



## **2004 OPERATING EXPENSE BUDGET AND WORK PLAN (PROPOSED)**

**Outline:** This document summarises the proposed operating expense budget for 2004 and the underlying Secretariat work plan.

### **Decision Points:**

The MEFA Committee recommends that the Board:

1. Approves the 2004 Operating Expense Budget in the amount of US\$ 52,668,000 as set out in Annex 10.
2. Approves that, with regard to Secretariat flexibility to transfer budget between functions and expense types within the overall budget, the following rules shall apply :
  - a) Maintain the separation between the budget for LFA Fees and that for Secretariat Expenses. No transfers are allowed between these two items.
  - b) Within the budget for Secretariat Expenses, allow transfers between the following five groups of functions (Portfolio Management and TRP; Strategy, Evaluation and Program Support; External Relations; Executive Director and Board Relations; and Operations) subject to the approval of MEFA.
  - c) Within the budget for each functional grouping, allow unlimited transfers between expense lines.
  - d) That MEFA shall review and, if considered necessary, adjust this policy in the light of experience during 2004.

## Part 1: Introduction

1. At the sixth Board meeting, the Board was presented with the proposed 2004 Operating Expense Budget. The Board directed the MEFA Committee in its December 2003 meeting to finalize its review and recommendations of the 2004 budget, including comments made by the Board and to bring its final recommendation to the Board at its next meeting in 2004.
2. Part 2 describes the Secretariat Work Plan for 2004 and summarizes its contents.
3. Part 3 summarizes the proposed 2004 Operating Expense Budget, incorporating the modifications proposed by MEFA in its review after the sixth Board meeting.

## Part 2: 2004 Secretariat Work Plan

4. The Secretariat Work Plan for 2004 is focused on five Organizational Priorities:
  1. **Achieving Results** - facilitating the proposal process and catalytic management of grants from negotiation of agreements through to disbursements and follow-up on implementation, including full leverage of our technical partners to support implementation.
  2. **Documenting Results** - through rigorous analytical assessments of the status of our portfolio and through reports/anecdotal stories affirming the success of particular grants
  3. **Mobilizing Support** - mobilizing resources to enable implementation of the Global Fund mission and communicating the Fund's objectives, needs and results to all stakeholders
  4. **Managing the Secretariat** - enabling an effective and efficient Secretariat that innovatively applies best practices to enable the optimal functioning of the Fund.
  5. **Facilitating Effective Governance** - by supporting the Board and its committees with logistical and analytical input to Board decision making.
5. The detailed Work Plan for each team within the Secretariat was presented to MEFA. Each team's Work Plan describes the Team Objectives for achievement of the Organizational Priorities, detailing the constituent activities and deliverables planned for each quarter.

6. The costs relating to each Team Objective are set out in the Work Plan and, collectively, represent the proposed 2004 Budget for Operating Expenses as follows:

**2004 Operating Expense Budget - by Organizational Priority** in US\$ millions

Organizational Priority	Secretariat			Total	
	LFA Fees	Expenses	Contingency*		
1 Achieving Results	22.2	9.1	0.3	31.6	60%
2 Documenting Results		4.2	0.1	4.3	8%
3 Mobilizing Support		5.2	0.2	5.4	10%
4 Managing the Secretariat		8.1	0.3	8.4	16%
5 Facilitating Effective Governance		2.9	0.1	3.0	6%
<b>Total</b>	<b>22.2</b>	<b>29.5</b>	<b>1.0</b>	<b>52.7</b>	<b>100%</b>

\*Notional spread of Contingency

7. The Secretariat will report to MEFA on performance against Work Plan for the first half of 2004 and for the whole year, and on performance against Budget for each quarter.
8. The table below identifies the costs relating to each Organizational Priority within the budget for each Secretariat function:

**2004 Operating Expense Budget - by Function & Organizational Priority** in US\$ thousands

Function	Organizational Priorities					Total
	Achieving Results	Documenting Results	Mobilizing Support	Managing the Secretariat	Facilitating Effective Governance	
<b>In-Country Oversight (LFA Fees)</b>	<b>22,178</b>					<b>22,178</b>
<b>Secretariat Expenses</b>	<b>9,385</b>	<b>4,283</b>	<b>5,461</b>	<b>8,375</b>	<b>2,986</b>	<b>30,490</b>
Fund Portfolio Management	4,353	670		1,286	101	6,410
Technical Review Panel	679	247		56		982
Strategic Architecture & Program Support	1,244			442		1,686
Strategic Information & Measurement		2,975				2,975
Office of the Executive Director	339	291	414	327	203	1,574
Board Relations			225		2,338	2,563
External Relations			4,003	147	163	4,313
Operations <sup>(1)</sup>	2,469		619	5,818	82	8,987
Contingency <sup>(2)</sup>	300	100	200	300	100	1,000
<b>Total</b>	<b>31,563</b>	<b>4,283</b>	<b>5,461</b>	<b>8,375</b>	<b>2,986</b>	<b>52,668</b>
	<b>60%</b>	<b>8%</b>	<b>10%</b>	<b>16%</b>	<b>6%</b>	<b>100%</b>

<sup>(1)</sup> Operations includes Finance & Administration, Human Resources, Legal, and Information Technology

<sup>(2)</sup> Contingency is distributed over the Organizational Priorities on a notional basis

### Part 3: Proposed 2004 Operating Expense Budget

9. Comprehensive details of the proposed budget were presented to MEFA and were reviewed at its December 2003 meeting and finalized at its February 2004 meeting. On incorporating the recommendations of MEFA, the proposed budget totals \$52.7 million, as follows:

Operating Expenses In US\$ thousands	2003		2004 Draft Budget	Change from 2003 Actual	
	Budget	Actual			
<b>By Function:</b>					
<b>In-Country Oversight (by LFAs)</b>	<b>16,426</b>	<b>10,119</b>	<b>22,178</b>	<b>12,059</b>	<b>119%</b>
<b>Secretariat expenses</b>	<b>22,321</b>	<b>21,651</b>	<b>30,490</b>	<b>8,839</b>	<b>41%</b>
Fund Portfolio Management	4,195	4,230	6,410	2,180	52%
Technical Review Panel	492	1,162	982	(180)	-15%
Strategic Architecture & Program Support	2,548	1,587	1,686	3,074	194%
Strategic Information & Measurement			2,975		
Board Relations	1,390	1,522	2,563	1,041	68%
Office of the Executive Director	1,258	1,147	1,574	427	37%
External Relations	3,308	3,464	4,313	849	25%
Operations	9,130	8,539	8,987	448	5%
Contingency	-		1,000	1,000	
<b>Total Operating Expenses</b>	<b>38,747</b>	<b>31,770</b>	<b>52,668</b>	<b>20,898</b>	<b>66%</b>
<b>By Expense Type:</b>					
<b>LFA fees</b>	<b>16,426</b>	<b>10,119</b>	<b>22,178</b>	<b>12,059</b>	<b>119%</b>
<b>Secretariat expenses</b>	<b>22,321</b>	<b>21,651</b>	<b>30,490</b>	<b>8,839</b>	<b>41%</b>
Staff	10,961	9,618	13,801	4,183	43%
Travel & meetings	2,749	3,530	5,043	1,513	43%
Professional services	4,666	4,697	7,331	2,634	56%
Communication materials	1,192	966	1,143	177	18%
Office infrastructure	2,753	2,839	2,172	(667)	-23%
Contingency			1,000	1,000	
<b>Total Operating Expenses</b>	<b>38,747</b>	<b>31,770</b>	<b>52,668</b>	<b>20,898</b>	<b>66%</b>

#### Comparison with 2003 Costs and Activity

10. **Costs:** At a total of \$52.7 million, the proposed budget reflects an overall increase of 66% on the actual operating expenses for 2003 of \$31.8 million (which were \$7 million less than had been budgeted for 2003 due principally to less being spent on LFA services and some under-spending on Secretariat expenses).
11. **Activity:** The 66% increase in costs from 2003 to 2004 is in the context of a substantial increase in grant activity, with grants from 4 rounds being managed, as compared to 2 rounds in 2003. The value of grants under

management in 2003 was \$232 million (being the total disbursed through year-end on all active grants). Based on 2004 projections that include rounds 3 & 4, the value of grants under management will grow to \$963 million in 2004, an increase of 315% on 2003.

12. The overall cost increase of 66% is comprised of a 119% increase in LFA fees and a 41% increase in Secretariat Expenses (which includes Board and TRP expenses). A detailed analysis of the change from 2003 actual costs to the 2004 budget is presented at Attachment 1.
13. The 119% increase in LFA fees relates to an increase in the volume of grants being monitored by Local Fund Agents (see 18 below).
14. As can be seen from the table above and Attachment 1, within Secretariat Expenses the functions accounting for most (83%) of the \$8.8 million increase are:
  - \$2.2m in Fund Portfolio Management (mainly staff & travel)
  - \$3.1m in Strategy & Evaluation (mainly staff & M&E consultants)
  - \$1.0m in Board Relations (mainly board travel & meetings)
  - \$1.0m for contingency
15. The proposed budget shows an increase from the earlier draft totalling \$49.4 million reviewed at the sixth Board meeting, on inclusion of adjustments recommended by MEFA as mentioned at 9 above. These adjustments comprised: \$1.6 million to take account of the impact of a decline in the value of the dollar against the Swiss franc on staff costs, \$1.3 million for monitoring and evaluation activities on finalisation of the M&E strategy, \$0.6 million for LFA fees relating to phase 2 grant renewals, less \$0.3 million in total for other adjustments.
16. **Performance ratios:** Based on current assumptions regarding round 4, Operating Expenses would represent 2.7% of total expenditure in 2004, down from 2.9% in 2003. (See Attachment 2 for performance indicators and the underlying calculations.)

### Details of Expenses

17. The following paragraphs provide details of the expenses comprising the 2004 budget:

	\$ millions	
<b>LFA fees</b>	<b>22.2</b>	<b>42%</b>
<b>Secretariat expenses</b>	<b>30.5</b>	<b>58%</b>
Staff	13.8	26%
Travel & meetings	5.0	9%
Professional services	7.3	14%
Communication materials	1.1	2%
Office infrastructure	2.2	4%
Contingency	1.0	2%
<b>Total Operating Expenses</b>	<b><u>52.7</u></b>	<b>100%</b>

18. Local Fund Agent fees (\$22.2 million; 42% of total)

<b>LFA Fees for PR Assessments</b>		Round 3	Round 4	Total	Cost per Grant	Cost	
Assessments of <b>Existing PRs</b>		22	25	47	\$40,000	\$1,880,000	<b>PR Assessments</b> <b>\$9,080,000</b> for 143 grants
Assessments of <b>New PRs</b>		48	48	96	\$75,000	\$7,200,000	
<b>Total</b>		<u>70</u>	<u>73</u>	<u>143</u>		<u>\$9,080,000</u>	

  

<b>LFA Fees for Grant Monitoring</b>		per month*	Round 1	Round 2	Round 3	Round 4	
*Average monitoring cost per grant, per month							<b>Grant Monitoring</b> <b>\$12,488,500</b> for 310 grants
Monitoring - <b>initial grant</b> for a PR		\$5,500	\$3,300,000	\$3,894,000	\$1,760,000	\$544,500	
Monitoring - <b>subsequent grants</b> for a PR		\$2,500	\$540,000	\$1,200,000	\$950,000	\$300,000	
<b>Total cost of monitoring</b>			<u>\$3,840,000</u>	<u>\$5,094,000</u>	<u>\$2,710,000</u>	<u>\$844,500</u>	

  

<b>LFA Fees for Phase 2 Renewals</b>		Days per 100 renewals	No. of phase 2 renewals	Days	Daily rate		
LFA review of CCM requests, phase 2 assessments and assistance with grant negotiations, etc.			40	530	\$1,000	\$530,000	<b>Phase 2 renewals</b> <b>\$609,500</b>
LFA travel costs (assumed at 15%)		1,325				\$79,500	
<b>Total</b>						<u>\$609,500</u>	

  

<b>LFA Fees - Total</b>	<b>\$22,178,000</b>
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19. The numbers of Principal Recipients (PRs) are based on actual data for Rounds 1, 2 and 3 and estimates for Round 4. Unit costs take account of experience to date and future costs as indicated by the recent LFA tender process (which, for monitoring, are less than was budgeted in 2003).

20. The unit costs budgeted are less than in 2003, based on experience to date and on the results of the LFA tender process. The units costs budgeted for 2004 are:

- Assessment of new PR: \$75,000 (to cover all assessments)
- Assessment of existing PR: \$40,000 (to cover additional assessments)
- Monitoring of initial grant to a PR: \$66,000 per year
- Monitoring of second and subsequent grants to a PR: \$30,000 per year

21. At \$22.2 million, LFA fees are up 119% on the actual expenditure 2003. This is consistent with the assessment of a greater number of PRs in 2004, a full-year of monitoring for Round 1 & 2 grants (as compared to a part-year in 2003) and Round 3 & 4 grants starting in 2004. 135 grants were active at the end of 2003; this is expected to grow to 310 by the end of 2004, an increase of 130%.

22. Staff costs (\$13.8 million; 26% of total)

	US\$ thousands			Fixed-term positions
	Fixed-Term	Temporary	Total	
Fund Portfolio Management	4,589	500	5,089	28
Technical Review Panel	196	29	225	1
Strategic Architecture & Programme Support	901	158	1,059	6
Strategic Information & Measurement	823		823	5
Office of the Executive Director	1,257		1,257	7
Board Relations	311		311	2
Operations	3,019	200	3,219	20
External Relations	1,781	38	1,819	11
<b>Total</b>	<b>12,877</b>	<b>925</b>	<b>13,802</b>	<b>80</b>

23. Staff costs are based on the average costs per position-grade furnished by WHO. These include the costs of salary, pension, social security and other benefits provided to employees of WHO. The 80 fixed-term positions are for terms not exceeding two years and include 4 externally-funded secondments. Short-term staff are those fulfilling temporary or ad-hoc needs and provide a flexible solution to such requirements. The costs budgeted for short-term staff cover the equivalent of 9 full-time positions and reflect lower cost rates than for fixed-term staff.

24. Staff cost increases (44% in comparison to 2003 actual) are mainly in Fund Portfolio Management, and Strategy, Evaluation & Program Support (for M&E activities). (See Attachment 1.)

25. The increase results from the decline in the value of the US dollar against the Swiss franc in which staff costs are incurred, additional positions (fixed-term and temporary), and the fact that some positions that were filled for only part of 2003 will be filled for all of 2004.

26. Travel & Meetings (\$5 million; 9% of total)

<b>The Global Fund - Budget 2004</b>			
<b>Travel &amp; Meeting Costs - Summary</b>			
	<b>Travel</b>	<b>Venue</b>	<b>Total</b>
<b>Board Relations</b>			
Board Meetings (3)	441,000	490,000	931,000
Committee Meetings (29)	553,000	80,000	633,000
Constituency visits, etc. (Board Relations team)	52,500		52,500
	<u>1,046,500</u>	570,000	1,616,500
Partnership Forum (includes travel for 100)	400,000	100,000	500,000
	<u>1,446,500</u>	670,000	<b>2,116,500</b> 42%
<b>Fund Portfolio Mangement</b>			
Grant negotiations, signings & implementation (142 countries)	766,600		766,600
Regional meetings (7)	137,350	84,000	221,350
Conferences, resource mobilisation and meetings with partners	304,500		304,500
	<u>1,208,450</u>	84,000	<b>1,292,450</b> 26%
<b>External Relations</b>	312,700	100,000	<b>412,700</b> 8%
<b>Strategy, Evaluation &amp; Program Support</b>	619,500		<b>619,500</b> 12%
<b>Office of the Executive Director</b>	286,800		<b>286,800</b> 6%
<b>Technical Review Panel</b>	147,600	31,746	<b>179,346</b> 4%
<b>Operations</b> (COO, legal, finance, IT & HR)	135,700		<b>135,700</b> 3%
<b>Total</b>	4,157,250	885,746	<b>5,042,996</b> 100%

27. The major part of travel and meeting expenditure is on Board and Committee meetings and the Partnership Forum (42%). Fund portfolio management and regional meetings (of Principal Recipients) represent the second largest travel cost (26%).

28. The budget provides \$500k in respect of the Partnership Forum, assuming 100 attendees' travel costs are covered by the Fund (which relies on the coordination of other participants' travel with the concomitant AIDS meeting). This element of the budget may require revision when plans for the Forum are finalised.

29. The main part of the increase in travel & meeting costs (in comparison to 2003) relates the funding of greater numbers of Board members' travel to Board and Committee meetings. Fund Portfolio Management also accounts for a large part of the increase, as a result of the increased grant activity.



30. Professional Services (US\$7.3 million; 14% of total)

	<b>\$'000</b>
Trustee fee (World Bank)	2,000
Administrative Services fee (WHO)	900
Consultants - Monitoring & Evaluation	1,761
Consultants - Strategic Evaluation & Program Support	400
Consultants - Communications & Resource Mobilization	1,310
TRP honoraria & recruitment	387
Audit, legal & other	310
Staff training	263
<b>Total</b>	<b>7,331</b>

The Administrative Services fee for 2004 is under negotiation and may differ from the above amount which represents the actual level for 2003.

31. Of the increase of US\$2.6 million (in comparison to 2003), \$2 million results from the launch of substantial Monitoring & Evaluation activities and the establishment of the Technical Evaluation Reference Group (TERG), as mandated by the sixth Board meeting. New resource mobilization and branding campaigns (\$0.4m) and staff training (\$0.2m) account for the remainder of the increase.

32. Communications Materials (US\$1.1 million; 2% of total)

Communications materials comprise video and print materials for external and internal dissemination. The budget covers the writing, translation, printing and video production services for the creation of such materials.

	<b>\$'000</b>
Videos of grant-funded activities	552
Annual Report	120
Brochures	100
<i>Sub-total: External Relations</i>	<i>772</i>
TRP: Translation & printing of proposals	190
Translation of Board documents	100
Printing of papers for Board meetings	36
Other	45
<b>Total</b>	<b>1,143</b>

33. The increase of \$177k (in comparison to 2003) relates to the translation of Board documents (deferred from 2003) and video production costs.

34. Office Infrastructure (US\$2.2 million; 4% of total)

	\$'000
Office rent	536
Telecommunications	400
Office supplies, services & utilities	282
IT support, software licences & connectivity	559
Software: Proposal & Grant Management System	244
Office equipment & modifications	151
<b>Total</b>	<b><u>2,172</u></b>

Office infrastructure costs will reduce by 23% in 2004 (in comparison to 2003) following the completion of the major set-up phase of equipment purchase and modifications to office premises.

**Decision Points:**

1. ***The Board approves the 2004 Operating Expense Budget in the amount of US\$ 52,668,000 as set out in Annex 10.***
2. ***With regard to Secretariat flexibility to transfer budget between functions and expense types within the overall budget the following rules shall apply :***
  - a) ***Maintain the separation between the budget for LFA Fees and that for Secretariat Expenses. No transfers are allowed between these two items.***
  - b) ***Within the budget for Secretariat Expenses, allow transfers between the following five groups of functions (Portfolio Management and TRP; Strategy, Evaluation and Program Support; External Relations; Executive Director and Board Relations; and Operations) subject to the approval of MEFA.***
  - c) ***Within the budget for each functional grouping, allow unlimited transfers between expense lines.******and that MEFA shall review and, if considered necessary, adjust this policy in the light of experience during 2004.***

## Attachment 1

### Comparison of 2004 Budget with 2003 Actual operating expenses

<b>2004 Budget</b> US\$'000	LFA Fees	Staff	Travel & Meetings	Professional services	Communicat. materials	Office infrastructure	Contingency	<b>Total</b>
<b>In-country Oversight</b> (by LFAs)	<b>22,178</b>							<b>22,178</b>
<b>Secretariat Expenses</b>		<b>13,801</b>	<b>5,043</b>	<b>7,331</b>	<b>1,143</b>	<b>2,172</b>	<b>1,000</b>	<b>30,490</b>
Fund Portfolio Management		5,089	1,292	13	15			6,410
Technical Review Panel		225	179	387	190			982
Strategy, Evaluation & Prog. Support		1,882	620	2,161				4,661
Board Relations		311	2,117		136			2,563
Office of Executive Director		1,257	287	30				1,574
External Relations		1,819	413	1,310	772			4,313
Operations		3,219	136	3,430	30	2,172		8,987
Contingency							1,000	1,000
<b>Total</b>	<b>22,178</b>	<b>13,801</b>	<b>5,043</b>	<b>7,331</b>	<b>1,143</b>	<b>2,172</b>	<b>1,000</b>	<b>52,668</b>

<b>2003 Actual</b> US\$'000	LFA Fees	Staff	Travel & Meetings	Professional services	Communicat. materials	Office infrastructure	Contingency	<b>Total</b>	
<b>In-country Oversight</b> (by LFAs)	<b>10,119</b>							<b>10,119</b>	
<b>Secretariat Expenses</b>		<b>9,618</b>	<b>3,530</b>	<b>4,697</b>	<b>966</b>	<b>2,839</b>		<b>21,651</b>	
Fund Portfolio Management		3,389	755	66	17	3		4,230	
Technical Review Panel		246	164	518	234			1,162	
Strategy, Evaluation & Prog. Support		902	435	173	77			1,587	
Board Relations		281	1,219	(5)	23	3		1,522	
Office of Executive Director		922	248	8		(31)		1,147	
External Relations		1,312	605	928	615	3		3,464	
Operations		2,565	104	3,010		2,860		8,539	
<b>Total</b>	<b>10,119</b>	<b>9,618</b>	<b>3,530</b>	<b>4,697</b>	<b>966</b>	<b>2,839</b>		<b>31,770</b>	Note 1

#### 2004 Budget minus 2003 Actual:

<b>Change on 2003</b> US\$'000	LFA Fees	Staff	Travel & Meetings	Professional services	Communicat. materials	Office infrastructure	Contingency	<b>Total Change</b>	As % of 2003
<b>In-country Oversight</b> (by LFAs)	<b>12,059</b>							<b>12,059</b>	<b>119%</b>
<b>Secretariat Expenses</b>		<b>4,183</b>	<b>1,513</b>	<b>2,634</b>	<b>177</b>	<b>-667</b>	<b>1,000</b>	<b>8,840</b>	<b>41%</b>
Fund Portfolio Management		1,700	537	-53	-2	-3		2,180	52%
Technical Review Panel		-21	15	-131	-44			-180	-15%
Strategy, Evaluation & Prog. Support		980	185	1,988	-77			3,074	194%
Board Relations		30	898	5	113	-3		1,041	68%
Office of Executive Director		335	39	22		31		427	37%
External Relations		507	-192	382	157	-3		849	25%
Operations		654	32	420	30	-688		448	5%
Contingency							1,000	1,000	
<b>Total</b>	<b>12,059</b>	<b>4,183</b>	<b>1,513</b>	<b>2,634</b>	<b>177</b>	<b>-667</b>	<b>1,000</b>	<b>20,899</b>	<b>66%</b>
Change as % of 2003 Actual:	119%	43%	43%	56%	18%	-23%		<b>66%</b>	

Note 1: For budgetary comparison purposes, expenses are stated net of any cost sharing or donation received towards an expense. In 2003, such support for regional meetings of Principal Recipients, office rental, staff costs and consultants' fees amounted to \$786k. Accordingly, the total of Operating Expenses above is \$786k less than the corresponding value in the audited financial statements, which include this amount in contributions rather than as a deduction from expenses.

## Attachment 2

### Performance Indicators

#### *Operating Expense Indicators 2004*

<b>Operating Expenses as percentage of:</b>		LFA Fees	Secretariat Expenses	<b>Operating Expenses</b>
Total Expenditure	(A/C)	1.1%	1.5%	<b>2.7%</b>
Grant Disbursements	(A/D)	3.0%	4.2%	<b>7.2%</b>
Grants Under Management	(A/E)	2.3%	3.2%	<b>5.5%</b>

#### *For comparison: Operating Expense Indicators 2003*

<b>Operating Expenses as percentage of:</b>		LFA Fees	Secretariat Expenses	<b>Operating Expenses</b>
Total Expenditure	(A/C)	0.9%	2.0%	<b>2.9%</b>
Grant Disbursements	(A/D)	4.4%	9.4%	<b>13.8%</b>
Grants Under Management	(A/E)	4.4%	9.3%	<b>13.7%</b>

#### *Data underlying the Operating Expense Indicators*

Note			<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Increase from 2003 to 2004</u>	
			US\$ million	US\$ million	US\$ million	US\$ million	%
1	<b>Operating Expenses</b>	(A)	12.8	31.8	52.7 (B)	20.9	<b>66%</b>
2	LFA Fees	(A1)	0.7	10.1	22.2 (B)	12.1	119%
3	Secretariat Expenses	(A2)	12.1	21.7	30.5 (B)	8.8	41%
4	<b>Grant Expenditure</b>	(B)	52.0	1,063	1,933 (P)	870	<b>82%</b>
5	Total Expenditure	(C)	64.8	1,095	1,986 (P)	891	81%
6	Grant Disbursements	(D)	0.9	231	731 (P)	500	216%
7	<b>Grants Under Management</b>	(E)	0.9	232	963 (P)	731	<b>315%</b>

(B = Budget; P = Projected)

**Explanation of terms**

- 1 Operating Expenses is the sum of LFA Fees and Secretariat Expenses
- 2 LFA Fees for services performed in the period
- 3 Secretariat Expenses (including Board and TRP) relating to the period
- 4 Grant Expenditure is the amount of grant commitments entered into during the period (on signing grant agreement)
- 5 Total Expenditure is the sum of Grant Expenditure (B) and Operating Expenses (A)
- 6 Grant Disbursements is the amount disbursed to Principal Recipients during the period
- 7 Grants Under Management is amount disbursed through period-end on all active grants