



**GREEN
CLIMATE
FUND**

Meeting of the Board

1 – 4 July 2018

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GCF/B.20/03

28 May 2018

Report on the execution of the 2018 administrative budget of GCF as at 30 April 2018

Summary

This document presents an update of actual expenditures for the four months to 30 April 2018 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 30 April 2018 and estimated expenditures for the Interim Trustee.

For the four-month period of 1 January to 30 April 2018, 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 17.5 million, or 25 per cent, against a budget of USD 69 million.

I. Introduction

1. This document reports on the administrative budget of GCF for the period of 1 January to 30 April 2018. It is intended to provide the Board with information on actual expenditures for the four months from 1 January to 30 April 2018. 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, D.C., United States of America.

II. Administrative budget expenditures for the period of 1 January to 30 April 2018

2.1 Approved budget

2. By decision B.18/12, the Board approved, from the resources available in the GCF Trust Fund, an administrative budget of up to USD 63,558,006 for the period of 1 January to 31 December 2018.

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

- (a) USD 911,820 under decision B.19/19 for the Independent Redress Mechanism for the period of 1 January to 31 December 2018;
 - (b) USD 1,612,950 under decision B.19/20 for the Independent Integrity Unit for the period of 1 January to 31 December 2018; and
 - (c) USD 2,953,867 under decision B.19/21 for the Independent Evaluation Unit for the period of 1 January to 31 December 2018.
4. This brings the total approved budget for 2018 to USD 69,036,643.

2.2 Actual expenditures as at 30 April 2018

5. For the four-month period of 1 January to 30 April 2018, 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 17.5 million against a budget of USD 69 million. Of this figure, USD 0.7 million was related to the Board, USD 0.9 million to the independent accountability units; USD 15.3 million to the Secretariat, and USD 0.6 million to the Interim Trustee. These expenditures 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.

Table 1: Administrative budget expenditures for 2018 as at 30 April 2018 (in USD)

	2018 approved budget	Actual expenditures to 30 April	Balance	% spent
Board	3,337,045	700,749	2,636,296	21%
Independent units	5,478,637	849,889	4,628,748	16%
Secretariat	58,473,960	15,332,369	43,141,591	26%
Interim Trustee	1,747,000	582,333	1,164,667	33%
Grand total (1+2+3)	69,036,642	17,465,340	51,571,302	25%

2.3 Board expenditures

6. Detailed Board expenditures for the period of 1 January to 30 April 2018 are set out in table 2.

Table 2: Board expenditures for 2018 as at 30 April 2018 (in USD)

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
1.1	Board meetings				
1.1.1	Board representative travel	1,120,310	186,383	933,927	17%
1.2.3	Venue and logistics	403,142	127,614	275,528	32%
	Subtotal: Board meetings	1,523,452	313,997	1,209,455	21%
1.2	Co-Chair and Board representative travel				
1.2.1	Co-Chair and Board representative travel	23,870	1,518	22,352	6%
	Subtotal: Co-Chair and Board representative travel	23,870	1,518	22,352	6%
1.3	Board committees, panels and working groups				
1.3.1	Board representative travel	336,305	58,654	277,651	17%
1.3.2	Venue and logistics	10,609	-	10,609	0%
	Compensation of Board panels: Accreditation Panel	623,809	70,580	553,229	11%
1.3.3	Compensation of Board panels: Technical Advisory Panel	819,000	256,000	563,000	31%
	Subtotal: Board committees, panels and working groups	1,789,723	385,234	1,404,489	22%
	Grand total (1+2+3)	3,337,045	700,749	2,636,296	21%

7. Total actual Board expenditures as at 30 April 2018 amounted to USD 0.7 million, or 21 per cent, of the total budget of USD 3.3 million.

8. Actual Board meeting expenditures of USD 0.3 million as at 30 April include the costs of the nineteenth meeting of the Board held in Songdo, Incheon, Republic of Korea, in February/March 2017.

9. Actual expenditures of USD 0.4 million on Board committees, panels and working groups include USD 256,000 and USD 70,580 for the costs of the independent Technical Advisory Panel and the Accreditation Panel, respectively, and USD 58,654 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. Expenditures on the independent accountability units for the period of 1 January to 30 April are set out in tables 3, 4 and 5.

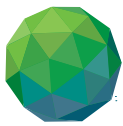


Table 3: Independent Redress Mechanism Unit 2018 expenditures as at 30 April 2018 (USD)

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
4.1	Salaries and consultants				
4.1.1	Full-time staff	574,824	183,077	391,747	32%
4.1.2	Consultancies	133,996	18,242	115,754	14%
	Subtotal: Salaries & consultants	708,820	201,319	507,501	28%
4.2	Travel				
4.2.1	Travel	78,000	2,901	75,099	4%
	Subtotal: Travel	78,000	2,901	75,099	4%
4.3	Professional services				
4.3.1	Operating costs	125,000	5,755	119,245	5%
	Subtotal: Professional services	125,000	5,755	119,245	5%
	Grand total (1+2+3)	911,820	209,975	701,845	23%

11. Actual expenditures for the Independent Redress Mechanism are USD 209,975 against an approved annual budget of USD 911,820. Full-time staff costs of USD 183,077 comprise 87 per cent of total actual expenditures as at 30 April.

Table 4: Independent Integrity Unit 2018 expenditures as at 30 April 2018 (in USD)

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
4.1	Salaries and consultants				
4.1.1	Full-time staff	1,062,950	165,544	897,406	16%
4.1.2	Consultancies	206,000	67,844	138,156	33%
	Subtotal: Salaries & consultants	1,268,950	233,388	1,035,562	18%
4.2	Travel				
4.2.1	Travel	134,000	24,532	109,468	18%
	Subtotal: Travel	134,000	24,532	109,468	18%
4.3	Professional services				
4.3.1	Hosting 19th CII Conference	80,000	-	80,000	0%
	ICT	100,000	-	100,000	0%
4.3.2	Operating costs (including workshop)	30,000	141	29,859	0%
	Subtotal: Professional services	210,000	141	209,859	0%
	Grand total (1+2+3)	1,612,950	258,061	1,354,889	16%

12. Actual expenditures for the Independent Integrity Unit are USD 258,061 against an approved annual budget of USD 1,612,950. Full-time staff costs of USD 165,544 comprise 64 per cent of total actual expenditures as at 30 April.

Table 5: Independent Evaluation Unit 2018 expenditures as at 30 April (in USD)

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
4.1	Salaries and consultants				
4.1.1	Full-time staff	1,583,667	141,072	1,442,595	9%
4.1.2	Consultancies	492,200	146,941	345,259	30%
	Subtotal: Salaries & consultants	2,075,867	288,013	1,787,854	14%
4.2	Travel				
4.2.1	Travel	183,000	12,769	170,231	7%
	Subtotal: Travel	183,000	12,769	170,231	7%
4.3	Professional services				
4.3.1	Professional services	630,000	74,420	555,580	12%
4.3.2	Operating costs	65,000	6,651	58,349	10%
	Subtotal: Professional services	695,000	81,071	613,929	12%
	Grand total (1+2+3)	2,953,867	381,853	2,572,014	13%

13. Actual expenditures for the Independent Evaluation Unit are USD 381,853 against an approved budget of USD 2,953,867.

2.5 Secretariat expenditures

14. Secretariat expenditures for the period of 1 January to 30 April 2018 are set out in table 6.

Table 6: Secretariat 2018 expenditures as at 30 April 2018 (in USD)

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
2.1	Salaries and consultants				
2.1.1	Full-time staff	38,037,342	8,869,159	29,168,183	23%
2.1.3	Consultancies	2,891,250	895,441	1,995,809	31%
	Subtotal	40,928,592	9,764,600	31,163,992	24%
2.2	Travel				
2.2.1	Travel	2,322,500	723,535	1,598,965	31%
2.2.2	Secretariat staff travel - Board meeting	275,834	-	275,834	0%
	Subtotal	2,598,334	723,535	1,874,799	28%

		2018 approved budget	Actual expenditures to 30 April	Balance	% spent
2.3	Contractual services, general operating, information technology costs				
2.3.1	Office utility costs	309,000	102,996	206,004	33%
2.3.2	Contractual services	7,525,573	2,447,455	5,078,118	33%
2.3.3	Other Operating costs including communication	952,268	457,507	494,761	48%
2.3.4	GCF Conference	600,000	204,096	395,904	34%
2.3.5	Information and communication technology	4,690,000	1,348,119	3,341,881	29%
2.3.6	Depreciation	870,193	284,061	586,132	33%
	Subtotal: Contractual services, general operating, information technology costs	14,947,034	4,844,234	10,102,800	32%
	Grand total (1+2+3)	58,473,960	15,332,369	43,141,591	26%

15. Total actual Secretariat expenditures as at 30 April 2018 amounted to USD 15.3 million of the total budget of USD 58.5 million.

16. The following main points are noteworthy regarding the USD 15.3 million spent by the Secretariat over the four-month period of 1 January to 30 April 2018:

- (a) The accumulated execution of the administrative budget for the Secretariat represents 26 per cent of the total for the year;
- (b) Aggregate expenditures on staff costs and consultants amount to USD 9.8 million, or 24 per cent, of the total for the year;
- (c) Total expenditures on full time staff are USD 8.9 million, or 23 per cent, of the total for the year. The reason for the underspend is that staff are currently being recruited at a slower pace than was anticipated when the budget was approved. As staff are recruited in the later part of the year, budget utilization will increase but there is still likely to be budget underspend for the full year;
- (d) Consultancy costs are USD 0.9 million, or 31 per cent, of the total for the year. We expect the rate of spending against the approved budget to increase, and it will likely exceed the approved budget. This is primarily due to the fact that a number of consultants have recently been hired to increase the capacity of the Secretariat where the staff positions have yet to be filled;
- (e) Travel costs for staff and consultants are USD 0.7 million, or 31 per cent, against a budget of USD 2.3 million for the year. In addition, a budget of USD 267,800 for Secretariat staff travel to support the Board at a meeting held outside Songdo is yet to be utilized; and
- (f) The costs of contractual services, general operations, and information and communication technology is USD 4.8 million, or 32 per cent, of the budget of USD 14.9 million for the year and is running in line with the budget.

2.6 Interim Trustee

17. Estimated expenditures on Interim Trustee services for the period of 1 January to 30 April 2018 are set out in table 7.

Table 7: Estimated Interim Trustee expenditures for 2018 (in USD)

		2018 approved Budget	Estimated Costs to 30 April	Balance	% spent
3.1	Financial and program management				
3.1.1	Staff costs and expenses	340,000	113,333	226,667	33%
3.1.2	Travel	40,000	13,333	26,667	33%
	Subtotal: Financial and program management	380,000	126,667	253,333	33%
3.2	Investment management	1,264,000	421,333	842,667	33%
3.3	Accounting and reporting				
3.3.1	Staff costs and expenses	33,000	11,000	22,000	33%
	Subtotal: Accounting and reporting	33,000	11,000	22,000	33%
3.4	Legal services				
3.4.1	Staff costs and expenses	60,000	20,000	40,000	33%
3.4.2	Travel	10,000	3,333	6,667	33%
	Subtotal: Legal services	70,000	23,333	46,667	33%
	Grand total (1+2+3)	1,747,000	582,333	1,164,667	33%

18. Costs and expenses for trustee services to GCF are based on the approved budget for the calendar year 2018. Cost estimates to 30 April are based primarily on the pro rata share of approved amounts for the year.

III. Recommendation by the Budget Committee

19. The Budget Committee recommends that the Board take note of the report on the execution of the 2018 administrative budget of GCF as at 30 April 2018.

Annex: Draft decision of the Board

The Board, having considered document GCF/B.20/03 titled “Report on the execution of the 2018 administrative budget of the GCF as at 30 April 2018”:

Takes note of the report on the execution of the 2018 administrative budget of the GCF as at 30 April 2018.
