

**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
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Antigua and Barbuda  
Provisional agenda item 13

**GCF/B.32/Inf.10/Add.02**

2 May 2022

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# Report on the execution of the 2022 administrative budget of GCF

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## Summary

This document provides information on the execution of the GCF 2022 administrative budget for the period from 1 January to 28 February 2022 and the budget approved for the second performance review of GCF for the period from 10 June 2021 to 28 February 2022.

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 28 February 2022, total expenditure was USD 10.7 million against the annual budget of USD 100.6 million (11 per cent of the approved budget) and USD 0.1 million against the multi-year budget for the second performance review (9 per cent of the approved budget). These figures do not include commitments i.e., the contracts for consultants and professional services that are signed and GCF has committed for those but the services/good are not yet delivered by the vendor. During the year when the related services are performed/goods delivered, these would be reported as actual expenditure in the budget execution reports.

The unutilized budget of USD 89.9 million comprises USD 4.5 million for the Board, USD 10.3 million for the independent units, USD 72.1 million for the Secretariat, and USD 3.0 million for the Trustee.

## I. Introduction

1. This document presents a review of the 2022 expenditure against the administrative budget of GCF. It is based on actual expenditure relating to activities of the Board, independent units, Secretariat and Trustee for the period from 1 January to 28 February 2022. For the second performance review, the amounts reflect expenditure for the period from 10 June 2021 to 28 February 2022.

## II. Approved budget and summary of expenditure

### 2.1 Approved budget

2. By decision B.30/07, the Board approved, from the resources available in the GCF Trust Fund, an administrative budget of USD 87,813,586 for the period from 1 January to 31 December 2022 for Board activities (USD 4,767,656), Secretariat operations (USD 79,399,930) and Trustee activities (USD 3,646,000). The budget of USD 79,399,930 for Secretariat operations includes a contingency budget equal to 2 per cent of the administrative budget of the Secretariat (USD 1,556,861).

3. The Board also approved an additional budget of USD 1,602,438 for Secretariat staff salaries and emoluments in 2022 under decision B.30/06.

4. The Board also approved the following budgets for the three independent units, amounting to USD 11,235,837:

- (a) USD 1,645,915 under decision B.30/08 for the Independent Redress Mechanism (IRM) for the period from 1 January to 31 December 2022;
- (b) USD 3,102,910 under decision B.30/09 for the Independent Integrity Unit (IIU) for the period from 1 January to 31 December 2022; and
- (c) USD 6,487,012 under decision B.30/10 for the Independent Evaluation Unit (IEU) for the period from 1 January to 31 December 2022.

5. In addition, by decision B.BM-2021/11, the Board approved a multi-year budget of USD 1,315,000 for the second performance review of GCF.

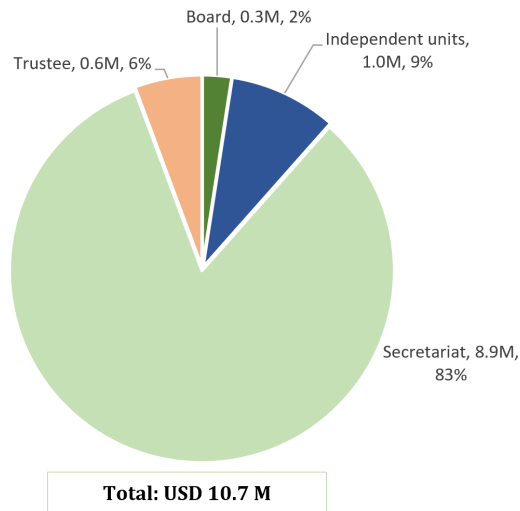
### 2.2 Summary of expenditure

6. For the period from 1 January to 28 February 2022, the total expenditure for the Board, independent units, Secretariat and Trustee amounted to USD 10.7 million against a budget of USD 100.6 million (11 per cent). Of this figure, USD 0.3 million relates to the Board; USD 1.0 million to the independent units; USD 8.9 million to the Secretariat; and USD 0.6 million to the Trustee<sup>1</sup> (as set out in figure 1 and table 1).

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<sup>1</sup> There are small rounding differences.

**Figure 1: Composition of administrative expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



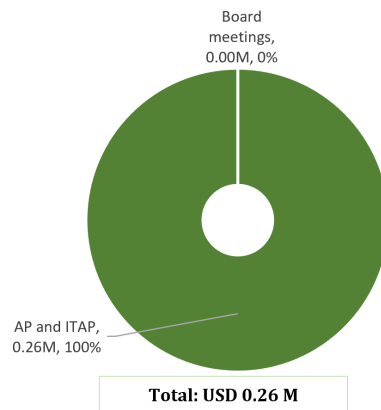
**Table 1: Summary of annual budget and expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>A</b>	<b>Annual budgets</b>				
A1	Board	4,767,656	261,435	4,506,221	5%
A2	Independent units	11,235,837	976,547	10,259,290	9%
A3	Secretariat	81,002,368	8,901,697	72,100,671	11%
A4	Trustee	3,646,000	607,666	3,038,333	17%
	<b>Total: annual budgets</b>	<b>100,651,861</b>	<b>10,747,345</b>	<b>89,904,516</b>	<b>11%</b>

## 2.3 Board expenditure

7. The composition of Board expenditure for the period from 1 January to 28 February 2022 is shown in figure 2.

**Figure 2: Composition of Board expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



\*Abbreviations: AP = Accreditation Panel, iTAP = independent Technical Advisory Panel.

8. Detailed Board expenditure for the period from 1 January to 28 February 2022 is set out in table 2.

**Table 2: Detailed Board expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>2.1</b>	<b>Board meetings</b>				
2.1.1	Board representative travel	1,188,537	-	1,188,537	0%
2.1.2	Venue and logistics	427,694	-	427,694	0%
	<b>Subtotal: Board meetings</b>	<b>1,616,231</b>	<b>-</b>	<b>1,616,231</b>	<b>0%</b>
<b>2.2</b>	<b>Co-Chair and Board representative travel</b>				
2.2.1	Co-Chair and Board representative travel	26,084	-	26,084	0%
	<b>Subtotal: Co-Chair and Board representative travel</b>	<b>26,084</b>	<b>-</b>	<b>26,084</b>	<b>0%</b>
<b>2.3</b>	<b>Board committees, panels and working groups</b>				
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	993,380	38,465	954,915	4%
2.3.4	Compensation of Board panels: independent Technical Advisory Panel	1,632,880	222,970	1,409,910	14%
	<b>Subtotal: Board committees, panels and working groups</b>	<b>3,125,341</b>	<b>261,435</b>	<b>2,863,906</b>	<b>8%</b>
	<b>Grand total (1+2+3)</b>	<b>4,767,656</b>	<b>261,435</b>	<b>4,506,221</b>	<b>5%</b>

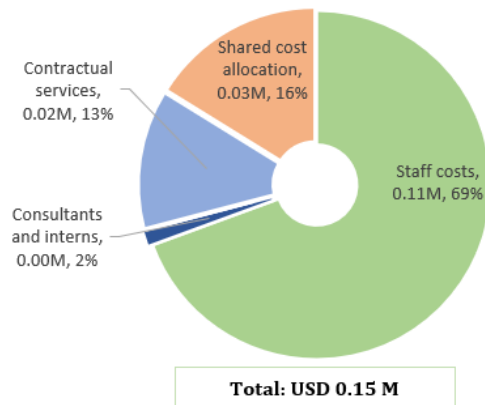
9. Total Board expenditure for the period from 1 January to 28 February 2022 amounted to USD 0.3 million, or 5 per cent of the total budget of USD 4.8 million.
10. The USD 0.3 million spent on Board committees, panels, and working groups comprises USD 0.2 million for the compensation of the independent Technical Advisory Panel and USD 0.04 million for the compensation of the Accreditation Panel.
11. The report shows the expenditure for the first two months of 2022 and there were no board meetings during this time. Hence no expenditure is incurred in the other areas (Board members' travel, Board meetings, and Co-Chair and Board representative travel).

## 2.4 Independent units expenditure

### 2.4.1 Independent Redress Mechanism expenditure

12. The composition of IRM expenditure for the period from 1 January to 28 February 2022 is shown in figure 3.

**Figure 3: Composition of Independent Redress Mechanism expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



13. Detailed IRM expenditure for the period from 1 January to 28 February 2022 is shown in table 3.

**Table 3: Detailed Independent Redress Mechanism expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>3.1</b>	<b>Staff, consultants and interns</b>				
3.1.1	Full-time staff	1,095,945	107,556	988,389	10%
3.1.2	Consultants and interns	160,390	2,332	158,058	1%
	<b>Subtotal: staff, consultants and interns</b>	<b>1,256,335</b>	<b>109,888</b>	<b>1,146,447</b>	<b>9%</b>
<b>3.2</b>	<b>Travel</b>				
3.2.1	General	19,030	-	19,030	0%
3.2.2	Travel associated with complaints/requests	42,530	-	42,530	0%
	<b>Subtotal: travel</b>	<b>61,560</b>	<b>-</b>	<b>61,560</b>	<b>0%</b>
<b>3.3</b>	<b>Contractual services</b>				
3.3.1	Professional services	147,651	20,000	127,651	14%
3.3.2	Operating costs	29,900	-	29,900	0%
	<b>Subtotal: contractual services</b>	<b>177,551</b>	<b>20,000</b>	<b>157,551</b>	<b>11%</b>
	<b>Total</b>	<b>1,495,446</b>	<b>129,888</b>	<b>1,365,558</b>	<b>9%</b>
	Shared cost allocation	150,469	25,078	125,391	17%
	<b>Grand total (1+2+3)</b>	<b>1,645,915</b>	<b>154,966</b>	<b>1,490,949</b>	<b>9%*</b>

\*The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 0.3 million. If incorporated, the actual expenditure and commitments as of 28 February 2022 stand at 26 per cent.

14. Actual expenditure for the IRM during the reporting period totaled USD 0.15 million against an approved 2022 annual budget of USD 1.6 million (9 per cent). The Board's attention is drawn to the fact that, as stated in the 2022 budget, 9 per cent of the IRM budget (i.e. USD 154,080) constitutes demand-driven costs that would be incurred only if complaints or reconsideration requests are received by the IRM and necessitate travel or expert advice. As part of the ongoing case in relation to FP146, Nicaragua, some case-related travel will likely take place in the second quarter.

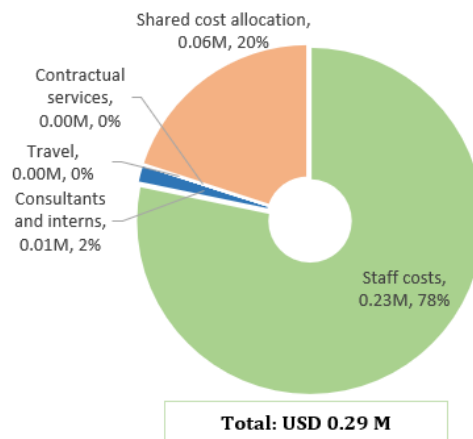
15. A portion of spending on the consultancy and operating costs budget is dependent on complaints received. Given that the case being handled in relation to FP146, Nicaragua, is now under a phase of compliance investigation and there are ongoing discussions regarding resuming problem-solving, it is expected that some payments will be made in the second quarter to cover the costs of hiring subject experts and a mediator.

16. In January and February, the IRM required much support from translators and interpreters to improve the accessibility of its work. The IRM is currently in the process of hiring a firm to deliver translation and interpretation services and a firm to provide capacity-building services to the Grievance Redress Mechanisms (GRMs) of GCF direct access entities through one global workshop and one-on-one expert advice. The IRM will also hire several individual experts to deliver a mediation training to the GRMs of the GCF direct access entities.

## 2.4.2 Independent Integrity Unit expenditure

17. The composition of IIU expenditure for the period from 1 January to 28 February 2022 is shown in figure 4.

**Figure 4: Composition of Independent Integrity Unit expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



18. Detailed IIU expenditure for the period from 1 January to 28 February 2022 is outlined in table 4.

**Table 4: Detailed Independent Integrity Unit expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>4.1</b>	<b>Staff, consultants and interns</b>				
4.1.1	Full-time staff	2,413,515	228,122	2,185,393	9%
4.1.2	Consultants and interns	96,575	5,100	91,475	5%
	<b>Subtotal: staff, consultants and interns</b>	<b>2,510,090</b>	<b>233,222</b>	<b>2,276,868</b>	<b>9%</b>
<b>4.2</b>	<b>Travel</b>				
4.2.1	General	13,560	-	13,560	0%
	<b>Subtotal: travel</b>	<b>13,560</b>	<b>-</b>	<b>13,560</b>	<b>0%</b>
<b>4.3</b>	<b>Contractual services</b>				
4.3.1	Professional services	50,000	-	50,000	0%
4.3.2	Communication and outreach	7,000	-	7,000	0%
4.3.3	Other operating costs	43,300	13	43,287	0%
4.3.4	Information and communication technology	129,454	-	129,454	0%
	<b>Subtotal: contractual services</b>	<b>229,754</b>	<b>13</b>	<b>229,741</b>	<b>0%</b>
	<b>Total</b>	<b>2,753,404</b>	<b>233,235</b>	<b>2,520,169</b>	<b>8%</b>
4.4	Shared cost allocation	349,506	58,252	291,254	17%
	<b>Grand total (1+2+3)</b>	<b>3,102,910</b>	<b>291,487</b>	<b>2,811,423</b>	<b>9%*</b>

\* The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 0.4 million. If incorporated, the actual expenditure and commitments as of 28 February 2022 stand at 21 per cent.



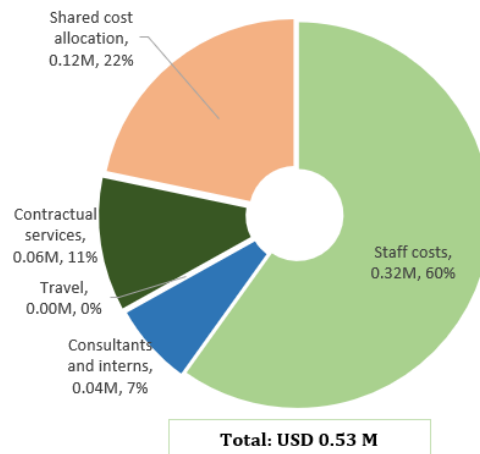
19. Actual expenditure for the IIU during the reporting period totalled USD 0.3 million against an approved 2022 annual budget of USD 3.1 million (9 per cent).

20. The IIU's budget execution remains on target but greater budget utilization is expected in the second quarter. The unit will onboard new investigations staff and engage the consultancies necessary to conclude the proactive integrity reviews already underway.

### 2.4.3 Independent Evaluation Unit expenditure

21. The composition of IEU expenditure for the period from 1 January to 28 February 2022 is shown in figure 5.

**Figure 5: Composition of Independent Evaluation Unit expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



22. Detailed IEU expenditure for the period from 1 January to 28 February 2022 is outlined in table 5.

**Table 5: Detailed Independent Evaluation Unit expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>5.1</b>	<b>Staff, consultants and interns</b>				
5.1.1	Full-time staff	3,640,213	317,431	3,322,782	9%
5.1.2	Consultants and interns	504,875	37,262	467,613	7%
	<b>Subtotal: staff, consultants and interns</b>	<b>4,145,088</b>	<b>354,693</b>	<b>3,790,395</b>	<b>9%</b>
<b>5.2</b>	<b>Travel</b>				
5.2.1	General	218,915	-	218,915	0%
	<b>Subtotal: travel</b>	<b>218,915</b>	<b>-</b>	<b>218,915</b>	<b>0%</b>
<b>5.3</b>	<b>Contractual services</b>				
5.3.1	Legal and professional services	1,386,000	60,225	1,325,775	4%
5.3.2	Operating costs	46,500	90	46,410	0%
	<b>Subtotal: contractual services</b>	<b>1,432,500</b>	<b>60,315</b>	<b>1,372,185</b>	<b>4%</b>
	<b>Total</b>	<b>5,796,503</b>	<b>415,008</b>	<b>5,381,495</b>	<b>7%</b>
	Shared cost allocation	690,509	115,086	575,423	17%
	<b>Grand total (1+2+3)</b>	<b>6,487,012</b>	<b>530,094</b>	<b>5,956,918</b>	<b>8%*</b>

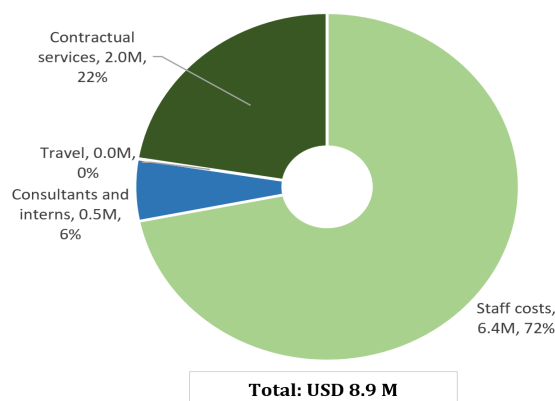
\* The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 1.5 million. If incorporated, the actual expenditure and commitments as of 28 February 2022 stand at 31 per cent.

23. Actual expenditure for the IEU during the reporting period totalled USD 0.5 million against an approved 2022 annual budget of USD 6.5 million (8 per cent).

## 2.5 Secretariat expenditure

24. The composition of Secretariat expenditure for the period from 1 January to 28 February 2022 is shown in figure 6.

**Figure 6: Composition of Secretariat expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



25. Detailed Secretariat expenditure for the period from 1 January to 28 February 2022 is set out in table 6.

**Table 6: Detailed Secretariat expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

		2022 approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>6.1</b>	<b>Staff, consultants and interns</b>				
6.1.1	Full-time staff**	53,130,258	6,394,029	46,736,229	12%
6.1.2	Consultants and interns	4,852,796	510,866	4,341,930	11%
	<b>Subtotal: staff, consultants and interns</b>	<b>57,983,054</b>	<b>6,904,895</b>	<b>51,078,159</b>	<b>12%</b>
<b>6.2</b>	<b>Travel</b>				
6.2.1	General	1,609,794	3,887	1,605,907	0%
6.2.2	Staff travel to Board meeting	255,000	-	255,000	0%
	<b>Subtotal: travel</b>	<b>1,864,794</b>	<b>3,887</b>	<b>1,860,907</b>	<b>0%</b>
<b>6.3</b>	<b>Contractual services</b>				
6.3.1	Professional services	6,600,107	64,910	6,535,197	1%
6.3.2	Office utilities	570,000	64,907	505,093	11%
6.3.3	Operating costs	2,903,185	51,001	2,852,184	2%
6.3.4	Information and communication technology	7,983,667	1,611,897	6,371,770	20%
6.3.5	Depreciation	1,540,700	200,200	1,340,500	13%
	<b>Subtotal: contractual services</b>	<b>19,597,659</b>	<b>1,992,915</b>	<b>17,604,744</b>	<b>10%</b>
	<b>Total</b>	<b>79,445,507</b>	<b>8,901,697</b>	<b>70,543,810</b>	<b>11%</b>
<b>6.4</b>	<b>Contingency</b>	<b>1,556,861</b>	<b>-</b>	<b>1,556,861</b>	<b>0%</b>
	<b>Grand total (1+2+3+4)</b>	<b>81,002,368</b>	<b>8,901,697</b>	<b>72,100,671</b>	<b>11%*</b>

\*The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 9.3 million. If incorporated, the actual expenditure and commitments as of 28 February 2022 stand at 22 per cent.

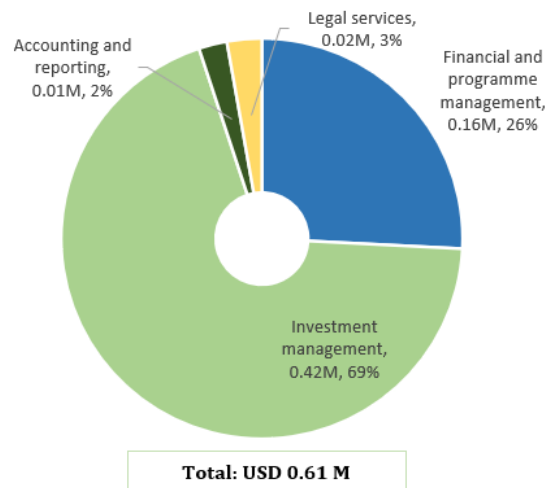
\*\* Includes USD 1,602,438 approved via Decision B.30/06, for salaries and emoluments in 2022. This consists of USD 2,088,966 for staff costs reduced by savings of USD 486,528 in consultants' costs. For this report, net amount of USD 1,602,438 is added under the staff costs line.

26. Total Secretariat expenditure for the period from 1 January to 28 February 2022 amounted to USD 8.9 million of the total budget of USD 81 million (11 per cent).
27. The following main points are noteworthy regarding Secretariat expenditure:
- (a) Total expenditure on full-time staff amounted to USD 6.4 million, or 12 per cent of the approved budget for 2022.
  - (b) Consultancy costs amounted to USD 0.5 million, or 11 per cent of the approved budget for 2022. Many of the consultants are paid based on the timesheets submitted and are paid after month-end closure. If the timesheets are not submitted in a timely manner, the expenditure is reported in the subsequent months.
  - (c) The cost of contractual services (including professional services, general operations, ICT) and depreciation was USD 2.0 million, or 10 per cent, against a budget of USD 19.6 million for 2022, which is within the approved budget. Contracts for services are in the pipeline, and the expenses will pick up in the latter part of the year.
  - (d) The Board-approved contingency budget of USD 1,556,861 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 significant uncertainty surrounding the evolving pandemic. As of 28 February 2022, no expenses had been allocated to the contingency budget.

## 2.6 Trustee expenditure

28. The composition of the Trustee expenditure for the period from 1 January to 28 February 2022 is shown in figure 7.

**Figure 7: Composition of Trustee expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**



29. Estimated costs for the Trustee services for the period from 1 January to 28 February 2022 are set out in table 7.

**Table 7: Estimated Trustee expenditure for the period from 1 January to 28 February 2022 (in United States dollars)**

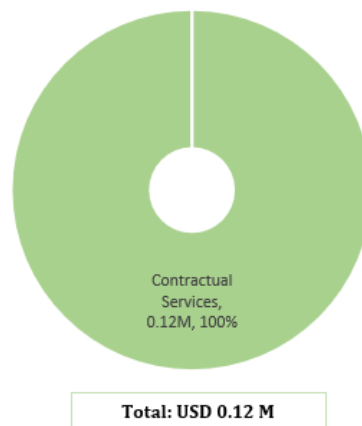
		2022 approved budget	Estimated expenditure to 28 Feb 2022	Balance	% spent
7.1	Financial and programme management	941,000	156,833	784,167	17%
7.2	Investment management	2,520,000	420,000	2,100,000	17%
7.3	Accounting and reporting	83,000	13,833	69,167	17%
7.4	Legal services	102,000	17,000	85,000	17%
	<b>Grand total</b>	<b>3,646,000</b>	<b>607,666</b>	<b>3,038,334</b>	<b>17%</b>

30. Costs and expenses for the Trustee services to GCF are based on the approved budget for the calendar year 2022. Cost estimates up to 28 February 2022 are based on a pro-rata share of the approved amount for the year.

## 2.7 Multi-year budget for the second performance review of GCF

31. The composition of second performance review expenditure for the period from 10 June 2021 to 28 February 2022 is shown in figure 8.

**Figure 8: Composition of second performance review expenditure for the period from 10 June 2021 to 28 February 2022 (in United States dollars)**



32. Detailed second performance review expenditure for the period from 10 June 2021 to 28 February 2022 is set out in table 8.

**Table 8: Detailed second performance review expenditure for the period from 10 June 2021 to 28 February 2022 (in United States dollars)**

		Approved budget	Actual expenditure to 28 Feb 2022	Balance	% spent
<b>8.1</b>	<b>Travel</b>				
8.1.1	General	325,000	-	325,000	0%
	<b>Subtotal: travel</b>	<b>325,000</b>	<b>-</b>	<b>325,000</b>	<b>0%</b>
<b>8.2</b>	<b>Contractual services</b>				
8.2.1	Legal and professional services	960,000	121,151	838,849	13%
8.2.2	Operating costs	30,000	-	30,000	0%
	<b>Subtotal: contractual services</b>	<b>990,000</b>	<b>121,151</b>	<b>868,849</b>	<b>12%</b>
	<b>Grand total (1+2)</b>	<b>1,315,000</b>	<b>121,151</b>	<b>1,193,849</b>	<b>9%*</b>

\*The expenses above do not include committed contracts signed for professional services, which amount to approximately USD 0.7 million. If incorporated, the actual expenditure and commitments as of 28 February 2022 stand at 65 per cent.

## 2.8 Unutilized budget

33. 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**

34. The Budget Committee recommends that the Board take note of the report on the execution of the 2022 administrative budget of GCF as of 28 February 2022.

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