‘Emergency Cash Assistant for affected Non-refugee families in Gaza Strip – Gaza Crisis 2014 for the Programme of Assistance to the Palestinian People;
8. a contribution to ‘Plan de sensibilisation et de preparationsur les risques majeurs (aleas multiples) – Haiti.

**Annex V.**

**United Nations Capital Development Fund – overview**

1. **Statement of financial performance for the year ended 31 December 2014**

*(Thousands of United States dollars)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|   |  **Regular resources**  |  **Cost-sharing**  |  **Trust funds**  | **Reimbursable support services and miscellaneous activities** |  **Elimination**b/ |  **Total UNCDF**  |
|   |   | **2014** | **2013 (Restated)** | **2014** | **2013 (Restated)** | **2014** | **2013 (Restated)** | **2014** | **2013 (Restated)** | **2014** | **2013 (Restated)** | **2014** | **2013 (Restated)** |
| **Revenue** |  |  |  |  |  |  |  |  |  |  |  |  |
| Voluntary contributions, net |  13 537  |  16 052  |  62 532  |  31 191  |  10 718  |  17 119  |  1 386  |  807  |  -  |  -  |  **88 173**  |  **65 169**  |
| Investment revenue |  155  |  239  |  198  |  134  |  39  |  53  |  -  |  -  |  -  |  -  |  **392**  |  **426**  |
| Other revenue |  465  |  593  |  17  |  37  |  12  |  8  |  4 672  |  2 540  |  (4 667) |  (2 536) |  **499**  |  **642**  |
| **Total revenue** |  **14 157**  |  **16 884**  |  **62 747**  |  **31 362**  |  **10 769**  |  **17 180**  |  **6 058**  |  **3 347**  |  **(4 667)** |  **(2 536)** |  **89 064**  |  **66 237**  |
| **Expenses a/** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Development activities: |  |  |  |  |  |  |  |  |  |  |  |  |
| Programme |  6 990  |  10 744  |  30 404  |  25 598  |  17 046  |  14 964  |  644  |  732  |  **(4 667)** |  **(2 536)** |  **50 417**  |  **49 502**  |
| Development effectiveness |  2 182  |  4 819  |   |   |   |   |   |   |  -  |  -  |  **2 182**  |  **4 819**  |
| Subtotal - development activities |  9 172  |  15 563  |  30 404  |  25 598  |  17 046  |  14 964  |  644  |  732  |  (4 667) |  (2 536) |  **52 599**  |  **54 321**  |
| Management activities |  2 453  |  2 979  |  |  |  |  |  2 919  |  2 613  |  |  |  **5 372**  |  **5 592**  |
| **Total expenses** |  **11 625**  |  **18 542**  |  **30 404**  |  **25 598**  |  **17 046**  |  **14 964**  |  **3 563**  |  **3 345**  |  **(4 667)** |  **(2 536)** |  **57 971**  |  **59 913**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus/(deficit) for the year** |  **2 532**  |  **(1 658)** |  **32 343**  |  **5 764**  |  **(6 277)** |  **2 216**  |  **2 495**  |  **2**  |  **-**  |  **-**  |  **31 093**  |  **6 324**  |
|  |  |  |  |  |  |  |  |  |

a/Includes general management support service cost.

b/This adjustment is required to remove the effect of internal UNDP cost recovery.

**B. Statement of financial position as at 31 December 2014**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   |  **Regular resources**  |  **Cost-sharing**  |  **Trust funds**  | **Reimbursable support services and miscellaneous activities** |  **Total UNCDF**  |
|   |   | **2014** |  **2013 (Restated)** | **2014** |  **2013 (Restated)** | **2014** |  **2013 (Restated)** | **2014** |  **2013 (Restated)** | **2014** |  **2013 (Restated)** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  3 300  |  2 994  |  7 272  |  9 000  |  591  |  3 204  |  900  |  1 317  |  12 063  |  16 515  |
| Investments |  |  7 133  |  9 568  |  23 269  |  28 285  |  1 891  |  10 071  |  2 881  |  4 135  |  35 174  |  52 059  |
| Receivables – non-exchange transactions |  3  |  3 260  |  2 699  |  -  |  2 968  |  -  |  213  |  438  |  5 883  |  3 698  |
| Receivables – exchange transactions |  6 897  |  8 876  |  17  |  -  |  -  |  -  |  -  |  -  |  6 914  |  8 876  |
| Advances issued |  203  |  357  |  158  |  278  |  356  |  395  |  3  |  1  |  720  |  1 031  |
| Loans to financial service providers |  523  |  783  |  -  |  -  |  -  |  -  |  -  |  -  |  523  |  783  |
| Inventories |  |  -  |  -  |  -  |  -  |  -  |  -  |  3  |  2  |  3  |  2  |
| Other current assets |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |
| **Total current assets** |  **18 059**  |  **25 838**  |  **33 415**  |  **37 563**  |  **5 806**  |  **13 670**  |  **4 000**  |  **5 893**  |  **61 280**  |  **82 964**  |
| **Non-current assets** |  |  |  |  |  |  |  |  |  |  |
| Investments |  |  13 708  |  1 730  |  42 176  |  5 571  |  3 426  |  1 984  |  5 220  |  814  |  64 530  |  10 099  |
| Loans to financial service providers |  251  |  273  |  -  |  274  |  -  |  -  |  -  |  -  |  251  |  547  |
| Property, plant and equipment |  354  |  415  |  46  |  49  |  -  |  -  |  6  |  14  |  406  |  478  |
| **Total non-current assets** |  **14 313**  |  **2 418**  |  **42 222**  |  **5 894**  |  **3 426**  |  **1 984**  |  **5 226**  |  **828**  |  **65 187**  |  **11 124**  |
| **Total assets** |  **32 372**  |  **28 256**  |  **75 637**  |  **43 457**  |  **9 232**  |  **15 654**  |  **9 226**  |  **6 721**  |  **126 467**  |  **94 088**  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Accounts payable and accrued liabilities |  93  |  160  |  75  |  178  |  354  |  395  |  -  |  2  |  522  |  735  |
| Employee benefits |  1 497  |  1 366  |  386  |  404  |  158  |  164  |  160  |  176  |  2 201  |  2 110  |
| Other current liabilities  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |
| **Total current liabilities** |  **1 590**  |  **1 526**  |  **461**  |  **582**  |  **512**  |  **559**  |  **160**  |  **178**  |  **2 723**  |  **2 845**  |
| **Non-current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Employee benefits |  11 371  |  8 722  |  1 137  |  894  |  451  |  448  |  915  |  654  |  13 874  |  10 718  |
| **Total non-current liabilities** |  **11 371**  |  **8 722**  |  **1 137**  |  **894**  |  **451**  |  **448**  |  **915**  |  **654**  |  **13 874**  |  **10 718**  |
| **Total liabilities** |  **12 961**  |  **10 248**  |  **1 598**  |  **1 476**  |  **963**  |  **1 007**  |  **1 075**  |  **832**  |  **16 597**  |  **13 563**  |
| **Net assets/equity** |  |  |  |  |  |  |  |  |  |  |
| Reserves |  |  12 420  |  12 618  |  -  |  -  |  -  |  -  |  2 000  |  2 000  |  14 420  |  14 618  |
| Accumulated surpluses |  6 991  |  5 390  |  74 039  |  41 981  |  8 269  |  14 647  |  6 151  |  3 889  |  95 450  |  65 907  |
| **Total net assets/equity** |  **19 411**  |  **18 008**  |  **74 039**  |  **41 981**  |  **8 269**  |  **14 647**  |  **8 151**  |  **5 889**  |  **109 870**  |  **80 525**  |
| **Total liabilities and net assets/equity** |  **32 372**  |  **28 256**  |  **75 637**  |  **43 457**  |  **9 232**  |  **15 654**  |  **9 226**  |  **6 721**  |  **126 467**  |  **94 088**  |

**Annex VI**

**Explanations of terms used in DP/2015/26 and DP/2015/26/Add.1**

 *Accumulated surplus:* Formerly referred to as ‘unexpended resources or unspent balance’. It represents accumulated funds at the end of the reporting period.

*Bilateral partners:* Governments of the Member States that contribute to UNDP regular resources and other resources, comprising the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) members, and non-members of OECD/DAC including programme countries.

*Certified Emission Reductions (CER)s:* Under the Kyoto Protocol industrialized countries are offered the opportunity to offset greenhouse gas (GHG) emissions by procuring credits from Clean Development Mechanism (CDM) projects located in developing countries. A CER basically allows an entity to pay for the reduction of GHG emissions elsewhere and is often more cost-effective than reducing the GHG emissions from their own operations or is used where GHG emissions cannot be avoided. UNDP is committed to buying only very credible, UNFCCC-issued credits (“Gold Standard”) which also deliver tangible sustainable development benefits. For details please refer to the EG-approved HQ Emission Reduction Strategy (<https://undp.unteamworks.org/node/369936>).

*Cost classification:* Set of criteria and the process of determining programme implementation vs. administration costs, and clarifying distinctions between those.

*Development activities:* Activities associated with ‘programmes’ and ‘development effectiveness,’ activities essential for achieving development results.

1. *Programmes:* Activities traced to specific programme components or projects, which contribute to delivering development results contained in country/regional/global programme documents or other programming arrangements.
2. *Development effectiveness activities:* Activities of a policy-advisory, technical and implementation nature needed to achieve the objectives of programmes and projects in UNDP’s areas of focus. While essential to the delivery of development results, they are not included in specific programme components or projects in country, regional, or global programme documents.

*Elimination:* Represents the accounting adjustment to remove the effect of internal UNDP cost-recovery revenue and general management support expense from total UNDP amounts.

 *Expenditure:* Utilization of available financial resources, across harmonized cost classification categories

 *Expenses:* Expenses include disbursements and accruals for goods received and services rendered, and the use or impairment of assets, dependent on the implementation arrangement.

*Funds administered by UNDP:* Funds established by the General Assembly and administered by UNDP. United Nations Capital Development Fund (UNCDF) is the only fund administered by UNDP.

*Government contributions towards local office costs* *(GLOC):* Contributions in the form of cash, or by provision in-kind of specific goods, services and facilities that a host Government makes towards meeting the expenses of maintaining a UNDP country office.

*Institutional budget:* The institutional component of the integrated budget covering activities over a period based on a set of defined results from the strategic plan.

*IPSAS:* *International Public Sector Accounting Standards*: Independently developed accounting standards which have been considered the best accounting practice by public sector organisations.

*Joint programmes:* Collective efforts through which United Nations organisations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals and other international commitments arising from United Nations conferences, summits, conventions and human rights instruments.

*Management activities:* Activities whose primary function is the promotion of the identity, direction and well-being of an organisation. These include executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human resources.

*Management service agreements* (MSAs): Management service agreement (MSA) signed with a donor to prepare for receiving contributions to deliver management and other support services to recipient governments under a specific programme or project.

*Multilateral sources:* Multilateral partners, such as regional development banks, international financial institutions, United Nations organisations, foundations and the private sector, which contribute to other resources.

*Other expenses:* Expenses on activities other than those covered under the four broad cost classifications (i.e., development, management, United Nations development coordination and special purpose).

*Other resources:* Resources of a voluntarily funded organisation that are received for a specific programme purpose and for the provision of specific services to third parties. Resources that fall under this category are: cost-sharing, trust funds established by the Administrator, reimbursable support services and miscellaneous activities.

*Overall UNDP contributions:* Contributions to UNDP regular resources and other resources.

*Operational reserve:* A reserve established in 1979 by the Governing Council (now the Executive Board) of UNDP to ensure adequate liquidity of UNDP by funding such reserve through a defined formula that is calculated yearly.

*Regular resources:* Resources of UNDP which are commingled and untied. They include voluntary contributions, contributions from governmental, intergovernmental or non-governmental sources, and related interest earnings and miscellaneous income.

*Reimbursable support services and miscellaneous activities:* Resources of UNDP other resources (other than cost-sharing and trust funds). Such funds are received for the provision of management and other support services to third parties. It comprises the following activities: management services agreements; the Junior Professional Officer programme, reimbursable support services; the United Nations Volunteers programme, programme support to Resident Coordinators, and special purpose activities.

*Revenue: C*onsists of: (a) contributions; (b) investment revenue; and (c) other revenue (see below).

1. C*ontributions:* Contributions are recognised when contribution agreements are signed, or cash is received where no contribution agreement is required. Voluntary contributions may also include in-kind contributions and GLOC cash contributions provided by programme country governments.

*Contributions, net:* Net Contributions after returns of unused contributions to donors, and transfers of funds have been deducted.

*(b) Investment revenue:* interest inflows from UNDP investments

*(c) Other revenue: R*evenue from sources other than contributions and investments, for example, revenue from sale of goods and provision of services, such as procurement, training, and other services to governments, UN agencies and other parties, foreign exchange gains, common services and miscellaneous revenue, and cost recovery revenue.

*Renewable Energy Certificates (RECs:* Technically, HQ sources electricity that was generated by combustion of fossil fuels and nuclear power. For technical reasons, non-fossil fuel emitting electricity generation options in New York City are not presently available.  Instead, consumption of conventionally generated electricity may be complemented with the purchase of an equivalent amount (kW-hrs) of Renewable Energy Certificates. RECs are property rights to the environmental, social, and other non-power qualities of renewable electricity generation which can be sold separately from the physical electricity and hence enables the switching to ‘green’ power in locations such as NY where green power options are not available. In short, by buying RECs, we enable an increase in renewable power generation in other parts of the US equivalent to our local consumption of fossil fuel generated power.  For more detailed information on how the mechanism works see <http://www.epa.gov/greenpower/gpmarket/rec.htm>

*Special purpose activities:* Activities and associated costs of (a) capital investments; and (b) non-UNDP operations administered by UNDP.

*United Nations development coordination activities:* Activities and associated costs supporting the coordination of development activities of the United Nations system.

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