



**GREEN
CLIMATE
FUND**

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GCF/B.18/03

8 September 2017

Report on the execution of the 2017 administrative budget of the GCF as at 31 July 2017

Summary

This document presents an update of actual expenditures for the seven months to 31 July 2017 against the approved administrative budget. It is based on actual expenditures relating to activities of the Board, the independent accountability units and the Secretariat for the period of 1 January to 31 July 2017 and estimated expenditures for the Interim Trustee.

For the seven-month period of 1 January to 31 July 2017, total expenditures on the Board, the Independent Units and the Secretariat as well as estimated expenditures for the services of the Interim Trustee amounted to USD 21.8 million or 44 per cent against a budget of USD 49.2 million.

I. Introduction

1. This document reports on the administrative budget of the GCF for the period of 1 January to 31 July 2017. It is intended to provide the Board with information on actual expenditures for the seven months from 1 January to 31 July 2017. These expenditures are set out in table 1 below. The amounts shown are based on actual expenditures on the Board, the independent accountability units and the Secretariat, and on the estimated expenditures for the Interim Trustee (World Bank) in Washington, DC, United States of America.

II. Administrative budget expenditures for the period of 1 January to 31 July 2017

2.1 Approved budget

2. By decision B.16/01, the Board approved, from the resources available in the Green Climate Fund Trust Fund, an administrative budget of up to USD 46,784,071 for the period of 1 January to 31 December 2017.

3. The Board also approved the following budgets for the three independent accountability units:

- (a) USD 999,141 under decision B.15/12 for the Independent Redress Mechanism Unit for the period of 1 January to 31 December 2017;
- (b) USD 1,017,791 under decision B.15/13 for the Independent Integrity Unit for the period of 1 January to 31 December 2017; and
- (c) USD 370,930 under decision B.16/07 for the Independent Evaluation Unit for the period of March to June 2017.

4. This brings the total approved budget for 2017 to USD 49,171,933.

2.2 Actual expenditures for 2017 as at 31 July 2017

5. For the seven-month period of 1 January to 31 July 2017, total expenditures on the Board, the independent accountability units, and the Secretariat, as well as estimated expenditures for the services of the Interim Trustee amounted to USD 21.8 million against a budget of USD 49.2 million. Of this figure, USD 1.3 million was related to the Board, USD 0.8 million to the independent accountability units; USD 19 million to the Secretariat, and USD 0.7 million to the Interim Trustee. These are set out in table 1 below. The Interim Trustee expenditures are estimated based primarily on the pro rata share of approved amounts for the year.

Table1: Administrative budget expenditures for 2017 as at 31 July 2017 (in United States dollars)

	2017 Approved Budget	Actual expenditures to 31 July	Balance	% spent
1 Board	3,186,305	1,315,393	1,870,912	41%
2 Independent Units	2,387,862	803,429	1,584,433	34%
3 Secretariat	42,471,526	18,990,521	23,481,005	45%
4 Interim trustees	1,126,240	656,973	469,267	58%
Total (1+2+3+4)	49,171,933	21,766,316	27,405,617	44%

2.3 Board expenditures

6. Detailed Board expenditures for the period of 1 January to 31 July 2017 are set out in table 2.

Table 2: Board expenditures for 2017 as at 31 July 2017 (in United States dollars)

	2017 approved budget	Actual expenditure to 31 July	Balance	% spent
1 Board meetings				
1.1 Board representative travel	1,087,680	416,495	671,185	38%
1.2 Venue and logistics	391,400	165,505	225,895	42%
Subtotal: Board meetings	1,479,080	582,000	897,080	39%
2 Co-Chair and Board representative travel				
2.1 Co-Chair and Board representative travel	23,175	-	23,175	0%
Subtotal: Co-Chair and Board representative travel	23,175	-	23,175	0%
3 Board committees, panels and working groups				
3.1 Board representative travel	326,510	103,713	222,797	32%
3.2 Venue and logistics	10,300	-	10,300	0%
3.3 Compensation of Board panels: Accreditation Panel	605,640	208,680	396,960	34%
3.4 Compensation of Board panels: Technical Advisory Panel	741,600	421,000	320,600	57%
Subtotal: Board committees, panels and working groups	1,684,050	733,393	950,657	44%
Total (1+2+3)	3,186,305	1,315,393	1,870,912	41%

7. Total actual Board expenditures as at 31 July 2017 amounted to USD 1.3 million or 41 per cent of the total budget of USD 3.2 million.

8. Actual meeting expenditures of USD 0.6 million as at 31 July include the costs of the sixteenth and seventeenth meetings of the Board held in Songdo, Incheon, Republic of Korea, in April and July 2017.

9. Actual expenditures of USD 0.7 million on Board committees, panels and working groups include USD 421,000 and USD 208,680 for the costs of the independent Technical Advisory Panel and the Accreditation Panel, respectively, and USD 103,713 on the costs of the Accreditation Panel and the independent Technical Advisory Panel meetings held during the reporting period.

2.4 Independent accountability units

10. Independent accountability units expenditures for the period of 1 January to 31 July are set out in tables 3, 4 and 5.



Table 3: Independent Redress Mechanism Unit 2017 expenditures as at 31 July 2017 (in United States dollars)

	2017 approved budget	Actual expenditure to 31 July	Balance	% spent
1 Salaries and consultants				
1.1 Full-time staff	722,791	196,126	526,665	27%
1.2 Consultants	163,350	48,430	114,920	30%
Subtotal: salaries and consultants	886,141	244,556	641,585	57%
2 Travel				
2.1 Travel	93,000	20,020	72,980	22%
Sub-total: travel	93,000	20,020	72,980	22%
3 Professional services				
3.1 Operating costs	20,000	-	20,000	0%
Sub-total: professional services	20,000	-	20,000	0%
Total (1+2+3)	999,141	264,576	734,565	26%

11. Actual expenditures for the Independent Redress Mechanism Unit are USD 264,576 against an approved annual budget of USD 999,141. Full-time staff costs of USD 196,126 comprise 74 per cent of total actual expenditures as at 31 July. The approved budget is for the year ending 31 December 2017.

Table 4: Independent Integrity Unit 2017 expenditures as at 31 July 2017 (in United States dollars)

	2017 approved budget	Actual expenditure to 31 July	Balance	% spent
1 Salaries and consultants				
1.1 Full-time staff	722,791	278,424	444,367	39%
1.2 Consultants	200,000	39,600	160,400	20%
Subtotal: salaries and consultants	922,791	318,024	604,767	34%
2 Travel				
2.1 Travel	75,000	34,379	40,621	46%
Subtotal: travel	75,000	34,379	40,621	46%
3 Professional services				
3.1 Operating costs (including workshop)	20,000	1,200	18,800	6%
Subtotal: professional services	20,000	1,200	18,800	6%
Total (1+2+3)	1,017,791	353,603	664,188	35%

12. Actual expenditures for the Independent Integrity Unit are USD 353,603 against an approved annual budget of USD 1,017,791. Full-time staff costs of USD 278,424 comprise 79 per cent of total actual expenditures as at 31 July. The approved budget is for the year ending 31 December 2017.



Table 5: Independent Evaluation Unit 2017 expenditures as at 31 July 2017 (in United States dollars)

	Approved budget March - June 2017	Actual expenditure to 31 July	Balance	% spent
1 Salaries and consultants				
1.1 Full-time staff	240,930	160,147	80,783	66%
1.2 Consultants	70,000	3,742	66,258	5%
Subtotal: salaries and consultants	310,930	163,889	147,041	53%
2 Travel				
2.1 Travel	20,000	20,661	(661)	103%
Subtotal: travel	20,000	20,661	(661)	103%
3 Professional services				
3.1 Support for evaluation related international meetings	20,000	350	19,650	2%
3.2 Operating costs	20,000	0	20,000	0%
Subtotal: professional services	20,000	350	19,650	2%
Total (1+2+3)	370,930	184,900	186,030	50%

13. Actual expenditures for the Independent Evaluation Unit are USD 184,900 against an approved budget of USD 370,930 for the period of March to June 2017. Full-time staff costs of USD 160,147 comprise 87 per cent of total actual expenditures as at 31 July. The approved budget is for the period of March to June 2017.

2.5 Secretariat expenditures

14. Secretariat expenditures for the period of 1 January to 31 July 2017 are set out in table 6 below.

Table 6: Secretariat 2017 expenditures as at 31 July 2017 (in United States dollars)

	2017 approved budget	Actual expenditure to 31 July	Balance	% spent
1 Salaries and consultants				
1.1 Full-time staff	24,143,451	10,810,793	13,332,658	45%
1.2 Consultants	3,866,920	2,657,179	1,209,741	69%
Subtotal: salaries and consultants	28,010,371	13,467,972	14,542,399	48%
2 Travel				
2.1 Travel	1,569,500	838,351	731,149	53%
2.2 Secretariat staff travel – Board meeting	267,800	-	267,800	0%
Sub-total: travel	1,837,300	838,351	998,949	46%
3 Contractual services, general operating, and information technology costs				
3.1 Office utility costs	300,000	105,747	194,253	35%
3.2 Contractual services	7,500,000	2,030,113	5,469,887	27%
3.3 Other operating costs	475,000	295,100	179,900	62%
3.4 Communication and printing	315,000	238,930	76,070	76%

	2017 approved budget	Actual expenditure to 31 July	Balance	% spent
3.5 Information and communication technology	3,183,855	1,518,475	1,665,380	48%
3.6 Depreciation	850,000	495,833	354,167	58%
Subtotal: contractual services, general operating, and information technology costs	12,623,855	4,684,198	7,939,657	37%
Total (1+2+3)	42,471,526	18,990,521	23,481,005	45%

15. Total actual Secretariat expenditures as at 31 July 2017 amounted to USD 19 million of the total budget of USD 42.5 million.

16. The following main points are noteworthy regarding the USD 19 million spent by the Secretariat over the seven-month period of 1 January to 31 July 2017:

- (a) The accumulated execution of the administrative budget for the Secretariat represents 45 per cent of the total for the year;
- (b) Aggregate expenditures on staff costs and consultants amount to USD 13.5 million or 48 per cent of the total for the year;
- (c) Total expenditures on full time staff are USD 10.8 million or 45 per cent of the total for the year. The reason for the underspend is that the approved budget assumed approximately 80 staff would be on board by the end of 2016; approximately 117 by mid-2017; and 140 staff on board by year end. Staff have currently been recruited at a slower pace than was anticipated when the budget was approved. Staff numbers on the payroll as at the 31 July were 115. Consequently, costs are running under budget. As staff are recruited in the later part of the year, budget utilization will increase;
- (d) Consultancy costs are USD 2.7 million or 69 per cent of the total for the year. The rate of spending against the approved budget is higher than anticipated, primarily due to the fact that consultants are still providing a staff function where the staff positions have yet to be filled;
- (e) Travel costs for staff and consultants are USD 0.8 million or 53 per cent against a budget of USD 1.6 million for the year. In addition, a budget of USD 267,800 for Secretariat staff travel to support the Board at the meeting to be held in Cairo is yet to be utilized; and
- (f) The costs of contractual services, general operations, and information and communication technology is USD 4.7 million or 37 per cent of the budget of USD 12.6 million for the year. The primary reason for the underspend is as follows:
 - (i) Delayed expenditures in contractual services against a budget of USD 7.5 million for the year. A number of consultancies are currently ongoing and the rate of spend will increase in the later part of the year.
- (g) Communication expenditures are running over budget due to the costs of the advertising campaign to launch the 'Mobilizing Funding at Scale' campaign. Expenditures will come back into line with budget by the year end.

2.6 Interim Trustee

17. Estimated expenditures on Interim Trustee services for the period of 1 January to 31 July 2017 are set out in table 7 below.



Table 7: Estimated Interim Trustee expenditures at 31 July 2017 (in United States dollars)

	2017 approved budget	Estimated Costs to 31 July	Balance	% spent
1 Financial and programme management				
1.1 Staff costs and expenses	320,040	186,690	133,350	58%
1.2 Travel	48,400	28,233	20,167	58%
Subtotal: financial and programme management	368,440	214,923	153,517	58%
2 Investment management	595,000	347,083.33	247,917	58%
3 Accounting and reporting				
3.1 Staff costs and expenses	33,000	19,250	13,750	58%
Subtotal: accounting and reporting	33,000	19,250	13,750	58%
4 Legal services				
4.1 Staff costs and expenses	95,700	55,825	39,875	58%
4.2 Travel	34,100	19,892	14,208	58%
Subtotal: legal services	129,800	75,717	54,083	58%
Total (1+2+3+4)	1,126,240	656,973	469,267	58%

18. Costs and expenses for trustee services to the GCF are based on the approved budget for the calendar year 2017. Estimates to 31 July are based on a pro rata rate of the approved budget. The final amounts are only available after the end of the World Bank's fiscal year (30 June).

III. Recommendation by the Budget Committee

19. The Budget Committee recommends that the Board takes note of the report on the execution of the 2017 administrative budget of the GCF as at 31 July 2017.



Annex: Draft decision of the Board

The Board, having considered document GCF/B.18/03 titled “Report on the execution of the 2017 administrative budget of the GCF as at 31 July 2017”:

Takes note of the Report on the execution of the 2017 administrative budget of the GCF as at 31 July 2017.
