

**Climate Risk and Early Warning Systems (CREWS)  
Administrative Budget for the Secretariat and the Trustee  
Fiscal Year 2022**

1. The purpose of this budget paper is to present, for Steering Committee (SC) approval, the proposed Administrative Budget for the period 01 July 2021 to 30 June 2022 (FY22).
2. The Governance Document of CREWS provides for the costs incurred by the World Bank as Trustee and the WMO as host of the Secretariat to be covered by the CREWS Trust Fund through an annual budget submitted to the SC.
3. Table 1 below presents an overview of the FY 21 approved, FY 21 revised estimates and FY 22 proposed Administrative Budgets.

**Table 1: Summary Secretariat and Trustee Total Budgets (USD)**

	Approved FY21 Budget (1 July 2020 to 30 June 2021)	Estimate FY 21 Expenditure (1 July 2020 to 30 June 2021)	Estimate FY 22 Budget (1 July 2021 to 30 June 2022)
<b>Secretariat</b>			
Non-staff costs	175,000	165,000	195,500
Staff costs	498,700 <sup>1</sup>	492,000	587,000
Subtotal	673,700	657,000	782,500
Programme Support Costs (7%)	47,159	45,990	54,775
<b>Total Costs – Secretariat Services</b>	<b>720,859</b>	<b>702,990</b>	<b>837,275</b>
<b>Trustee</b>			
Trust Fund management costs	126,500	126,500	133,400
<b>Total Budget</b>	<b>847,359</b>	<b>829,490</b>	<b>970,675</b>

Note: Estimated amounts are rounded to nearest USD 100; totals may not add due to rounding.

**A. Secretariat**

**Table 2: FY21 Secretariat estimated costs and expenses (USD)**

Secretariat Services	Approved FY 21 Budget	Revised Estimate FY 21 <sup>2</sup>	Estimated FY 22 Budget
1. Support to the Steering Committee meetings	25,000	34,000	20,000
2. CREWS Operational Plan roll-out	0	0	78,000
3. Advocacy and fundraising	45,000	78,000	60,000

<sup>1</sup> Approved as part of FY20 Administrative Budget.

<sup>2</sup> Estimates represent actual costs (rounded off figures and converted from CHF to USD), information provided by WMO's Finance and Budget Unit.

4. CREWS metrics and norms for measuring effectiveness and access to early warning systems and support to national and regional monitoring	50,000	33,000	0
5. Travel	35,000	0	17,500
6. Joint office management hosting costs, IT charges and equipment	20,000	20,000	20,000
<b>Sub-total non staff costs</b>	<b>175,000</b>	<b>165,000</b>	<b>195,500</b>
7. Staff			
- One Professional Staff, Head Secretariat, 12 months	237,300 <sup>3</sup>	210,000	275,000
- One Professional Staff, Programme Officer, 12 months	165,600 <sup>4</sup>	186,000	200,000
- One Assistant, 12 months	95,800	96,000	112,000
<b>Sub-total staff costs</b>	<b>498,700</b>	<b>492,000</b>	<b>587,000<sup>5</sup></b>
<b>Total Secretariat Services</b>	<b>673,700</b>	<b>657,000</b>	<b>782,500</b>
<b>Programme Support Cost (7%)</b>	47,159	45,990	54,775
<b>Total costs</b>	<b>720,859</b>	<b>702,990</b>	<b>837,275</b>

**Note: Estimated amounts are rounded to nearest USD 100; totals may not add due to rounding**

4. The non-staff costs include estimated expenses for the following:
- Support to Steering Committee meetings:** This include costs for meetings and events in support of the functions of the CREWS Steering Committee.
  - Operational Plan roll-out:** A budget request to cover costs for CREWS Operational Plan roll-out put forward. Details of workplan and resource requirements provided as infdoc6 CREWS Operational Plan roll-out.
  - Advocacy and fund-raising:** This include costs related to the production of the CREWS Annual Report, preparation of information and advocacy materials, website maintenance and communications support.
  - Travel:** A budget decrease in travel costs is proposed noting the virtual COP26 event as well as projected decreased travel activities due to the COVID-19 situation. Travel activities of the Secretariat includes participation in international events/conferences, project-related missions and activities for purposes of monitoring and visibility.
  - Joint office management:** This is standard contribution to the costs for office space, equipment and supplies of the CREWS Secretariat.
5. There is no request for funding for CREWS metrics since this work is undertaken under the CREWS project Measuring Early Warning Effectiveness implemented by the WMO and UNDRR.
6. Budget for the Secretariat Staff (Head of the Secretariat, Programme Officer and Assistant) requested to cover for 12-month contracts. Costs are based on the UN standard costs for salary and remuneration as provided by the WMO's Finance/Budget Unit.

## B.

<sup>3</sup> Approved as part of FY20 administrative budget covering a 24 months contract.

<sup>4</sup> Approved as part of FY20 administrative budget covering a 24 months contract.

<sup>5</sup> Computed following the UN standard rate for remuneration and salaries.

### C. Trustee

7. As part of the World Bank's continued endeavor to enhance efficiency in trustee services, the World Bank rolled out an updated activity-based approach to determine the trustee administrative budgets for financial and program management, accounting and reporting, and legal services beginning 01 July 2020.
8. This approach allows the Trustee to standardize the budget for Financial Intermediary Funds (FIFs) receiving similar scope and level of services based on the FIF size and activities. The Trustee continues to be reimbursed for its services based on the principle of full cost-recovery and will continue to present budgets to the CREWS Steering Committee for approval, including adjustments as required at the end of each fiscal year, should there be changes in FIF activities during the year.
9. The estimates in Table 3 reflect the Trustee's expected actual costs for fiscal year 2021, as well as estimated budget for fiscal year 2022. These estimates will be subject to adjustment at the end of the period, based upon costs incurred in the provision of following trustee services to CREWS Initiative.

**Table 3: FY 22 Trustee Estimated Actual Costs for FY 21 and FY22 expected budget (USD)**

Trustee Services	Approved FY21	Revised Estimate FY21	Estimated FY22
<b>1. Financial and programme management</b>	77,000	77,000	<b>80,900</b>
<b>2. Investment management</b>	4,500	4,500	<b>5,200</b>
<b>3. Accounting and reporting</b>	26,000	26,000	<b>27,300</b>
<b>4. Legal Services</b>	19,000	19,000	<b>20,000</b>
<b>Total Costs</b>	126,500	126,500	<b>133,400</b>

10. The FY22 proposed budget is comprised of the following components:
  - a) **Financial and programme management** fee covers service related to management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, processing cash transfers to Implementing Partners using World Bank financial systems and procedures, and financial reporting. It also includes responding to day-to-day enquiries from Secretariat, Contributors and other CREWS constituencies and stakeholders, and ad hoc advisory services to the Secretariat on specific issues, as requested.
  - b) **Investment management** fees are calculated as a flat fee of 4.5 basis points (i.e. 0.045%) of the average annual balance of the undisbursed cash in the CREWS Trust Fund. The projected average balance over fiscal year 2022 is estimated at USD 11 million, assuming the same pace of inflows and outflows as in FY 21.
  - c) **Accounting and reporting** costs are based on the management of the accounting model for the CREWS Trust Fund, clearance of agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.
  - d) **Legal Services** costs include drafting, negotiation and processing of contribution agreements, financial procedures agreements and other legal agreements as needed. It also covers providing policy advice and legal review on issues as they may impact the CREWS and the services of the Trustee.

**C. Proposed Decision**

11. The CREWS Steering Committee is requested to: 1) approve an estimated budget of USD and 2) authorize the Trustee to commit and transfer the following amounts to each entity:
  - i. WMO as host of the Secretariat **USD 837,275**;
  - ii. IBRD as Trustee **USD 133,400**.

**D. Next Steps**

12. Upon Steering Committee approval of this budget, the Trustee will commit and transfer the amounts approved from available resources in the CREWS Trust Fund to each entity in accordance with the approved decision.