

Green Climate Fund

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# Status of Resources

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**GCF/B.06/Inf.03**

14 February 2014

**Meeting of the Board**

19-21 February 2014

Bali, Indonesia

Agenda item 17

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## Status of Resources

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### I. Introduction

1. This document addresses the status of the administrative budgets for the periods:

- (a) From 1 November 2012 to 31 December 2013; and
- (b) From 1 January to 31 December 2014.

2. The report is prepared to provide the Board with a preliminary information on the actual expenditures as at the end of 2013. Although the amounts shown are based on the latest accounts of the United Nations Framework Convention on Climate Change (UNFCCC) and Global Environment Facility (GEF) secretariats and the Interim Trustee, they may be slightly adjusted at the time the final accounts are available.

3. It is too early in the year to provide a meaningful report on the execution of the administrative budget for 2014. The Secretariat will prepare a report for the May 2014 Board meeting on the costs and expenses incurred from resources of the Green Climate Fund Trust Fund and the special contribution by the Government of the Republic of Korea to cover the costs of office furniture and equipment for the Fund's headquarters.

### II. Administrative budget expenditure for the period from 1 November 2012 to 31 December 2013

#### 2.1 Approved budget

4. At its October 2012 and March 2013 meetings, in its decisions B.02-12/06, paragraph 10 (a) and B.01-13/06, paragraph (n), respectively, the Board approved US\$ 7,631,000 for the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013.

5. At its October 2013 meeting, the Board took note of documents GCF/B.05/Inf.03 and GCF/B.05/Inf.04.

#### 2.2 Actual expenditures

6. During the period from 1 November 2012 to 31 December 2013, the total expenditures amounted to US\$ 4,771,425. Of this, US\$ 286,614 are related to the Board's expenditures. The expenditures of the Interim Secretariat amounted to US\$ 4,189,852 and expenditures of the Interim Trustee were US\$ 294,959. These expenditures are detailed in Table 1 and related notes.

7. The significant difference of over US\$ 2.86 million is due to the following main reasons:

- (a) Three Board meetings that took place in 2013 were held in Berlin, Songdo and Paris. The venues and related logistical services were provided by the Governments of Germany, the Republic of Korea and France, respectively, which resulted in significant savings in the Board's budget. Moreover, the Board committees, panels and groups did not meet in 2013, and the budgeted amount for this purpose was not used;
- (b) Delay in filling positions, and using part-time consultants, some of whom were working remotely, resulted in savings under staff costs and salaries;

- (c) Fewer transactions, less staff time required, and lower balances than estimated in the Green Climate Fund Trust Fund resulted in lower than estimated costs incurred by the Interim Trustee;
- (d) The amount originally budgeted for information and communication technology (ICT) equipment and services was not used in 2013.

**Table 1: Total administrative budget expenditures for the period from 1 November 2012 to 31 December 2013 (in US\$)**

	<b>Approved budget</b>	<b>Actual expenditures</b>	
	1 November 2012 – 31 December 2013 (14 months)	1 November 2012 – 31 December 2013 (14 months)*	<b>Difference</b>
<b>1. Board</b>			
1.1 Board meetings <sup>a)</sup>	954,000	286,614	667,386
1.2 Board committees, panels and groups	382,000	-	382,000
<b>Sub-total: Board</b>	<u>1,336,000</u>	<u>286,614</u>	<u>1,049,386</u>
<b>2. Interim Secretariat</b>			
2.1 Salaries, wages and consultancies <sup>b)</sup>	4,116,000	3,516,435	599,565
2.2 Travel <sup>c)</sup>	315,000	417,217	(102,217)
2.3 General operating and information technology costs <sup>d)</sup>	1,175,000	256,200	918,800
<b>Sub-total: Interim Secretariat</b>	<u>5,606,000</u>	<u>4,189,852</u>	<u>1,416,148</u>
<b>3. Interim Trustee</b>	<u>689,000</u>	<u>294,959</u>	<u>394,041</u>
<b>GRAND TOTAL</b>	<u>7,631,000</u>	<u>4,771,425</u>	<u>2,859,575</u>

Notes:

- <sup>a)</sup> Travel of Board members and/or alternate members eligible for funding to the March, June and October 2013 Board meetings, held in Berlin, Songdo, and Paris.
- <sup>b)</sup> This amount represents the costs relating to staff and consultants to support the Interim Secretariat and bridge the recruitment period (pursuant to decision B.02-12/06, paragraph (c)); consultancy contracts to provide specialist advice on the business model framework documents as well as to provide other substantive support to the Interim Secretariat; the Executive Director recruitment costs and the contracting of a search firm to support the recruitment process, in accordance with Board decision B.02-12/08, paragraph (b).
- <sup>c)</sup> The Secretariat staff travel, which included travel to the March, June and October 2013 Board meetings;
- <sup>d)</sup> General operating expenditures include the provision of software, purchase of hardware, office space, telephone/communication, etc.
- \* Subject to final adjustments upon the closure of UNFCCC and GEF secretariats' and the Interim Trustee's accounts.

### III. Administrative budget update for the period from 1 January to 31 December 2014

8. At its October 2013 meeting, in its decision B.05/20, the Board approved from the resources available in the Green Climate Fund Trust Fund, the administrative budget of the Fund for the period from 1 January to 31 December 2014 of up to US\$ 18,817,566.

9. The Board also approved, from the resources available or to be made available in the Green Climate Fund Trust Fund, the budget cost of staff salaries and emoluments for the three-year contract period as follows:

- (a) For 2015: US\$ 12,042,101;
- (b) For 2016: US\$ 12,403,364; and
- (c) For 2017: US\$ 3,125,835.

10. The Fund has sufficient resources to start its activities in 2014, but still requires additional contributions towards its administrative costs.

11. The financial report of the Green Climate Fund Trust Fund, prepared by the Interim Trustee (document GCF/B.06/Inf.04), shows that, as at 31 December 2013, the cumulative resources received by the Fund amounted to US\$ 33.83 million.

12. It is expected that the Board will consider at its February meeting the proposed programme of work on readiness and preparatory support (document GCF/B.06/14). While earmarking of the Fund resources is not possible, the Secretariat expects that an amount equivalent to a significant portion of the contribution received from Germany, and to an expected contribution from the Republic of Korea, will serve to fund this programme of work.

13. The Secretariat and the Interim Trustee will continue to operate efficiently and will seek to maximize savings where possible.

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