



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
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**GCF/B.21/14**

25 September 2018

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# Report on the execution of the 2018 administrative budget of GCF as at 31 July 2018

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## **Summary**

This document presents an update of actual expenditures for the seven months to 31 July 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 31 July 2018 and estimated expenditures for the Interim Trustee.

For the seven-month period of 1 January to 31 July 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 34.85 million, or 50 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 31 July 2018. It is intended to provide the Board with information on actual expenditures for the seven months from 1 January to 31 July 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 31 July 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 31 July 2018

5. For the seven-month period of 1 January to 31 July 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 34.85 million against a budget of USD 69 million. Of this figure, USD 1.6 million was related to the Board, USD 2.4 million to the independent accountability units, USD 29.9 million to the Secretariat and USD 1.0 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 31 July 2018 (in USD)**

		2018 Approved Budget	Actual expenditures to 31 July	Balance	% spent
1	Board	3,337,045	1,559,105	1,777,940	47%
2	Independent units	5,478,637	2,350,570	3,128,067	43%
3	Secretariat	58,473,960	29,927,692	28,546,268	51%
4	Interim trustee	1,747,000	1,019,083	727,917	58%
	<b>Grand total (1+2+3)</b>	<b>69,036,642</b>	<b>34,856,450</b>	<b>34,180,192</b>	<b>50%</b>

## 2.3 Board expenditures

6. Detailed Board expenditures for the period of 1 January to 31 July 2018 are set out in table 2.

**Table 2: Board expenditures for 2018 as at 31 July 2018 (in USD)**

		2018 approved budget	Actual expenditures to 31 July	Balance	% spent
<b>1.1</b>	<b>Board meetings</b>				
1.1.1	Board representative travel	1,120,310	374,866	745,444	33%
1.2.3	Venue and logistics	403,142	285,228	117,914	71%
	<b>Subtotal: Board meetings</b>	<b>1,523,452</b>	<b>660,094</b>	<b>863,358</b>	<b>43%</b>
<b>1.2</b>	<b>Co-Chair and Board representative travel</b>				
1.2.1	Co-Chair and Board representative travel	23,870	23,796	74	100%
	<b>Subtotal: Co-Chair and Board representative travel</b>	<b>23,870</b>	<b>23,796</b>	<b>74</b>	<b>100%</b>
<b>1.3</b>	<b>Board committees, panels and working groups</b>				
1.3.1	Board representative travel	336,305	129,232	207,073	38%
1.3.2	Venue and logistics	10,609	-	10,609	0%
1.3.3	Compensation of Board panels: Accreditation Panel	623,809	279,139	344,670	45%
1.3.4	Compensation of Board panels: Technical Advisory Panel	819,000	466,844	352,156	57%
	<b>Subtotal: Board committees, panels and working groups</b>	<b>1,789,723</b>	<b>875,215</b>	<b>914,508</b>	<b>49%</b>
	<b>Grand total (1+2+3)</b>	<b>3,337,045</b>	<b>1,559,105</b>	<b>1,777,940</b>	<b>47%</b>

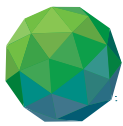
7. Total actual Board expenditures as at 31 July 2018 amounted to USD 1.6 million, or 47 per cent, of the total budget of USD 3.3 million.

8. Actual Board meeting expenditures of USD 0.66 million as at 31 July include the costs of the nineteenth and twentieth meetings of the Board held in Songdo, Incheon, Republic of Korea, in February/March and June/July 2018.

9. Actual expenditures of USD 0.87 million on Board committees, panels and working groups include USD 0.47 million and USD 0.28 million for the costs of the independent Technical Advisory Panel and the Accreditation Panel, respectively, and USD 0.1 million 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 31 July are set out in tables 3, 4 and 5.



**Table 3: Independent Redress Mechanism Unit 2018 expenditures as at 31 July 2018 (in USD)**

		2018 approved budget	Actual expenditures to 31 July	Balance	% spent
<b>4.1</b>	<b>Salaries and consultants</b>				
4.1.1	Full-time staff	574,824	397,133	177,691	69%
4.1.2	Consultancies	133,996	25,076	108,920	19%
	<b>Subtotal: salaries &amp; consultants</b>	<b>708,820</b>	<b>422,209</b>	<b>286,611</b>	<b>60%</b>
<b>4.2</b>	<b>Travel</b>				
4.2.1	Travel	78,000	17,047	60,953	22%
	<b>Subtotal: travel</b>	<b>78,000</b>	<b>17,047</b>	<b>60,953</b>	<b>22%</b>
<b>4.3</b>	<b>Professional services</b>				
4.3.1	Operating costs	125,000	17,267	107,733	14%
	<b>Subtotal: professional services</b>	<b>125,000</b>	<b>17,267</b>	<b>107,733</b>	<b>14%</b>
	<b>Grand total (1+2+3)</b>	<b>911,820</b>	<b>456,523</b>	<b>455,297</b>	<b>50%</b>

11. Actual expenditures for the Independent Redress Mechanism are USD 456,523 against an approved annual budget of USD 911,820.

**Table 4: Independent Integrity Unit 2018 expenditures as at 31 July 2018 (in USD)**

		2018 approved budget	Actual expenditures to 31 July	Balance	% spent
<b>4.1</b>	<b>Salaries and consultants</b>				
4.1.1	Full-time staff	1,062,950	285,558	777,392	27%
4.1.2	Consultancies	206,000	181,787	24,213	88%
	<b>Subtotal: salaries &amp; consultants</b>	<b>1,268,950</b>	<b>467,345</b>	<b>801,605</b>	<b>37%</b>
<b>4.2</b>	<b>Travel</b>				
4.2.1	Travel	134,000	34,843	99,157	26%
	<b>Subtotal: travel</b>	<b>134,000</b>	<b>34,843</b>	<b>99,157</b>	<b>26%</b>
<b>4.3</b>	<b>Professional services</b>				
4.3.1	Hosting 19th Conference of International Investigators	80,000	-	80,000	0%
4.3.2	Information and communication technology	100,000	-	100,000	0%
4.3.3	Operating costs (including workshop)	30,000	12,911	17,089	43%
	<b>Subtotal: professional services</b>	<b>210,000</b>	<b>12,911</b>	<b>197,089</b>	<b>6%</b>
	<b>Grand total (1+2+3)</b>	<b>1,612,950</b>	<b>515,099</b>	<b>1,097,851</b>	<b>32%</b>

12. Actual expenditures for the Independent Integrity Unit are USD 515,099 against an approved annual budget of USD 1,612,950.

**Table 5: Independent Evaluation Unit 2018 expenditures as at 31 July (in USD)**

		2018 approved budget	Actual expenditures to 31 July	Balance	% spent
<b>4.1</b>	<b>Salaries and consultants</b>				
4.1.1	Full-time staff	1,583,667	528,623	1,055,044	33%
4.1.2	Consultancies	492,200	329,991	162,209	67%
	<b>Subtotal: salaries &amp; consultants</b>	<b>2,075,867</b>	<b>858,614</b>	<b>1,217,253</b>	<b>41%</b>
<b>4.2</b>	<b>Travel</b>				
4.2.1	Travel	183,000	67,640	115,360	37%
	<b>Subtotal: travel</b>	<b>183,000</b>	<b>67,640</b>	<b>115,360</b>	<b>37%</b>
<b>4.3</b>	<b>Professional services</b>				
4.3.1	Professional services	630,000	419,360	210,640	67%
4.3.2	Operating costs	65,000	33,334	31,666	51%
	<b>Subtotal: professional services</b>	<b>695,000</b>	<b>452,694</b>	<b>242,306</b>	<b>65%</b>
	<b>Grand total (1+2+3)</b>	<b>2,953,867</b>	<b>1,378,948</b>	<b>1,574,919</b>	<b>47%</b>

13. Actual expenditures for the Independent Evaluation Unit are USD 1,378,948 against an approved budget of USD 2,953,867 million.

## 2.5 Secretariat expenditures

14. Secretariat expenditures for the period of 1 January to 31 July 2018 are set out in table 6.

**Table 6: Secretariat 2018 expenditures as at 31 July 2018 (in USD)**

		2018 approved budget	Actual expenditures to 31 July	Balance	% spent
<b>2.1</b>	<b>Salaries and consultants</b>				
2.1.1	Full-time staff	38,037,342	18,496,562	19,540,780	49%
2.1.3	Consultancies	2,891,250	1,634,352	1,256,898	57%
	<b>Subtotal</b>	<b>40,928,592</b>	<b>20,130,914</b>	<b>20,797,678</b>	<b>49%</b>
<b>2.2</b>	<b>Travel</b>				
2.2.1	Travel	2,322,500	1,172,746	1,149,754	50%
2.2.2	Secretariat staff travel - Board meeting	275,834	-	275,834	0%
	<b>Subtotal</b>	<b>2,598,334</b>	<b>1,172,746</b>	<b>1,425,588</b>	<b>45%</b>



<b>2.3</b>	<b>Contractual services, general operating, information technology costs</b>				
2.3.1	Office utility costs	309,000	180,321	128,679	58%
2.3.2	Contractual services	7,525,573	4,185,068	3,340,505	56%
2.3.3	Other operating costs, including communication	952,268	552,315	399,953	58%
2.3.4	GCF conference	600,000	204,096	395,904	34%
2.3.5	Information and communication technology	4,690,000	2,994,619	1,695,381	64%
2.3.6	Depreciation	870,193	507,613	362,580	58%
	<b>Subtotal: contractual services, general operating, information technology costs</b>				<b>58%</b>
		<b>14,947,034</b>	<b>8,624,032</b>	<b>6,323,002</b>	
	<b>Grand total (1+2+3)</b>	<b>58,473,960</b>	<b>29,927,692</b>	<b>28,546,268</b>	<b>51%</b>

15. Total actual Secretariat expenditures as at 31 July 2018 amounted to USD 29.9 million of the total budget of USD 58.5 million.

16. The following main points are noteworthy regarding the USD 29.9 million spent by the Secretariat over the seven-month period of 1 January to 31 July 2018:

- (a) The accumulated execution of the administrative budget for the Secretariat represents 51 per cent of the total for the year;
- (b) Aggregate expenditures on staff costs and consultants amount to USD 20.1 million, or 49 per cent, of the total for the year;
- (c) Total expenditures on full-time staff are USD 18.5 million, or 49 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 1.6 million, or 57 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 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 1.2 million, or 50 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 8.6 million, or 58 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 31 July 2018 are set out in table 7.



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

		2018 approved budget	Estimated costs to 31 July	Balance	% spent
<b>3.1</b>	<b>Financial and program management</b>				
3.1.1	Staff costs and expenses	340,000	198,333	141,667	58%
3.1.2	Travel	40,000	23,333	16,667	58%
	<b>Subtotal: financial and program management</b>	<b>380,000</b>	<b>221,667</b>	<b>158,333</b>	<b>58%</b>
<b>3.2</b>	<b>Investment management</b>	<b>1,264,000</b>	<b>737,333</b>	<b>526,667</b>	<b>58%</b>
<b>3.3</b>	<b>Accounting and reporting</b>				
3.3.1	Staff costs and expenses	33,000	19,250	13,750	58%
	<b>Subtotal: accounting and reporting</b>	<b>33,000</b>	<b>19,250</b>	<b>13,750</b>	<b>58%</b>
<b>3.4</b>	<b>Legal services</b>				
3.4.1	Staff costs and expenses	60,000	35,000	25,000	58%
3.4.2	Travel	10,000	5,833	4,167	58%
	<b>Subtotal: legal services</b>	<b>70,000</b>	<b>40,833</b>	<b>29,167</b>	<b>58%</b>
	<b>Grand total (1+2+3)</b>	<b>1,747,000</b>	<b>1,019,083</b>	<b>727,917</b>	<b>58%</b>

18. Costs and expenses for Trustee services to the GCF are based on the approved budget for the calendar year 2018. Cost estimates to 31 July 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 the GCF as at 31 July 2018.

## **Annex: Draft decision of the Board**

The Board, having considered document GCF/B.20/14 titled “Report on the execution of the 2018 administrative budget of the GCF as at 31 July 2018”:

*Takes note* of the report on the execution of the 2018 administrative budget of the GCF as at 31 July 2018.

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