**Annex I. UNDP overview**

1. **Statement of financial performance for the year ended 31 December 2013**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *(thousands of United States dollars)* | **Regular resources** | **Cost sharing** | **Trust funds** | **Reimbursable support services & misc. activities** | **Elimination**b/ | **Total UNDP** |
|  |   | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** |
| **Revenue** |   |   |   |   |   |   |   |   |   |   |   |   |
|   | Voluntary contributions, net | 932,901 | 884,357 | 2,992,249 | 2,866,456 | 741,782 | 812,293 | 162,979 | 185,482 | - | - | 4,829,911 | 4,748,588 |
|   | Investment revenue | 12,739 | 13,188 | 25,117 | 29,187 | 8,922 | 13,550 | 7,791 | 9,611 | - | - | 54,569 | 65,536 |
|   | Other revenue  | 24,282 | 50,744 | 5,964 | 5,682 | 2,778 | 1,819 | 441,401 | 436,196 | - | - | 474,425 | 494,441 |
| Total revenue before elimination | 969,922 | 948,289 | 3,023,330 | 2,901,325 | 753,482 | 827,662 | 612,171 | 631,289 | - | - | 5,358,905 | 5,308,565 |
|   | Elimination - internal UNDP cost recovery | - | - | - | - | - | - | - | - | (212,948) | (213,364) | (212,948) | (213,364) |
| Total revenue  | 969,922  | 948,289  | 3,023,330  | 2,901,325  | 753,482  | 827,662  | 612,171  | 631,289  | (212,948) | (213,364) | 5,145,957  | 5,095,201 |
| **Expenses a/** |   |   |   |   |   |   |   |   |   |   |   |   |
|   | Development activities |   |   |   |   |  |   |   |   |   |   |   |   |
|   |  Programme | 471,463 | 490,450 | 2,831,396 | 2,931,410 | 939,851 | 823,124 | 109,960 | 148,379 | - | - | 4,352,670 | 4,393,363 |
|   |  Development effectiveness | 87,822 | 96,161 | - | - | 3,496 | 3,532 | 49,487 | 47,279 | - | - | 140,805 | 146,972 |
|   | Subtotal - development activities | 559,285 | 586,611 | 2,831,396 | 2,931,410 | 943,347 | 826,656 | 159,447 | 195,658 | - | - | 4,493,475 | 4,540,335 |
|   | UN development coordination activities | 74,425 | 78,641 | - | - | - | - | 45,106 | 41,740 | - | - | 119,531 | 120,381 |
|   | Management activities | 260,096 | 264,989 | - | - | 32,629 | 31,838 | 168,635 | 189,827 | - | - | 461,360 | 486,654 |
|   | Special purpose activities | 16,628 | 18,004 | - | - | (20) | - | 39,198 | 25,822 | - | - | 55,806 | 43,826 |
|   | Other activities | 87,549 | 84,829 | - | - | - | - | 239,678 | 201,240 | - | - | 327,227 | 286,069 |
| Total expenses before elimination | 997,983  | 1,033,074 | 2,831,396  | 2,931,410 | 975,956  | 858,494 | 652,064  | 654,287 | - | - | 5,457,399  | 5,477,265 |
|   | Elimination - internal UNDP cost recovery | -  | - | - | - | - | - | - | - | (212,948) | (213,364) | (212,948) | (213,364) |
| Total expenses  | 997,983  | 1,033,074 | 2,831,396  | 2,931,410 | 975,956  | 858,494 | 652,064  | 654,287 | (212,948) | (213,364) | 5,244,451  | 5,263,901 |
| Surplus(deficit) for the year | (28,061) | (84,785) | 191,934 | (30,085) | (222,474) | (30,832) | (39,893) | (22,998) | - | - | (98,494) | (168,700) |

*Source:* Table 2a, DP/2014/20/Add.1.

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 2013**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *(thousands of United States dollars)* | **Regular resources** | **Cost sharing** | **Trust funds** | **Reimbursable support services & misc. activities** | **Total UNDP** |
| **2013** | **2012 (restated)** | **2013** | **2012 (restated)** | **2013** | **2012 (restated)** | **2013** | **2012 (restated)** | **2013** | **2012 (restated)** |
| **ASSETS** |   |   |  |  |  |  |  |  |  |  |
| **Current assets** |   |   |  |  |  |  |  |  |   |   |
|   | Cash and cash equivalents | 234,384 | 100,253 | 481,443 | 393,412 | 165,188 | 170,281 | 196,920 | 184,480 | 1,077,935 | 848,426 |
|   | Cash and cash equivalents – funds held-in-trust | 229,750 | 266,613 | - | - | - | - | - | - | 229,750 | 266,613 |
|   | Investments | 481,853 | 240,901 | 1,114,058 | 804,213 | 383,920 | 349,482 | 453,058 | 377,123 | 2,432,889 | 1,771,719 |
|   | Investments – funds held-in-trust | 240,331 | 215,386 | - | - | - | - | - | - | 240,331 | 215,386 |
|   | Receivables – non-exchange transactions | - | 2 | 108,335 | 61,516 | 16,145 | 33,335 | 7,435 | 5,478 | 131,915 | 100,331 |
|   | Receivables – exchange transactions, net | 80,555 | 493,618 | 717 | 504 | 201 | 259 | 10,699 | 6,188 | 92,172 | 500,569 |
|   | Advances issued, net | 26,915 | 30,755 | 272,965 | 223,560 | 23,998 | 117,306 | 834 | 1,397 | 324,712 | 373,018 |
|  | Loans to Governments |  |  |  |  |  |  | 772 | - | 772 | - |
|   | Inventories | 1,731 | 2,022 | 12,625 | 20,312 | 682 | 475 | 1,318 | 1,132 | 16,356 | 23,941 |
|   | Other current assets, net | 810 | 806 | 368 | 345 | 86 | 76 | 6 | 3 | 1,270 | 1,230 |
| Total current assets | 1,296,329  | 1,350,356  | 1,990,511  | 1,503,862  | 590,220  | 671,214  | 671,042  | 575,801  | 4,548,102  | 4,101,233  |
| **Non-current assets** |   |   |   |   |   |   |   |   |   |   |
|   | Investments | 378,605 | 320,930 | 936,821 | 1,085,597 | 325,636 | 476,001 | 380,980 | 509,068 | 2,022,042 | 2,391,596 |
|   | Investments – funds held-in-trust | 26,480 | 30,676 | - | - | - | - | - | - | 26,480 | 30,676 |
|   | Loans to governments | - | - | - | - | - | - | 10,039 | 13,458 | 10,039 | 13,458 |
|   | Property, plant and equipment | 43,023 | 37,637 | 14,291 | 9,508 | 3,259 | 2,342 | 53,992 | 43,423 | 114,565 | 92,910 |
|   | Intangible assets | 3,440 | 2,911 | 119 | - | 257 | 134 | 3,154 | 2,789 | 6,970 | 5,834 |
| Total non-current assets | 451,548  | 392,154  | 951,231  | 1,095,105  | 329,152  | 478,477  | 448,165  | 568,738  | 2,180,096  | 2,534,474  |
| **Total assets** | **1,747,877**  | **1,742,510**  | **2,941,742**  | **2,598,967**  | **919,372**  | **1,149,691**  | **1,119,207**  | **1,144,539**  | **6,728,198**  | **6,635,707**  |
| **LIABILITIES** |   |   |   |   |   |   |   |   |   |   |
| **Current liabilities** |   |   |   |   |   |   |   |   |   |   |
|   | Accounts payable and accrued liabilities | 39,007 | 46,614 | 44,112 | 26,860 | 5,413 | 11,394 | 38,331 | 26,547 | 126,863 | 111,415 |
|   | Advances payable | 1,174 | 1,972 | 6,481 | 8,194 | 8,419 | 7,658 | 593 | 391 | 16,667 | 18,215 |
|   | Funds received in advance and deferred revenue | 99 | 935 | 137,124 |  | 60 | 154 | 9,788 | 4,673 | 147,071 | 5,762 |
|   | Funds held on behalf of partners | 6,254 | 14,506 | 366 | 775 | 12,715 | 13,495 | 20 | - | 19,355 | 28,776 |
|   | Payables – funds held-in-trust | 526,325 | 543,421 | - | - | - | - | - | - | 526,325 | 543,421 |
|   | Employee benefits | 169,351 | 131,356 | 13 | 32 | - | 83 | 16,285 | 42,811 | 185,649 | 174,282 |
|   | Other current liabilities  | 7,720 | 11,146 | 20 | 29 | 110 | 458 | 660 | 376 | 8,510 | 12,009 |
| Total current liabilities | 749,930  | 749,950  | 188,116  | 35,890  | 26,717  | 33,242  | 65,677  | 74,798  | 1,030,440  | 893,880  |
| **Non-current liabilities** |   |   |   |   |   |   |   |   |   |   |
|   | Payables – funds held-in-trust | 26,480 | 30,676 | - | - | - | - | - | - | 26,480 | 30,676 |
|   | Funds received in advance and deferred revenue | - | - | - | - | - | - | 6,827 | 4,464 | 6,827 | 4,464 |
|   | Employee benefits | 601,912 | 624,361 | - | - | - | - | 326,125 | 386,806 | 928,037 | 1,011,167 |
|   | Other non-current liabilities | 2 | 6 | - | - | - | - | - | - | 2 | 6 |
| Total non-current liabilities | 628,394 | 655,043 | - | - | - | - | 332,952 | 391,270 | 961,346 | 1,046,313 |
| Total liabilities | 1,378,324  | 1,404,993  | 188,116  | 35,890  | 26,717  | 33,242  | 398,629  | 466,068  | 1,991,786  | 1,940,193  |
| **NET ASSETS/EQUITY** |   |   |   |   |   |   |   |   |   |   |
| Reserves | 212,669 | 213,669 | - | - | 3,000 | 3,000 | 144,969 | 143,969 | 360,638 | 360,638 |
| Accumulated surplus | 156,884 | 123,848 | 2,753,626 | 2,563,077 | 889,655 | 1,113,449 | 575,609 | 534,502 | 4,375,774 | 4,334,876 |
| Total net assets/equity | 369,553  | 337,517  | 2,753,626  | 2,563,077  | 892,655  | 1,116,449  | 720,578  | 678,471  | 4,736,412  | 4,695,514  |
| **Total liabilities and net assets/equity** | **1,747,877**  | **1,742,510**  | **2,941,742**  | **2,598,967**  | **919,372**  | **1,149,691**  | **1,119,207**  | **1,144,539**  | **6,728,198**  | **6,635,707**  |

**Annex II. Regular resources – comparison of budget to actual, 2013**

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Approved budget** | **Actual expenditure on comparable basis\***  | **Difference: final approved budget and actual expenditure\***  |
|   | **Original** | **Final** |
|   |  |  |  |  |
| **Development activities** |   |   |   |   |
| Programme |  606,829  |  606,829  |  477,397  |  129,432  |
| Development effectiveness |  95,440  |  95,440  |  87,923  |  7,517  |
| **Total** |  **702,269**  |  **702,269**  |  **565,320**  |  **136,949**  |
| **United Nations development coordination activities** |  **86,830**  |  **86,830**  |  **74,422**  |  **12,408**  |
| **Management activities** |  |  |  |  |
| Recurring  |  270,249  |  270,249  |  233,556  |  36,693  |
| Non-recurring |  5,100  |  5,100  |  1,682  |  3,418  |
| **Total** |  **275,349**  |  **275,349**  |  **235,238** |  **40,111**  |
| **Special purpose activities** |   |   |   |   |
| Capital investments |  -  |  -  |  -  |  -  |
| Non-UNDP operations administered by UNDP |  18,156  |  18,156  |  14,009  |  4,147  |
| **Total** |  **18,156**  |  **18,156**  |  **14,009**  |  **4,147**  |
| **Grand total**  |  **1,082,604**  |  **1,082,604**  |  **888,989**  |  **193,615**  |

**\*Reference: UNDP financial statements, Note 7**

**Annex III. United Nations Capital Development Fund - overview**

**A. Statement of financial performance for the year ended 31 December 2013**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | ***Regular resources*** | ***Cost sharing*** | ***Trust funds*** | ***Reimbursable support*** | ***Eliminationb/*** | ***Total*** |
| ***services and miscellaneous activities*** |
|  | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |  |  |  |  |  |  |  |
| Voluntary contributions, net | 16,052 | 14,520 | 31,191 | 27,363 | 17,119 | 11,574 | 807 | 682 | - | - | 65,169 | 54,139 |
| Investment revenue | 239 | 206 | 134 | 110 | 53 | 51 | - | - | - | - | 426 | 367 |
| Other revenue | 593 | 645 | 37 | 13 | 8 | 5 | 2,540 | 2,378 | (2,536) | (2,304) | 642 | 737 |
| **Total revenue** | **16,884** | **15,371** | **31,362** | **27,486** | **17,180** | **11,630** | **3,347** | **3,060** | **(2,536)** | **(2,304)** | **66,237** | **55,243** |
| **Expenses a** |  |  |  |  |  |  |  |  |  |  |  |  |
| Development activities |  |  |  |  |  |  |  |  |  |  |  |  |
|  Programme | 10,753 | 18,193 | 25,603 | 16,575 | 14,965 | 9,584 | 736 | 819 | (2,536) | (2,304) | 49,521 | 42,867 |
|  Development effectiveness | 4,823 | 3,551 | - | - | - | - | - | - | - |  | 4,823 | 3,551 |
|
| Subtotal development activities | 15,576 | 21,744 | 25,603 | 16,575 | 14,965 | 9,584 | 736 | 819 | (2,536) | (2,304) | 54,344 | 46,418 |
| Management activities | 2,979 | 2,539 | - | - | - | - | 2,619 | 1,987 | - | - | 5,598 | 4,526 |
| **Total expenses** | **18,555** | **24,283** | **25,603** | **16,575** | **14,965** | **9,584** | **3,355** | **2,806** | **(2,536)** | **(2,304)** | **59,942** | **50,944** |
| **Surplus/(deficit) for the period** | **(1,671)** | **(8,912)** | **5,759** | **10,911** | **2,215** | **2,046** | **(8)** | **254** | **-** | **-** | **6,295** | **4,299** |

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 2013**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | ***Regular resources*** | ***Cost sharing*** | ***Trust funds*** | ***Reimbursable support*** | ***Total*** |
| ***services and miscellaneous activities*** |
|  | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** | ***2013*** | ***2012 (Restated)*** |
|  |  |  |  |  |  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 2,994 | 13,218 | 9,000 | 15,678 | 3,204 | 5,437 | 1,317 | 2,826 | 16,515 | 37,159 |
| Investments | 9,568 | 14,266 | 28,285 | 16,052 | 10,071 | 5,567 | 4,135 | 2,892 | 52,059 | 38,777 |
| Receivables (non-exchange transactions) | 3,260 | - | - | - | - | - | 438 | - | 3,698 | - |
| Receivables (exchange transactions) | 8,876 | 278 | - | - | - | - | - | 1 | 8,876 | 279 |
| Advances issued | 357 | 908 | 278 | (10) | 395 | 306 | 1 | 3 | 1,031 | 1,207 |
| Loans to financial service providers | 783 | - | - | - | - | - | - | - | 783 | - |
| Inventories | - | - | - | - | - | - | 2 | - | 2 | - |
| Other current assets  | - | 87 | - | 88 | - | 3 | - | - | 0 | 178 |
| **Total current assets** | **25,838** | **28,757** | **37,563** | **31,808** | **13,670** | **11,313** | **5,893** | **5,722** | **82,964** | **77,600** |
| **Non-current assets** |  |  |  |  |  |  |  |  |  |  |
| Investments | 1,730 | 4,815 | 5,571 | 5,600 | 1,984 | 1,942 | 814 | 1,009 | 10,099 | 13,366 |
| Loans to financial service providers | 273 | 1,417 | 274 | 273 | - | - | - | (82) | 547 | 1,608 |
| Property, plant and equipment | 496 | 357 | 106 | 60 | 10 | 1 | 73 | 70 | 685 | 488 |
| **Total non-current assets** | **2,499** | **6,589** | **5,951** | **5,933** | **1,994** | **1,943** | **887** | **997** | **11,331** | **15,462** |
| **Total assets** | **28 337** | **35 346** | **43 514** | **37 741** | **15 664** | **13 256** | **6 780** | **6 719** | **94 295** | **93 062** |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Accounts payable and accrued liabilities  | 320 | 7,775 | 178 | 318 | 395 | 225 | 2 | 30 | 895 | 8,348 |
| Employee benefits  | 1,366 | 1,452 | 404 | 285 | 164 | 154 | 176 | 142 | 2,110 | 2,033 |
| Other current liabilities  | - | 26 | - | - | - | - | - | - | - | 26 |
| **Total current liabilities** | **1,686** | **9,253** | **582** | **603** | **559** | **379** | **178** | **172** | **3,005** | **10,407** |
| **Non-current liabilities** |  |  |  |  |  |  |  |  |  |  |
| Employee benefits | 8,722 | 11,802 | 894 | 1,605 | 448 | 807 | 654 | 1,088 | 10,718 | 15,302 |
| **Total non-current liabilities** | **8,722** | **11,802** | **894** | **1,605** | **448** | **807** | **654** | **1,088** | **10,718** | **15,302** |
| **Total liabilities** | **10,408** | **21,055** | **1,476** | **2,208** | **1,007** | **1,186** | **832** | **1,260** | **13,723** | **25,709** |
| **Net assets/equity** |  |  |  |  |  |  |  |  |  |  |
| Reserves | 12,618 | 22,600 | - | - | - | - | 2,000 | 2,000 | 14,618 | 24,600 |
| Accumulated surplus | 5,311 | (8,309) | 42,038 | 35,533 | 14,657 | 12,070 | 3,948 | 3,459 | 65,954 | 42,753 |
| **Total net assets/equity** | **17,929** | **14,291** | **42,038** | **35,533** | **14,657** | **12,070** | **5,948** | **5,459** | **80,572** | **67,353** |
| **Total liabilities and net assets/equity** | **28,337** | **35,346** | **43,514** | **37,741** | **15,664** | **13,256** | **6,780** | **6,719** | **94,295** | **93,062** |

**Annex IV. Explanations of terms used in DP/2014/20 and DP/2014/20/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 donors:* Members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) that contribute to UNDP regular resources and other resources.

*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 inter-segment transactions. For financial reporting purposes, UNDP classifies all its activities into four segments: regular resources; cost sharing; trust funds; and reimbursable support services and miscellaneous activities.

 *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 organizations 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.

*Local sources:* Programme-country Governments, which contribute to other resources.

*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 organizations 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 organization 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. The latter includes the United Nations Volunteers programme, management services agreements, Junior Professional Officer programme, reserve for field accommodation, and reimbursable services and special activities.

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

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

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

(a) C*ontributions:* Contributions are recognized when contribution agreements are signed, or cash is received where no contribution agreement is required. The ‘net’ amounts are shown net of returns to donors, and transfers to other funds of unused contributions. Voluntary contributions may also include in-kind contributions and GLOC cash contributions provided by programme country governments.

*(b) Revenue from exchange transactions:* UNDP receives miscellaneous revenue from the provision of services, such as procurement, training, and other services to governments, UN agencies and other parties. These are referred to as exchange transactions, and revenue is recorded when the goods or services have been delivered by UNDP.

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

*(d) Other revenue: R*evenue from sources other than contributions and investments, for example, foreign exchange gains, common services and miscellaneous revenue, and General Management Services (GMS) fees.

*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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