

The Adaptation Fund

AFB/B.3/11
August 25, 2008

Adaptation Fund Board
Third Meeting
Bonn, September 15-18, 2008

Agenda Item 8

REVISED BUDGETS FOR THE ADAPTATION FUND BOARD AND SECRETARIAT

INTRODUCTION

1. In the First Meeting of the Adaptation Fund Board the following three budget items were approved: (i) A report on estimated expenses incurred by the Secretariat during the period January 1 to March 31, 2008; (ii) a proposal for a budget for activities of the Secretariat and the Board for the period April 1 to June 30, 2008 for approval by the Board; and (iii) a proposal for a budget for activities of the Secretariat and the Board for the period July 1, 2008 to June 30, 2009.
2. In the Second Meeting of the Adaptation Fund Board, in light of the available resources and received funds, the Adaptation Fund Board approved a revised budget for the period July 1, 2008 to December 31, 2008 for supporting activities of the Adaptation Fund Secretariat and Board, including the cost of one meeting in September and the full costs of the senior adaptation staff manager through June 2010.
3. At that Second Meeting, the most recent expenditure reports were presented for the period January 1 to June 30, 2008. In addition, the Secretariat presented a report on the status of contributions to the Adaptation Fund trust fund for supporting activities of the Adaptation Fund Secretariat and Board.
4. For the Third Meeting of the Adaptation Fund Board reports providing the following information have been prepared:
 - (i) The expenses incurred by the Adaptation Fund Secretariat and Board during the period January 1 to June 30, 2008 (Table 1 of this document);
 - (ii) The status of contributions to the Adaptation Fund trust fund for supporting activities of the Adaptation Fund Secretariat and Board (presented in a separate document);
 - (iii) The revised budget for activities of the Adaptation Fund Secretariat and Board for the period July 1, 2008 to December 31, 2008, including cost of the senior adaptation staff member through June 2010, and taking into account the received contributions and expenditures to date (Table 2 of this document).

Expenses Incurred by the Adaptation Fund Secretariat and Board: January 1 – June 30, 2008

5. It is estimated that the Secretariat has incurred \$ **739,142** in expenses to cover the following costs: (i) staff costs to research and prepare documentation for the First and Second Meetings of the Adaptation Fund Board; (ii) travel costs of Board Members and Alternates to participate in the First and Second Meetings of the Board; and (iii) travel costs of Secretariat staff to organize and manage the First and Second Meetings of the Board. **Details are in Table 1.**

**Table 1: Estimated Expenses of the Adaptation Secretariat:
January 1 to June 30, 2008**

Expenses of the Board & Secretariat for the Adaptation Fund: January 1 - June 30, 2008		
Expense Category		
	Planned	Actual
<u>Staff Costs (Salaries and Benefits)</u> 2 months/year 10 GEF staff:	135,802	122,438
<u>Travel estimated @ \$9,000 trip</u>	648,000	302,319
Consultants	36,000	38,870
5 GEF staff to attend 2 meetings	108,000	71,924
Board - 24 eligible members to attend 2 meetings	432,000	191,525
Committees - 8 members to attend 1 meeting	72,000	0
<u>Consultants</u>	32,000	75,080
<u>General Operations Costs</u> Office space, equipment, and supplies	27,908	23,162
<u>Cost of 2 meetings</u>	239,500	216,143
Total	\$1,083,210	\$739,142

Proposed Budget for Activities of the Adaptation Fund Secretariat and Board: July 1, 2008 to December 31, 2008

6. The Secretariat estimates a budget of \$ **950,851** to cover costs for all activities of the Board and the Secretariat as follows: (i) staff costs to research and prepare documentation for the Third Meeting of the Adaptation Fund Board in September 2008; (ii) travel costs of Board Members and Alternates to participate in the Third Meeting of the Board in September 2008; and (iii) travel costs of Secretariat staff to organize, manage and follow up on Board decisions from the Third and previous Meetings of the Board during the period July 1, 2008 to December 31, 2008. **Full details of the budget are in Table 2**

7. A Fourth meeting is still planned for December 2008, but could only be held should adequate funds become available to cover the costs of travel and all relevant administrative costs, including preparatory work by Secretariat staff, and the participation costs of Board Members and Alternates.

8. Please note that this request contains a provision of **\$398,370** to cover staff salary for two years in the Secretariat to ensure that a high quality staff member can be recruited on a two-year coterminous contract. The current budget was proposed by the Secretariat and agreed by the Board under the condition that funding for two additional Secretariat staff be a priority once funding were to become available.

9. The Adaptation Fund Board has also decided to provide additional support to the Chair by covering the costs of a limited number of items that are essential in carrying out his duties. These are currently suggested to include the costs of communications including telephone and internet access, as well as the copying of documents, and other costs directly supporting specific activities as Chair. These costs may also include the costs of any missions, as agreed with the Vice-Chair of the Adaptation Fund Board, for the purpose of securing funding for the Adaptation Fund until such time as the Fund receives funds from monetization of CERs. Payments will be made on presentation of relevant receipts and originals of expenditure.

**Table 2. Estimated Expenses of the Adaptation Fund Secretariat and Board:
July 1, 2008 to December, 2008**
(includes staff costs for one staff member from July 1, 2008 to June 30, 2010)

Estimated Expenses of the Board & Secretariat for the Adaptation Fund July 1, 2008 - December 31, 2008 (6 months) (includes new Staff Costs through June 30, 2010)	
Expense Category	
<u>Staff Costs (Salaries and Benefits)</u>	545,739
2 months/year 10 GEF staff (6 months)	147,369
100% 1 Professional-level (24 months)	398,370
<u>Travel @ \$7,500 trip</u>	217,500
Consultants	7,500
4 GEF staff to attend 1 meeting	30,000
Board - 24 eligible members to attend 1 meeting	180,000
<u>Consultants</u>	35,000
<u>General Operations Costs</u>	81,612
Office space, equipment, and supplies	66,612
Support provided to Chair to fulfill duties	15,000
<u>Cost of 1 meeting</u>	71,000
Total	\$950,851

Available Funds as of August 21	1,426,680
January 1 - June 30, 2008 expenses	739,142
July 1 - December 31, 2008 plan	950,851
Shortfall as of December 31, 2008	(263,313)