

**Fifth Meeting of the Advisory
Board of the Santiago network**

SNAB/2025/05/10

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Provisional agenda item 8.a

Report on the execution of the budget of the Santiago network

Summary

This document provides an update on the budget execution of the Santiago network including: a) an update on the 2024 certified financial statements and audits; and b) expenditure report and expenditure forecast for the Santiago network in 2025 and respective balance.

It is recommended that it should be reviewed in conjunction with the status of resources document (SNAB/2025/05/15) submitted as a background document for the fifth meeting of the Advisory Board.

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I. Background

1. This document provides an update on the budget execution of the Santiago network budget including a) an update on the 2024 certified financial statements and audits; and b) expenditure report and expenditure forecast for the Santiago network in 2025 and respective balance.

II. Financial management, auditing and reporting

2. As per paragraph 27 of the MOU the Santiago network secretariat shall carry out financial management, auditing and reporting functions and implement a robust accountability system, sound financial systems of international standard, and a fiduciary record that ensures the correct, impartial administering and disbursement of funds. The annual financial audit, in accordance with the United Nations single audit principle, shall be carried out in accordance with UNOPS regulations, rules and policies regarding audit, and will be made available to the Advisory Board and the funding sources within six months of the closure of the financial year¹.
3. The annual financial audit² conducted in May 2025 and concluded on 27 June 2025, resulted in the issuance of an unmodified³ opinion for the Financial Statements for the period January-December 2024.
4. On 30 June 2025, the Secretariat submitted the 2024 financial statement to the Advisory Board. Concurrently, and with the Co-Chairs' approval, the Secretariat transmitted to the Advisory Board a proposed intersessional decision regarding the endorsement of the annual financial statement.
5. In accordance with paragraph 52 of the rules of procedure, and in the absence of an objection within the prescribed period, on 10 July 2025, the Advisory Board, having reviewed the document "2024 financial statement of the Santiago network" and "2024 Annual Financial Audit of the Santiago network", endorsed the 2024 financial statement of the Santiago network.
6. As per UNOPS Financial Rules and Regulations (Rule 123.18), interest earned on funds received from donors is credited to UNOPS corporate account and retained by the organization. The Santiago network, in accordance with its legal agreements signed with contributors by UNOPS on its behalf, is eligible to receive interest. Interest calculation is done on a monthly basis, and it depends on the cash received from respective contributors as well as the current level of cash under the programme.

¹ UNOPS financial year is 01 January - 31 December

² The full audit report is publicly available via
<https://content.unops.org/documents/libraries/iaig/financial-audit-reports/2025/en/IAIG-15217-FAR.pdf>

³ Indicates that the financial statements present a true and fair view, in all material respects, in compliance with the applicable financial reporting framework.

III. 2025 budget and expenditure

7. The table below presents an overview of expenditure in 2025 for 1 January - 30 June 2025 against the [approved budget](#), as well as an expenditure forecast for 01 July 2025 - 31 December 2025.
8. The anticipated exponential increase in technical assistance activities, projected to be funded by the Santiago Network and driven by a corresponding surge in requests when the initial 2025 budget was approved, has not been fully realized.
9. As of August 2025, one Technical Assistance is signed and under implementation, with three additional requests having been received.
 - a. The [provision of technical assistance in Vanuatu](#) commenced in May 2025.
 - b. The Secretariat is currently processing three additional requests for technical assistance, working with the respective proponents to refine their requests.
 - c. A number of other developing countries shared their early thinking on what technical assistance they may wish to request and the Secretariat is actively engaging with these countries to guide and support them through the process.
10. To address this situation, the Secretariat has undertaken several activities, detailed in Section II B of the 'Report on the Activities of the Santiago Network Secretariat (April 2025 - August 2025) (SNAB/2025/05/02)'.
11. At its fourth meeting, through decision point 11.1.4, the Advisory Board 'requested the Secretariat to update the personnel budget line in the 2025 budget, to accommodate the recruitment of regional positions, the recruitment of the head office positions, and the continuation of the interim Secretariat, and submit to the Advisory Board for consideration and approval.' These changes have been included in the revised budget for 2025 to be submitted for approval at its fifth meeting. As the proposed changes to the 2025 budget have not yet been approved by the Advisory Board, they are not reflected in the '*Estimated costs for 2025 (USD)*' budget column. However, the projected expenditure aligned with these changes is included in the '*Jan-Jun Expenditure*' and '*Jul-Dec Forecast*' budget columns.
12. A more detailed breakdown of the expenditure and forecast is presented in Table 1 below, providing insights into specific budget lines and their current status.

Table 1: Santiago network 2025 budget, expenditure for Jan-June and forecast for Jul-Dec 2025

<i>Description</i>	<i>Estimated costs for 2025 (USD)⁴</i>	<i>Jan-Jun Expenditure</i>	<i>Jul-Dec Forecast</i>	<i>Variance (USD)</i>	<i>Expenditure notes</i>	<i>Forecast notes</i>
Technical Assistance	\$5,150,000	\$139,682	\$2,582,000	\$2,428,318	During the first half of the year, one technical assistance activity was awarded. Expenditure includes the related tranche payment and costs associated with the preparation costs, (including capacity and PSEA assessments.	The estimated forecast for the second half of the year indicates the second tranche payment for the ongoing TA, alongside seven potential additional technical assistance activities, estimated at 350,000 USD each, as well as associated preparation costs. The number and amount of potential technical assistance activities are subject to change due to the demand-driven nature of the requests.
Personnel	\$2,200,106	\$722,395	\$1,717,322	\$-239,611⁵	For the first half of 2025, secretariat personnel costs were lower than anticipated due to incomplete staffing. The incurred costs were primarily attributed to two permanent positions and the extension of interim personnel in the absence of permanent staff currently under recruitment.	A significant increase for staffing costs anticipated for the second half of the year as key positions are being filled. These costs incorporate relocation expenses and are calculated using the updated UNOPS proforma tool from March 2025. The interim personnel budget, as approved by the AB, encompasses support provided until the end of 2025.
Office Management	\$20,000	\$0 ⁶	\$40,000 ⁷⁸	\$-20,000	No expenditure recorded due to the recruitment timeline of the regional positions.	In the latter half of the year, expenditures for ICT and office equipment are anticipated for the newly recruited regional positions.

⁴ The draft revised 2025 budget, in response to SNAB4 decisions where the Advisory Board 'requested the Secretariat to update the personnel budget line in the 2025 budget, to accommodate the recruitment of regional positions, the recruitment of the head office positions, and the continuation of the interim Secretariat, is currently under consideration by the Budget Subcommittee and will be considered by the Advisory Board at SNAB5.

⁵ This forecast includes the proposed personnel cost detailed in the revised 2025 budget in line with the decisions taken at SNAB4.

⁶ Total expenditure for the period of January to June amounted to 47,095 USD. This sum pertained to the procurement costs of furniture and ICT equipment for Head Office positions, which are covered under Swiss co-financing agreement and have not been included in this overview. Subject to Swiss co-financing for Geneva-based office costs, and in accordance with the Swiss agreement, the first contribution of \$26,787 was received and subsequently deducted from the expenditure.

⁷ This amount includes an additional \$20,000 detailed in the revised 2025 budget to cover Office Management costs for regional personnel, in line with the decisions taken at SNAB4.

⁸ Furniture and equipment for the remaining Head Office personnel will be procured and then reimbursed via the Swiss co-financing agreement.

<i>Description</i>	<i>Estimated costs for 2025 (USD)⁴</i>	<i>Jan-Jun Expenditure</i>	<i>Jul-Dec Forecast</i>	<i>Variance (USD)</i>	<i>Expenditure notes</i>	<i>Forecast notes</i>
Event Management and Travel	\$805,000	\$302,163	\$364,304 ⁹	\$138,533	The expenditure includes the fourth Advisory Board meeting, the LDC and SIDS workshop, and costs for Secretariat and co-host missions.	The projected forecast for the latter half of the year encompasses the fifth Advisory Board meeting, the LDCs SIDS workshop in the Caribbean, and the Secretariat's participation in pertinent meetings and events, including those in the Pacific region and COP30.
Programme and knowledge management	\$335,000	\$81,306	\$159,596	\$94,099	The expenditure includes the dissemination of information on the Santiago network, including at relevant events such as the Global Platform and the SBs and the development and enhancement of the website and portal.	The estimated forecast for the second half of the year includes the consultancy cost for the development for the strategy, and for disseminating information on the Santiago network
Shared Support Costs	\$178,990	\$73,795	\$105,195	\$0.00	- Shared Support Costs - UNOPS: Throughout the first half of the year, UNOPS has provided shared support services to the Santiago network Secretariat on a cost-share basis. This included support for procurement processes (i.e. for AB meetings), HR services (i.e. for the recruitment of the permanent Secretariat) and financial reporting (i.e. the certified financial statement 2024 and the audit). - Technical Support Costs - UNDRR: UNDRR has provided technical backstopping, expertise and support to the Secretariat and Advisory Board in various processes and activities.	Throughout the second half of 2025 the co-hosts will continue to provide support to the Secretariat.

⁹ This amount includes an additional \$20,000 detailed in the revised 2025 budget to cover travel costs of additional regional personnel.

<i>Description</i>	<i>Estimated costs for 2025 (USD)⁴</i>	<i>Jan-Jun Expenditure</i>	<i>Jul-Dec Forecast</i>	<i>Variance (USD)</i>	<i>Expenditure notes</i>	<i>Forecast notes</i>
Contingency	\$100,000	\$0	\$0	\$100,000	No expenditures have been recorded under the contingency in the first half of 2025.	The Secretariat intends to utilize the contingency as necessary.
Management fee	\$440,148	\$85,480	\$240,354	\$114,314	- Management fee - UNOPS: A 'pass through ' management fee of 1% has been applied to funding transferred to UNDRR. For all other expenditure incurred, a 4.18% management fee has been applied. - Programme Support Cost - UNDRR: 13% applied to UNDRR-led activities, including the Technical Advisor, UNDRR travel, the LDC / SIDS workshops, Knowledge products/annual report except for UNDRR Technical Support costs.	The same approach will be applied throughout the second half of the year.
Total	\$9,229,244	\$1,404,821	\$5,208,771	\$2,615,652		

Notes:

- During its fourth meeting, the Advisory Board approved the continuation of the interim personnel until the end of 2025 to ensure continuity of the Santiago network Secretariat during the transition period.*
- The majority of relocation costs for D1, P5, & P4 PSO were originally included in the 2024 budget but have been charged in 2025 in Q1 and Q2, with a remainder and those for the new recruitments to be included in Q3 and Q4 under the personnel budget line.*
- In accordance with the signed contribution agreements, the interest generated is applied in 2025 (for 2024 - USD 81,606.84; and for January to June 2025 - USD 108,901.24).*
- This is an interim report and expenditure figures are not final.*