



ADAPTATION FUND

AFB/EFC.32/5
3 October 2023

Adaptation Fund Board
Ethics and Finance Committee
Thirty-second Meeting
Bonn, Germany, 10-11 October 2023

Agenda item 4 b)

**RECONCILIATION OF THE ADMINISTRATIVE BUDGETS
OF THE BOARD AND THE SECRETARIAT, THE
EVALUATION FUNCTION, AND THE TRUSTEE FOR
FISCAL YEAR 2023**

Table1: Approved FY23 budget, actual FY23 and approved FY24 budget of the Board and the Secretariat, the Evaluation Function, and the Trustee¹

All amounts in US\$	FY23 Approved	FY23 Actual	FY24 Approved
BOARD AND SECRETARIAT			
1 Personnel	5,475,648	4,410,553	6,882,409
2 Travel	456,000	586,440	754,000
3 General operations	728,050	585,745	826,400
4 Meetings	237,400	327,014	280,000
Sub-total secretariat administrative services [a]	6,897,098	5,909,753	8,742,809
5 Accreditation [b]	567,050	500,757	542,300
6 Readiness Programme [c]	748,700	657,482	920,900
Total Board and Secretariat [a] + [b] + [c]	8,212,848	7,067,991	10,206,009
All amounts in US\$	FY23 Approved revised	FY23 Actual	FY24 Approved revised
AF-TERG AND ITS SECRETARIAT			
1 Personnel	612,552	428,992	675,625
2 Travel	108,744	60,477	112,006
3 General operations	115,000	57,934	116,879
4 Meetings	10,200	5,000	10,404
Sub-total management	846,496	552,402	914,913
5 Evaluation	638,469	463,292	700,729
Total AF-TERG and its secretariat	1,484,965	1,015,694	1,615,642
All amounts in US\$	FY23 Approved	FY23 Actual	FY24 Approved
TRUSTEE			
1 Monetization	180,000	180,000	180,000
2 Financial and Program Management	320,000	300,000	320,000
3 Investment Management	256,500	314,300	283,200
4 Accounting and Reporting	58,000	58,000	58,000
5 Legal Services	64,000	55,000	64,000
Total trustee	878,500	907,300	905,200
GRAND TOTAL ALL COMPONENTS	10,576,313	8,990,985	12,726,851

¹ The numbers after decimal point are rounded.

Table 2: Approved FY23 budget, actual FY23 and approved FY24 budget of the Board and the Secretariat (Detailed)²

All amounts in US\$		FY23	FY23	FY24
		Approved	Actual	Approved
PERSONNEL COMPONENT				
Full-time staff (including benefits):				
01	21 staff positions			
02	6 Extended-Term Consultants (full-time positions)			
03	2 JPO/mid-career positions (funded by governments)			
(29 positions in total)				
sub-total AFB staff		4,189,078	3,342,610	5,651,959
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		155,000	111,964	165,000
Consultants & Others				
01	AFB Secretariat Support (Legal support etc.)	192,300	61,294	85,000
02	Design and Operation of dedicated websites	50,000	32,773	57,500
03	Communications Strategy	76,000	69,627	60,500
04	Environment and social safeguards & Gender	112,720	97,078	111,450
05	Knowledge Management	157,000	159,348	147,000
06	Result Based Management	286,000	268,371	192,000
07	Programming (incl. innovation)	197,550	227,923	359,000
08	Resource mobilization	60,000	39,564	53,000
sub-total Consultants		1,131,570	955,979	1,065,450
SUB-TOTAL PERSONNEL COMPONENT		5,475,648	4,410,553	6,882,409
TRAVEL COMPONENT				
01	AF Secretariat staff	280,500	341,106	463,500
02	Awareness Raising	45,500	85,610	140,500
03	Board - Non-Annexed eligible members	130,000	159,724	150,000
SUB-TOTAL TRAVEL COMPONENT		456,000	586,440	754,000
GENERAL OPERATIONS COMPONENT				
01	Office Space, Equipment and Supplies	310,000	242,878	362,000
02	Support to Chair (communications)	20,000	-	20,000
03	Publications and Outreach	223,050	220,055	244,400
04	IT services from the World Bank	175,000	122,813	200,000
SUB-TOTAL GENERAL OPERATIONS COMPONENT		728,050	585,745	826,400
MEETINGS COMPONENT				
01	Logistics, interpretation, report writing etc.	161,400	249,634	200,000
02	Translation	76,000	77,380	80,000
SUB-TOTAL MEETINGS COMPONENT		237,400	327,014	280,000
TOTAL ALL COMPONENTS		6,897,098	5,909,753	8,742,809

² The numbers after decimal point are rounded.

Notes:

1. Expenditure on the main administrative budget for the Board and secretariat was 86%.

Personnel component

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.

Consultants & Others

3. **AFB Secretariat Support (Legal support etc.):** Expenditure on this item was 32% of the budget. In FY23, about half of the budget allocated for this item was for developing the medium-term Strategy for 2023-2027. But the secretariat could not find a suitable consultant for the task and developed the strategy without the use of external assistance.
4. **Design and Operation of dedicated websites:** Expenditure on this item was 66% of the budget. Through a bidding process, the secretariat changed a vendor for the website maintenance from FY23, which was substantially lower in cost than the previous vendor, and this contributed to the cost saving. The secretariat used the remaining budget for unanticipated website maintenance, improvement needs, and some additional minor IT projects arose in FY23. The new vendor proved to be efficient, and the additional costs were absorbed largely through the existing contract with most of the additional financial resources not being needed in FY23. Web security requirements and updates have been however higher than anticipated for FY24, and this could result in cost overruns for this item in FY24.
5. **Resource mobilization:** Expenditure on this item was 66% of the budget. One of the activities under this item was to create web pages on resource mobilization, and the secretariat implemented the activity without the use of external assistance. This contributed to the cost saving.

Travel component

6. **Travel component:** Expenditure on this component was 129% of the budget. With the end of the COVID-19 Pandemic, the need for operational travels suddenly increased during FY23. Rising airfares also contributed to the increase in travel costs for both the secretariat and Board members.

General operations component

7. **Office Space, Equipment and Supplies:** Expenditure on this item was 78% of the budget. When the budget for FY23 was approved, costs for office space were estimated based on the market price in Washington DC. The actual office space costs were lower than the budget.
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. There was no expenditure on this item in FY23.
9. **IT services from the World Bank:** Expenditure on this item was 70% of the budget. These costs are variable depending on the amount of IT support services rendered by the World Bank.

Meetings component

10. **Logistic, interpretation, report writing etc.:** Expenditure on this item was 155% of the budget. The global trend of rising prices was one of the factors behind the overrun in meeting and event costs. The secretariat also conducted a staff retreat at a larger scale in FY23, which now should cover the bigger number of staff and wider ranges of topics. This is also one of the factors that pushed up the meeting costs in FY23.

Table 3: Approved FY23 budget, actual FY23 and approved FY24 budget of the accreditation programme (Detailed)

ACCREDITATION				
All amounts in US\$		FY23	FY23	FY24
		Approved	Actual	Approved
01	Accreditation Panel (fees)	394,650	356,914	396,000
02	Accreditation Panel/Staff (travel)	107,400	41,818	89,200
03	Accreditation System & others	65,000	102,025	57,100
TOTAL ACCREDITATION		567,050	500,757	542,300

Notes:

1. Expenditure on the overall accreditation budget was 88%.
2. Expenditure on the “Accreditation Panel/staff (travel)” was 39% of the budget. This item covers travel costs to attend the Accreditation Panel meetings and field visits to entities that are in the accreditation process. The Accreditation Panel experts and secretariat staff conduct a field visit only when it is necessary. Only one field visit was conducted in FY23.
3. Expenditure on the “Accreditation System & others” was 157% of the budget. The cost overrun in this budget item was contributed by 1) an ad-hoc enhancement of the FIF platform for managing information of designated authorities and implementing entities, and 2) a cost of a short-term consultant incurred until a position of the extended-term consultant (full-time position) who supports accreditation operations was filled.

Table 4: Approved FY23 budget, actual FY23 and approved FY24 budget of the Readiness Programme (Detailed)

All amounts in US\$		FY23	FY23	FY24
		Approved	Actual	Approved
PERSONNEL COMPONENT (Consultants & others)				
01	Secretariat Support	107,700	68,762	89,500
02	Environment and social safeguards & Gender	8,500	102	-
03	Accreditation	34,800	-	12,000
SUB-TOTAL PERSONNEL COMPONENT		151,000	68,864	101,500
TRAVEL COMPONENT				
01	AF Secretariat staff	135,000	84,523	165,000
02	Meeting participants	374,000	275,518	546,000
SUB-TOTAL TRAVEL COMPONENT		509,000	360,041	711,000
MEETINGS COMPONENT				
01	Logistics	88,700	228,576	108,400
SUB-TOTAL MEETINGS COMPONENT		88,700	228,576	108,400
TOTAL ALL COMPONENTS		748,700	657,482	920,900

Notes:

1. Expenditure on the overall Readiness Programme budget was 88%.
2. In FY23, several meetings and events were organized under the Readiness Programme, which include an annual NIE workshop (Washington D.C., United States), workshop on Enhanced Direct Access (Kigali, Rwanda), and country exchange (multiple cities, Indonesia) as well as webinars. 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 environment and social safeguard and gender as well as accreditation. Like the main administrative budget, the global trend of rising prices similarly affected meeting costs of the Readiness Programme and contributed to the increase in the “logistics” under the meeting component in the Readiness Programme.

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

All amounts in US\$		FY23 Approved revised	FY23 Actual	FY24 Approved
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		612,552	428,992	675,625
TRAVEL COMPONENT				
01	Staff members	33,220	-	34,217
02	TERG members	75,523	60,477	77,789
SUB-TOTAL TRAVEL COMPONENT		108,744	60,477	112,006
GENERAL OPERATIONS COMPONENT				
01	Office space, equipment and supplies	51,982	38,613	52,600
02	Publications, outreach	63,018	19,321	64,279
SUB-TOTAL GENERAL OPERATIONS COMPONENT		115,000	57,934	116,879
MEETINGS COMPONENT				
01	Logistics	10,200	5,000	10,404
SUB-TOTAL MEETINGS COMPONENT		10,200	5,000	10,404
SUB-TOTAL MANAGEMENT COMPONENT		846,496	552,402	914,913
EVALUATION COMPONENT				
SUB-TOTAL EVALUATION COMPONENT		638,469	463,292	700,729
TOTAL AF-TERG AND ITS SECRETARIAT		1,484,965	1,015,694	1,615,642

Notes:

1. Expenditure on the overall budget of the evaluation function was 68%.
2. Expenditure on the personnel component was 70% of the budget. The cost underrun in this component was contributed primarily by the delayed recruitment process for the new senior staff position (coordinator) which was filled in July 2023, as well as due to the departure of the previous TERG Secretariat staff several months prior to the new Secretariat Coordinator's joining.
3. Expenditure on the travel component was at 56% of the approved budget. The main reason behind it was changes in the schedules of originally planned missions and events. Additionally, it is noted that the travel budget was utilized based on the emerging needs in FY23. As all the meetings requiring the participation of the AF-TERG staff (AF-TERG

³ The numbers after decimal point are rounded.

Secretariat Coordinator) took place in Washington D.C., no travel expenses related to the staff member were incurred in FY23.

4. Expenditure on general operations component was at 50%. This was mainly a result of the departure of the AF TERG Secretariat staff during the fiscal year, as well as the need of the TERG to focus more on the delivery of the work under the evaluation component which delayed the work related to outreach.
5. Expenditure on the meeting component was 49%. The cost underrun was related to the delay in the organization of the second TERG in-person meeting which took place after the end of the fiscal year in July 2023.
6. Expenditure on the evaluation component was 73% of the budget. The cost underrun in the evaluation component was primarily due to the following reasons:
 - i) The AF-TERG did not have full membership for a certain part of the fiscal year and its existing members became fully focused on delivering several 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 rapid evaluation, development of guidance notes for the Evaluation Policy as well as ex-post evaluations.
 - ii) Some activities were delayed. For example, one thematic study did not proceed at the pace that was originally envisaged due continued long-term illness in the team.

Table 6: Approved FY23 budget, actual FY23 and approved FY24 budget of the Trustee

Trustee Services	FY23 Approved	FY23 Actuals	FY24 Approved
Monetization	180,000	180,000	180,000
Financial and Program Management	320,000	300,000	320,000
Investment Management	256,500	314,300	283,200
Accounting and Reporting	58,000	58,000	58,000
Legal Services	64,000	55,000	64,000
TOTAL	878,500	907,300	905,200

Notes:

1. Investment Management costs were higher in FY23 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 Financial and Program Management and Legal costs in FY23.