

**GREEN
CLIMATE
FUND**

Meeting of the Board
4 – 7 October 2021
Virtual meeting
Provisional agenda item 12(a)

GCF/B.30/Inf.06

10 September 2021

Report on the execution of the 2021 administrative budget of GCF

Summary

This document reports on the execution of the GCF 2021 administrative budget for the period from 1 January to 31 July 2021. Administrative expenditure relates to costs for Board activities, the independent units, the Secretariat and the Trustee. The figures in this document are unaudited.

As at 31 July 2021, total expenditure was USD 37.9 million against the annual budget of USD 93.6 million (40 per cent of the approved budget). These figures do not include commitments where contracts have been signed but the services/goods have not been executed/delivered. The commitments are included in the budget execution report when the related services are performed.

The unutilized budget of USD 55.7 million comprises USD 3.5 million for the Board, USD 6.8 million for the independent units, USD 43.9 million for the Secretariat, and USD 1.6 million for the Trustee.

I. Introduction

1. This document presents a review of the 2021 expenditure against the administrative budget of GCF. It is based on actual expenditure relating to activities of the Board, the independent units and the Secretariat for the period from 1 January to 31 July 2021. The amounts shown for the Trustee are based on estimated expenditure for the period from 1 January to 31 July 2021.

II. Approved budget and summary of expenditure

2.1 Approved budget

2. By decision B.27/07, the Board approved, from the resources available in the Green Climate Fund Trust Fund, an administrative budget of USD 83,530,460 for the period 1 January to 31 December 2021 for Board activities (USD 4,756,436), Secretariat operations (USD 75,018,024) and Trustee activities (USD 3,756,000). The budget of USD 75,018,024 for the Secretariat operations includes a contingency budget in an amount equal to 2 per cent of the administrative budget of the Secretariat (USD 1,500,545).

3. The Board also approved the following budgets for the three independent units, amounting to USD 10,104,437:

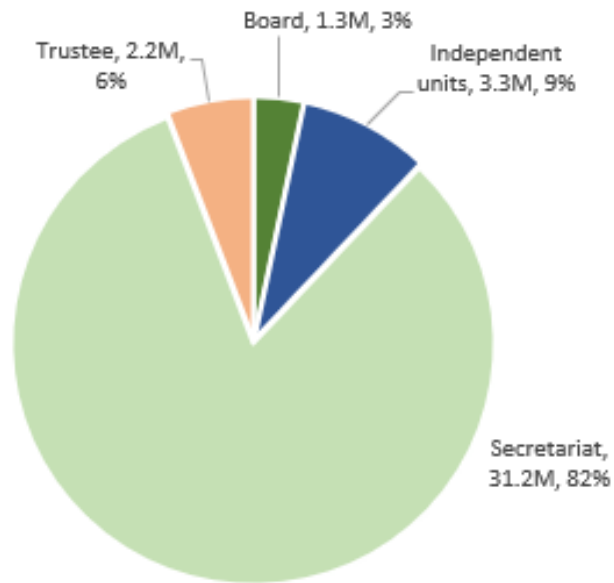
- (a) USD 1,395,471 under decision B.27/10 for the Independent Redress Mechanism (IRM) for the period from 1 January to 31 December 2021;
- (b) USD 2,796,393 under decision B.27/09 for the Independent Integrity Unit (IIU) for the period from 1 January to 31 December 2021; and
- (c) USD 5,912,573 under decision B.27/08 for the Independent Evaluation Unit (IEU) for the period from 1 January to 31 December 2021.

2.2 Summary of expenditure

4. For the period from 1 January to 31 July 2021 total expenditure on the Board, the independent units, the Secretariat and the Trustee amounted to USD 37.9 million against a budget of USD 93.6 million (40 per cent). Of this figure, USD 1.3 million relates to the Board; USD 3.3 million to the independent units; USD 31.2 million to the Secretariat; and USD 2.2 million to the Trustee¹ (as set out in figure 1 and table 1 below).

¹ There are small rounding differences.

**Figure 1: Composition of administrative expenditure for the period from 1 January to 31 July 2021
(in United States dollars)**



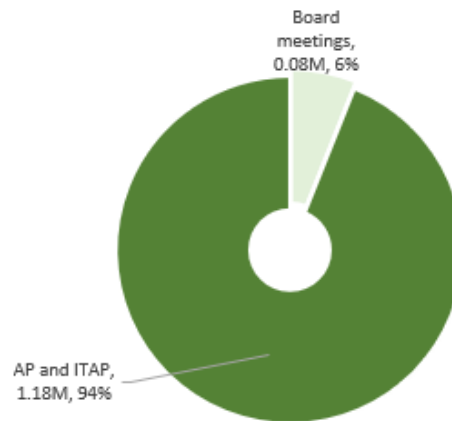
**Table 1: Summary of budget and expenditure for 1 January to 31 July 2021
(in United States dollars)**

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
A	Annual budgets				
A1	Board	4,756,436	1,255,682	3,500,754	26%
A2	Independent units	10,104,437	3,318,214	6,786,223	33%
A3	Secretariat	75,018,024	31,156,120	43,861,904	42%
A4	Trustee	3,756,000	2,191,000	1,565,000	58%
	Total annual budgets	93,634,897	37,921,016	55,713,881	40%

2.3 Board expenditure

5. The composition of the Board's expenditure is shown in figure 2 below.

**Figure 2: Composition of Board expenditure for the period from 1 January to 31 July 2021
(in United States dollars)**



*AP: Accreditation Panel, ITAP: Independent Technical Advisory Panel

6. Detailed Board expenditure for the period from 1 January to 31 July 2021 is set out in table 2 below.

**Table 2: Detailed Board expenditure for the period from 1 January to 31 July 2021
(in United States dollars)**

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
2.1	Board meetings				
2.1.1	Board representative travel	1,188,537	-	1,188,537	0%
2.1.2	Venue and logistics	427,694	75,922	351,772	18%
	Subtotal: Board meetings	1,616,231	75,922	1,540,309	5%
2.2	Co-Chair and Board representative travel				
2.2.1	Co-Chair and Board representative travel	26,084	-	26,084	0%
	Subtotal: Co-Chair and Board representative travel	26,084	-	26,084	0%
2.3	Board committees, panels and working groups				
2.3.1	Board representative travel	487,488	-	487,488	0%
2.3.2	Venue and logistics	11,593	-	11,593	0%
2.3.3	Compensation of Board panels: Accreditation Panel	982,500	477,538	504,962	49%
2.3.4	Compensation of Board panels: Independent Technical Advisory Panel	1,632,540	702,222	930,318	43%
	Subtotal: Board committees, panels and working groups	3,114,121	1,179,760	1,934,361	38%
	Grand total (1+2+3)	4,756,436	1,255,682	3,500,754	26%

7. Total Board expenditure for the period to 31 July 2021 amounted to USD 1.3 million, or 26 per cent of the total budget of USD 4.8 million.

8. The USD 1.2 million spent on Board committees, panels and working groups comprises USD 0.7 million for the compensation of the independent Technical Advisory Panel and USD 0.5 million for the compensation of the Accreditation Panel. The underspending in other areas (Board member’s travel, Board meetings, and Co-Chair and Board representative travel) is because of travel restrictions due to the COVID-19 pandemic.

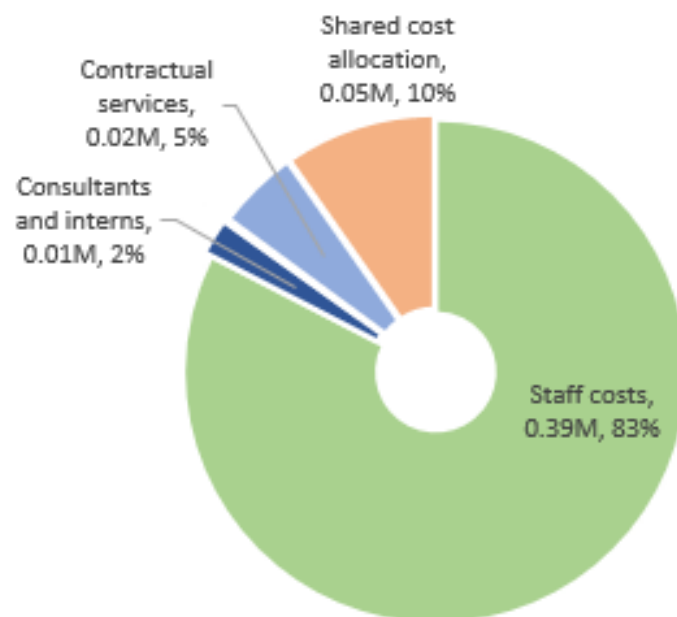
9. The compensation of Accreditation Panel members varies depending on their engagement during the year. Due to the COVID-19 pandemic, activities were restricted. As a result, they were engaged for less time than was anticipated at the time of budgeting, hence the low utilization of the budget for their compensation.

2.4 Independent units expenditure

2.4.1 Independent Redress Mechanism

10. The composition of the IRM expenditure for the period from 1 January to 31 July 2021 is shown in figure 3.

Figure 3: Composition of Independent Redress Mechanism expenditure for the period from 1 January to 31 July 2021 (in United States dollars)



11. The detailed expenditure for the IRM from 1 January 2021 to 31 July 2021 is outlined in table 3 below.

Table 3: Independent Redress Mechanism expenditure for the period from 1 January to 31 July 2021 (in United States dollars)

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
3.1	Staff, consultants and interns				
3.1.1	Full-time staff	845,959	389,537	456,422	46%
3.1.2	Consultants and interns	164,705	10,900	153,805	7%
	Subtotal: staff, consultants and interns	1,010,664	400,437	610,227	40%
3.2	Travel				
3.2.1	General	40,864	918	39,946	2%
3.2.2	Travel associated with complaints/request	62,289	-	62,289	0%
	Subtotal: travel	103,153	918	102,235	1%
3.3	Contractual services				
3.3.1	Professional services	119,119	22,680	96,439	19%
3.3.2	Operating costs	83,950	1,898	82,052	2%
	Subtotal: contractual services	203,069	24,578	178,491	12%
	Total	1,316,886	425,933	890,953	32%
	Shared cost allocation	78,585	45,841	32,744	58%
	Grand total (1+2+3)	1,395,471	471,774*	923,697	34%*

* The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 0.1 million. If incorporated, the actual expenditure and commitments as of 31 July 2021 stand at 42 per cent.

12. Actual expenditure for the IRM during the reporting period totalled USD 0.47 million against an approved 2021 annual budget of USD 1.4 million (34 per cent). However, the Board's attention is drawn to the fact that, as stated in the 2021 budget, 18 per cent of the IRM budget (i.e. USD 252,240) constitutes contingent costs which would be incurred only if complaints or reconsideration requests are received by the IRM and other demand-driven costs arise. Most of the IRM expenditure to date has been on non-contingent costs, with only a small amount paid to interpreters under the contingent costs budget.

13. The underspending in travel is due to continued GCF-wide prohibitions on mission travel as a result of the COVID-19 pandemic. Mission travel prohibitions have prevented the IRM from conducting necessary case-related travel for its now-concluded complaint in Morocco and conducting travel related to outreach and capacity-building (for which only a small provision was made, with the understanding that COVID-19 travel restrictions would remain in place for most of 2021). Provisions were also made for two staff members to travel to a GCF Board meeting outside of the Republic of Korea and for two staff members to travel to the Annual Meeting of the Independent Accountability Mechanisms Network. At present, these events are all planned to take place remotely, given the ongoing COVID-19 pandemic. The only anticipated travel under non-contingent costs for 2021 is a mission trip to attend the United Nations Climate Change Conference (COP 26) in Glasgow in November.

14. More than half of the IRM 2021 travel budget is part of its contingent budget and is also dependent on spending associated with complaints received and the need to travel to the site to conduct problem-solving and investigative work related to those complaints. A portion of spending on the consultancy and operating costs budget is also dependent on complaints

received. In addition to the now-concluded processing of the IRM Morocco complaint (received in 2020), the IRM recently received a complaint regarding a project in Nicaragua. Given the eligibility of the complaint, case-related travel, if permitted, may be necessary in the next quarter.

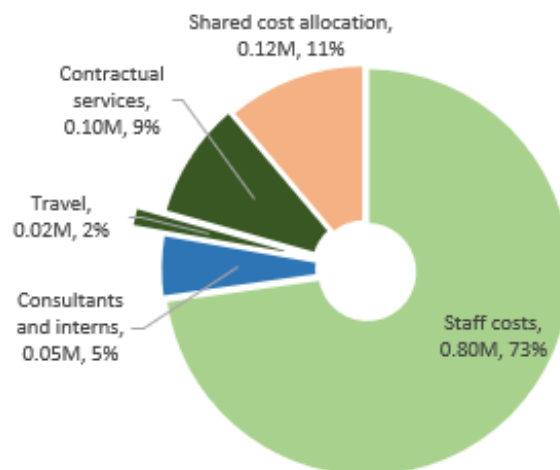
15. Since May, a communications consultant and a social media consultant have been actively engaged in ramping up the IRM's communications efforts. They will continue their work until the end of 2021. Additionally, the IRM is currently finalizing a number of major procurement requests for consultancy and professional services, which will significantly increase IRM spending in the next quarter. These requests took longer than originally anticipated, but the IRM is on track to deliver on the work plan activities under these contracts.

16. Given the challenges associated with bringing new interns to Songdo as a result of COVID-19 and quarantine requirements in the Republic of Korea, the IRM had decided to hire only one intern. The IRM has decided to extend the duration of this intern's contract and has also hired a second intern who will start in September. No additional interns are anticipated for the rest of 2021.

2.4.2 Independent Integrity Unit

18. The composition of the IIU expenditure for the period from 1 January to 31 July 2021 is shown in figure 4.

Figure 4: Composition of Independent Integrity Unit expenditure for the period from 1 January to 31 July 2021 (in United States dollars)



19. The detailed expenditure for the IIU from 1 January 2021 to 31 July 2021 is outlined in table 4 below.

Table 4: Independent Integrity Unit expenditure for the period from 1 January to 31 July 2021 (in United States dollars)

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
4.1	Staff, consultants and interns costs				
4.1.1	Full-time staff	2,299,390	798,770	1,500,620	35%
4.1.2	Consultants and interns	102,300	54,698	47,602	53%
	Subtotal: staff, consultants and interns	2,401,690	853,468	1,548,222	36%
4.2	Travel				
4.2.1	General	41,430	17,544	23,886	42%
	Subtotal: travel	41,430	17,544	23,886	42%
4.3	Contractual services				
4.3.1	Communication and outreach	10,000	-	10,000	0%
4.3.2	Other operating costs	66,000	28,800	37,200	44%
4.3.3	Information and communications technology	66,600	74,802	(8,202)	112%
	Subtotal: contractual services	142,600	103,602	38,998	73%
	Total	2,585,720	974,614	1,611,106	38%
4.4	Shared cost allocation	210,673	122,893	87,780	58%
	Grand total (1+2+3)	2,796,393	1,097,507*	1,698,886	39%*

* The expenses above do not include committed contracts signed for consultants and contractual services, which amount to approximately USD 0.28 million. If incorporated, the actual expenditure and commitments as of 31 July 2021 stand at 49 per cent.

20. Actual expenditure for the IIU during the reporting period totalled USD 1.1 million against an approved 2021 annual budget of USD 2.8 million (39 per cent).

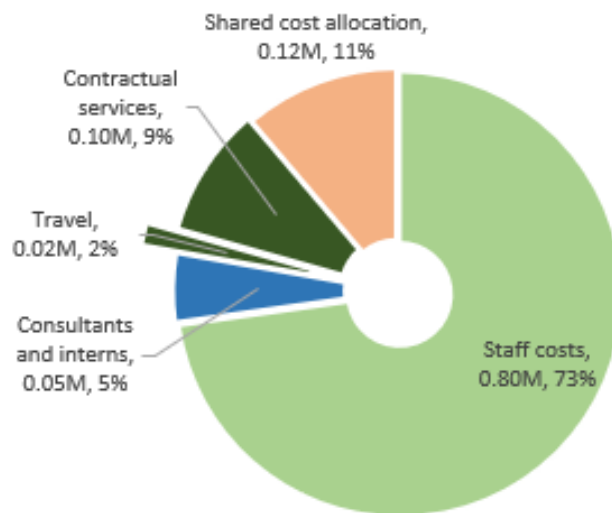
21. In the second quarter of 2021, the IIU focused on the development of its capacity to action its investigations and proactive prevention work. Accordingly, the IIU invested in implementing a technical infrastructure to support the growth of its data analytics and intelligent automation. Similarly, development and user acceptance testing of the IIU's case management system continued to progress. This investment in its information systems is reflected in the increased expenditure shown in the information and communication technology line item.

22. Notably, also, the IIU has experienced some delays in the recruitment of staff to fill open positions. This has led to the engagement of consultants to help meet capacity requirements. The combination of factors has contributed to underspending in the staffing budget line and an increase in the consultants line item.

2.4.3 Independent Evaluation Unit

23. The composition of the IEU expenditure for the period from 1 January to 31 July 2021 is shown in figure 5.

Figure 5: Composition of Independent Evaluation Unit expenditure for the period from 1 January to 31 July 2021 (in United States dollars)



24. The detailed expenditure for the IEU from 1 January 2020 to 31 July 2021 is outlined in table 5 below.

Table 5: Independent Evaluation Unit detailed expenditure for the period from 1 January to 31 July 2021 (in United States dollars)

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
5.1	Staff, consultants and interns				
5.1.1	Full-time staff	3,015,569	1,026,770	1,988,799	34%
5.1.2	Consultants and interns	582,200	232,001	350,199	40%
	Subtotal: staff, consultants and interns	3,597,769	1,258,771	2,338,998	35%
5.2	Travel				
5.2.1	General	218,915	20,060	198,855	9%
	Subtotal: travel	218,915	20,060	198,855	9%
5.3	Contractual services				
5.3.1	Legal and professional services	1,678,000	247,545	1,430,455	15%
5.3.2	Operating costs	47,000	6,205	40,795	13%
	Subtotal: contractual services	1,725,000	253,750	1,471,250	15%
	Total	5,541,684	1,532,581	4,009,103	28%
	Shared cost allocation	370,889	216,352	154,537	58%
	Grand total (1+2+3)	5,912,573	1,748,933*	4,163,640	30%*

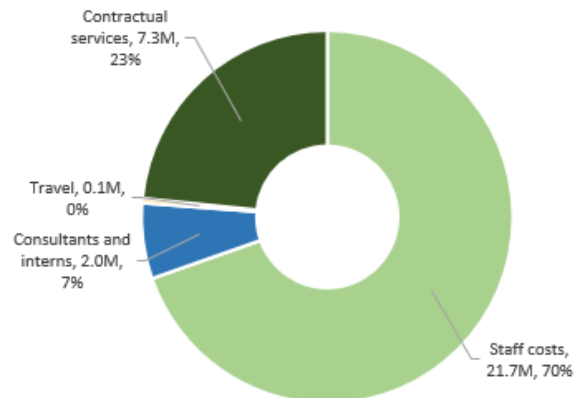
* The expenses above do not include committed contracts signed for consultants and contractual services, which amount to approximately USD 1.4 million. If incorporated, the actual expenditure and commitments as of 31 July 2021 stand at 53 per cent.

25. Actual expenditure for the IEU during the reporting period totalled USD 1.7 million against an approved 2021 annual budget of USD 5.9 million (30 per cent).
26. Due to the continued travel restrictions imposed by the COVID-19 pandemic, the execution rate relating to travel remains low.
27. In order to address the current human resource capacity gap at the IEU with the necessary urgency, and to complete and expedite the recruitment processes within the workplan and budget period of 2021, IEU consulted with the Budget Committee on the budget re-allocation to cover the following items, as agreed in July 2021. These re-allocations have not been reflected in table 5 above:
- (a) Re-allocation of USD 20,000 from the full-time staff budget to the consultant budget: the IEU plans to hire short-term senior individual consultants, remote and HQ-based, who will provide the technical support to ongoing IEU evaluations for the remainder of 2021 and until the planned human resource recruitments have been completed;
 - (b) Re-allocation of USD 152,000 from the full-time staff budget to the legal and professional services budget: the GCF Office of Human Resources requests the IEU to consider outsourcing some recruitment processes to external human resource recruitment firms. This re-allocated cost will be used for the procurement of services from those firm(s).

2.5 Secretariat expenditure

28. The composition of the Secretariat expenditure for the period from 1 January to 31 July 2021 is shown in figure 6.

Figure 6: Composition of Secretariat expenditure for the period from 1 January to 31 July 2021 (in United States dollars)



29. The detailed expenditure for the Secretariat from 1 January to 31 July 2021 is set out in table 6 below.

Table 6: Secretariat expenditure for the period from 1 January 2021 to 31 July 2021 (in United States dollars)

		2021 approved budget	Actual expenditure to 31 July 2021	Balance	% spent
6.1	Staff, consultants and interns costs				
6.1.1	Full-time staff	48,716,495	21,698,203	27,018,292	45%
6.1.2	Consultants and interns	3,259,006	2,041,871	1,217,135	63%
	Subtotal: staff, consultants and interns	51,975,501	23,740,074	28,235,427	46%
6.2	Travel				
6.2.1	General	1,809,794	123,981	1,685,813	7%
6.2.2	Staff travel to Board meeting	255,000	-	255,000	0%
	Subtotal: travel	2,064,794	123,981	1,940,813	6%
6.3	Contractual services				
6.3.1	Professional services	9,544,125	1,896,299	7,647,826	20%
6.3.2	Office utilities	288,000	135,187	152,813	47%
6.3.3	Operating costs	2,327,230	564,261	1,762,969	24%
6.3.4	Information and communications technology	6,169,829	3,797,501	2,372,328	62%
6.3.5	Depreciation	1,148,000	898,817	249,183	78%
	Subtotal: contractual services	19,477,184	7,292,065	12,185,119	37%
	Total	73,517,479	31,156,120	42,361,359	42%
6.4	Contingency	1,500,545	-	1,500,545	0%
	Grand total (1+2+3)	75,018,024	31,156,120*	43,861,904	42%*

* The expenses above do not include committed contracts signed for consultants and contractual services, which amounts to approximately USD 6.9 million. If incorporated, the actual expenditure and commitments as of 31 July 2021 stand at 51 per cent.

30. Total Secretariat expenditure for the period from 1 January to 31 July 2021 amounted to USD 31.2 million of the total budget of USD 75.1 million (42 per cent).
31. The Board approved the 2021 work programme of the Secretariat and annual administrative budget of the GCF Secretariat, Board and Trustee at the twenty-seventh meeting of the Board (B.27). As per the budget and work programme preparation process, the Secretariat's divisions/offices finalized their inputs by August 2020 to ensure timely endorsement by the Budget Committee and approval from the Board. For the 2021 work programme, many planning assumptions have materially evolved since the divisions finalized their inputs in August 2020. Additionally, the updated Strategic Plan (USP) was approved by the Board at B.27, which had not been fully incorporated into the 2021 work programme for its approval due to the sequencing of Board considerations. The COVID-19 pandemic also posed further challenges to the operations of both the Secretariat and the accredited entities. For the Secretariat to meet its 2021 work plan in a COVID-19 context and better align it with emerging USP directions within its existing approved budget, it needed to re-allocate its 2021 Budget, notably to increase the budget for consultants to meet the capacity constraints. These re-allocations are not reflected in table 6. In parallel, the Secretariat analysed the broader resourcing implications of delivering the USP and will be presenting the analysis separately to the Budget Committee and the Board for its consideration at B.30.
32. The main budget re-allocations requested were as follows:
- (a) Using short-term consultants who could be quickly recruited in the areas where GCF require urgent support, such as portfolio monitoring and review, legal support for funded activity agreements, support implementing the new information technology software. As these short-term consultants are generally required to work from their present locations, their services can be enlisted more quickly than full-time staff, given the relocation considerations full-time staff would need to make, including the impact to their families, which is heightened given the travel restrictions resulting from the COVID-19 pandemic; and
 - (b) There was also a requirement to enhance the information and communication technology (ICT) capacity, given the continued need to support personnel and stakeholders spread across the globe. This included significant up-front investments in ICT infrastructure which are necessary to handle the increasing volume and complexity of operations. This also includes the increased licence and maintenance costs of the multiple software solutions implemented by GCF and increased ICT support necessary, given the difference in time zones for different Secretariat personnel, the Board and the independent units.
33. The following main points are noteworthy regarding Secretariat expenditure.
34. Total expenditure on full-time staff amounts to USD 21.7 million, or 45 per cent of the total budget for the year. The reason for the underspending is that staff have been recruited at a slower pace than was anticipated when the budget was approved. From January 2021 to July 2021 an average of 202 staff were on the payroll for the Secretariat compared with the 235 in the 2021 approved budget.
35. For most of the past three years, the GCF Secretariat staff headcount has been well below the level approved by the Board, a reality which has led to significant underspends on staff budget lines, and practical reliance on other measures (consultants, interns and professional services) to provide the capacity needed to maintain operations. The major factors impacting the GCF's staffing level include the GCF's structural settings, the challenges posed by the COVID-19 pandemic to retain and recruit staff outside their home countries, GCF's recruitment capacity and recruitment business processes, gender balance; and the employees' experience.

36. Enhancing recruitment remains the key priority to address the capacity gaps. Different measures have been adopted, such as streamlining the recruitment process, completing the interview process remotely, the introduction of planning and monitoring tools, and remote onboarding to allow new staff to make relocation arrangements. These actions, among others, have reduced the average time to fill a vacant position by 45 per cent between 2020 and 2021.

37. The Secretariat is taking several steps in 2021 to address the recruitment and retention challenges. These include:

- (a) Developing the People Plan to continue to strengthen the employee value proposition and further streamline the recruitment process;
- (b) Further streamlining recruitment processes to fill capacity gaps more quickly as they arise;
- (c) Strengthening the Human Resources team;
- (d) Introducing the onboarding programme to accelerate the understanding of the basic critical knowledge required by GCF staff to engage in their respective jobs faster;
- (e) Assessing the effectiveness of past individual professional development and growth efforts and strengthening them as required;
- (f) Implementing initiatives and policies to improve work–life balance, including flexible working conditions, a comprehensive well-being programme and review of the competitiveness of GCF's compensation and benefits offer; and
- (g) Updating the GCF Administrative Guidelines on Human Resources, which were partly inspired by human resources policies in organizations many times larger than the GCF Secretariat.

38. The Secretariat currently has 11 recruitment processes at an advanced stage and 8 new staff members waiting to join the Secretariat. The Secretariat expects to reach a headcount of at least 230 by the end of 2021.

39. Consultancy costs are USD 2 million, or 63 per cent of the total budget for the year. Several consultants have been hired to maintain the necessary capacity of the Secretariat, where staff positions have yet to be filled. Based on the consultant commitments, the consultant expenditure is expected to be over the budget at the end of the year. Although it is expected that the Secretariat will end the year with over-execution in consultant expenditure, the total staff and consultant costs should be within the Board-approved budget due to the savings in staff costs.

40. Travel costs for staff and consultants are USD 0.1 million, or 7 per cent of the budget of USD 2 million for the year. This expense is mainly due to payment for the booking of accommodation for COP 26 in Glasgow, in November 2021. As a result of the COVID-19 pandemic, several in-person engagements with partners have either been conducted virtually or postponed, which will result in lower execution for the travel budget.

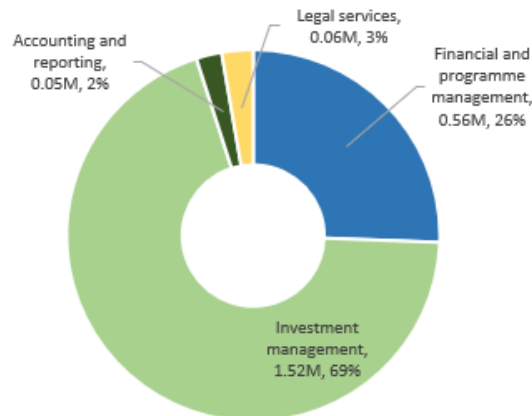
41. The cost of contractual services (including professional services, general operations, ICT and depreciation) is USD 7.3 million, or 37 per cent, against a budget of USD 19.5 million for the year, which is within the budget. The reduced expenses for contractual services are mainly due to the underspending for legal expenses, communities of practice, the knowledge management system and the GCF Private Investment for Climate Conference. The expenditure for the GCF Private Investment for Climate Conference, which typically happens in the second half of the year, is expected in the latter part of the year. For communities of practice and the knowledge management system, contracts have been signed with professional services firms, and the expenses will pick up during the latter part of the year.

42. Due to the enormous increase in the demand for ICT services, including the continued need to support personnel and stakeholders spread across the globe, there is a requirement to enhance the current ICT capacity. Hence, budget execution with regard to ICT costs is expected to be higher than the originally approved budget. However, the overall Secretariat expenditure will be within the budget approved by the Board (decision B.27/07).
43. The expected ICT expenses in 2021 include significant up-front investments in ICT infrastructure, which are necessary to handle the increasing volume and complexity of operations. These investments are expected to pay back in significant productivity gains and transparency enhancements. As the remaining manual workflows are automated, staff time will be freed up and access to GCF data and processes will be enhanced. This work will be undertaken with a view to increasing the efficiency and productivity of the Secretariat and key GCF processes and facilitating the dynamic use of key information to enable both the Secretariat and GCF partners to better plan and implement their work.
44. The ICT cost also includes the increased licence and maintenance cost of the multiple software solutions implemented by GCF that are now fully functional. While undertaking implementation of any new software GCF ensures that it gets the best value for money and makes significant efforts towards that, including collaborating with other similar organizations to get favourable terms based on the joint overall order volume. Additionally, this also includes providing 24-hour ICT support given the difference in time zones for different Secretariat personnel, the Board and independent units.
45. The Board-approved contingency budget of USD 1,500,545 within the Secretariat budget remains unused. This was created to respond to both the mounting COVID-19-related demands for adaptive actions and the unknown risks created by the wide range of uncertainty in the evolving development of the pandemic. As of 31 July 2021, no expenses had been allocated to the contingency budget.

2.6 Trustee costs

46. The composition of the Trustee expenditure for the period from 1 January to 31 July 2021 is shown in figure 7 below.

Figure 7: Composition of Trustee expenditure for the period from 1 January to 31 July 2021 (in United States dollars)



47. Estimated costs for the Trustee services for the period from 1 January to 31 July 2021 are set out in table 7 below.

Table 7: Estimated Trustee budget utilization for the period from 1 January to 31 July 2021 (in United States dollars)

		2021 approved budget	Estimated expenditure to 31 July 2021	Balance	% spent
7.1	Financial and programme management	961,000	560,583	400,417	58%
7.2	Investment management	2,610,000	1,522,500	1,087,500	58%
7.3	Accounting and reporting	83,000	48,417	34,583	58%
7.4	Legal services	102,000	59,500	42,500	58%
	Grand total	3,756,000	2,191,000	1,565,000	58%

48. Costs and expenses for the Trustee services to GCF are based on the approved budget for the calendar year 2021. Cost estimates up to 31 July 2021 are based on a pro-rata share of the approved amount for the year.

2.7 Non-utilized budget

49. It is important to note that the Trustee transfers funds at regular intervals to the Secretariat based on estimated cash flow requirements rather than as a lump sum at the beginning of the year. The unutilized budget remaining from the annual budget at the year-end is retained in the GCF Trust Fund by the Trustee for future allocation by the Board. Any unutilized budget is not carried forward to the subsequent year.

III. Recommendation by the Budget Committee

50. The Budget Committee recommends that the Board take note of the report on the execution of the 2021 administrative budget of GCF as at 31 July 2021.
