



**GREEN
CLIMATE
FUND**

Meeting of the Board
28 – 30 June 2016
Songdo, Incheon, Republic of Korea
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GCF/B.13/Inf.08

17 June 2016

Report on the execution of the 2016 administrative budget of the Green Climate Fund at 30 April 2016

Summary

This document presents an update of actual expenditures for the four months to 30 April 2016 against the approved budget. It is based on actual expenditures relating to activities of the Board and the Secretariat for the period 1 January to 30 April 2016 and estimated expenditures for the interim trustee.

For the four-month period of 1 January to 30 April 2016, total expenditures on the Board and the Secretariat as well as estimated expenditures for the services of the Interim Trustee amounted to USD 6.8 million or 19% against a budget of USD 35.8 million.

I. Introduction

1. This document reports on the administrative budget of the Green Climate Fund for the period 1 January to 30 April 2016. It is intended to provide the Board with information on actual expenditures for the four months to 30 April 2016. These are set out in Table 1. The amounts shown are based on actual expenditures for the Board and for the Secretariat, and on the estimated expenses for the Interim Trustee (World Bank) in Washington, DC.

II. Administrative budget expenditures for the period 1 January to 30 April 2016

2.1 Approved budget

2. By its decision B.11/08, the Board approved, from the resources available in the Green Climate Fund Trust Fund, an administrative budget of up to USD 29,157,227 for the period from 1 January to 31 December 2016. At its twelfth meeting, the Board by its decision B.12/27 approved the following amounts additional to the approved budget in decision B.11/08.

- (a) USD 4,351,993 for staffing
- (b) USD 1,562,855 in ancillary non staff costs
- (c) USD 772,640 for the administrative budget of the Board.

3. This brings the total approved budget for 2016 to USD 35,844,715.

2.2 Actual expenditures for 2016 at 30 April 2016

4. For the four-month period of 1 January to 30 April 2016, total expenditures on the Board and the Secretariat as well as estimated expenditures for the services of the Interim Trustee amounted to USD 6.8 million against a budget of USD 35.8 million. Of this figure, USD 0.7 million were related to the Board; USD 5.9 million to the Secretariat, and USD 0.3 million to the Interim Trustee. These are set out in Table 1. The interim trustee expenditures are estimated based primarily on the pro rata share of approved amounts for the year.

Table1: Administrative budget expenditures 2016 at 30 April 2016 (in United States dollars)

2016 Budget					
		Budget	Actual to 30 April 2016	Balance	% spent
1	Board	4,408,193	669,965	3,738,228	15%
2	Secretariat	30,560,722	5,887,220	24,673,502	19%
3	Interim trustee	875,800	291,500	584,300	33%
	Grand total (1+2+3)	35,844,715	6,848,685	28,996,030	19%



2.3 Board expenditures

5. Detailed Board expenditures for the period 1 January to 30 April 2016 are set out in table 2.

Table 2: Board expenditures for 2016 at 30 April 2016 (in United States dollars)

BOARD BUDGET 2016					
		Approved Budget	Actual to 30 April 2016	Balance	% spent
1.1	Board meetings				
1.1.1	Board representative travel	1,056,000	324,269	731,731	31%
1.1.2	Secretariat staff travel	260,000		260,000	0%
1.2.3	Venue and logistics	380,000	83,462	296,538	22%
	Sub-total: Board meetings	1,696,000	407,731	1,288,269	24%
1.2	Co-Chair and Board representative travel				
1.2.1	Co-Chair and Board representative travel	22,500	6,818	15,682	30%
	Sub-total: Co-Chair and Board representative travel	22,500	6,818	15,682	30%
1.3	Board committees, panels and working groups				
1.3.1	Board representative travel	317,000	44,433	272,567	14%
1.3.2	Venue and logistics	10,000	2,777	7,223	28%
	Compensation of Board panels: Accreditation Panel	588,000	103,756	484,244	18%
1.3.3	Compensation of Board panels: Technical Advisory Panel	720,000	12,050	707,950	2%
1.3.4	Recruitment of consultant company - Heads of Independent Units	254,640	92,400	162,240	36%
	Sub-total: Board committees, panels and working groups	1,889,640	255,416	1,634,224	14%
1.4	Accountability Units				
1.4.1	Salaries and consultants	665,053	-	665,053	0%
1.4.2	Travel	45,000	-	45,000	0%
1.4.3	Professional services	90,000	-	90,000	0%
	Sub total: Accountability Units	800,053	-	800,053	0%
	Grand total	4,408,193	669,965	3,738,228	15%

6. Total Board expenditures at April 2016 amounted to USD 0.7 million or 15 per cent of the total budget of USD 4.4 million. This is primarily due to under expenditures on Board panels and non- utilization of the accountability unit budgets pending the recruitment of the respective heads.

7. Board meeting expenditures of USD 407,731 at 30 April, include the costs of both the informal meeting held in Cape Town in February 2016 and the twelfth meeting held in Songdo in March.
8. Expenditures of USD 255, 416 for Board committees, panels and working groups include USD 103,756 for the costs of AP meetings held in January and March of 2016; and US\$ 92,400 for the costs of the consultancy company recruiting the heads of the independent units.
9. As noted above no expenditures were incurred for the accountability units.

2.4 Secretariat expenditures

10. Secretariat expenditures for the period 1 January to 30 April 2016 are set out in Table 3.

Table 3: Secretariat 2016 expenditures at 30 April 2016(in United States dollars)

SECRETARIAT BUDGET 2016					
		Budget	Actual to 30 April 2016	Balance	% spent
2.1	Salaries & consultants				
2.1.1	Full-time staff	11,359,464	2,690,457	8,669,007	24%
2.1.2	New staff	4,351,993	-	4,351,993	0%
2.1.3	Consultancies	4,038,910	1,225,778	2,813,132	30%
	Sub-total- salaries & consultants	19,750,367	3,916,235	15,834,132	20%
2.2	Travel				
2.2.1	Travel	1,569,500	280,801	1,288,699	18%
	Sub-total - travel	1,569,500	280,801	1,288,699	18%
2.3	Contractual services, general operating, information technology costs				
2.3.1	Office utility costs	300,000	100,000	200,000	33%
2.3.2	Contractual services	4,117,000	462,585	3,654,415	11%
2.3.3	Other Operating costs	475,000	113,408	361,592	24%
2.3.4	Communication and printing	315,000	23,875	291,125	8%
2.3.5	Information and communication technology	3,183,855	706,984	2,476,871	22%
2.3.6	Depreciation	850,000	283,332	566,668	33%
	Sub-total: Contractual services, general operating, information technology costs	9,240,855	1,690,184	7,550,671	18%
	Grand total	30,560,722	5,887,220	24,673,502	19%

11. Total Secretariat expenditures at 30 April 2016 amounted to USD 5.9 million of the total budget of USD 30.6 million.
12. The following main points are noteworthy regarding the USD 5.9 million spent by the Secretariat over the four month period to 30 April 2016:



- (a) Accumulated execution of the administrative budget for the Secretariat represents 19% for the year;
- (b) Aggregate expenditures on staff costs and consultants amount to USD 3.9 million or 20 per cent. The Board approved an additional budget of USD 4.4 million at B.12 for the recruitment of new staff. Staff are currently been recruited and have yet to join the Fund. Consequently no expenditures were incurred in the period to 30 April against the additional budget. As staff are recruited in the later part of the year budget utilisation will increase.
- (c) Travel costs for staff and consultants are USD 280,801 or 18% against a budget of USD 1,569,500. and
- (d) Costs for contractual services, general operations, and information and communication technology (ICT) are USD 1,690,184 or 18% of the budget of USD 9,240,855. The primary reason for the underspend is
- (i) delayed expenditures against a budget of USD 1 million for two RFP's to establish a pilot programme to support micro-, small-, and medium- sized enterprises (MSMEs), and a pilot programme to mobilize resources at scale in order to address adaptation and mitigation and
 - (ii) under-expenditures against a budget of USD 1 million for the development of necessary day-to-day manuals and guidelines for operations & risk, which are required to ensure consistent assessments and compliance with standard risk procedures;

2.5 Interim Trustee

13. Estimated expenditures on interim trustee services for the period 1 January to 30 April 2016 are set out in Table 4.

Table 4: Estimated Interim Trustee expenditures for 2016 (in United States dollars)

INTERIM TRUSTEE BUDGET 2016					
		Budget	Estimated expenditure to 30 April 2016	Balance	% spent
3.1	Financial and program management				
3.1.1	Staff costs and expenses	304,800	101,600	203,200	33%
3.1.2	Travel	48,400	10,000	38,400	21%
	Sub-total: Financial and program management	353,200	111,600	241,600	32%
3.2	Investment Management	262,500	116,000.00	146,500	44%
3.3	Accounting and reporting				
3.3.1	Staff costs and expenses	55,000	18,333	36,667	33%
3.3.2	External Audit	50,000	-	50,000	0%
	Sub-total: Accounting and reporting	105,000	18,333	86,667	17%



3.4	Legal services				
3.4.1	Staff costs and expenses	106,700	35,567	71,133	33%
3.4.2	Travel	48,400	10,000	38,400	21%
	Sub-total: Legal services	155,100	45,567	109,533	29%
	Grand total	875,800	291,500	584,300	33%

14. Costs and expenses for trustee services to the GCF are based on the approved budget for the calendar year 2016 and are prorated for the first four months of the year. The final amounts will be adjusted following the end of the World Bank's fiscal year (30 June 2016).

15. Recommendation by the Budget Committee:

(a) The BC recommends that the Board takes note of the Report on the Execution of the Budget at 30 April 2016

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.13/Inf.08 “Report on the execution of the 2016 administrative budget of the Green Climate Fund at 30 April”,

- (b) *Takes note* of the report.
