

**GREEN
CLIMATE
FUND**

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Songdo, Incheon, Republic of Korea
Provisional agenda item 5

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4 October 2024

Report on the execution of the 2024 administrative budget of GCF

Summary

This document provides information on the execution of the GCF 2024 administrative budget from 1 January to 31 July 2024 and other additional budgets approved by the Board. The 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 2024, total expenditure for the annual administrative budget was USD 61.1 million against the annual budget of USD 125.4 million (49 per cent of the approved budget); expenditure for the additional budgets approved by the Board was USD 0.07 million against the additional budget of USD 0.8 million (8 per cent of the approved additional budgets).

The unutilized budget of USD 64.3 million for the annual administrative budget comprises USD 3.9 million for the Board, USD 7.5 million for the independent units, USD 51 million for the Secretariat and USD 1.9 million for the Trustee.

I. Introduction

1. This document presents information on the execution of the GCF 2024 administrative budget. It is based on actual expenditures relating to activities of the Board, the independent units, the Secretariat and the Trustee from 1 January to 31 July 2024.
2. Please note that this is the last budget execution report produced using the legacy accounting system for GCF which has been replaced with the new Enterprise Resource Planning System (ERP). We expect that over time with the new system, these reports will become more automated and enhanced.

II. Approved budget and summary of expenditure

2.1 Approved budget

3. By decision B.37/08, the Board approved, from the resources available in the GCF Trust Fund, an administrative budget of USD 110,439,352 for 2024 for Board activities (USD 5,946,627), Secretariat operations (USD 99,961,725) and Trustee activities (USD 4,531,000).
4. The Board also approved an additional budget of USD 1,741,000 to implement the adjustment of the salary scales under decision B.37/08.
5. The Board further approved the following budgets for the three independent units for 2024, amounting to USD 13,243,286:
 - (a) USD 1,993,000 under decision B.37/11 for the Independent Redress Mechanism (IRM);
 - (b) USD 3,601,000 under decision B.37/10 for the Independent Integrity Unit (IIU); and
 - (c) USD 7,649,286 under decision B.37/09 for the Independent Evaluation Unit (IEU).
6. Other additional budgets approved by the Board and reported on in this document are summarized in table 1.

Table 1: Active additional budgets approved by the Board

Decision	Description	Approved budget (USD)
B.34/21	Review of Administrative Guidelines on Human Resources	100,000
B.36/11	Resourcing implications of the accreditation strategy	612,000
B.BM-2020/04	Implementation of the performance evaluation and performance-related pay systems for Board-appointed officials for 2024	60,000
	Total	772,000

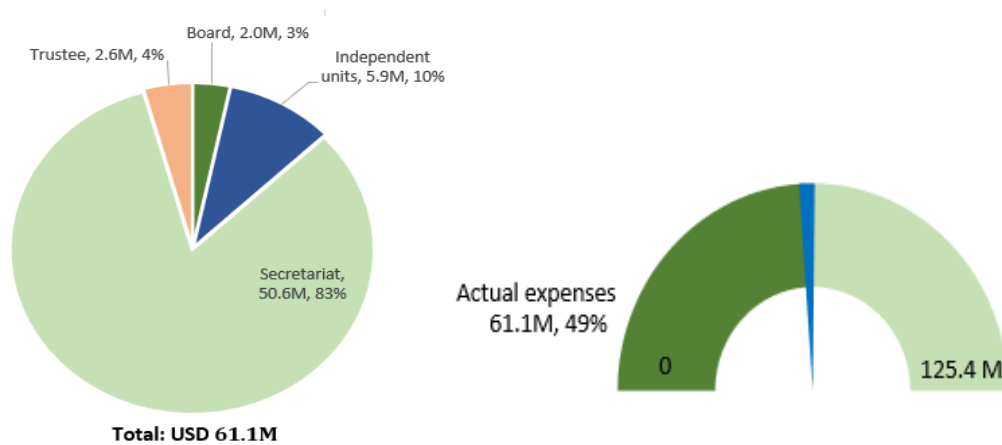
2.2 Summary of expenditure

7. From 1 January to 31 July 2024, the total expenditure on annual budgets for the Board, the independent units, the Secretariat and the Trustee amounted to USD 61.1 million against a budget of USD 125.4 million (49 per cent). Of this figure, USD 2.0 million relates to the Board; USD

5.9 million to the independent units; USD 50.6 million to the Secretariat; and USD 2.6 million to the Trustee¹ (as shown in figure 1 and table 2).

8. The actual expenditure for the additional budgets approved by the Board is USD 0.07 million against a budget of USD 0.8 million (8 per cent of the approved budgets).

Figure 1: Composition of annual administrative expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviation: M = million.

Table 2: Summary of annual budget and expenditure from 1 January to 31 July 2024 (in United States dollars)

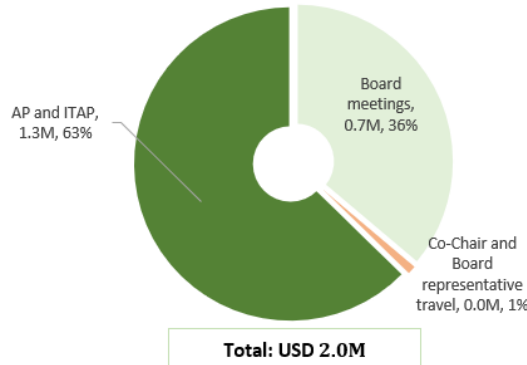
		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
2	Annual budgets				
2.1	Board	5,946,627	2,017,373	3,929,254	34
2.2	Independent units	13,426,551	5,883,913	7,542,638	44
2.3	Secretariat	101,519,460	50,557,618	50,961,842	50
2.4	Trustee	4,531,000	2,643,084	1,887,916	58
	Total: annual budgets	125,423,638	61,101,988	64,321,650	49

¹ There are small rounding differences.

2.3 Board expenditure

9. The composition of Board expenditure from 1 January to 31 July 2024 is shown in figure 2.

Figure 2: Composition of Board expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviations: AP = Accreditation Panel, iTAP = independent Technical Advisory Panel, M = million.

10. Detailed Board expenditure from 1 January to 31 July 2024 is set out in table 3.

Table 3: Detailed Board expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
3.1	Board meetings				
3.1.1	Board representative travel	1,260,919	552,084	708,835	44
3.1.2	Venue and logistics	1,014,698	177,011	837,687	17
	Subtotal: Board meetings	2,275,617	729,095	1,546,522	32
3.2	Co-Chair and Board representative travel				
3.2.1	Co-Chair and Board representative travel	27,673	23,261	4,412	84
	Subtotal: Co-Chair and Board representative travel	27,673	23,261	4,412	84
3.3	Board committees, panels and working groups				
3.3.1	Board representative travel	580,207	113,869	466,338	20
3.3.2	Venue and logistics	31,804	1,242	30,562	4
3.3.3	Compensation of Board panels: Accreditation Panel	951,626	400,390	551,236	42
3.3.4	Professional services for accreditation reviews	500,000	20,000	480,000	4
3.3.5	Compensation of Board panels: independent Technical Advisory Panel	1,579,700	729,516	850,184	46
	Subtotal: Board committees, panels and working groups	3,643,337	1,265,017	2,378,320	35
	Grand total	5,946,627	2,017,373	3,929,254	34

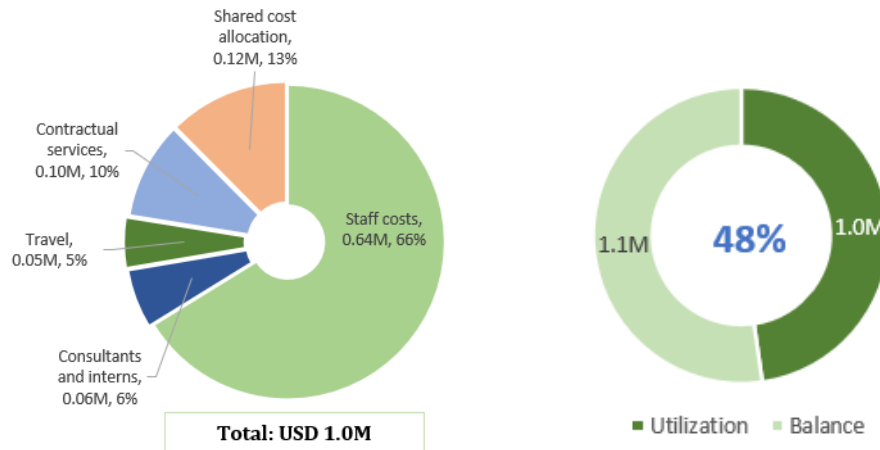
11. Total Board expenditure from 1 January to 31 July 2024 amounted to USD 2.0 million, or 34 per cent of the total budget of USD 5.9 million.
12. The Board meeting expenditure of USD 0.2 million represents the costs of the thirty-eighth meeting of the Board (B.38), held in Kigali, Rwanda, in March 2024, and B.39, held in Songdo, Republic of Korea, in July 2024.
13. The expenditure of USD 23,261 represents the cost incurred for the travel of the Co-Chairs for their onboarding at the beginning of the year.
14. The USD 1.3 million spent on Board committees, panels and working groups comprises USD 0.7 million for compensation of the independent Technical Advisory Panel, USD 0.4 million for compensation of the Accreditation Panel, USD 0.1 million for travel costs for both the Accreditation Panel and the independent Technical Advisory Panel, and USD 20,000 for professional services for accreditation reviews. The utilization rate for professional services for accreditation reviews is projected to reach USD 0.35 million, or 70 per cent of the total budget, by the end of the year.

2.4 Independent units expenditure

2.4.1 Independent Redress Mechanism Unit expenditure

15. The composition of IRM expenditure from 1 January to 31 July 2024 is shown in figure 3.

Figure 3: Composition of Independent Redress Mechanism Unit expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviation: M = million.

16. Detailed IRM expenditure from 1 January to 31 July 2024 is shown in table 4.

Table 4: Detailed Independent Redress Mechanism Unit expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
4.1	Staff, consultants and interns				
4.1.1	Full-time staff ^a	1,362,207	637,009	725,198	47
4.1.2	Consultants and interns	142,000	58,798	83,202	41
	Subtotal: staff, consultants and interns	1,504,207	695,807	808,400	46
4.2	Travel				
4.2.1	General	72,000	31,437	40,563	44
4.2.2	Travel associated with complaints/requests	65,000	15,720	49,280	24
	Subtotal: travel	137,000	47,157	89,843	34
4.3	Contractual services				
4.3.1	Professional services	98,000	61,440	36,560	63
4.3.2	Operating costs	71,000	34,991	36,009	49
	Subtotal: contractual services	169,000	96,431	72,569	57
	Total	1,810,207	839,395	970,812	46
4.4	Shared cost allocation	205,000	119,588	85,412	58
	Grand total	2,015,207	958,983	1,056,224	48

^a Includes USD 22,207 being the Independent Redress Mechanism Unit's share of USD 1,741,000 approved by decision B.37/08 for adjustment of the GCF salary scales.

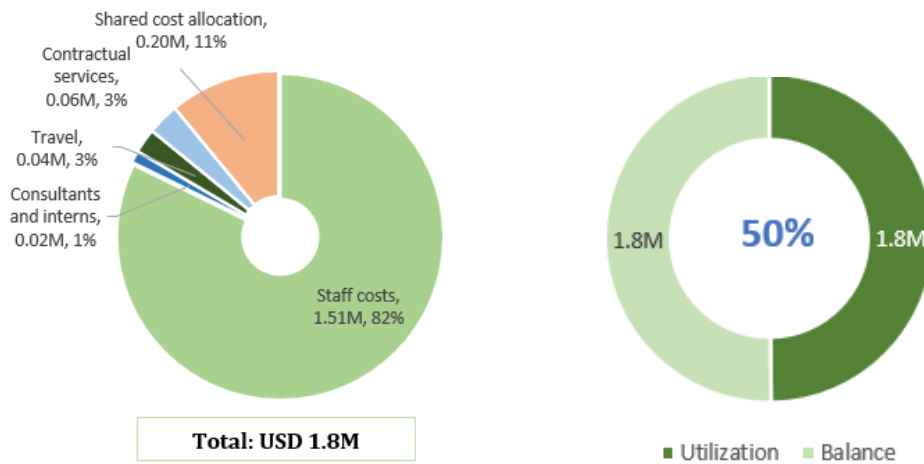
17. The Independent Redress Mechanism Unit had expended close to half of its annual budget as at the end of July 2024. Notably, since the previous reporting period, the Independent Redress Mechanism Unit executed a mission to Uganda in June 2024 for Case C-0010, and in July 2024, Case C-0009 advanced to the compliance review stage. These activities necessitated a significant allocation of resources, particularly towards consulting and professional services.

18. Looking ahead, the Independent Redress Mechanism Unit will undertake missions on open cases in the following months to Uganda and to Egypt. Additionally, preparations are actively under way for the co-hosting of the 21st Annual Meeting of the Independent Accountability Mechanisms Network jointly with the Asian Development Bank in Manila, Philippines, in October 2024. Projections indicate that overall budget utilization for 2024 will be close to 100 per cent.

2.4.2 Independent Integrity Unit expenditure

19. The composition of IIU expenditure from 1 January to 31 July 2024 is shown in figure 4.

Figure 4: Composition of Independent Integrity Unit expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviation: M = million.

20. Detailed IIU expenditure from 1 January to 31 July 2024 is outlined in table 5.

Table 5: Detailed Independent Integrity Unit expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
5.1	Staff, consultants and interns				
5.1.1	Full-time staff ^a	2,960,440	1,506,813	1,453,627	51
5.1.2	Consultants and interns	45,000	21,855	23,145	49
	Subtotal: staff, consultants and interns	3,005,440	1,528,668	1,476,772	51
5.2	Travel				
5.2.1	General	55,000	48,893	6,107	89
	Subtotal: travel	55,000	48,893	6,107	89
5.3	Contractual services				
5.3.1	Professional services	95,000	25,378	69,622	27
5.3.2	Other operating costs	66,000	14,892	51,108	23
5.3.3	Information and communication technology	96,000	17,340	78,660	18
5.3.4	Communication and outreach	15,000	0	15,000	0
	Subtotal: contractual services	272,000	57,610	214,390	21
	Total	3,332,440	1,635,171	1,697,269	49
5.4	Shared cost allocation	344,000	200,669	143,331	58
	Grand total	3,676,440	1,835,840	1,840,600	50

^a Includes USD 75,440 being the Independent Integrity Unit's share of USD 1,741,000 approved by decision B.37/08 for adjustment of the GCF salary scales.

21. As at this reporting period, the budget execution of the IIU remained on target, with a projected utilization rate of 99 per cent by year end 2024. Table 5 elaborates on the IIU expenditure thus far, including specific line items as at the end of July 2024.
22. Greater utilization is expected in the final quarter of the year as the IIU works to fully implement its 2024 work programme, spanning activities in the areas of proactive prevention, capacity-building, stakeholder engagement and operational efficiency.
23. In terms of staffing, the IIU has achieved its recruitment objective for the year with the successful onboarding of an Investigation Specialist in July 2024, bringing its total staff headcount to 13 members. Meanwhile, the IIU expects to onboard one short-term consultancy² by the fourth quarter of 2024, which will further increase utilization of the consultant budget line.
24. The IIU expects to fully commit its travel budget as opportunities for in-person engagements continue to expand, specifically in the context of capacity-building and international stakeholder engagement. Travel expenditure is expected to further increase in the last quarter of 2024 as the IIU undertakes an on-site visit for the Proactive Integrity Review and participates in selected international meetings.³
25. IIU is on track to fully execute its budget for contractual services. Related expenditure is expected to further increase as the IIU progresses with conducting this year's Proactive Integrity Review (engagement of a consulting firm to supplement IIU expertise), organization of the 3rd GCF Integrity Forum (including provision of travel support to participating direct access entities) and renewal of subscriptions to specialized tools and business solutions supporting the digital forensic and analytic capabilities of the IIU.
26. The shared cost allocation budget includes shared costs as determined by the Secretariat and in consultation with the independent units. These shared costs, relative to the IIU staff headcount, include allocations for standard information and communication technology services and business applications, standard office equipment, general utility costs and supplies, applicable insurances and depreciation.

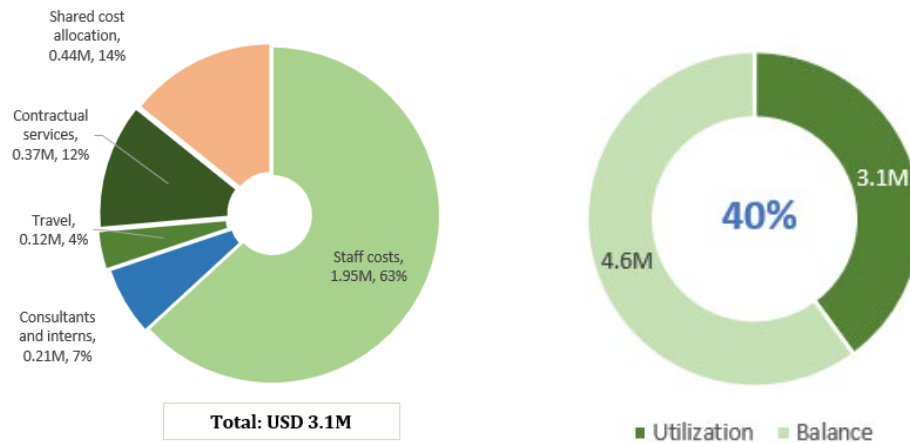
² In the 2024 IIU work programme, there are two short-term, project-specific consultancies: the Integrity Forum Facilitator and the IIU Team Retreat Facilitator. The Integrity Forum Facilitator was onboarded in July 2024, while a Team Retreat Facilitator is expected to be hired in November 2024.

³ IIU representation at international meetings, including the 24th Conference of International Investigators (to be held in Manila in November 2024) and the twenty-ninth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (to be held in Baku, Azerbaijan, in November 2024).

2.4.3 Independent Evaluation Unit expenditure

27. The composition of IEU expenditure from 1 January to 31 July 2024 is shown in figure 5.

Figure 5: Composition of Independent Evaluation Unit expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviation: M = million.

28. Detailed IEU expenditure from 1 January to 31 July 2024 is outlined in table 6.

Table 6: Detailed Independent Evaluation Unit expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
6.1	Staff, consultants and interns				
6.1.1	Full-time staff ^a	4,556,289	1,952,125	2,604,164	43
6.1.2	Consultants and interns	387,114	206,623	180,491	53
	Subtotal: staff, consultants and interns	4,943,403	2,158,748	2,784,655	44
6.2	Travel				
6.2.1	General	307,832	115,518	192,314	38
	Subtotal: travel	307,832	115,518	192,314	38
6.3	Contractual services				
6.3.1	Legal and professional services	1,687,000	353,810	1,333,190	21
6.3.2	Operating costs	41,500	20,504	20,966	49
	Subtotal: contractual services	1,728,500	374,314	1,354,186	22
	Total	6,979,735	2,648,580	4,331,155	38
	Shared cost allocation	755,169	440,510	314,659	58
	Grand total	7,734,904	3,089,090	4,645,814	40

^a Includes USD 85,618 being the Independent Evaluation Unit's share of USD 1,741,000 approved by decision B.37/08 for adjustment of the GCF salary scales.

29. Staff costs comprise staff salaries, benefits, staff training and development costs. Facilitated workshops and professional training for staff are currently planned for the fourth quarter of 2024. Six hiring processes were completed during the reporting period.

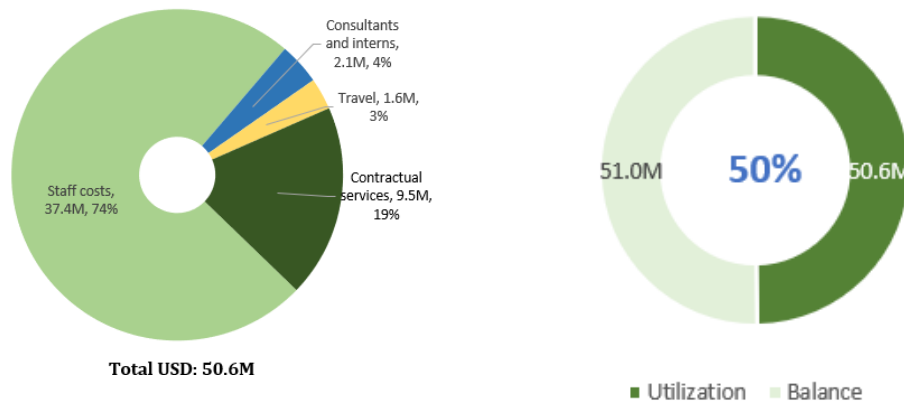
30. Consultants costs comprise the fees, benefits of consultants and interns. One consultant was hired to provide maternity cover for a staff member at GCF headquarters.

31. Professional services and other operating costs are anticipated to be spent as planned. However, expenditures on professional services typically occur after mid-year or upon the completion of defined milestones. As a result, most expenses are expected to be incurred in the fourth quarter of 2024.

2.5 Secretariat expenditure

32. The composition of Secretariat expenditure from 1 January to 31 July 2024 is shown in figure 6.

Figure 6: Composition of Secretariat expenditure from 1 January to 31 July 2024 (in United States dollars)



Abbreviation: M = million.

33. Detailed Secretariat expenditure from 1 January to 31 July 2024 is set out in table 7.

Table 7: Detailed Secretariat expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Actual expenditure to 31 July 2024	Balance	% spent
7.1	Staff, consultants and interns				
7.1.1	Full-time staff ^a	68,524,902	37,425,566	31,099,336	55
7.1.2	Consultants and interns	3,938,771	2,056,268	1,882,503	52
	Subtotal: staff, consultants and interns	72,463,673	39,481,834	32,981,839	54
7.2	Travel				
7.2.1	General	3,092,213	1,222,547	1,869,666	40
7.2.2	Staff travel to B.38 in Kigali	280,275	342,107	(61,832)	122
	Subtotal: travel	3,372,488	1,564,654	1,807,834	46
7.3	Contractual services				
7.3.1	Professional services	10,227,742	2,328,082	7,899,660	23
7.3.2	Office utilities	642,000	232,176	409,824	36
7.3.3	Operating costs	2,814,931	943,397	1,871,534	34
7.3.4	Information and communication technology	9,954,751	5,178,305	4,776,446	52
7.3.5	Depreciation	2,043,875	829,170	1,214,705	41
	Subtotal: contractual services	25,683,299	9,511,130	16,172,169	37
	Grand total	101,519,460	50,557,618	50,961,842	50

Notes: (1) The expenses do not include committed contracts signed for staff, consultants and professional services, and planned activities to December 2024, which amount to approximately USD 46.1 million. If incorporated, the forecasted expenditure to 31 December 2024 stands at 95 per cent of the approved budget.

(2) The execution for the Secretariat shown in the table does not include a contingency budget equal to 2 per cent of the administrative budget of the Secretariat (USD 1,999,234), which has not yet been utilized in 2024.

^a Includes USD 1,557,735 being the Secretariat's share of the USD 1,741,000 approved by decision B.37/08 for adjustment of the GCF salary scales.

34. Total Secretariat expenditure from 1 January to 31 July 2024 amounted to USD 50.6 million of the total budget of USD 101.5 million (50 per cent).

35. The following main points are noteworthy regarding Secretariat expenditure:

- (a) Total expenditure on full-time staff amounts to USD 37.4 million, or 55 per cent of the total budget for the year. The Secretariat has made significant progress towards full staffing. Currently, the Secretariat has 305 staff in place with offers accepted for a further 15 positions. The current fill ratio including offers accepted is 87 per cent; 43 positions are under recruitment. Including offers accepted and a continued low voluntary turnover rate of 7 per cent, the Secretariat is on track to reach or exceed a 90 per cent fill ratio of a 350 headcount by year end;
- (b) Consultancy costs amounted to USD 2.1 million, or 52 per cent of the approved budget for 2024. The Secretariat continued to reduce consultancy costs as new staff were hired. It is important to note that a certain amount of expenditure is always expected in this line to cover parental leave, special leave without pay, specialty and surge consultants, and the intern programme, all of which scale in line with the growth of Secretariat staff numbers;
- (c) The cost of contractual services (including professional services, general operations, and information and communication technology) and depreciation was USD 9.5 million (37 per cent) against a budget of USD 25.7 million for 2024, which is within the approved budget; and
- (d) The Board-approved contingency budget of USD 1,999,234 within the Secretariat budget remains unused.

2.6 Trustee expenditure

36. The composition of the Trustee expenditure from 1 January to 31 July 2024 is shown in figure 7.

Figure 7: Composition of Trustee expenditure from 1 January to 31 July 2024 (in United States dollars)



Total: USD 2.6M

Abbreviation: M = million.

37. Estimated costs for the Trustee services from 1 January to 31 July 2024 are set out in table 8.

Table 8: Estimated Trustee expenditure from 1 January to 31 July 2024 (in United States dollars)

		2024 approved budget	Estimated expenditure to 31 July 2024	Balance	% spent
8.1	Financial and programme management	971,000	566,417	404,583	58
8.2	Investment management	3,375,000	1,968,750	1,406,250	58
8.3	Accounting and reporting	83,000	48,417	34,583	58
8.4	Legal services	102,000	59,500	42,500	58
	Grand total	4,531,000	2,643,084	1,887,916	58

38. Costs and expenses for the Trustee services to GCF are based on the approved budget for the calendar year 2024. Cost estimates up to 31 July 2024 are based on a pro rata share of the approved amount for the year.

2.7 Other budgets approved by the Board

39. The Board also approved separate budgets in addition to the above-mentioned budgets. Detailed expenditure for the active additional approved budgets is set out in table 9.

Table 9: Detailed expenditure for the additional budgets to 31 July 2024 (in United States dollars)

	Description	Approved budget	Actual expenditure to 31 July 2024	Balance	% spent
B.34/21	Review of Administrative Guidelines on Human Resources	100,000	28,800	71,200	29
B.36/11	Resourcing implications of the accreditation strategy	612,000	36,681	575,319	6
B.BM-2020/04	Implementation of the performance evaluation and performance-related pay systems for Board-appointed officials for 2024	60,000	0	60,000	0
	Total	772,000	65,481	706,519	8

40. The Secretariat has contracted a firm to develop the staff regulations and rules in alignment with the organization's principles and international labour standards. This firm is collaborating closely with the Office of Human Resources and the Office of the General Counsel to ensure that the Staff Regulations and Rules meet the organization's needs and priorities. The project is expected to be completed in 2025, with the full budget of USD 100,000 being utilized by then.

41. A consultant has been hired to develop accreditation-related partnerships and access strategies, with the total contract amount of USD 90,000 anticipated to be fully utilized. The Secretariat aims to create guidance on programming directions to support accredited entities, update guidance on accreditation for national designated authorities and applicants, and develop a paper on climate change programming development and implementation competencies relevant to programming with GCF.

42. The Secretariat is currently processing the contract with a firm to implement performance evaluation and performance-related pay systems for Board-appointed officials. The total payment for 2024 is expected to be USD 96,429. Since the approved annual budget of USD 60,000 is insufficient to cover the expenses, the excess amount of USD 36,429 will be covered by the Board's 2024 budget.

2.8 Unutilized budget

43. It is important to note that the Trustee transfers funds regularly to the Secretariat on the basis of 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 year end is retained in the GCF Trust Fund by the Trustee for future allocation by the Board after release by the Secretariat. Except for funds that are part of contracts that are signed but not executed, any unutilized budget is not carried forward to the subsequent year. As laid out in the Administrative Budget and Accounting Framework, the Secretariat will conduct a review of unused budgets annually and release them. For 2024, this is expected after B.40 and will cover all budgets to date.

III. Recommendation by the Budget Committee

44. The Budget Committee recommends that the Board take note of the report on the execution of the GCF 2024 administrative budget as at 31 July 2024.
