

Climate Risk and Early Warning Systems (CREWS) Administrative Budget for the Trustee and the Secretariat 2018 Fiscal Year

1. This paper presents for the CREWS Steering Committee approval, the proposed Trustee and Secretariat Administrative Budgets for the period July 1, 2017 to June 30, 2018 (FY18). The Administrative Budget provides an overview of the estimated administrative expenses incurred and projected by the Trustee and Secretariat from July 1, 2016 to June 30, 2017 (FY17) vis-à-vis the Steering Committee approved revised Administrative budget at the Second Meeting of the Steering Committee, 9 November 2016, Marrakech, Morocco.

2. Table 1 below presents an overview of the FY17 approved, FY17 revised estimates and FY18 proposed Administrative Budgets.

Table 1: Trustee and Secretariat Total Budgets (USD)

	Approved FY17 Budget (1 July 2016 to 30 June, 2017)	Estimate FY17 Expenditure (1 July 2016 to 30 June, 2017)	Estimate FY18 Budget (1 July 2017 to 30 June 2018)
Trustee	128,000	119,800	119,500
Secretariat	495,000	337,400	694,000
Total Budget	623,000	457,000	798,000

A. Trustee

Table 2: FY18 Trustee estimated costs and expenses (USD)

Trustee Service	Approved FY17	Revised Estimate FY17	Estimated FY18
1. Financial and programme management	71,000	70,000	74,000
2. Investment management	7,000	2,400	3,500
3. Accounting and reporting	28,000	25,400	27,000
4. Legal Services	22,000	22,000	15,000
Total Costs	128,000	119,800	119,500

3. The estimates in Table 2 reflect the Trustee's best estimate of the fees, costs and expenses for the fiscal year 2018, 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 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. The modest increase in the amount for FY18 reflects changes in the Bank's policy to provide for the full recovery of non-salary costs.

- 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 10 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.
- 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.

B. Secretariat

Table 3: FY18 Secretariat estimated costs and expenses (USD)

Coordination Unit Services	Approved FY17 Budget	Estimate FY17 Expenses	Estimate FY18 Budget
1. Support to the Steering Committee meetings, produce CREWS Annual Report	25,000	13,000	25,000
2. Advocacy and fundraising, provide public information on activities funded by the CREWS, develop a CREWS webpage	30,000	34,000	15,000
3. Staff			
- One Professional Staff seconded by UNISDR, Head of Secretariat, 12 months	219,000	222,400	222,400
- One Professional Staff seconded by World Bank/IBRD(GFDRR), Programme Officer, 12 months	85,000/6 months	0	170,000
- One Assistant, hired by WMO, 12 months	71,000/6 months	0	142,000
4. CREWS metrics and norms for measuring effectiveness and access to early warning systems and support to national and regional monitoring	0	0	40,000
5. Travel	45,000	28,000	45,000
6. Joint office management hosting costs, IT charges and equipment	20,000	20,000	20,000
Total costs	495,000	337,400	694,000*

*The total is allocated as below:

- USD 301,600 to WMO as host of the Secretariat
- USD 222,400 to UNISDR for support to the Secretariat
- USD 170,000 to IBRD for support to the Secretariat

C. Proposed Decision

4. The CREWS Steering Committee is requested to approve an estimated budget of USD 119,500 to cover estimated costs and expenses for trustee services to be provided by IBRD as trustee; and USD 694,000 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 119,500
- ii. WMO as host of the Secretariat USD 301,600
- iii. IBRD (for support to the Secretariat) USD 170,000
- iv. UNISDR (for support to the Secretariat) USD 222,400

D Next Steps

5. Upon Steering Committee approval of the FY18 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.