

Global Green Growth Institute

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Update on cash flow and implementation of the Facilitative Sub-Committee decision

The Secretariat presented an update on cash flow as of 31 March to the Facilitative Sub-Committee (FSC) at its meeting on 8 May 2014.

The attached table provides an update to the Council on the cash flow as of 30 April and reflects actual expenditures in April, with due regard to the FSC-approved austerity measures.

Actual spending in April was below the average target spending level by USD 439,318. The cash flow projection is also adjusted for the USD 5 million core contribution received from the Republic of Korea on 21 May 2014.

Despite these two positive factors, the financial outlook will not change dramatically but rather remain unchanged.

As projected in the attached table, the cash balance is expected to turn negative in September 2014 if the FSC-approved austerity measures do not continue to be implemented.

The cash balance will remain positive until September 2014 under the austerity measures, but will turn negative in October unless other donors follow the Republic of Korea in making 2014 core contributions. Therefore, GGGI will continue to operate under the current austerity measures until the cash flow situation eases, anticipated to be in September.

PROJECTION OF BUDGETED EXPENDITURE AGAINST FREE CASHFLOW AS AT 1st APRIL 2014

Savings Measures by the Secretariat to Address the Cash Flow Situation (this is based on the approved budget)

April onwards: projected saving

	April	May	June	July	Aug	Sept	Total
(1) Approved Budget ¹	\$2,801,641	\$2,934,667	\$3,274,650	\$2,813,657	\$2,995,859	\$2,991,249	\$17,811,723
(2) Cash in House in April 1st (deducting liabilities for 2013) ²	\$8,903,807	\$5,000,000					
(3) Measures already undertaken							
A. Staff headcount freezing at March levels ³	241,304	29,413	453,138	380,649	411,112	507,137	\$2,022,754
B. Project activities: travel, conferences, trainings and workshops (discretionary expenditure) ⁴	\$42,026	\$61,978	\$69,244	\$29,656	\$30,225	\$53,768	\$286,897
(4) Total savings already undertaken and projected	\$283,331	\$91,391	\$522,382	\$410,305	\$441,337	\$560,904	\$2,309,651
(5) Gross projected needs for 2014 [(1)minus (4)]	\$2,518,310	\$2,843,276	\$2,752,267	\$2,403,351	\$2,554,522	\$2,430,345	\$15,502,072
(6) Additional cost cutting measures							
A. Further reduction of project activities (70% further reduction in discretionary expenditure)	264,766	390,459	436,238	186,834	190,418	338,737	\$1,807,451
B. Deferral of 70% of further planned future commitments	-	75,679	257,077	-	31,552	151,579	\$515,886
C. Existing liabilities with Individual consultants and external service providers (10% deferral)	89,090	47,167	45,335	81,416	80,473	40,660	\$384,141
(7) Total savings after additional cost cutting measures	\$353,856	\$513,304	\$738,650	\$268,250	\$302,443	\$530,975	\$2,707,478
(8) Net projected needs after additional cost cutting measures [(5)minus (7)]	\$2,164,454	\$2,329,972	\$2,013,618	\$2,135,102	\$2,252,079	\$1,899,369	\$12,794,594
(9) Projected Cash Balance after budget deferrals requested by FacCom	\$6,739,353	\$9,409,381	\$7,395,763	\$5,260,662	\$3,008,582	\$1,109,213	
(10) Feasible deferrals achieved by implementing FacCom recommendations across the board	\$523,852	\$523,852	\$523,852	\$523,852	\$523,852	\$523,852	\$3,143,111
(11) Actual cash balance after feasible deferrals as requested by FSC	\$6,867,322	\$9,485,920	\$7,188,261	\$5,279,105	\$3,218,210	\$1,257,949	

Notes

1 This is monthly budget from April to September 2014 as approved by the Council.

2 This is free cashflow after taking into consideration all the liabilities prior to 1 April 2014.

3 This is based on actual payroll as at 1 April 2014 and includes savings achieved from deferral of staff salary and executive bonuses.

4 We have assumed that 10% savings achieved from January to March is applied to discretionary expenditure from April to September.