

**Global Concessional Financing Facility  
Administrative Budgets for the Trustee and Coordination Unit  
for the period July 1, 2022 to June 30, 2023 (FY23)**

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1. The purpose of this budget paper is to present, for Steering Committee (SC) approval, the proposed Trustee and Coordination Unit budgets for the period July 1, 2022 to June 30, 2023 (FY23).
2. The governing documents of the Global Concessional Financing Facility provide for the costs incurred by the World Bank as Trustee and as Coordination Unit to be covered by the Trust Fund through annual budgets submitted to the SC. The Trustee and the Coordination Unit have in the following sections provided information on the estimated costs and expenses for the period between July 1, 2022 and June 30, 2023 (FY23), as well as a comparison between the approved FY22 budget and actual FY22 costs.
3. An overview of the Trustee and Coordination Unit FY23 budgets is presented below in Table 1.

**Table 1: Trustee and Coordination Unit FY23 Proposed Budgets**

	<b>USD</b>
Coordination Unit	561,000
Trustee	400,000
<b>Total Budget</b>	<b>961,000</b>

**A. Trustee Budget**

4. **The estimates in Table 2 reflect the Trustee’s actual costs for the fiscal year 2022, as well as the estimated costs for the fiscal year 2023.** The estimates in Table 2 will be subject to adjustment at the end of the period, based upon costs and expenses incurred in the provision of trustee services to the GCFF, and comprise the following:
  - i. **Financial and program management** service comprises administration and involvement of the FIF Trust Fund, management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, processing cash transfers to Implementation Support Agencies using World Bank financial systems and procedures, and financial reporting. It also includes work on developing, implementing, and managing new and innovative financing structures.
  - ii. **Investment management:** 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 Trust Fund. The projected average balance over the fiscal year is estimated at USD 107 million. The actual investment management costs may vary depending on the actual average liquidity level during FY23.
  - iii. **Accounting** services include 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** 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 GCFF and the services of the Trustee.

**Table 2: FY22 Trustee estimated actual costs and FY23 budget (USD)**

<b>Trustee Services</b>	<b>FY22 Approved</b>	<b>FY22 Estimated Actuals</b>	<b>FY23 Proposed</b>
Financial and Program Management	256,000	256,000	256,000
Investment Management	55,000	48,000	48,000
Accounting and Reporting	45,000	45,000	45,000
Legal Services	51,000	51,000	51,000
<b>TOTAL</b>	<b>407,000</b>	<b>400,000</b>	<b>400,000</b>

5. Trustee’s FY22 estimated actuals are expected to be USD 7,000 less than the budget approved by the Steering Committee in June 2021. This is primarily due to lower investment management fees.

6. The proposed budget for **FY23 of USD 400,000** is consistent with the estimated actuals for FY22.

**B. Coordination Unit Budget**

7. **The estimates in Table 3 below reflect the Coordination Unit’s actual and best estimate costs for fiscal year 2022 and best estimate of the fees, costs and expenses for the fiscal year 2023, 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 Coordination Unit services.

8. The Coordination Unit budget is classified into four categories: Program Management Costs; Contractual services and Meetings; and Travel and Contingency. Services provided under these headings include:

- **Program Management:** These costs include: (a) the provision of legal services for the review and amendment of the Operations Manual as necessary; (b) provision of treasury services for Concessionality Spread and review of Concessionality Amount Calculations; (c) program administration and management by the Program Coordinator with the support of one full time consultant and one half time consultant to support the Coordination Unit, including liaising with the Trustee and ISAs, organization of meetings, review of proposals received for funding approval, six-monthly progress reporting, and website maintenance among others; and (d) fundraising activities, with the organization of specific outreach and missions to broaden the donor base and funding as the GCFE platform expands.
- **Contractual services and meetings:** This category includes the costs associated with arranging meetings (including venue, related expenses, printing, etc.), website development and management costs, production of progress reports and the annual report, translation of materials and the costs to produce other communications materials on the GCFE.
- **Travel and Contingency:** Travel costs related to all the functions of the Coordination Unit including the Program Coordinator, and other staff, including Legal and Treasury services as needed to attend SC meetings, to dialogue with Benefitting Countries and Supporting Countries and attend other relevant meetings that may be held from time-to-time.

The Coordination Unit FY23 proposed budget of **USD 561,000** is presented in Table 3.

**Table 3: FY22 Coordination Unit actual costs and expenses, and FY23 budget (USD)**

<b>Coordination Unit Services</b>	<b>FY22 Budget</b>	<b>FY22 Actuals</b>	<b>FY23 Budget</b>
<b>Staff, ETC and STC costs</b>	<b>410,000</b>	<b>435,500</b>	<b>516,000</b>
Legal Services	50,000	14,500	33,300
Treasury Services	50,000	77,000	61,000
Fundraising activities	60,000	98,000	116,500
Coordination and Administration	250,000	246,000	305,200
<b>Travel</b>	<b>20,000</b>	<b>15,000</b>	<b>20,000</b>
<b>Contractual Services, Publications &amp; Meetings</b>	<b>60,000</b>	<b>22,500</b>	<b>25,000</b>
<b>TOTAL</b>	<b>490,000</b>	<b>473,000</b>	<b>561,000</b>

9. The Coordination Unit’s actuals were USD 17,000 less than the budget approved by the Steering Committee for FY22 due to delays in the recruitment of consultants and staff and lower costs incurred for the provision of legal services.
10. The budget proposed for FY23 of USD 561,000 is USD 71,000 more than the budget proposed for FY22, due to higher staff and consultancy costs related to the increased cost recovery fee charged by the World Bank for direct costs (which has increased from 17% to 28% for World Bank-managed FIF Secretariats), adjustments to staff costs to account for inflation (5% flat increase as approved by the WBG Executive Board for FY23), and the anticipated workload of the Coordination Unit.

**C. Proposed Decision**

11. The GCFE Steering Committee is requested to approve an estimated budget of **USD 400,000** to cover estimated costs for trustee services, and **USD 561,000** to cover the estimated costs for Coordination Unit services, for fiscal year 2023.

**D. Next Steps**

12. Upon Steering Committee approval of the FY23 budget of the Trustee and Coordination Unit, the Trustee will transfer the amounts approved from available resources in the GCFE Trust Fund.