

52nd GEF Council Meeting

May 22 – 25, 2017

Washington, D.C.

Agenda Item 11

**REVISION TO
GEF BUSINESS PLAN AND CORPORATE BUDGET FOR FY18**

During its meeting in May 2017, the GEF Council reached the following decision on Agenda Item 11 on the GEF Business Plan and Corporate Budget for FY 18.

Decision on Agenda Item 11 GEF Business Plan and Corporate Budget for FY18

The Council, having reviewed document GEF/C.52/06, GEF Business Plan and Corporate Budget for FY18, takes note of the additional costs implied by the revised World Bank Recovery Rate on Non-Salary Staff Costs, and acknowledges the efforts by the Secretariat, IEO and the Trustee to partially offset these costs through a reduction of their original budget requests, which results in a reduction of the overall budget request from \$35.485 million to \$35.157 million. Against this background, the Council approves a FY18 budget from the GEF Trust Fund of \$35.157 million, comprised of:

- (a) \$24.047 million for the Secretariat, including its core budget and Special Initiative;*
- (b) \$2.698 million for STAP;*
- (c) \$3.218 million for the Trustee, including its core budget and Special Initiative; and*
- (d) \$5.194 million for the Independent Evaluation Office (IEO)*

The Council also approves a total FY18 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of \$20,790 comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation:

- (a) \$14,850 for the GEF Secretariat; and*
- (b) \$5,940 for the Trustee*

The Council also approves a total of \$930,270 for the FY17 and FY18 budget for the Capacity-building Initiative for Transparency (CBIT) Trust Fund, comprised of the following allocations to cover the Secretariat's and Trustee's expenses for CBIT administration and implementation:

- (a) \$320,000 for FY17 and \$485,100 for FY 18 for the GEF Secretariat; and*
- (b) \$72,700 for FY17 and \$52,470 for FY18 for the Trustee*

The Council requests that a revised GEF Business Plan and Corporate Budget for FY18 be circulated for the Council's information by June 22, 2017.

The Council requests the Secretariat, in consultation with STAP and the Trustee, to present a combined FY19 corporate budget and business plan for discussion at its 2018 spring meeting, which reflects an effort for costs savings within the Secretariat budget.

In accordance with this decision of Council, this paper provides information on how the budgets of the Secretariat, the Trustee, and the IEO have been revised to meet the FY18 budget amounts approved by Council.

In its decision, the Council decided to reduce the FY18 budget request of the Secretariat by \$243,000, to a total of \$24.047 million. The breakdown of this reduction is shown in Tables A and B, below. As shown in Table A, \$141,000 is reduced from the Secretariat core budget line-items on travel, consultants and external outreach. As shown in Table B, \$102,000 is reduced from the Secretariat Special Initiative for the GEF 6th Assembly, by reducing planned participation and support by Secretariat staff. With these reductions, the total approved FY18 budget request for the Secretariat is \$24.047 million, consisting of \$22.323 million for the core budget (Table A) and \$1.724 million for the Special Initiative (Table B).

The Council decided to reduce the FY18 budget request of the Trustee by \$33,000, to a total of \$3.218 million. The breakdown of this reduction is shown in Table C, and is mainly in the line-items for Standard Services. The Council decided to reduce the FY 18 budget request of the IEO by \$52,000, to a total of \$5.194 million. The breakdown of this reduction is shown in Table D, in the variable cost line items.

The reductions in the FY18 budget requests for the NPIF and the CBIT Trust Funds are shown in Tables E, F, G and H below. The revised budget amount for the NPIF decided by Council of \$20,790 is shown in Table E. The revised budget amount decided by Council for FY18 for the CBIT (no change was made to figures for FY17) of \$537,570 is shown in Table F. This amount consists of \$485,100 for the Secretariat and \$52,470 for the Trustee. The breakdown of these amounts is shown in Tables G and H.¹

¹ These Tables correspond to more detailed tables in Council Document GEF/C.52/06 for the Secretariat, the Trustee and the IEO. The STAP is not subject to the change in the World Bank Non-Salary Staff Costs Recovery Rate, and their original budget request of \$2.698 million is not changed, as per Council decision.

Table A: Revision to FY18 GEF Secretariat Core Budget Request (\$ Million)

Expense Category	FY18 Original Budget Request	FY18 Revised Budget Request	Changes
Staff Costs	15.545	15.480	(0.065)
Salaries and Benefits	13.570	13.570	-
Travel	1.875	1.810	(0.065)
Training	0.100	0.100	-
Consultant Costs	0.777	0.750	(0.027)
Council Costs	0.721	0.721	-
Cross Support from World Bank	0.549	0.549	-
External Outreach, Publications, Media, and Web	0.950	0.900	(0.050)
General Operations Costs	2.003	2.003	-
Office, Equipment, Supplies, Communications & Internal Computing	1.943	1.943	-
Representation and Hospitality	0.060	0.060	-
TOTAL	20.545	20.403	(0.141)
Secretariat - Non-Salary Staff Costs Recovery Rate Increase by the World Bank	1.920	1.920	-
Grand total	22.465	22.323	(0.141)

Table B: Revision to Special Initiative Budget for GEF 6th Assembly (\$ Million)

Budget Item	Original Proposed 6th Assembly Budget	Proposed 6th Assembly Budget	Changes
Travel & Support	0.868	0.785	(0.083)
Staff	0.275	0.193	(0.083)
Participants	0.496	0.496	-
CSO Forum	0.053	0.053	-
Presenters and special invitees	0.044	0.044	-
Hotel Accommodations	0.413	0.393	(0.020)
Staff	0.065	0.046	(0.020)
Participants	0.269	0.269	-
CSO Forum	0.051	0.051	-
Presenters and special invitees	0.027	0.027	-
Hospitality	0.065	0.065	-
Reception and cultural events	0.065	0.065	-
Interpretation (SI) and Translation	0.143	0.143	-
Assembly (6 Languages)	0.093	0.093	-
CSO Forum (3 Languages)	0.050	0.050	-
Exhibition, Communications & Reporting	0.180	0.180	-
ENB Reporting	0.035	0.035	-
IISD Video reporting	0.015	0.015	-
Exhibits, Multi Media	0.050	0.050	-
Communications activities	0.040	0.040	-
Materials: Printed and electronic documents	0.040	0.040	-
ICT	0.040	0.040	-
Website and other technology including on site WB IT	0.040	0.040	-
Personnel	0.030	0.030	-
Conference support / cross support WBG VN Office	0.030	0.030	-
General operations	0.035	0.035	-
General supplies, copying, shipping, storage	0.035	0.035	-
Planning Missions	0.052	0.052	-
GEF Staff travel and expenses (4 missions)	0.052	0.052	-
Total	1.826	1.724	(0.102)

Table C: Revision to Trustee Budget for GEF Trust Fund FY18 (\$ Million)

GEF Entities and Budget Items	FY18 Original Budget Request	FY18 Revised Budget Request	Changes
Standard Services			
Financial Management and Relationship Management	1.134	1.103	(0.031)
Investment Management /a	1.249	1.249	-
Accounting and Reporting	0.121	0.121	-
Legal Services	0.148	0.148	-
Sub-total, Standard Services	2.652	2.621	(0.031)
Audit			
External Audit of Trust Fund	0.123	0.123	-
Total Core Budget	2.775	2.744	(0.031)
Trustee - Non-Salary Staff Costs Recovery Rate Increase by the World Bank	0.161	0.159	(0.002)
Special Initiatives	0.315	0.315	-
Total Costs, including Special Initiatives	3.251	3.218	(0.033)

/a Investment Management fees are calculated based on a cost of 3.5 basis point against the average annual balance of the portfolio.

Table D: Revision to IEO Budget for Fiscal Year 2018 (\$ Million)

Expense Category	FY18 Original Budget Request	FY18 Revised Budget Request	Changes
IEO Salaries and Benefits Cost	3.005	3.005	-
Non-Salary Staff Costs Recovery Rate Increase	0.601	0.601	-
General Operations Cost	0.490	0.490	-
Total (A)	4.096	4.096	-
Variable Cost			
Professional Development	0.060	0.040	(0.020)
Participations in Networks	0.040	0.030	(0.010)
IEO Management Operations	0.060	0.045	(0.015)
Knowledge Management	0.040	0.033	(0.007)
Total (B)	0.200	0.148	(0.052)
Total Annual Budget (A+B)	4.296	4.244	(0.052)
Evaluations			
Focal Areas	0.065	0.065	-
Mainstreaming/Cross Cutting	0.175	0.175	-
Performance and Impact	0.295	0.295	-
Institutional Issues	0.175	0.175	-
OPS6	0.240	0.240	-
Total Evaluations (C)	0.950	0.950	-
Total IEO Budget (A+B+C)	5.246	5.194	(0.052)

Table E: Revision to FY18 NPIF Budget Request (in USD)

GEF Entities and Budget Items	FY18 Original Budget Request	FY18 Revised Budget Request	Changes
Secretariat - NPIF Administrative Budget	15,000	14,850	(150)
Trustee NPIF Budget	6,000	5,940	(60)
Total – NPIF Budget Requests	21,000	20,790	(210)

Table F: Revision to FY18 CBIT Budget Request (in USD)

GEF Entities and Budget Items	FY18 Original Budget Request	FY18 Budget Request	Changes
Secretariat - CBIT Administrative Budget	490,000	485,100	(4,900)
Trustee CBIT Budget	53,000	52,470	(530)
Total – CBIT Budget Requests	543,000	537,570	(5,430)

Table G: Revision to GEF Secretariat FY18 CBIT Budget Request (in USD)

GEF Entities and Budget Items	FY18 Original Budget Request	FY18 Budget Request	Changes
Staff Costs (Salaries & Benefits)	400,000	400,000	-
Travel	40,000	37,822	(2,178)
Consultant Costs	50,000	47,278	(2,722)
Total – CBIT Budget Requests	490,000	485,100	(4,900)

Table H: Revision to Proposed Trustee Budget for CBIT FY18 (in USD)

GEF Entities and Budget Items	FY18 Original Budget Request	FY18 Budget Request	Changes
Financial Management and Relationship Management	25,000	24,470	(530)
Investment Management /a	11,000	11,000	-
Accounting and Reporting	6,000	6,000	-
Legal Services	11,000	11,000	-
Total Costs	53,000	52,470	(530)