



ADAPTATION FUND

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Adaptation Fund Board  
Ethics and Finance Committee  
Thirty-fourth Meeting  
Bonn, Germany, 8-9 October 2024

Agenda item 4 b)

**RECONCILIATION OF THE ADMINISTRATIVE BUDGETS  
OF THE BOARD AND THE SECRETARIAT, THE  
EVALUATION FUNCTION, AND THE TRUSTEE FOR  
FISCAL YEAR 2024**

## Introduction

1. This document reports final expenditures for the administrative budgets of the Adaptation Fund Board (the Board) and the Adaptation Fund Board Secretariat (the secretariat), the Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and its secretariat, and the trustee (the Trustee), for fiscal year 2024 (FY24), i.e., 1 July 2023 to 30 June 2024. Table 1 below presents an overview of the approved budgets and actuals for FY24 as well as the approved budgets for FY25 of the Board and secretariat, the AF-TERG and its secretariat, and the Trustee.

**Table1: Approved FY24 budget, actual FY24 and approved FY25 budget of the Board and the Secretariat, the Evaluation Function, and the Trustee<sup>1</sup>**

All amounts in US\$	<b>FY24</b> <b>Approved</b>	<b>FY24</b> <b>Actual</b>	<b>FY25</b> <b>Approved</b>
<b>BOARD AND SECRETARIAT</b>			
1 Personnel	6,882,409	4,991,114	7,915,177
2 Travel	754,000	911,451	969,500
3 General operations	826,400	492,886	1,168,000
4 Meetings	280,000	280,494	249,020
<b>Sub-total secretariat administrative services [a]</b>	<b>8,742,809</b>	<b>6,675,945</b>	<b>10,301,697</b>
5 Accreditation [b]	542,300	497,166	566,800
6 Readiness Programme [c]	920,900	746,452	1,289,625
<b>Total Board and Secretariat [a] + [b] + [c]</b>	<b>10,206,009</b>	<b>7,919,563</b>	<b>12,158,122</b>
<b>AF-TERG AND ITS SECRETARIAT</b>			
All amounts in US\$	<b>FY24</b> <b>Approved revised</b>	<b>FY24</b> <b>Actual</b>	<b>FY25</b> <b>Approved</b>
1 Personnel	675,625	570,921	629,358
2 Travel	112,006	103,390	156,043
3 General operations	116,879	71,526	175,886
4 Meetings	10,404	10,129	10,664
<b>Sub-total management</b>	<b>914,913</b>	<b>755,966</b>	<b>971,951</b>
5 Evaluation	700,729	275,539	969,705
<b>Total AF-TERG and its secretariat</b>	<b>1,615,642</b>	<b>1,031,505</b>	<b>1,941,656</b>
<b>TRUSTEE</b>			
All amounts in US\$	<b>FY24</b> <b>Approved</b>	<b>FY24</b> <b>Actual</b>	<b>FY25</b> <b>Approved</b>
1 Monetization	180,000	180,000	180,000
2 Financial and Program Management	320,000	300,000	320,000
3 Investment Management	283,200	369,200	369,000
4 Accounting and Reporting	58,000	58,000	58,000
5 Legal Services	64,000	64,000	64,000
<b>Total trustee</b>	<b>905,200</b>	<b>971,200</b>	<b>991,000</b>
<b>GRAND TOTAL ALL COMPONENTS</b>	<b>12,726,851</b>	<b>9,922,268</b>	<b>15,090,778</b>

<sup>1</sup> The numbers after decimal point are rounded.

**The Adaptation Fund Board and its secretariat**

2. Tables 2, 3 and 4 report final expenditures for the administrative budgets of the Board and its secretariat for FY24 in detail, which comprise the main board and secretariat administrative services, accreditation services and the readiness programme. The notes below the tables provide explanations for budget items where expenditures deviated from budget by more than 25%.

**Table 2: Approved FY24 budget, actual FY24 and approved FY25 budget of the Board and the Secretariat (Detailed)<sup>2</sup>**

All amounts in US\$		FY24	FY24	FY25
		Approved	Actual	Approved
<b>PERSONNEL COMPONENT</b>				
<b>Full-time staff (including benefits):</b>				
01	23 staff positions			
02	6 Extended-Term Consultants (full-time positions)			
03	2 JPO/mid-career positions (funded by governments)			
	(31 positions in total)			
	<b>sub-total AFB staff</b>	<b>5,651,959</b>	<b>4,079,963</b>	<b>6,313,217</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>165,000</b>	<b>78,399</b>	<b>160,000</b>
<b>Consultants &amp; Others</b>				
01	AFB Secretariat Support (Legal support etc.)	85,000	59,329	200,000
02	Design and Operation of dedicated websites	57,500	25,039	95,000
03	Communications Strategy	60,500	60,850	57,300
04	Environment and social safeguards & Gender	111,450	106,458	98,660
05	Knowledge Management	147,000	146,759	223,000
06	Result Based Management	192,000	166,061	187,000
07	Programming (incl. innovation)	359,000	267,332	527,000
08	Resource mobilization	53,000	924	54,000
	<b>sub-total Consultants</b>	<b>1,065,450</b>	<b>832,752</b>	<b>1,441,960</b>
	<b>SUB-TOTAL PERSONNEL COMPONENT</b>	<b>6,882,409</b>	<b>4,991,114</b>	<b>7,915,177</b>
<b>TRAVEL COMPONENT</b>				
01	AF Secretariat staff	463,500	549,504	650,000
02	Awareness Raising	140,500	213,248	169,500
03	Board - Non-Annexed eligible members	150,000	148,699	150,000
	<b>SUB-TOTAL TRAVEL COMPONENT</b>	<b>754,000</b>	<b>911,451</b>	<b>969,500</b>
<b>GENERAL OPERATIONS COMPONENT</b>				
01	Office Space, Equipment and Supplies	362,000	244,678	655,000
02	Support to Chair (communications)	20,000	9,831	20,000
03	Publications and Outreach	244,400	238,377	243,000
04	IT services from the World Bank	200,000	-	250,000
	<b>SUB-TOTAL GENERAL OPERATIONS COMPONENT</b>	<b>826,400</b>	<b>492,886</b>	<b>1,168,000</b>
<b>MEETINGS COMPONENT</b>				
01	Logistics, interpretation, report writing etc.	200,000	266,783	199,020
02	Translation	80,000	13,711	50,000
	<b>SUB-TOTAL MEETINGS COMPONENT</b>	<b>280,000</b>	<b>280,494</b>	<b>249,020</b>
	<b>TOTAL ALL COMPONENTS</b>	<b>8,742,809</b>	<b>6,675,945</b>	<b>10,301,697</b>

<sup>2</sup> The numbers after decimal point are rounded.

**Notes:**

- 1) Actual FY24 expenditures for the Board and secretariat were 76.3% of the approved budget.

**Personnel component**

- 2) **Full-time staff (including benefits):** Expenditure on this item was 72.2% of the budget. The staff cost projection is made relatively generous to accommodate the uncertainty on the fluctuation of the salary scale for a subsequent year, potential raises as per staff performance evaluation and, for new hires, different income tax obligations by nationalities which are unknown until staff are hired. The cost under-run was also due to delays in the recruitment processes for vacant positions.
- 3) **GEF staff cross-support:** Expenditure on this item was 47.5% of the budget. 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.

**Consultants & Others**

- 4) **AFB Secretariat Support (Legal support etc.):** Expenditure on this item was 69.8% of the budget. In FY24, about one-third of the budget was allocated for legal support from the World Bank but it was not utilized.
- 5) **Design and Operation of dedicated websites:** Expenditure on this item was 43.5% of the budget. The low burn rate was due to a delay in the website improvement project. Initial survey work and design options were prepared, but a delay in the consultant hiring process led to continue a phased approach in FY25.
- 6) **Programming (incl. innovation):** Expenditure on this item was 74.5% of the budget. The budget allocated for the innovation advisory body was not used as the Board was not in favor of imminently establishing it. A few promotional activities such as website improvements for the AFCIA partnership and production of eLearning courses on enhanced direct access (EDA) were not implemented considering that an overall website revamping had been planned in FY25 and that the EDA window had been transformed to the locally led adaptation window.
- 7) **Resource mobilization:** Activities planned for this budget item were mostly implemented in-house therefore a majority of the allocated budget was not utilized in FY24. A couple of outsourced activities such as the improvement of the resource mobilization website and the organization of the event for contributors at the Bonn Climate Change Conference took place in June 2024, the final month of FY24. The costs for those were expensed from the budget of FY25.

**Travel component**

- 8) **Travel component:** Expenditure on this component was 120.9% of the budget (118.6% for the AF secretariat staff travel, 151.8% for the awareness raising travel, and 99.1% for the Board – Non-Annexed eligible members travel). In FY24, the secretariat continued to see increased demand to represent the Fund in global events such as United Nations Regional Climate Weeks and events organized by UNFCCC. While this has been a positive sign of the Fund's increased visibility and presence in the global climate architecture, it put pressure on the secretariat's travel costs. With limited travel budgets,

the secretariat carefully selects the events and meetings to participate in. However, considering the increasing demand for adaptation finance and the calls by Parties to facilitate access to the Fund, as well as the Board's affirmation for the Fund to synergistically collaborate with other organizations and to invest in sharing information and lessons learned from the Fund's portfolio, it is important for the Fund to participate in relevant events and meetings. The increasing trend of travel needs have been factored in the travel budgets for FY25.

#### General operations component

- 9) **Office Space, Equipment and Supplies:** Expenditure on this item was 68.0% of the budget. When the budget for FY24 was approved, costs for office space were estimated based on the market price in Washington D.C. The new lease for six years was concluded in January 2024, which covered the second half of FY24. The secretariat expanded its office space in March 2024 however the actual office space costs were lower than the budget due to the abatement period that was given to the tenant by the landlord for the first months of the lease period.
- 10) **Support to Chair (communications):** Expenditure on this item was 49.2% of the budget. US\$ 20,000 has been allocated to this budget item every year and been used for undefined expenses required for the Chair's communications activities.
- 11) **IT services from the World Bank:** This budget was allocated to cover the basic IT package support provided by the World Bank for a series of the secretariat operations such as email, internet, intranet, applications, files, storage, back up, security, online conferencing and so on. The World Bank did not charge these direct costs to the secretariat in FY24, instead executing the indirect cost recovery method at the beginning of FY25.

#### Meetings component

- 12) **Logistic, interpretation, report writing etc.:** Expenditure on this item was 133.4% of the budget. The global trend of rising prices was one of the factors behind the overrun in meeting and event costs. The secretariat conducted another staff retreat in FY24, which costed more than in past years. The increased number of staff meant higher meeting costs and additional days for retreat consultants to meet with secretariat members and prepare for many emerging topics. This is also one of the factors that pushed up the meeting costs in FY24.
- 13) **Translation:** Expenditure on this item was 17.1% of the budget. The cost underrun for this item was mainly due to the savings from the AI translation that became available in the World Bank as well as a delay in the finalization of the meeting report of the forty-second meeting of the Board.

**Table 3: Approved FY24 budget, actual FY24 and approved FY25 budget of the accreditation programme (Detailed)**

<b>ACCREDITATION</b>				
All amounts in US\$				
	<b>FY24</b>	<b>FY24</b>	<b>FY25</b>	
	<b>Approved</b>	<b>Actual</b>	<b>Approved</b>	
01	Accreditation Panel (fees)	396,000	361,155	374,300
02	Accreditation Panel/Staff (travel)	89,200	72,213	101,200
03	Accreditation System & others	57,100	63,798	91,300
<b>TOTAL ACCREDITATION</b>		<b>542,300</b>	<b>497,166</b>	<b>566,800</b>

**Notes:**

- 1) Expenditure on the overall accreditation budget was 91.7%. The execution levels of all sub-items are within acceptable limits.

**Table 4: Approved FY24 budget, actual FY24 and approved FY25 budget of the Readiness Programme (Detailed)**

<b>READINESS PROGRAM</b>				
All amounts in US\$				
	<b>FY24</b>	<b>FY24</b>	<b>FY25</b>	
	<b>Approved</b>	<b>Actual</b>	<b>Approved</b>	
<b>PERSONNEL COMPONENT (Consultants &amp; others)</b>				
01	Secretariat Support	89,500	45,055	130,625
02	Environment and social safeguards & Gender	-	-	-
03	Accreditation	12,000	-	-
<b>SUB-TOTAL PERSONNEL COMPONENT</b>		<b>101,500</b>	<b>45,055</b>	<b>130,625</b>
<b>TRAVEL COMPONENT</b>				
01	AF Secretariat staff	165,000	142,761	232,000
02	Meeting participants	546,000	321,170	592,500
<b>SUB-TOTAL TRAVEL COMPONENT</b>		<b>711,000</b>	<b>463,931</b>	<b>824,500</b>
<b>MEETINGS COMPONENT</b>				
01	Logistics	108,400	237,466	334,500
<b>SUB-TOTAL MEETINGS COMPONENT</b>		<b>108,400</b>	<b>237,466</b>	<b>334,500</b>
<b>TOTAL ALL COMPONENTS</b>		<b>920,900</b>	<b>746,452</b>	<b>1,289,625</b>

**Notes:**

- 1) Expenditure on the overall Readiness Programme budget was 81.1%. In FY24, several meetings and events were organized under the Readiness Programme, which include an annual NIE workshop (Santo Domingo, Dominican Republic), community of practice for direct access entities workshop (Yerevan, Armenia), and country exchange (multiple cities, United Republic of Tanzania). Training manuals to enhance capacity building for projects were also developed.

Personnel component

- 2) **Secretariat Support:** Expenditure of this item was 50.3% of the budget. Under this item, a relatively large budget was allocated for support to the Chair of the Community of Practice for Direct Access Entities (CPDAE). However, that amount was later covered by a GCF's budget given that the GCF together with the AF, are jointly supporting implementation of the CPDAE action plan.
- 3) **Accreditation:** During the year, the secretariat assessed the technical needs of the above-mentioned events and determined that external experts were not needed. In this relation, the secretariat did not use short-term consultants for accreditation.

Travel component

- 4) **Meeting participants:** Expenditure of this item was 58.8% of the budget. Two readiness events were organized in partnership with other organizations, and the share of the costs including the meeting participants' travel costs was paid for by the partner organizations. In addition, one readiness event was not implemented due to unforeseen factors and was postponed to FY25. As a result of cost saving and event postponement, this budget line item experienced a low burn rate.

Meetings component

- 5) **Logistics:** Expenditure of this item was 219.1% of the budget. The global trend of rising prices affected meeting costs of the Readiness Programme such as venue, equipment, catering and interpretation costs and contributed to the cost overrun of this item.



### Technical Evaluation Reference Group of the Adaptation Fund (AF-TERG) and its secretariat

3. Tables 5 reports final expenditures for the administrative budget of the AF-TERG and its secretariat for FY24. The notes below the table provide explanations for each budget item.

**Table 5: Approved FY24 budget, actual FY24 and approved FY25 budget of the Evaluation Function (Detailed)<sup>3</sup>**

All amounts in US\$		<u>FY24 Approved</u>	<u>FY24 Actual</u>	<u>FY25 Approved</u>
<b>MANAGEMENT COMPONENT</b>				
<b>PERSONNEL COMPONENT</b>				
1	Personnel - Staff (AF-TERG Secretariat Coordinator / Evaluation Officer)			
2	Personnel - Evaluation Officer (ETC)			
3	Personnel - Consultant (TERG members)			
<b>SUB-TOTAL PERSONNEL COMPONENT</b>		<b>675,625</b>	<b>570,921</b>	<b>629,358</b>
<b>TRAVEL COMPONENT</b>				
1	Staff members	34,217	39,743	58,500
2	TERG members	77,789	63,647	97,543
<b>SUB-TOTAL TRAVEL COMPONENT</b>		<b>112,006</b>	<b>103,390</b>	<b>156,043</b>
<b>GENERAL OPERATIONS COMPONENT</b>				
1	Office space, equipment and supplies	52,600	20,037	100,000
2	Publications, outreach	64,279	51,489	75,886
<b>SUB-TOTAL GENERAL OPERATIONS COMPONENT</b>		<b>116,879</b>	<b>71,526</b>	<b>175,886</b>
<b>MEETINGS COMPONENT</b>				
1	Logistics	10,404	10,129	10,664
<b>SUB-TOTAL MEETINGS COMPONENT</b>		<b>10,404</b>	<b>10,129</b>	<b>10,664</b>
<b>SUB-TOTAL MANAGEMENT COMPONENT</b>		<b>914,913</b>	<b>755,966</b>	<b>971,951</b>
<b>EVALUATION COMPONENT</b>				
1	<b>SUB-TOTAL EVALUATION COMPONENT</b>	<b>700,729</b>	<b>275,539</b>	<b>969,705</b>
<b>TOTAL AF-TERG AND ITS SECRETARIAT</b>		<b>1,615,642</b>	<b>1,031,505</b>	<b>1,941,656</b>

<sup>3</sup> The numbers after decimal point are rounded.

**Notes:**

- 1) Expenditure on the overall budget of the evaluation function was 63.8%.
- 2) Expenditure on the personnel component was 84.5% of the budget. The cost underrun in this component was contributed primarily by the delayed recruitment process for the new programme assistant who joined in November 2023.
- 3) Expenditure on the travel component was 92.3% as a result of careful travel expense management and focusing on priority travel only.
- 4) Expenditure on general operations component was at 61.2%. While the utilization of the budget related to outreach was close to 80.1%, the delayed transfer to a new office building as well as the abatement period that was given by the landlord to the tenant resulted in low utilization of the office space, equipment and supplies budget.
- 5) Expenditure on the meeting component was at 97.4%, which reflects the originally planned two AF-TERG meetings in FY24, one in Malaga, Spain in July 2023, and another one in Prague, Czech Republic in May 2024.
- 6) Expenditure on the evaluation component was 39.3%% of the budget. The cost underrun in the evaluation component was primarily due to the following reasons:
  - i) Significant delays in procurement for some of the originally planned evaluation activities, due to delays in the clearance of the tendering documentation, as well as in the actual procurement process. This includes the thematic evaluation on readiness and the e-learning modules for the evaluation policy.
  - ii) Delays in receiving confirmation from partners. This was the case for the fifth ex-post evaluation planned to start in FY24.

**Trustee**

4. Tables 6 reports final expenditures for the administrative budget of the trustee for FY24. The notes below the table provide explanations for items where expenditures deviated from budget.

**Table 6: Approved FY24 budget, actual FY24 and approved FY25 budget of the Trustee**

<b>Trustee Services</b>	<b>FY24 Approved</b>	<b>FY24 Actuals</b>	<b>FY25 Approved</b>
Monetization	180,000	180,000	180,000
Financial and Program Management	320,000	300,000	320,000
Investment Management	283,200	369,200	369,000
Accounting and Reporting	58,000	58,000	58,000
Legal Services	64,000	64,000	64,000
<b>TOTAL</b>	<b>905,200</b>	<b>971,200</b>	<b>991,000</b>

**Notes:**

- 1) Investment management fees were higher in FY24 due to a larger average cash balance (US\$ 820 million) in the AF Trust Fund than originally anticipated (US\$ 629 million) at budget proposal submission.
- 2) The increase in investment management fees was offset by lower financial and program management costs.