

The Adaptation Fund

AFB/B.6/9/Rev.1
May 26, 2009

Adaptation Fund Board
Sixth Meeting
Bonn, June 15-17, 2009

Agenda Item 8.b)

PROPOSED BUDGET FOR THE ADAPTATION FUND BOARD AND SECRETARIAT FOR JULY 1, 2009 – JUNE 30, 2010

INTRODUCTION

1. At the Fifth meeting of the Adaptation Fund Board a revised budget was agreed for supporting all activities of the Secretariat and the Board for the period January 1, 2009 to June 30, 2009, including (i) costs to research and prepare documentation for the Fifth and Sixth meetings of the Adaptation Fund Board in March and June 2009; (ii) costs of Secretariat staff to manage and follow up on Board decisions during the period January 1 to June 30, 2009; (iii) costs of Board Members and Alternates to participate in the Fifth and Sixth meetings of the Board in March and June 2009; (iv) travel costs of Secretariat staff to organize the Fifth and Sixth meetings of the Board in March and June 2009; and (v) consultancy costs to prepare a report fiduciary standards in accordance with decision B.5/3.

2. The following tables provide information related to the budgeting of Adaptation Fund resources for the period January 1, 2009 to June 30, 2010.

- a) The estimated expenses against the approved budget for the period January 1 to June 30, 2009, as agreed by the Adaptation Fund Board on March 26, 2009 (see Table 1).
- b) The proposed budget for the period from July 1, 2009 to June 30, 2010 for the Adaptation Fund Secretariat and Board (see Table 2).

ESTIMATED EXPENSES INCURRED AGAINST APPROVED BUDGET OF THE ADAPTATION FUND BOARD AND SECRETARIAT: JANUARY 1 – JUNE 30, 2009

3. It is estimated that in the first five months of 2009, the Adaptation Fund has incurred US\$762,482 in expenses to cover the following costs: (i) costs to research and prepare documentation for the Adaptation Fund Board; (ii) travel costs of Board Members and Alternates to participate in the Fifth meetings of the Board; and (iii) travel costs of Secretariat staff to organize and manage the Fifth meetings of the Board; and (iv) costs of Secretariat staff to manage and follow-up on Board decisions;

4. Details of the expenses against the approved budget are shown in Table 1, indicating that the rate of expenditure has been within normal ranges; however, there was no official launch ceremony for the monetization of CERs, and so this budget item was not utilized.

5. As agreed in the *Rules of Procedure of the Adaptation Fund Board*, revised rules for travel and subsistence will be applied for the Seventh and subsequent meetings of the AFB, contingent on the establishment of the AF. An adjustment will be made to increase the average travel budget for each AFB member or alternate from US\$4,500 to US\$7,500 per mission.

6. Interpretation of Board meetings in 6 UN languages is allowed under the approved *Rules of Procedure of the Adaptation Fund Board*, depending on the language requirements of Adaptation Fund Board members at any meeting. Interpretation in five languages is currently

being offered at meetings, and costs are reflected in the amount budgeted for all future AFB meetings.

7. As directed by the Fifth AFB meeting, a specific consultancy has been carried out to draft a report on fiduciary standards (see document AFB/B6/4) in order to provide practical inputs for the establishment of Board-approved Fiduciary Standards for the Adaptation Fund.

**TABLE 1: ESTIMATED EXPENSES AGAINST APPROVED BUDGET OF THE ADAPTATION FUND
BOARD AND SECRETARIAT:
JANUARY 1 TO JUNE 30, 2009**

Estimated Expenses Against Approved Budget of the Adaptation Fund Board and Secretariat: January 1 to June 30, 2009		
Expense Category	Approved Budget for 1 Jan to 30 Jun 2009	Estimated Expenses 1 Jan to 30 Jun 2009
<u>Staff Costs (Salaries and Benefits)</u>	147,368	148,656
2 months/year 10 GEF staff	147,368	148,656
Adaptation Fund Board Sec Manager - charged to Jul-Dec plan	0	0
<u>Travel for AF Members/Alternates and AFSec</u>	363,000	321,718
5 AF Sec staff to attend 2 meetings	75,000	77,387
24 eligible members to attend March 09 meeting under WB rules	108,000	64,331
24 eligible members to attend June meeting under UN rules	180,000	180,000
Support provided to launch of monetization of CERs	0	0
<u>Consultancy costs</u>	32,000	32,000
Report on fiduciary standards	32,000	32,000
<u>General Operations Costs</u>	42,392	34,556
Office Space, Equipment, and Supplies	34,892	34,556
Support to the Chair for January to March 2009 viz: (Mobile phone calls, computer loan, internet service provider, secretariat support, photocopies, paper etc.)	7,500	0
<u>Cost of Meeting with Interpretation in 5 UN Languages</u>	170,000	225,552
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Total	\$754,760	\$762,482

PROPOSED BUDGET FOR THE ADAPTATION FUND BOARD AND SECRETARIAT: JULY 1, 2009 TO JUNE 30, 2010

8. In preparation for the Sixth Meeting of the Board, a budget is proposed for the activities of the Adaptation Fund Board and Secretariat from July 1, 2009 to June 30, 2010 for the amount of **US\$2,288,933** to cover the following costs: (i) costs to research and prepare documentation for the Seventh, Eighth, Ninth and Tenth meetings of the Adaptation Fund Board in September and November, 2009 and March and June, 2010; (ii) costs of Secretariat staff to manage and follow up on Board decisions; (iii) travel costs of Board Members and Alternates to participate in the four meetings of the Board between July 2009 and June 2010; and (iv) travel costs of Secretariat staff to organize all the meetings of the Board. This budget is being circulated to the Board for a decision in the Sixth meeting of the Adaptation Fund Board.

9. The staff costs for the proportion of the time of staff in the GEF Secretariat that service the Adaptation Fund Board have been included. This has been estimated at 2 months per year for each of the staff members/functions. The staff titles and functions are shown in Table 2, and a particular function may be handled by more than one individual. From July 1, 2009, it is proposed that the charge will be reduced from 2 months per year for ten staff down to 2 months per year for eight staff. The reduced support from the AF Secretariat will be covered by the full-time Adaptation Fund Secretariat staff.

10. Costs for attendance of the Adaptation Fund Secretariat Manager at the Meeting of the Kyoto Protocol in Copenhagen in December 2009 have been included to provide the necessary level of support to the Adaptation Fund Board Chair, Vice-Chair and other members and alternates during the relevant discussions.

11. As decided upon by the Sixth meeting, a competition has been launched to design a suitable logo for the Adaptation Fund, and all costs, including the launch and the costs of travel and subsistence for the winners in Bonn for one week.

TABLE 2: REVISED BUDGET FOR ACTIVITIES OF THE ADAPTATION FUND SECRETARIAT AND BOARD: JULY 1, 2009 TO JUNE 30, 2010

APPROVED FY08, APPROVED FY09 and PROPOSED FY10 BUDGETS OF THE BOARD & THE SECRETARIAT OF THE ADAPTATION FUND

	Approved FY08 (6 mos.)	Actual FY08 (6 mos.)	Approved FY09	Estimated FY09	Proposed FY10
PERSONNEL COMPONENT					
Full-time staff:					
01 Program Manager (GG)			398,370	398,370	0
02 Program Manager (GF) (vacant)			0	0	306,961
03 Program Assistant @ (vacant)			0	0	151,348
sub-total AFB staff			398,370	398,370	458,309
2/months/year GEF staff:					
01 Head of the Secretariat (GJ)					
02 Legal Counsel (D1)					0
03 Operations Advisor (GH)					
04 Communications Advisor (GH)					
05 Program Manager (GG)					0
06 Monitoring Officer (GF)					
07 Information Officer (GF)					
08 Finance & Admin Officer (GF)					
09 Human Resources Assistant (GD)					
10 Executive Assistant (GD)					
sub-total GEF staff	135,802	122,438	294,737	296,025	241,240
Consultants					
01 AFB Secretariat Support	32,000	75,080	67,000	37,000	37,500
02 Design and Operation of dedicated Web site	0	0	0	0	50,000
03 Adaptation Fund Logo competition	0	0	0	0	600
sub-total Consultants	32,000	75,080	67,000	37,000	88,100
SUB-TOTAL PERSONNEL COMPONENT	167,802	197,518	760,107	731,395	787,649
TRAVEL COMPONENT					
01 Consultants	36,000	38,870	15,000	0	0
02 AFB participation at Poznan	0	0	18,750	12,212	0
03 GEF CEO to attend 4th meeting	0	0	2,000	1,995	0
04 Professional-level staff to attend 4th meeting	0	0	7,500	0	0
05 AF Secretariat staff - 5 staff	108,000	71,924	150,000	133,232	150,000
06 Board - 24 eligible members	432,000	191,525	648,000	460,121	720,000
07 Committee meetings (2 experts to attend 3 meetings)	72,000	0	0	0	135,000
08 AF Mgr. travel to Kyoto Protocol	0	0	0	0	7,500
09 Logo Competition Prize winner travel	0	0	0	0	9,000
10 Experts to attend 3 committee meetings	0	0	0	0	45,000
SUB-TOTAL TRAVEL COMPONENT	648,000	302,319	841,250	607,560	1,066,500
GENERAL OPERATIONS COMPONENT					
01 Office Space, Equipment and Supplies	27,908	23,162	101,504	101,168	69,784
02 Support to Chair (communications)	0	0	22,500	15,000	0
SUB-TOTAL GENERAL OPERATIONS COMPONENT	27,908	23,162	124,004	116,168	69,784
MEETINGS COMPONENT					
01 Logistics, translation, interpretation, etc.	239,500	216,143	326,000	453,959	340,000
AUDIT COMPONENT					
01 Trust Fund audit fees	0	0	0	0	25,000
GRAND TOTAL ALL COMPONENTS	1,083,210	739,142	2,051,361	1,909,082	2,288,933

Action Requested from the Adaptation Fund Board

1. The Adaptation Fund Board is invited to:
 - a) Approve the amount of **US \$2,288,933** for the budget to cover the costs of the operations of the Board and Fund Secretariat over the period of July 1, 2009 to June 30, 2010, contingent on sufficient funding being made available from the monetization of CERs.
 - b) Note the amount of **US \$398,370** to cover the costs of the Adaptation Fund Secretariat Manager for two years already approved in the 2008 budget. The Manager started her contract on February 23, 2009.
 - c) Approve the amount of **US\$ 1,462,500** for the budget to cover trustee services; comprising US\$ 787,500 for trustee services and US\$ 675,000 for CER Monetization services for the period July 1, 2009 to June 30, 2010, contingent on sufficient funding being made available from the monetization of CERs.