

Fund for responding to Loss and Damage

FRLD/B.4/2/Add.1

3 December 2024

Fourth meeting of the Board

02–05 December 2024

Manila, Philippines

Agenda item 4(b)

Report on the activities of the interim secretariat – Addendum I: Execution of the administrative budget

Summary

This document provides information on the execution of the administrative budget from 1 January to 30 September. It is based on expenditures related to the interim secretariat as well as the arrangements for the Board meetings.

I. Approved budget

1. The Board approved the following administrative budgets;¹
 - (a) USD 162,168 for the Board;
 - (b) USD 2,627,177 for the interim secretariat;
 - (c) USD 914,262 as a contingency budget for the expenditures that may be incurred or planned for by the Board.
2. The Board authorized the interim secretariat in consultation with the ad hoc subcommittee on the administrative budget to execute the contingency budget when the expenditure conditions have been met without seeking the approval of the Board.
3. The Board also acknowledged that any decisions that the Board may adopt at subsequent meetings of the Board may have budget implications associated with the implementation of the relevant decisions, and therefore requested the interim secretariat in consultation with the ad hoc subcommittee on the administrative budget to provide estimated budget requests in the relevant decision for the consideration of the Board.
4. The Board requested the interim secretariat to report to the Board on the execution of the administrative budget at the second meeting of the Board. The interim secretariat continues to report in this manner in the subsequent meetings of the Board.
5. The expenditure for the travel of the Board members and advisers was budgeted under the contingency budget.

II. Budget execution summary

6. Tables 1–4 provide detailed information on the execution of the administrative budget from 1 January 2024 to 30 September 2024.
7. The figures in this document are unaudited.

Table 1

Summary of the budget and expenditure from 1 January 2024 to 30 September 2024.

No.	Budget category/subcategory	Approved 2024 budget	Expenses (up to 30 Sept 2024)	Balance	% Spent
1	Board	162,168	198,309	(36,141)	122%
2	Interim secretariat	2,627,177	1,833,573	793,604	70%
Total before contingency		2,789,345	2,031,882	757,463	73%
3	Contingency	914,262	486,536	427,726	53%
Grand total		3,703,607	2,518,418	1,185,189	68%

III. Board budget

8. The actual expenditure reported for the Board from 1 January 2024 to 30 September 2024 is shown in table 2.

¹ Decision B1/D.11.

Table 2

Board budget and expenditure from 1 January 2024 to 30 September 2024

No.	Budget category/subcategory	Approved 2024 budget	Expenses (up to 30 Sept 2024)	Balance	% Spent
1.1	Board representative travel	—	—		
1.2	Board meetings: Venue and logistics	162,168	198,309	(36,141)	122%
	Total	162,168	198,309	(36,141)	122%

9. The travel costs for the funded Board members and advisers are budgeted and reported under the contingency budget. During the process of budget preparation for the first meeting of the Board, it was determined that these items would be budgeted and reported under the contingency budget.

10. The expenses shown in table 2, line 1.2, include the venue and logistics costs for arranging the first, second and third meetings of the Board, as well as the cost of the live-streaming services. The expenses for this budget line have exceeded the budget because the costs incurred during the first and second meetings were higher than expected. The cost for venue and logistics for the second meeting of the Board was not covered by the host country and was therefore higher than expected. The cost of venue and logistics for the third meeting of the Board was fully covered by the host country.

11. Furthermore, at the time of the budgeting at the first meeting of the Board, the assumption for the number of Board meetings was three in 2024, but the Board then decided to have four meetings during the year. The budget has not been revised to reflect the increase in the number of budget meetings and the increase in the relevant budget lines. It is expected that the overutilization of the budget in this budget line will be compensated by the underutilization of the budget in the contingency budget.

IV. Interim secretariat budget

12. The actual expenditure reported for the interim secretariat from 1 January 2024 to 30 September 2024 is shown in the table 3.

Table 3

Interim secretariat budget and expenditure from 1 January 2024 to 30 September 2024

No.	Budget category/subcategory	Approved 2024 budget	Expenses (up to 30 Sept 2024)	Balance	% Spent
2.1	Staffing costs	1,770,682	1,344,968	425,714	76%
2.2	Consultancies	210,840	121,717	89,123	58%
2.3	Travel	461,312	270,785	190,527	59%
2.4	General operating costs	184,343	96,104	88,240	52%
	Total	2,627,177	1,833,573	793,604	70%

13. The interim secretariat is comprised of the allocated staff and consultants from the Green Climate Fund, the United Nations Development Programme (UNFCCC) and the United Nations Framework Convention on Climate Change. Each entity records the expenses as per its individual policy and consolidates them for reporting purposes in this report. The secretariat expects that the budget execution will be within the approved budget.

14. The interim secretariat's expenditures include the costs incurred by the interim secretariat for its staff and consultants allocated to provide technical and operational support services to the Fund, the travel costs incurred for the first, second and third meetings of the Board, and general operating expenses during the period.

V. Contingency budget

15. The actual expenditure reported for the interim secretariat from 1 January 2024 to 30 September 2024 is shown in table 4.

Table 4

Interim secretariat budget and expenditure from 1 January 2024 to 30 September 2024

No.	Budget category/subcategory	Approved 2024 budget	Expenses (up to 30 Sept 2024)	Balance	% Spent
3.1	Board-related contingent items	600,469	486,536	113,933	81%
3.2	Interim Secretariat relevant contingent items	313,793	–	–	0%
	Total	914,262	486,536	427,726	53%

16. The above expenses include the travel expenses for the funded Board members and advisers for the first, second and third meetings of the Board. During the process of budget preparation during the first meeting of the Board, it was determined that these will be budgeted and reported under the contingency budget.

17. At the time of the budgeting at the first meeting of the Board, the assumption for the number of Board meetings was three in 2024, but the Board then decided to have four meetings during the year. The budget was not revised to reflect the increase in the number of budget meetings and the increase in the relevant budget lines. From the second meeting of the Board onwards, the Fund has also covered an additional adviser not budgeted for in the initial budget. This and an increase in the number of meetings will result in overutilization of the budget in this budget line at the year's end. It is expected that the overutilization of the budget in this budget line will be compensated by the underutilization of the budget in the interim secretariat relevant contingent items.

18. The budget item "Interim secretariat relevant contingent items" was added to cover any additional resource requirement during the year. Currently, no expenses have been incurred or planned for this budget line.

VI. Unutilized budget

19. After the initial contribution pledges at COP 28, Japan transferred USD 10 million to UNFCCC to support the operationalization of the Fund until the new and independent secretariat is established. The expenditures reported under this report are funded by this contribution.

20. After the establishment of the independent secretariat and the end of the transition period, the unutilized funds would be transferred to the independent secretariat/Trustee of the Fund.

VII. Recommendations of the ad hoc subcommittee on the administrative budget

21. The ad hoc subcommittee on the administrative budget recommends to the interim secretariat that the three entities work together to provide timely and accurate information to the ad hoc subcommittee and the Board. The timely provision of information will help the ad hoc Committee to assess the budgetary requests in an effective manner. In this regard, the budget committee requests that the information be provided several weeks prior to the respective Board meetings.

22. The ad hoc subcommittee on the administrative budget recommends that the Board take note of the report on the execution of the 2024 administrative budget as at 30 September 2024.

