

**Climate Risk and Early Warning Systems (CREWS)  
Administrative Budget for the Secretariat and the Trustee  
Fiscal Year 2021**

1. This paper presents, for the CREWS Steering Committee approval, the proposed Secretariat and Trustee Administrative Budgets for the period July 1, 2020 to June 30, 2021 (FY21). The Administrative Budget provides an overview of the estimated administrative expenses incurred and projected by the Trustee and Secretariat from 1 July 2019 to 30 June 2020 (FY 20) vis-à-vis the Administrative budget approved by the Steering Committee on 17 July 2019.
2. Table 1 below presents an overview of the FY 20 approved, FY 20 revised estimates and FY 21 proposed Administrative Budgets.

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

|                     | <b>Approved FY20<br/>Budget (1 July 2019 to<br/>30 June 2020)</b> | <b>Estimate FY 20<br/>Expenditure (1 July<br/>2019 to 30 June 2020)</b> | <b>Estimate FY 21 Budget<br/>(1 July 2020 to 30 June<br/>2021)</b> |
|---------------------|---|---|--|
| <b>Secretariat</b>  | <b>790,100</b>  | <b>609,600</b>  | <b>270,800</b>   |
| <b>Trustee</b>      | <b>115,500</b>  | <b>114,500</b>  | <b>126,500</b>   |
| <b>Total Budget</b> | <b>905,600</b>  | <b>724,100</b>  | <b>397,300</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)**

| <b>Coordination Unit Services</b>  | <b>Approved<br/>FY 20<br/>Budget</b> | <b>Revised<br/>Estimate<br/>FY 20</b> | <b>Estimated<br/>FY 21<br/>Budget</b> |
|--|--------------------------------------|---------------------------------------|---------------------------------------|
| 1. Support to the Steering Committee meetings, produce CREWS Annual Report   | 25,000                               | 25,000                                | 25,000                                |
| 2. Advocacy and fundraising, provide public information on activities funded by the CREWS, develop the CREWS webpage                       | 15,000                               | 30,400                                | 45,000                                |
| 3. Staff   |                                      |                                       |                                       |
| - One Professional Staff, Head Secretariat, 12 months  | 286,100                              | 217,400                               | 0                                     |
| - One Professional Staff, Programme Officer, 12 months   | 252,200                              | 166,800                               | 0                                     |
| - One Assistant, 12 months   | 116,800                              | 93,400                                | 95,800                                |
| 4. CREWS metrics and norms for measuring effectiveness and access to early warning systems and support to national and regional monitoring | 30,000                               | 30,000                                | 50,000                                |
| 5. Travel  | 45,000                               | 26,600                                | 35,000                                |
| 6. Joint office management hosting costs, IT charges and equipment   | 20,000                               | 20,000                                | 20,000                                |
| <b>Total costs</b>   | <b>790,100</b>                       | <b>609,600</b>                        | <b>270,800</b>                        |

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

3. Budget for the Secretariat Professional Staff costs (Head of the Secretariat and Programme Officer) appear as nil, as costs for 24-month contracts were approved by the Steering Committee in the FY20 Administrative Budget.
4. A budget increase for Advocacy and Fundraising activities for FY21 is proposed to also include activities related to CREWS Post 2020 strategy development, dissemination and related resource mobilization activities.
5. A budget increase for the CREWS metrics and norms is proposed for FY21. The additional funds will cover costs related to the finalization of the data collection for the CREWS Core Programme Indicators.
6. A budget decrease in travel costs is proposed noting the postponement of COP26 as well as projected decreased travel activities due to the COVID-19 situation.

## B. Trustee

**Table 3: FY 21 Trustee Estimated Costs and Expenses (USD)**

| Trustee Services                             | Approved FY20 | Revised Estimate FY20 | Estimated FY21 |
|--|---------------|-----------------------|----------------|
| <b>1. Financial and programme management</b> | 76,000        | 76,000                | <b>77,000</b>  |
| <b>2. Investment management</b>              | 4,500         | 4,300                 | <b>4,500</b>   |
| <b>3. Accounting and reporting</b>           | 30,000        | 27,400                | <b>26,000</b>  |
| <b>4. Legal Services</b>                     | 5,000         | 6,800                 | <b>19,000</b>  |
| <b>Total Costs</b>                           | 115,500       | 114,500               | <b>126,500</b> |

7. The Governance Document of CREWS provides for the costs incurred by the World Bank as Trustee to be covered by the CREWS Trust Fund through annual budget submitted to the Steering Committee. The Trustee has in the following sections provided information on the estimated costs and expenses for the period between July 1, 2020 and June 30, 2021 (FY21), as well as a comparison between the approved FY20 budget and actual FY20 costs.
8. Administrative costs of the Trustee for FY21 are estimated at US\$126,500.
9. **The estimates in Table 2 reflect the Trustee's actual costs for the fiscal year 2020, as well as the estimated expenses for the fiscal year 2021.** 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:
  - i. **Financial and program management** service comprises of management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, processing cash transfers to Implementing Agencies 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.
  - ii. **Investment management** service includes investing the undisbursed cash balance (liquidity) of the CREWS Fund in accordance with the investment strategy established for all trust funds administered by the World Bank. 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 the fiscal year is estimated at USD 10 million. The actual investment management costs may vary depending on the actual average liquidity level during FY21.

- iii. **Accounting** service includes 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.
  - iv. **Legal** services include drafting, negotiation and processing of contribution, financial procedures 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.
10. Trustee's FY20 estimated actuals are expected to be \$1,000 less than budget approved by the Steering Committee in July 2019.
  11. The budget proposed for **FY21 of \$126,500** is \$12,000 more than the estimated actuals for FY20 due to the anticipated increase in activities in FY21 primarily driven by higher level of costs for legal services and adjustments, if any, to cost recovery rates for World Bank managed funds. The World Bank is currently reviewing to roll out an updated pricing approach for trustee services provided to Financial Intermediary Funds (FIFs), including CREWS. The updated pricing approach will seek to provide increased transparency and predictability while remaining within the World Bank's policy of full cost recovery. Any revisions to the FY21 proposed budget due to the ongoing review mentioned above will be presented at the end of FY21.

#### C. Proposed Decision

12. The CREWS Steering Committee is requested to: 1) approve an estimated budget of USD 397,300 and 2) authorize the Trustee to commit and transfer the following amounts to each entity:
  - i. WMO as host of the Secretariat USD 270,800;
  - ii. IBRD as Trustee USD126,500.

#### D. Next Steps

13. 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.