



**GREEN
CLIMATE
FUND**

Meeting of the Board
2 – 5 November 2015
Livingstone, Republic of Zambia
Provisional Agenda Item 24*

GCF/B.11/Inf.06

11 October 2015

Status of resources and execution of the administrative budget of the Green Climate Fund at 30 September 2015

Summary

This document presents a review of the 2015 administrative budget of the Green Climate Fund (GCF). It is based on actual expenditures relating to activities of the Board and the Secretariat for the period 1 January to 30 September 2015 together with commitments and projected expenditures for the period 1 October to 31 December 2015.

For the nine-month period of 1 January to 30 September 2015, total expenditures on the Board and the Secretariat as well as estimated expenditures for the services of the Interim Trustee amounted to USD 13.1 million or 67% against a budget of USD 19.6 million.

For the full year to 31 December the Secretariat is projecting that the budget of USD 19.6 million will be fully utilized.

* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by the Co-Chairs

I. Introduction

1. This document presents a review of the 2015 administrative budget of the GCF. It is based on actual expenditures relating to activities of the Board and the Secretariat for the period 1 January to 30 September 2015 together with commitments and projected expenditures for the period 1 October to 31 December 2015. The amounts shown for the Interim Trustee are based on estimated expenditures, since actual figures will not be available until later in the year.
2. Based on the information currently available, the Secretariat forecasts that the approved 2015 budget will be fully utilized by 31 December 2015.
3. Readiness activity expenditures up to 30 September 2015 against the Board approved allocation of USD 15.6 million are set out in Table 5.
4. In addition, this document reflects expenditures incurred against the special contribution of USD 1.4 million made by the Government of the Republic of Korea to cover the costs of office furniture and equipment for the GCF headquarters, as detailed in Table 7.

II. Status of Resources

5. As of 30 September 2015, total signed contributions amounted to USD 5.76 billion equivalent, of which USD 307 million equivalent had been received as cash and USD 667 million equivalent in promissory notes. An amount of USD 0.4 million, representing cumulative investment income since the establishment of the GCF, was also received. In addition, fee income received from the accreditation process during the period to 30 September amounted to USD 1.3 million from 57 applications.
6. Cumulative funding decisions (net of cancellations for administrative budget under-expenditures in prior years) amounted to USD 65.4 million.
7. Total balances available for future commitments, amounted to USD 911 million, of which USD 244 million equivalent had been received as cash and USD 666 equivalent in the form of promissory notes.

III. Administrative budget expenditures for the period 1 January to 30 September 2015 and total projected expenditures for the year to 31 December 2015

3.1 Approved budget

8. By its decision B.08/16, the Board approved, from the resources available in the Green Climate Fund Trust Fund, an administrative budget of up to USD 19,266,866 for 1 January to 31 December 2015. At its tenth meeting, the Board approved an additional budget for the recruitment of the heads of the independent units (decision B.10/05). While the B.10/05 decision did not explicitly record the amount, the executive discussion of the Board converged to around USD 300,000. This brings the total approved budget for 2015 to USD 19,566,866.

3.2 Actual expenditures for 2015 at 30 September and total projected expenditures for the year to 31 December 2015

9. For the nine-month period of 1 January to 30 September 2015, total expenditures on the Board and the Secretariat as well as estimated expenditures for the services of the Interim

Trustee amounted to USD 13.08 million against a budget of USD 19.57 million. Of this figure, USD 1.4 million were related to the Board; USD 11.21 million to the Secretariat, and USD 0.46 million to the Interim Trustee. These are set out in Table 1. The interim trustee expenditures are estimated based on the pro rata share of approved amounts for the year.

10. For the full year to 31 December the Secretariat is projecting that the budget of USD 19.6 million will be fully utilized.

Table 1. Administrative budget expenditures 2015 at 30 September and total projected expenditures for the year to 31 December 2015 (in United States dollars)

2015 Budget						
		Budget	Expenditure to 30 September 2015	Actual + Projected to 31 December 2015	(Under)/Over Full Year	% (Under)/Over
1	Board	1,960,500	1,404,015	2,197,704	237,204	12
2	Secretariat	16,890,666	11,213,188	16,653,462	(237,204)	(1)
3	Interim trustees	715,700	458,025	715,700	-	0
	Grand total (1+2+3)	19,566,866	13,075,229	19,566,866	-	0

3.3 Board expenditures

11. Detailed Board expenditures for the period 1 January to 30 September 2015 and total projected expenditures for the year to 31 December 2015 are set out in table 2.

Table 2. Board expenditures for 2015 at 30 September and total projected expenditures for the year to 31 December 2015 (in United States dollars)

BOARD BUDGET 2015						
		Budget	Expenditure to 30 September 2015	Actual + Projected to 31 December 2015	(Under)/Over Full Year	% (Under)/Over
1.1	Board meetings					
1.1.1	Board representative travel	792,000	598,292	758,211	(33,789)	(4)
1.1.2	Secretariat staff travel	90,000	-	90,000	-	0
1.2.3	Venue and logistics	250,000	270,783	270,783	20,783	8
	Sub-total: Board meetings	1,132,000	869,075	1,118,994	(13,006)	(1)
1.2	Co-Chair and Board representative travel					
1.2.1	Co-Chair and Board representative travel	22,500	-	22,500	-	0
	Sub-total: Co-Chair and Board representative travel	22,500	-	22,500	-	0
1.3	Board committees, panels and working groups					
1.3.1	Board representative travel	186,000	74,440	92,940	(93,060)	(50)
1.3.2	Venue and logistics	80,000	21,500	25,270	(54,730)	(68)



1.3.3	Compensation of Board panels: Accreditation Panel	240,000	343,000	488,000	248,000	103
	Compensation of Board panels: Technical Advisory Panel	-	96,000	150,000	150,000	
1.3.4	Recruitment of consultant company - Heads of Independent Units	300,000	-	300,000	-	0
	Sub-total: Board committees, panels and working groups	806,000	534,940	1,056,210	250,210	31
	Grand total	1,960,500	1,404,015	2,197,704	237,204	12

12. Total Board expenditures at September 2015 amounted to USD 1.4 million or 72 per cent of the total budget.
13. Total projected expenditures for the year to 31 December 2015 are USD 2.2 million. This represents an increase of about USD 0.24 million or 12 per cent of the approved budget. The projected increase in expenditure in the Board budget is primarily made up of two components:
14. 1.3.3: A projected additional expenditure of USD 0.25 million for the Accreditation Panel (AP) members;
15. 1.3.4: A projected additional expenditure of USD 0.15 million for the independent Technical Advisory Panel (TAP) members;
16. This is partially offset through savings of USD 0.16 million in Board meeting and Board representative travel and cost savings of USD 0.23 million from the Secretariat budget.
17. Board meeting expenditures of USD 869,075 at 30 September, include the costs of both the informal meeting held in the Hague, the Netherlands, in January 2015 and the ninth and the tenth 2015 Board meetings held in Songdo.
18. Expenditures of USD 534,940 for Board committees, panels and working groups include USD 63,566 for the costs of AP meetings held in February, March, May and September of 2015; USD 32,374 for the cost of the PSAG meeting in May; USD 343,000 for the compensation of accreditation panel members; and USD 96,000 for the cost of the TAP members.
19. Expenditures for the AP members were USD 0.34 million at 30 September and are now projected to be USD 0.488 million for the full year against a budget of USD 0.24 million. The original budget was prepared prior to the operationalization of the accreditation process. It assumed a total of six panel members working an average of 50 days each during 2015. In the first rounds of accreditation, there was an increase in the number of person days required by the AP, to deliver recommendations for accreditation on 20 entities. In addition to these entities, the applications received from an additional 37 entities are being processed. This has resulted in an increase in the number of days required by the panel members to review the large number of entities who have applied for accreditation.
20. Costs for the independent TAP amounted to USD 96,000. The costs of the TAP were not included in the original 2015 budget presented to and approved by the Board. These are expected to be of the order of USD 150,000 for 2015.
21. As per decision B.10/05, the Board approved a budget for the recruitment of an executive search firm on the selection of the heads of the accountability units. The Appointments Committee and the Secretariat's estimate of the costs of the selection process, including the costs of the recruitment firm and travel costs of the appointment panel members

and shortlisted candidates, is in the order of USD 0.3 million. These costs are scheduled to be incurred during the final quarter of 2015.

3.4 Secretariat expenditures

22. Secretariat expenditures for the period 1 January to 30 September 2015 and total projected expenditures for the year to 31 December 2015 are set out in Table 3.

Table 3. Secretariat expenditures for 2015 at 30 September (in United States dollars)

		Budget	Actual to 30 Sept. 2015	Actual + Projected to 31 Dec. 2015	(Under)/ Over Full Year	% (Under)/ Over
2.1	Salaries and consultants					
2.1.1	Full-time staff	9,893,101	5,468,998	7,683,633	(2,209,468)	(22)
2.1.2	Temporary support staff	250,000	188,000	250,000	-	0
2.1.3	Consultancies	1,282,000	1,846,542	3,649,682	2,367,682	185
2.1.4	Travel of interview candidates and expert interview appraisers	72,000	41,488	72,000	(0)	(0)
2.1.5	Relocation benefits and allowances	305,000	178,027	350,000	45,000	15
	Sub-total	11,802,101	7,723,055	12,005,315	203,214	2
2.2	Travel					
2.2.1	Travel	985,500	708,208	975,500	(10,000)	(1)
	Sub-total	985,500	708,208	975,500	988,501	(1)
2.3	Contractual services, general operating, information technology costs					
2.3.1	Office utility costs	135,000	102,559	150,000	15,000	11
2.3.2	Contractual services	1,818,065	1,193,540	1,550,040	(268,025)	(15)
2.3.3	External administrative service support	100,000	-	-	(100,000)	(100)
2.3.4	Communication and printing	350,000	97,609	272,609	(77,391)	(22)
2.3.5	Information and communication technology	1,700,000	1,388,218	1,700,000	-	0
	Sub-total: Contractual services, general operating, information technology costs	4,103,065	2,781,926	3,672,648	(430,417)	(10)
	Grand total	16,890,666	11,213,188	16,653,463	(237,204)	(1)

23. Total Secretariat expenditures at September 2015 amounted to USD 11.2 million or 66 percent of the total budget.

24. Total projected expenditures for the year to 31 December 2015 are USD 16.7 million. This is USD 0.2 million or 1.4 per cent under the approved budget for 2015. The savings will be achieved by re-prioritizing activities to be launched in 2015 to 2016 and by the exercise of tight

costs cutting over all of the Secretariat's expenditures. The USD 0.2 million will be used to offset the projected budget increase of USD 0.2 million required for Board expenditures.

25. The following main points are noteworthy regarding the USD 11.2 million spent by the Secretariat over the nine month period of 1 January to 30 September 2015:

- (a) Accumulated execution of the administrative budget for the Secretariat represents 66 per cent for the year;
- (b) Aggregate expenditures on staff costs and consultants amount to USD 7.7 million or 65 per cent. The underspending can be explained by delays in the recruitment of permanent staff, though this is offset by the additional costs incurred by the use of consultants. Given the challenges faced in recruiting international staff, it is anticipated that the savings on staff costs will be used for the continuing need for consultants. We are projecting a small overrun of USD 0.2 million for the full year;
- (c) Travel costs for staff and consultants are in line with the budget; and
- (d) Costs for contractual services, general operations, and information and communication technology (ICT) are running at 68 per cent of the budget. We are projecting an under-expenditure of USD 0.4 million for the full year.

3.5 Interim Trustee

26. Estimated expenditures on interim trustee services for the period 1 January to 31 December 2015 are set out in Table 4.

Table 4. Estimated Interim Trustee expenditures for 2015 (in United States dollars)

INTERIM TRUSTEES BUDGET 2015						
		Budget	Estimated expenditure up to Sept. 2015	Estimated to 31 Dec. 2015	(Under)/Over Full Year	% (Under)/Over
3.1	Financial and program management					
3.1.1	Staff costs and expenses	297,600	223,200	297,600	-	-
3.1.2	Travel	49,000	36,750	49,000	-	-
	Sub-total: Financial and program management	346,600	259,950	346,600	-	-
3.2	Investment Management	175,000	52,500	70,000	(105,000)	(60)
3.3	Accounting and reporting					
3.3.1	Staff costs and expenses	41,100	30,825	41,100	-	-
3.3.2	External Audit	-		105,000	105,000	
	Sub-total: Accounting and reporting	41,100	30,825	146,100	105,000	255
3.4	Legal services					
3.4.1	Staff costs and expenses	104,000	78,000	104,000	-	-
3.4.2	Travel	49,000	36,750	49,000	-	-
	Sub-total: Legal services	153,000	114,750	153,000	-	-
	Grand total (1+2+3)	715,700	458,025	715,700	-	-

27. Costs and expenses for trustee services to the GCF are based on the approved budget for the calendar year 2015. The final amounts will be adjusted when notified to the GCF by the World Bank.

28. The item of note is that investment fees calculated at 3.5 basis points (0.035 per cent) of the balance in the Green Climate Fund Trust Fund will be approximately USD 105,000 less than

budgeted due to lower amounts in the trust fund. This saving of USD 105,000 is projected to be used towards financing the costs of an external audit of the funds held in the Green Climate Fund Trust Fund.

3.6 Readiness related expenditures

29. At its sixth meeting in February 2014, by its decision B.06/11, the Board approved an allocation of USD 1 million for the execution of the readiness and preparatory programme. Furthermore, at its eighth Meeting in October 2014, by its decision B.08/11 (o) the Board approved an additional allocation of USD 15 million.

30. Readiness related expenditures in 2014 amounted to USD 0.4 million. The total expenditures for the period 1 January to 30 September 2015 are set out in table 5.

Table 5. Expenditures incurred on readiness activities for 1 January 2015 to 30 September 2015 (in United States dollars)

	Approved Budget	Actual Expenditures 1 Jan.-30 Sept. 2015	Balance Remaining
Total	15,601,558	952,118	14,649,440

31. The GCF readiness programme had spent USD 0.95 million at 30 September 2015. More than 80 countries have requested support from the readiness programme, out of which more than 30 countries have submitted their readiness proposals or are in advanced stages of development of those proposals. These requests are being developed through standardized readiness packages or tailored to specific country needs in consultation with the national designated authorities/focal points. From the finalized proposals, more than 85 per cent are from small island developing States, least developed countries, and African States.

32. To date eight regional workshop have either been held or are planned. These are set out in Table 6.

Table 6. Regional workshops (total costs in United States dollars)

Regional Workshops	Date	Place	Total costs
Readiness Workshop Korea	23-25 February	Songdo, Republic of Korea	19,547
Central America	16-17 March	San Salvador, El Salvador	44,593
Asia	9-10 April	Incheon, Republic of Korea	79,183
Pacific	27-29 July	Nadi, Fiji	10,738
NIE ESS Gender training	1-4 September	Songdo, Republic of Korea	121,656
Africa	7-9 September	Alexandria, Egypt	248,071
Caribbean	6-8 October	Belize City, Belize	91,324
Latin America	13-15 October	Quito, Ecuador	91,130
Total			706,242

33. In addition a total of USD 4.6 million has been approved under activity areas 1 and 2 of the readiness programme, USD 0.2 million under activity area 3, and USD 0.2 million under activity area 5. These have not been included yet in the actual expenditures of USD 0.95 contained in Table 5.

34. For more details on the readiness programme please see Board document GCF/B11/xx titled "Readiness Program Implementation (progress report)".

3.7 Special contribution from the Government of the Republic of Korea

Table 7. Expenditures (in United States dollars) incurred by the Secretariat for the period 1 January 2015 to 30 September 2015 from the special contribution of USD 1,400,000 received from the Government of the Republic of Korea, City of Incheon, for the purposes of purchasing office furniture, supplies and electronic equipment such as video conference facilities.

	Balance of Contribution as at 1 Jan. 2015	Actual Expenditures 1 Jan. - 30 Sept. 2015	Balance Remaining
ITC equipment and services		579,520	
Office furniture and supplies		101,779	
Total	681,299	681,299	0

35. Total expenditures in 2014 amounted to USD 718,701, leaving USD 681,299 available for 2015 from the original contribution of USD 1.4 million.

36. As already reported at the tenth meeting of the Board, the remaining amount had been spent, comprising USD 579,520 for ICT equipment for the Board Room and USD 101,779 for office furniture and supplies.