



ADAPTATION FUND

AFB/EFC.28/5  
23 September 2021

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Adaptation Fund Board  
Ethics and Finance Committee  
Twenty-eighth Meeting  
Bonn, Germany (Virtually held), 14-15 October 2021

Agenda item 4 b)

**RECONCILIATION OF THE ADMINISTRATIVE BUDGETS  
OF THE BOARD AND THE SECRETARIAT, THE  
EVALUATION FUNCTION, AND THE TRUSTEE FOR  
FISCAL YEAR 2021**

**Table1: Approved FY21 budget, actual FY21 and approved FY22 budget of the Board and the Secretariat, the Evaluation Function and the Trustee, and the approved FY23 budget of the Evaluation Function**

All amounts in US\$	<b>FY21 Approved</b>	<b>FY21 Actual</b>	<b>FY22 Approved</b>	
<b>BOARD AND SECRETARIAT</b>				
1 Personnel	3,247,224	2,934,717	4,111,220	
2 Travel	492,000	-10,068	456,000	
3 General operations	479,700	333,289	508,875	
4 Meetings	247,362	124,140	236,980	
<b>Sub-total secretariat administrative services [a]</b>	<b>4,466,286</b>	<b>3,382,078</b>	<b>5,313,075</b>	
5 Accreditation [b]	548,250	422,225	608,550	
6 Readiness Programme [c]	652,960	84,098	756,950	
<b>Total Board and Secretariat [a] + [b] + [c]</b>	<b>5,667,496</b>	<b>3,888,401</b>	<b>6,678,575</b>	
All amounts in US\$	<b>FY21 Approved</b>	<b>FY21 Actual</b>	<b>FY22 Revised Approved</b>	<b>FY23 Approved</b>
<b>AF-TERG AND ITS SECRETARIAT</b>				
1 Personnel	350,929	422,195	408,083	414,197
2 Travel	130,779	-	134,702	138,744
3 General operations	113,320	49,429	136,327	126,564
4 Meetings	10,000	-	10,000	10,200
<b>Sub-total management</b>	<b>605,028</b>	<b>471,624</b>	<b>689,112</b>	<b>689,705</b>
5 Evaluation	458,191	295,568	611,717	603,344
<b>Total AF-TERG and its secretariat</b>	<b>1,063,219</b>	<b>767,192</b>	<b>1,300,829</b>	<b>1,293,049</b>
All amounts in US\$	<b>FY21 Approved</b>	<b>FY21 Actual</b>	<b>FY22 Approved</b>	
<b>TRUSTEE</b>				
1 CER Monetization	180,000	170,000	180,000	
2 Financial and Program Management	227,000	320,000	320,000	
3 Investment Management	216,000	245,000	245,000	
4 Accounting and Reporting	40,000	60,000	60,000	
5 Legal Services	45,000	55,000	56,000	
<b>Total trustee</b>	<b>708,000</b>	<b>850,000</b>	<b>861,000</b>	
<b>GRAND TOTAL ALL COMPONENTS</b>	<b>7,438,715</b>	<b>5,505,593</b>	<b>8,840,404</b>	

**Table 2: Approved FY21 budget, actual FY21 and approved FY22 budget of the Board and the Secretariat (Detailed)**

All amounts in US\$		<b>FY21</b>	<b>FY21</b>	<b>FY22</b>
		<b>Approved</b>	<b>Actual</b>	<b>Approved</b>
<b>PERSONNEL COMPONENT</b>				
<b>Full-time staff (including benefits):</b>				
01	11 staff positions (Existing)			
02	1 Junior Professional Officer (externally funded)			
03	2 proposed new positions			
	(14 staff positions in total)			
	<b>sub-total AFB staff</b>	<b>2,277,716</b>	<b>2,294,638</b>	<b>2,912,080</b>
<b>GEF staff cross-support (including benefits):</b>				
01	Head of the AFB Secretariat (10% fixed)			
02	Advisor			
03	Project co-reviewers (multiple staff)			
04	Program Analyst (HR)			
05	Resource Management Officer (Accounting)			
	<b>sub-total GEF staff</b>	<b>160,000</b>	<b>121,718</b>	<b>150,000</b>
<b>Consultants &amp; Others</b>				
01	AFB Secretariat Support (Legal support etc.)	47,300	39,240	102,300
02	Design and Operation of dedicated websites	33,000	30,839	33,000
03	Communications Strategy	58,750	49,500	67,000
04	Environment and social safeguards & Gender	96,520	35,650	96,020
05	Knowledge Management	204,460	103,065	213,000
06	Result Based Management	175,000	91,585	231,000
07	Project review (incl. innovation)	194,478	168,482	246,820
08	Resource mobilization [New]	-	-	60,000
	<b>sub-total Consultants</b>	<b>809,508</b>	<b>518,361</b>	<b>1,049,140</b>
	<b>SUB-TOTAL PERSONNEL COMPONENT</b>	<b>3,247,224</b>	<b>2,934,717</b>	<b>4,111,220</b>
<b>TRAVEL COMPONENT</b>				
01	AF Secretariat staff	316,500	(10,068)	280,500
02	Awareness Raising	45,500	-	45,500
03	Board - Non-Annexed eligible members	130,000	-	130,000
	<b>SUB-TOTAL TRAVEL COMPONENT</b>	<b>492,000</b>	<b>(10,068)</b>	<b>456,000</b>
<b>GENERAL OPERATIONS COMPONENT</b>				
01	Office Space, Equipment and Supplies	200,000	174,353	200,000
02	Support to Chair (communications)	20,000	-	20,000
03	Publications and Outreach	159,700	67,553	163,875
04	IT services from the World Bank	100,000	91,384	125,000
	<b>SUB-TOTAL GENERAL OPERATIONS COMPONENT</b>	<b>479,700</b>	<b>333,289</b>	<b>508,875</b>
<b>MEETINGS COMPONENT</b>				
01	Logistics, interpretation, report writing etc.	167,362	57,210	160,980
02	Translation	80,000	66,930	76,000
	<b>SUB-TOTAL MEETINGS COMPONENT</b>	<b>247,362</b>	<b>124,140</b>	<b>236,980</b>
	<b>TOTAL ALL COMPONENTS</b>	<b>4,466,286</b>	<b>3,382,078</b>	<b>5,313,075</b>

**Notes:**

1. **GEF staff cross-support:** These costs are variable depending on the number of proposals submitted for review and the actual use of the GEF reviewers therefore it is one of the budget items that is difficult to project. Considering the trend in the past few years, the FY22 budget for this item has been slightly reduced.
2. **Travel and meeting components:** Due to the cancelation of all physical events in the extraordinary circumstances of the COVID-19 Pandemic, no travel expenses were incurred in FY21 for either the 'AF secretariat' or 'board non-Annex I eligible members' in the travel component. The cancelation of the physical events also reduced the physical event associated costs allocated for the "logistics, interpretation, report writing etc." in the meetings component.
3. **Environmental and social safeguards and gender:** All the expenses under this line item (\$35,650) were incurred for gender activities such as updating the Fund's gender policy and action plan, developing gender score card and conducting gender intersectionality study. The relatively large cost underrun (63% of the budget) was primarily due to a disuse of the safeguards consultant for project purposes and cancelation of the gender training and gender partnership building involving travel.
4. **Knowledge management:** The relatively large cost underrun (50% of the budget) was primarily due to the cancelation and postponement of two planned knowledge events consisting of the country exchange hosted by India and a virtual portfolio monitoring mission and their related publication production (knowledge brochures and lessons learned publication). Travel-related costs originally allocated for national implementing entities and related to knowledge missions were also greatly reduced due to the pandemic.
5. **Result based management:** The relatively large cost underrun (48% of the budget) was primarily due to the cancelation of the portfolio monitoring missions (PMM) involving travel. A portfolio monitoring mission was organized in Costa Rica through virtual settings for which cost was much lower than usual physical mission. The secretariat is working with implementing entities (IEs) to organize additional PMMs in FY22 through virtual or physical arrangements depending on COVID19 restrictions on the ground. All other RBM related activities have been carried out without interruptions including regular reporting by IEs and requests for project change and extensions of completion date.
6. **Publications and outreach:** The relatively large cost underrun (58% of the budget) was primarily due to the postponement of the COP26 climate conference. A large part of the outreach budget was allocated to cover pavilion related expenses at the COP. The needs for in-person printed materials and travel-related expenses to capture mission footage directly were also greatly reduced due to the pandemic. Many video clips and photos were shared by the implementing entities with AF directly from the countries, and collaborations on stories such as project stories, videos and podcasts conducted remotely and published digitally.

**Table 3: Approved FY21 budget, actual FY21 and approved FY22 budget of the accreditation programme (Detailed)**

All amounts in US\$		<b>FY21</b>	<b>FY21</b>	<b>FY22</b>
		<b>Approved</b>	<b>Actual</b>	<b>Proposed</b>
01	Accreditation Panel (fees)	370,800	324,566	394,650
02	Accreditation Panel/Staff (travel)	121,100	-	107,400
03	Accreditation System & others	56,350	97,659	106,500
<b>TOTAL ACCREDITATION</b>		<b>548,250</b>	<b>422,225</b>	<b>608,550</b>

**Notes:**

1. Both the 'accreditation panel (fees)' and 'accreditation panel/staff (travel)' costs vary depending on the number of accreditation applications under review and the level of work required by the panel and secretariat.
2. No field visit was conducted in the extraordinary circumstances of the COVID-19 Pandemic therefore no travel expenses were incurred in FY21.
3. 'Accreditation system & others' costs were 73% more than the budget. It is due to the intensive use of a short-term consultant to support the increasing workload of the accreditation programme. Considering this trend, the budget for this item has been increased in FY22.

**Table 4: Approved FY21 budget, actual FY21 and approved FY22 budget of the Readiness Programme (Detailed)**

All amounts in US\$		<b>FY21</b>	<b>FY21</b>	<b>FY22</b>
		<b>Approved</b>	<b>Actual</b>	<b>Approved</b>
<b>PERSONNEL COMPONENT (Consultants &amp; others)</b>				
01	Secretariat Support	98,360	37,500	117,500
02	Environment and social safeguards & Gender	22,500	-	17,700
03	Accreditation	12,600	-	23,200
<b>SUB-TOTAL PERSONNEL COMPONENT</b>		<b>133,460</b>	<b>37,500</b>	<b>158,400</b>
<b>TRAVEL COMPONENT</b>				
01	AF Secretariat staff	132,000	-	140,000
02	Meeting participants	307,500	-	372,000
03	Board members	-	-	-
<b>SUB-TOTAL TRAVEL COMPONENT</b>		<b>439,500</b>	<b>-</b>	<b>512,000</b>
<b>MEETINGS COMPONENT</b>				
01	Logistics	80,000	46,598	86,550
<b>SUB-TOTAL MEETINGS COMPONENT</b>		<b>80,000</b>	<b>46,598</b>	<b>86,550</b>
<b>TOTAL ALL COMPONENTS</b>		<b>652,960</b>	<b>84,098</b>	<b>756,950</b>

**Notes:**

1. The implementation of the readiness programme was significantly affected by the COVID-19 pandemic in its entirety, and it resulted in a large underrun (87% of the budget). 67% of the readiness budget was allocated in the travel component in FY21. All the readiness events took place in online format in FY21 therefore no travel expenses were incurred. Due to the cancellation of the physical events, some of the costs allocated in the personnel components and local arrangement costs in the meetings component were also not incurred.
2. While some of the planned in-person readiness activities were reorganized as virtual events, other events such as the country exchange were not fully completed or did not take place in FY21. To organize the country exchange as a virtual event, the secretariat had to delegate the major work to local entities and had challenges in arranging new types of services such as video production to capture the project sites through the entities and concluding the administrative process, both of which the host entity was not necessarily familiar with. The secretariat will continue to seek online options to effectively implement readiness activities in FY22.

**Table 5: Approved FY21 budget, actual FY21 and approved FY22 and FY23 budget of the Evaluation Function (Detailed)**

All amounts in US\$		<u>FY21 Approved</u>	<u>FY21 Actual</u>	<u>FY22 Revised approved</u>	<u>FY23 Approved</u>
<b>MANAGEMENT COMPONENT</b>					
<b>PERSONNEL COMPONENT</b>					
01	Personnel - Staff (AF-TERG Secretariat Coordinator / Evaluation Officer)				
02	Personnel - Office support (STC)				
03	Personnel - Consultant (TERG members)				
	<b>SUB-TOTAL PERSONNEL COMPONENT</b>	<b>350,929</b>	<b>422,195</b>	<b>408,083</b>	<b>414,197</b>
<b>TRAVEL COMPONENT</b>					
01	Staff members	40,739	-	41,961	43,220
02	TERG members	90,040	-	92,741	95,523
	<b>SUB-TOTAL TRAVEL COMPONENT</b>	<b>130,779</b>	<b>-</b>	<b>134,702</b>	<b>138,744</b>
<b>GENERAL OPERATIONS COMPONENT</b>					
01	Office space, equipment and supplies	48,000	34,937	50,468	51,982
02	Publications, outreach	65,320	14,492	85,859	74,582
	<b>SUB-TOTAL GENERAL OPERATIONS COMPONENT</b>	<b>113,320</b>	<b>49,429</b>	<b>136,327</b>	<b>126,564</b>
<b>MEETINGS COMPONENT</b>					
01	Logistics	10,000	-	10,000	10,200
	<b>SUB-TOTAL MEETINGS COMPONENT</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>10,200</b>
	<b>SUB-TOTAL MANAGEMENT COMPONENT</b>	<b>605,028</b>	<b>471,624</b>	<b>689,112</b>	<b>689,705</b>
<b>EVALUATION COMPONENT</b>					
	<b>SUB-TOTAL EVALUATION COMPONENT</b>	<b>458,191</b>	<b>295,568</b>	<b>611,717</b>	<b>603,344</b>
	<b>TOTAL AF-TERG AND ITS SECRETARIAT</b>	<b>1,063,219</b>	<b>767,192</b>	<b>1,300,829</b>	<b>1,293,049</b>

**Notes:**

1. No physical meeting and travel were conducted in the extraordinary circumstances of the COVID-19 Pandemic therefore no expenses were incurred for the travel and meetings components in FY21.
2. The relatively large cost underrun (35% of the budget) in the evaluation component was primarily due to the following reasons:
  - i. Efforts of AF-TERG members became fully focused on delivering two important pieces of work which absorbed AF-TERG strategic attention and time, leaving less time for other work streams to be taken forward. This included the on-going Mid Term Review of the Medium-Term Strategy and the Evaluation Policy. AF-TERG time was also absorbed by the Organizational Development exercise which has

sought to bring improved efficiencies into the functionality of this relatively new evaluation function.

- ii. Some activities were delayed. The two intended thematic studies did not proceed at the pace that was originally envisaged. The AF-TERG identified one thematic topic on innovation and made some initial efforts through external consultations to shape the scope of work, but this has been slow in taking off partly due to COVID-related constraints, and limited availability of consultants identified for this work. The strategic communications recruitment process is now on-going.
- iii. Some activities were undertaken with a more modest approach than originally envisaged, that did not consume the budget. For instance, the AF-TERG had planned several outreach and capacity building activities but ended up doing some of these through online forums (e.g., questionnaires, webinars, interviews etc.), mainly to ensure that IEs were not overly consulted during the challenging COVID-19 times.



**Table 6: Approved FY21 budget, actual FY21 and approved FY22 budget of the Trustee**

All amounts in US\$	FY21 Approved	FY21 Actuals	FY22 Approved
Monetization	180,000	170,000	180,000
Financial and Program Management	227,000	320,000	320,000
Investment Management	216,000	245,000	245,000
Accounting and Reporting	40,000	60,000	60,000
Legal Services	45,000	55,000	56,000
<b>TOTAL</b>	<b>708,000</b>	<b>850,000</b>	<b>861,000</b>

**Notes:**

1. Investment Management costs were higher due to larger average cash balances in the AF Trust Fund than originally anticipated at budget proposal submission.
2. The increase in Financial and Program Management, Accounting and Reporting and Legal Services is due to increased activity in FY21. It is also reflective of the: (i) updated activity-based approach that was rolled out by the World Bank beginning July 1, 2020; and (ii) uniform applicability to recover indirect costs for these three services.