

Updated - 28 October 2016

**Climate Risk and Early Warning Systems (CREWs)
Administrative Budgets for the Trustee and Secretariat
2017 Fiscal Year**

A. Summary

1. The purpose of this document is to present, for Steering Committee (SC) approval, the proposed Trustee (World Bank – IBRD) and CREWS Secretariat budgets for the period July 1, 2016 to June 30, 2017 (FY17).
2. The governing documents of CREWs provide for the costs incurred by the World Bank as Trustee and by the joint CREWS Secretariat to be hosted and administered by the World Meteorological Organization (WMO)¹, to be covered by the CREWs Trust Fund through annual budgets submitted to the CREWs Steering Committee. The Trustee and the Secretariat have in the following sections provided information on the estimated costs and expenses for the 2017 fiscal year.
3. An overview of the Trustee and Secretariat estimated administrative costs is presented below.

Table 1: Trustee and Secretariat FY17 Estimated Administrative Costs

	USD
Secretariat	495,000
Trustee	128,000
Total Costs	623,000

B. CREWS Secretariat

Table 2: FY17 Secretariat estimated costs and expenses (USD)

CREWS Secretariat Costs	Estimated cost 2017
1. Support to the Steering Committee meetings, develop CREWS Results Framework, produce CREWS Annual Report	25,000
2. Advocacy and fundraising, provide public information on activities funded by the CREWS, develop a CREWS webpage	30,000
3. Staff - One Professional Staff seconded by UNISDR ² , Head of Secretariat, 12 months, - One Professional Staff seconded by World Bank/IBRD	219,000

¹ With support from other Implementing Partners, provided through staff secondments

² From a separate Unit to the one receiving CREWS funds.

(GFDRR) ³ , Programme Officer, 6 months (January to June)	85'000
- One Assistant, hired by WMO, 6 months (January to June)	71'000
4. Travel	45,000
5. Joint office management hosting costs, IT charges and equipment	20,000
Total	495,000*

* The total is allocated as below:

- USD 191,000 to WMO as host of the Secretariat
- USD 219,000 to UNISDR for support to Secretariat
- USD 85,000 to IBRD for support to Secretariat

C. Trustee

Table 3: FY17 Trustee estimated costs and expenses (USD)

Trustee Service	Estimated budget FY17
1. Financial and programme management	71,000
2. Investment management	7,000
3. Accounting and reporting	28,000
4. Legal Services	22,000
Total Costs	128,000

4. The estimates in Table 3 reflect the Trustee's best estimate of the fees, costs and expenses for the fiscal year 2017, on a full cost-recovery basis. These will be subject to adjustment at the end of the period, based upon revised estimates of the fees, costs and expenses incurred in the provision of trustee services for the CREWs initiative, and comprise the following:

- i. **Financial and program management:** Costs are based on staff time and expenses required for establishment of the FIF Trust Fund, management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, processing cash transfers using World Bank financial systems and procedures, and financial reporting. This also includes responding to day-to-day enquiries from Secretariat, Contributors and other CREWS stakeholders, ad hoc advisory services to the Secretariat on specific issues, as requested, and support to the CREWs Steering Committee.
- ii. **Investment management:** Investment management fees are calculated as a flat fee of 3.5 basis points (i.e. 0.035%) of the average annual balance of the undisbursed cash in the Trust Fund. The projected average balance over the fiscal year is estimated at USD 20 million. In the event that the average balance is lower, investment management fees would be reduced accordingly.
- iii. **Accounting:** Costs are based on the management of the accounting model for the Trust Fund, clearance of agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.

³ From a separate Unit to the one receiving CREWS funds.

- iv. **Legal services:** These costs include drafting, negotiation and processing of contribution, financial procedures and other legal agreements as needed. The estimate also covers staff time to provide policy advice and legal review on issues as they may impact the CREWs Trust Fund and the services of the Trustee. Costs are expected to be higher in the first year due to services required for the governance and establishment documents and initial contribution arrangements.

D. Proposed Decision

5. The CREWS Steering Committee is requested to approve an estimated budget of USD 128,000 to cover estimated costs and expenses for trustee services to be provided by IBRD as trustee; and USD 495,000 to cover estimated costs and expenses for Secretariat services, to be provided by WMO and Implementing Partners (IBRD, UNISDR) through secondments, and authorizes the trustee to commit and transfer the following amounts to each entity:

- i. IBRD as trustee USD 128,000
- ii. WMO as host of the Secretariat USD 191,000
- iii. IBRD (for support to Secretariat) USD 85,000
- iv. UNISDR (for support to Secretariat) USD 219,000

E. Next Steps

6. Upon Steering Committee approval of the FY17 Trustee and Secretariat budgets, the Trustee will transfer the amounts approved from available resources in the CREWs Trust Fund to each entity in accordance with the approved decision.