



ADAPTATION FUND

AFB/EFC.30/5
4 October 2022

Adaptation Fund Board
Ethics and Finance Committee
Thirtieth Meeting
Bonn, Germany, 11-12 October 2022

Agenda item 4 b)

**RECONCILIATION OF THE ADMINISTRATIVE BUDGETS
OF THE BOARD AND THE SECRETARIAT, THE
EVALUATION FUNCTION, AND THE TRUSTEE FOR
FISCAL YEAR 2022**

Table1: Approved FY22 budget, actual FY22 and approved FY23 budget of the Board and the Secretariat, the Evaluation Function and the Trustee, and the approved FY24 budget of the Evaluation Function¹

All amounts in US\$	FY22 Approved	FY22 Actual	FY23 Approved	
BOARD AND SECRETARIAT				
1 Personnel	4,111,220	3,306,569	5,475,648	
2 Travel	456,000	275,822	456,000	
3 General operations	508,875	397,060	728,050	
4 Meetings	236,980	136,851	237,400	
Sub-total secretariat administrative services [a]	5,313,075	4,116,302	6,897,098	
5 Accreditation [b]	608,550	381,953	567,050	
6 Readiness Programme [c]	756,950	275,257	748,700	
Total Board and Secretariat [a] + [b] + [c]	6,678,575	4,773,512	8,212,848	
All amounts in US\$	FY22 Approved revised	FY22 Actual	FY23 Approved revised	FY24 Approved
AF-TERG AND ITS SECRETARIAT				
1 Personnel	408,083	426,821	457,552	466,396
2 Travel	134,702	60,529	108,744	112,006
3 General operations	136,327	87,201	115,000	116,879
4 Meetings	10,000	2,186	10,200	10,404
Sub-total management	689,112	576,737	691,496	705,684
5 Evaluation	611,717	387,930	638,469	630,729
Total AF-TERG and its secretariat	1,300,829	964,667	1,329,965	1,336,413
All amounts in US\$	FY22 Approved	FY22 Actual	FY23 Approved	
TRUSTEE				
1 Monetization	180,000	165,000	180,000	
2 Financial and Program Management	320,000	320,000	320,000	
3 Investment Management	245,000	268,000	256,500	
4 Accounting and Reporting	60,000	58,000	58,000	
5 Legal Services	56,000	56,000	64,000	
Total trustee	861,000	867,000	878,500	
GRAND TOTAL ALL COMPONENTS	8,840,404	6,605,179	10,421,313	

¹ The numbers after decimal point are rounded.

Table 2: Approved FY22 budget, actual FY22 and approved FY23 budget of the Board and the Secretariat (Detailed)²

All amounts in US\$		FY22	FY22	FY23
		Approved	Actual	Approved
PERSONNEL COMPONENT				
Full-time staff (including benefits):				
01	15 staff positions (incl. the JPO in transition and 1 ETC)			
02	6 proposed new positions (3 staff and 3 ETC positions)			
03	1 new JPO/mid-career position (funded by a government)			
(22 full-time positions in total)				
sub-total AFB staff		2,912,080	2,360,414	4,189,078
GEF staff cross-support (including benefits):				
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)			
sub-total GEF staff		150,000	186,676	155,000
Consultants & Others				
01	AFB Secretariat Support (Legal support etc.)	102,300	49,042	192,300
02	Design and Operation of dedicated websites	33,000	41,101	50,000
03	Communications Strategy	67,000	66,644	76,000
04	Environment and social safeguards & Gender	96,020	27,458	112,720
05	Knowledge Management	213,000	110,823	157,000
06	Result Based Management	231,000	178,157	286,000
07	Programming (incl. innovation)	246,820	249,002	197,550
08	Resource mobilization	60,000	37,252	60,000
sub-total Consultants		1,049,140	759,479	1,131,570
SUB-TOTAL PERSONNEL COMPONENT		4,111,220	3,306,569	5,475,648
TRAVEL COMPONENT				
01	AF Secretariat staff	280,500	192,249	280,500
02	Awareness Raising	45,500	14,411	45,500
03	Board - Non-Annexed eligible members	130,000	69,162	130,000
SUB-TOTAL TRAVEL COMPONENT		456,000	275,822	456,000
GENERAL OPERATIONS COMPONENT				
01	Office Space, Equipment and Supplies	200,000	159,235	310,000
02	Support to Chair (communications)	20,000	3,069	20,000
03	Publications and Outreach	163,875	142,574	223,050
04	IT services from the World Bank	125,000	92,182	175,000
SUB-TOTAL GENERAL OPERATIONS COMPONENT		508,875	397,060	728,050
MEETINGS COMPONENT				
01	Logistics, interpretation, report writing etc.	160,980	81,912	161,400
02	Translation	76,000	54,939	76,000
SUB-TOTAL MEETINGS COMPONENT		236,980	136,851	237,400
TOTAL ALL COMPONENTS		5,313,075	4,116,302	6,897,098

² The numbers after decimal point are rounded.

Notes:

1. The final spending to the main administrative budget for the Board and secretariat was 77%.
2. **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.
3. **AFB Secretariat Support (Legal support etc.):** A relatively large cost underrun (48%) was reported primarily due to the change in the legal support modality from the World Bank and a less use of short-term consultants for the Medium-term Strategy development and a short-term temporary for administrative support.
4. **Travel and meeting components:** Relatively large cost underruns were reported for travel (60%) and meeting (58%) components. In the extraordinary circumstances of the COVID-19 Pandemic, no travel and meeting expenses incurred for physical events in the first four months of FY22. Staff travels resumed for COP26 in Glasgow in late October to early November in 2022. Travels and physical events were posed once for the Omicron surge in early months of 2022, but they were gradually resumed toward the end of FY22. The thirty-eighth meeting of the Board took place in a hybrid format. Some of the Board and secretariat members traveled to Bonn to attend the Board meeting and some secretariat members attended other events in person such as the Bonn Climate Change Conference in June 2022.
5. **Environmental and social safeguards and gender:** Among all the expenses under this budget item, \$26,348 incurred for gender activities such as updating the Fund's Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy, developing the user-friendly version of the gender intersectionality study and gender score card. The relatively large cost underrun (29%) was primarily due to a saved cost for the gender consultant hired only in February 2022 instead of July 2021, less use of the safeguard's consultant for project purposes, a postponement of the in-person gender training due to continuing COVID situation and gender partnership building involving travel.
6. **Knowledge management:** The relatively large cost underrun (52%) was primarily due to the cancelation and postponement of a planned knowledge event consisting of a country exchange that included a knowledge fair and its related travel and 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. Outreach and dissemination costs originally allocated for the four completed publications were also not possible due to travel restrictions and were mainly held online with no cost associated to them.
7. **Resource mobilization:** The relatively large cost underrun (62%) was primarily due to the update of the sections on the Fund's website and other related Resource Mobilization activities that have been delayed until the approval of the Resource Mobilization action plan.
8. **Support to Chair (communications):** \$20,000 has been allocated to this budget item every year and been used for undefined expenses required for the Chair's communications activities.

Table 3: Approved FY22 budget, actual FY22 and approved FY23 budget of the accreditation programme (Detailed)

All amounts in US\$		FY22	FY22	FY23
		Approved	Actual	Approved
01	Accreditation Panel (fees)	394,650	252,326	394,650
02	Accreditation Panel/Staff (travel)	107,400	-	107,400
03	Accreditation System & others	106,500	129,627	65,000
TOTAL ACCREDITATION		608,550	381,953	567,050

Notes:

1. The final spending to the overall budget for the Accreditation Programme was 63%.
2. A relatively large cost underrun (63%) was primarily because, in the extraordinary circumstances of the COVID-19 Pandemic, all accreditation panel meetings took place in an online format and no field visit was conducted therefore no travel expenses incurred in FY22.
3. 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.

Table 4: Approved FY22 budget, actual FY22 and approved FY23 budget of the Readiness Programme (Detailed)

All amounts in US\$		FY22	FY22	FY23
		Approved	Actual	Approved
PERSONNEL COMPONENT (Consultants & others)				
01	Secretariat Support	117,500	62,242	107,700
02	Environment and social safeguards & Gender	17,700	-	8,500
03	Accreditation	23,200	-	34,800
SUB-TOTAL PERSONNEL COMPONENT		158,400	62,242	151,000
TRAVEL COMPONENT				
01	AF Secretariat staff	140,000	18,739	135,000
02	Meeting participants	372,000	108,507	374,000
SUB-TOTAL TRAVEL COMPONENT		512,000	127,246	509,000
MEETINGS COMPONENT				
01	Logistics	86,550	85,769	88,700
SUB-TOTAL MEETINGS COMPONENT		86,550	85,769	88,700
TOTAL ALL COMPONENTS		756,950	275,257	748,700

Notes:

1. The final spending to the overall budget for the Readiness Programme was 36%.
2. The implementation of the Readiness Programme was significantly affected by the COVID-19 pandemic in its entirety, and it resulted in a large underrun. Most of the budget for the Readiness Programme was allocated for event organization in a physical format but all readiness events took place online in FY22 except one - the readiness workshop on Enhanced Direct Access which took place in San Jose, Costa Rica in late June 2022 - therefore travel expenses did not incur as fully as budgeted. The underrun in the personnel component was because the online events were 2-3 hours long at maximum, and no external experts were hired for the events and there were personnel cost savings as a result. It should be noted, though, that the short duration and the resulting lack of depth and detail of the virtual events underscores the need for in-person events for more effective engagement and capacity-building impact with developing countries and the Fund's stakeholders.
3. Some of the readiness activities were reorganized as virtual events including the country exchange in India in cooperation with a National Implementing Entity there.

Table 5: Approved FY22 budget, actual FY22 and approved FY23 and FY24 budget of the Evaluation Function (Detailed)³

All amounts in US\$		<u>FY22</u> <u>Approved</u> <u>revised</u>	<u>FY22 Actual</u>	<u>FY23</u> <u>Approved</u> <u>revised</u>	<u>FY24</u> <u>Approved</u>
MANAGEMENT COMPONENT					
PERSONNEL COMPONENT					
01	Personnel - Staff (AF-TERG Secretariat Coordinator / Evaluation Officer)				
02	Personnel - Office support (STC)				
03	Personnel - Consultant (TERG members)				
SUB-TOTAL PERSONNEL COMPONENT		408,083	426,821	457,552	466,396
TRAVEL COMPONENT					
01	Staff members	41,961	6,648	33,220	34,217
02	TERG members	92,741	53,881	75,523	77,789
SUB-TOTAL TRAVEL COMPONENT		134,702	60,529	108,744	112,006
GENERAL OPERATIONS COMPONENT					
01	Office space, equipment and supplies	50,468	41,879	51,982	52,600
02	Publications, outreach	85,859	45,322	63,018	64,279
SUB-TOTAL GENERAL OPERATIONS COMPONENT		136,327	87,201	115,000	116,879
MEETINGS COMPONENT					
01	Logistics	10,000	2,186	10,200	10,404
SUB-TOTAL MEETINGS COMPONENT		10,000	2,186	10,200	10,404
SUB-TOTAL MANAGEMENT COMPONENT		689,112	576,737	691,496	705,684
EVALUATION COMPONENT					
SUB-TOTAL EVALUATION COMPONENT		611,717	387,930	638,469	630,729
TOTAL AF-TERG AND ITS SECRETARIAT		1,300,829	964,667	1,329,965	1,336,413

Notes:

1. The final spending to the overall budget for the evaluation function was 74%.
2. The relatively large cost underrun (63% 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 prioritized 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 Mid Term Review of the Medium-Term Strategy and the Evaluation Policy.

³ The numbers after decimal point are rounded.

- ii) Some activities were delayed. The start of one intended thematic study was delayed and a second thematic study did not proceed at the pace that was originally envisaged due to a case of long term illness in the team.

Table 6: Approved FY22 budget, actual FY22 and approved FY23 budget of the Trustee

Trustee Services	FY22 Approved	FY22 Actuals	FY23 Approved
Monetization	180,000	165,000	180,000
Financial and Program Management	320,000	320,000	320,000
Investment Management	245,000	268,000	256,500
Accounting and Reporting	60,000	58,000	58,000
Legal Services	56,000	56,000	64,000
TOTAL	861,000	867,000	878,500

Notes:

1. Investment Management costs were higher in FY22 due to larger average cash balances in the AF Trust Fund than originally anticipated at budget proposal submission.
2. The increase in Investment Management costs was offset by a decrease in Monetization and Accounting and Reporting costs in FY22.