

The Adaptation Fund

AFB/B.5/6/Rev.1
February 24, 2009

Adaptation Fund Board
Fifth Meeting
Bonn, March 24-27, 2008

Agenda Item 12

**PROPOSED BUDGET FOR THE ADAPTATION FUND BOARD
AND SECRETARIAT FOR JANUARY 1 – JUNE 30, 2009**

INTRODUCTION

1. At the Third meeting of the Adaptation Fund Board, an expenditure report was 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's administrative trust fund for supporting activities of the Adaptation Fund Secretariat and Board. The Adaptation Fund Board approved a revised budget for the period July 1 to December 31, 2008 for supporting activities of the Adaptation Fund Secretariat and Board. In light of the available resources and received funds, the costs of the planned meeting in December were not included, as the decision to hold the meeting made contingent on receipt of funds additional to the currently available resources.

2. In order to secure resources to hold the December 2008 meeting, the Secretariat sought and received permission of the LDCF / SCCF Council, via a decision by mail on November 19 2008, to borrow money against pledges received from donors to the Adaptation Fund. Consequently, a sum of \$700,000 was transferred to the trust fund for the Adaptation Fund on November 24, 2008. This sum is due to be returned as soon as resources become available

3. On October 31, 2008 the Secretariat sent a request for a decision by mail with a revised budget for July 1 to December 31, 2008 to the Adaptation Fund Board that included the costs of the Fourth Adaptation Fund Board meeting using the loan from the LDCF. A revised budget was agreed by a two-thirds majority of responding Adaptation Fund Board Members on December 15, 2008.

4. At the Fourth meeting of the Adaptation Fund Board in December 2008, the following budget items were proposed; (i) staff costs to research and prepare documentation for the Fifth meeting of the Adaptation Fund Board in March 2009; (ii) costs of Secretariat staff to manage and follow up on Board decisions from the previous meetings of the Board for the period January 1 to March 31, 2009; (iii) travel costs of Board Members and Alternates to participate in the Fifth meeting of the Board in March 2009; and (iv) travel costs of Secretariat staff to organize and follow-up on decision taken at the Fifth meeting of the Board during the period January 1 to March 31, 2009.

5. A revised budget for the period January 1 to March 31, 2009 was circulated for comment to Board members after the Fourth meeting with revised costs for the Fifth meeting, a consultancy to advance the operationalization of the Fund, relevant costs of attendance of the Chair and another person at the planned launch of the CER monetization and continuing support to the Chair for the first quarter of 2009.

6. For the Fifth meeting of the Adaptation Fund Board, in light of those comments and available resources and received funds, and at the request of the Chair, this proposal is presented for a budget for supporting all activities of the Secretariat and the Board for the period January 1, 2008 to June 30, 2009, including (i) staff 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) travel costs of Board Members and Alternates to participate in the Fifth and Sixth meetings of the Board in

March and June 2009; and (iv) travel costs of Secretariat staff to organize the Fifth and Sixth meetings of the Board in March and June 2009.

7. The following tables provide information related to the budgeting of Adaptation Fund resources for the period January 1, 2008 to June 30, 2009.

- a) The estimated expenses incurred by the Adaptation Fund Secretariat and Board during the period January 1, 2008 to December 31, 2008 against the combined approved budget for that year (see Table 1).
- b) The proposed budget for activities of the Adaptation Fund Secretariat and Board for the period January 1 to June 30, 2009 – including the approved budget for the period January 1 to March 31, 2009, as agreed by the Adaptation Fund Board on December 15, 2008 (see Table 2).

ESTIMATED EXPENSES INCURRED BY THE ADAPTATION FUND BOARD AND SECRETARIAT: JANUARY 1 – DECEMBER 31, 2008

8. It is estimated that in the calendar year 2008, the Adaptation Fund incurred **\$1,885,743** in expenses to cover the following costs: (i) staff costs to research and prepare documentation for the Adaptation Fund Board; (ii) travel costs of Board Members and Alternates to participate in the First, Second, Third and Fourth meetings of the Board; and (iii) travel costs of Secretariat staff to organize and manage the First, Second, Third, and Fourth meetings of the Board; and (iv) costs of Secretariat staff to manage and follow-up on Board decisions.

9. The revised budget was circulated on November 18, 2008 to Adaptation Fund Board Members, as a revision of the budget agreed to at the Third Board meeting, and was agreed by a two-thirds majority of Adaptation Fund Board Members by December 15th, 2008.

10. The full costs of the Adaptation Fund manager are also reflected in this table of estimated 2008 expenses. In addition, the staff costs for the proportion of the time of these 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 staff member/function. The staff titles and functions are listed below. A particular function may be handled by more than one individual. The staff involved are as follows:

Head of the Secretariat (GJ)
Legal Counsel (D1)
Operations Advisor(GH)
Communications Advisor (GH)
Program Manager (GG)
Monitoring Officer (GF)
Information Officer (GF)
Finance & Admin Officer (GF)
Human Resources Assistant (GD)
Executive Assistant (GD)

**TABLE 1: ESTIMATED EXPENSES OF THE ADAPTATION FUND BOARD AND
SECRETARIAT:
JANUARY 1 TO DECEMBER 31, 2008**

Estimated Expenses of the Board & Secretariat for the Adaptation Fund January 1 - December 31, 2008 (12 months)		
Expense Category	Approved Budgets Jan-Dec 2008	Estimates / Actual Expenditures against Approved Budgets Jan-Dec 2008
<u>Staff Costs (Salaries and Benefits)</u>	681,541	668,177
2 months/year 10 GEF staff	283,171	269,807
100% 1 Professional-level (24 months)	398,370	398,370
<u>Travel</u>	1,126,250	596,186
Consultants	51,000	38,870
5 AF Sec staff to attend 4 meetings (4 technical staff and 1 admin. support)	183,000	132,769
GEF CEO to attend 4th meeting	2,000	1,995
Board - 24 eligible members to attend 4 meetings	792,000	398,802
AF Manager to attend 4th meeting	7,500	5,000
Cost for AFB participation at Poznan	18,750	18,750
Committees - 8 members to attend 1 meeting	72,000	0
<u>Consultants</u>	67,000	75,080
legal and procedural set up consultancies		
<u>General Operations Costs</u>	109,520	104,774
Office Space, Equipment, and Supplies	94,520	89,774
Support provided to Chair to fulfill duties comprising the following: <i>Mobile phone calls, computer loan, internet service provider, secretariat support, photocopies, paper etc.</i>	15,000	15,000
<u>Cost of 4 meetings</u> (includes interpretation in up to 6 UN languages from Fourth meeting)	395,500	441,526
	-	
Total	\$2,379,811	\$1,885,743

PROPOSED BUDGET FOR THE ADAPTATION FUND BOARD AND SECRETARIAT: JANUARY 1 – JUNE 30, 2009

11. A budget is proposed for the activities of the Adaptation Fund Board and Secretariat of **\$688,260** to cover the following costs: (i) staff 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; (iii) travel costs of Board Members and Alternates to participate in the Fifth and Sixth meetings of the Board in March and June, 2009; and (iv) travel costs of Secretariat staff to organize the Fifth and Sixth meetings of the Board. Details of expenses are provided in Table 2.

12. The costs of one ‘committee meeting’ within the six month period is allowed for, with 5 attendees, as well as travel to Bonn or other destination for the eventual launch of the monetization process for two persons, including the Adaptation Fund Board Chair.

13. As per decision by Chair, up to 6 UN languages are allowed for interpretation under the draft rules of procedure, depending on languages of AFB members at any meeting. Interpretation in five languages was offered in the December meeting, will be provided in March 2009 meeting, and is reflected in the amount budgeted for the Sixth meeting in June, 2009.

**TABLE 2: PROPOSED BUDGET FOR ACTIVITIES OF THE ADAPTATION FUND
SECRETARIAT AND BOARD: JANUARY 1 TO JUNE 30, 2009**

Proposed Budget of the Board & Secretariat for the Adaptation Fund January 1 - June 30, 2009 (6 months)		
Expense Category	Approved budget for Jan 1 to March 31 (3 months)	Proposed Budget for Jan 1 to June 30 (6 months)
<u>Staff Costs (Salaries and Benefits)</u>	73,684	147,368
2 months/year 10 GEF staff	73,684	147,368
100% 1 Professional-level (G) - charged to Jul-Dec plan	0	
<u>Travel for AF Members/Alternates and AFSec</u>	160,500	328,500
5 AF Sec staff to attend 2 meetings	37,500	75,000
Board - 24 eligible members to attend 2 meetings	108,000	216,000
Committee meeting - 1 meeting - 5 attendees	0	22,500
Support provided to launch of monetization of CERs	15,000	15,000
<u>Consultancy costs - AFB Operationalization</u>	37,500	0
<u>General Operations Costs</u>	24,946	42,392
Office Space, Equipment, and Supplies	17,446	34,892
Support to the Chair for January to March 2009 viz: <i>Mobile phone calls, computer loan, internet service provider, secretariat support, photocopies, paper etc.</i>	7,500	7,500
<u>Cost of Meeting with Interpretation in 5 Languages</u>	85,000	170,000
-		
Total	\$381,630	\$688,260

Action Requested from the Adaptation Fund Board

14. The Adaptation Fund Board is invited to:
- a) Approve the amount of **US \$688,260** for the budget to cover the costs of the operations of the Board and Fund Secretariat over the period of January 1 to June 30, 2009

- 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 has started her contract on February 23, 2009.
- c) Consider that the amount of **US \$700,000** represents an outstanding debt to the Least Developed Countries Fund (LDCF) and duly authorize the Secretariat to repay this loan.

**ANNEX 1: APPROVED BUDGET OF THE BOARD & SECRETARIAT FOR THE ADAPTATION
FUND JANUARY 1 - MARCH 31, 2009 (3 MONTHS)**

Approved Budget for Expenses of the Board & Secretariat for the Adaptation Fund	
January 1, 2009 - March 31, 2009 (3 months) as of December 16th 2008	
Expense Category	
<u>Staff Costs (Salaries and Benefits)</u>	73,684
2 months/year 10 GEF staff (3 months)	73,684
100% 1 Professional-level (G) - charged to Jul-Dec plan	0
<u>Travel for AFSec and AFB Members/Alternates</u>	160,500
5 GEF staff to attend 1 AFB meeting	37,500
Board - 24 eligible members - 1 AFB meeting	108,000
* Support provided to launch of monetization of CERs	15,000
<u>Consultancy costs - AFB Operationalization</u>	37,500
<u>General Operations Costs</u>	24,946
** Support to the Chair for January to March 2009	7,500
*** Office Space, Equipment, and Supplies	17,446
<u>Cost of Meeting with Interpretation in 5 Languages ****</u>	85,000
Total	\$381,630
* AF Chair and AF Manager are budgeted to attend, pending decision of AF Board	
** Support to AF Chair on pro rata basis, pending decision of AF board	
*** Costs adjusted to take into account 2 months of AF Manager and 3 months of AF Secretariat staff pro-rated from 2 man-months per year for 10 AF Sec staff	
**** Decision by Chair allows for up to 6 UN languages for interpretation as per AFB draft rules of procedure, depending on languages of AFB members at any meeting	
# This sum includes contributions from Australia, Denmark, Finland, Norway, Switzerland & U.K plus loan of \$ 700,000 from LDCF, including repayment of Danish contribution to LDCF of \$504,202 as per terms of loan from LDCF	