

GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM (GAFSP)
FY15 BUDGET REPORTS FOR
TRUSTEE AND COORDINATION UNIT ADMINISTRATIVE COSTS
AND
MONITORING AND & EVALUATION COSTS
AND
FY16 –FY18 BUDGET PROPOSAL

I. INTRODUCTION

In August 2014 the GAFSP Steering Committee (SC) approved the proposal for the Trustee and Coordination Unit to transition from an annual to a three year budget. What follows is the aggregated budget proposal for the next three fiscal years for the Trustee, Trustee Coordination Unit, and Monitoring and Evaluation for the Public Sector Window

This Budget Report does not cover the Public Sector Window Supervising Entities or Civil Society Organization (CSO) budget. These are approved separately by the Steering Committee. An overview of all approved administrative expenses for the Public Sector Window is presented in the Trustee Report which is available on the GAFSP website (www.gafspfund.org). Expenditures for the Private Sector Window are presented in the Private Sector Window Annual Plan approved separately by the Donor Committee

II. PROPOSED DECISION OF THE STEERING COMMITTEE

The GAFSP SCs requested to approve the budget for the GAFSP Trustee, the GAFSP Coordination Unit (CU) Core budget, and the Monitoring and Evaluation (M&E) budget. The proposed budget is prepared based on the principle of full cost recovery under which the GAFSP Trust Fund operates and covers estimated costs for July 1, 2015 through June 30, 2018 (FY16 FY18).

The proposed budget for the Trustee services for all three fiscal exercises totals \$1,229,000. The proposed total funding for the GAFSP Core budget is \$8,229,500. In addition, for the three year period, there is a request for a new M&E Plan commitment for \$4,867,046, which includes DIME, the M&E, and the LLI work program.

All figures are given in US dollars unless otherwise noted.

III.

auditors, for which an external audit fee is charged. There is no charge for the World Bank's annual single audit exercise under which the GAFSP is included.

Table I shows the estimated and actual costs for Trustee services during the period July 1, 2014 to June 30, 2015 (FY15)

Table I: Estimated vs. Actual Costs for Trustee Services in FY15

Actual costs and expenses incurred by the Trusting FY15 were US\$ 443,200, or US\$ 2,000 more than the estimated amount approved by the CS in August 2014. This was due to higher costs related to legal services for policy advice. This amount related to Trustee

The proposed FY16-FY18 Trustee budget totals US\$ 2,229,000 and reflects the following components:

- i. Trust fund financial and operational management Costs are based on staff time and expenses required for the management and execution of financial transactions, including maintaining receipts of donor contributions, recording allocations and commitments, and processing cash transfers to Supervising Entities. This estimate also covers staff time associated with financial reporting of the Trust Fund activities negotiation and signing of contribution agreements and coordination with the SC and Supervising Entities on any changes to operational policies relating to financial transactions;
- ii. Investment management: Assets held in trust by the World Bank are maintained in a commingled trust funds investment portfolio (the "Pool") all trust funds administered by the World Bank's Treasury, including the Trust Fund's assets. World Bank's Treasury manages the Pool and charges each participating trust fund investment management fee in the amount of 3.5 basis points (i.e. 0.035%) on the average annual balance of trust fund. The average portfolio size for the Trust Fund for FY16-18 is projected to be equal to the FY15 average fund balance of US\$ 725 million. In the event that cash transfers take place more rapidly, the average balance would be lower, and investment management fees would be reduced accordingly;
- iii. Accounting and reporting: Costs are based on the management of the accounting model for the Trust Fund and maintenance of appropriate records and accounts to identify contributions and other receipts as well as Trust Fund liabilities to Supervising Entities. This also includes staff time associated with the preparation of financial statements and arrangement of the individual external audit
- iv. Legal services Costs are determined based on the time required to finalize and/or amend Contribution Agreements with Contributors and Transfer Agreements between Supervising Entities and the Trustee. Costs also include staff time needed for policy advice, legal review of financial documents and drafting new legal documents as well as amending the existing legal documents for the Trust Fund's operation, as necessary;
- v. FY15 Adjustment: The FY15 actual costs incurred by the Trustee for its services were US\$ 2,000 higher than the FY15 budget approved by the SC. The adjustment is included as part of the FY16 budget;
- vi. External Audit Fee: This covers the external auditor's costs associated with the individual external audit of the Trust Fund. The first individual external audit of the Trust Fund was performed in FY14 and covered the period from the Trust Fund's inception through June 30, 2013 (FY10-FY13). Given the SC's decision in August 2014 to conduct an individual external audit of the Trust Fund once every three fiscal years, the next individual audit will be conducted in FY17 and will cover FY14-16.

IV. COORDINATION UNIT 'S ADMINISTRATIVE BUDGET PROPOSAL

Table III below provides an overview of the actual expenditures of the CU over the last two fiscal years. At the aggregate level, FY15 actual costs were lower than estimated due mainly to fewer SC meetings, no Technical Advisory Committee (TAC) engagement, and reduced CU staffing due to staff departures and lag in recruitment of replacement staff. Only the expenses for Knowledge Management and Related Services were significantly higher than in the approved budget. That difference is due mainly to the higher cost of the Knowledge Forum, which arose as a result of (i) more project leaders participating in this year's Knowledge Forum compared to that of FY14 (ii) an additional side event with donors and other partners being organized; (iii) the shift in the event timing, which led to some seasonally related additional travel costs.

Overall, in the context of its annual reconciliation exercise, CU will return \$119,600 to the Trustee from the FY15 approved budget.

TABLE III: ACTUAL EXPENDITURES FOR COORDINATION UNIT ADMINISTRATIVE SERVICES

Type of Expenditure	FY14	FY15	
	Actuals	Approved Budget	Actuals
Total Staff Costs	817,501	891,000	882,081
- Senior Coordination Unit Staff	482,598	536,000	489,245
- Junior Coordination Unit Staff	260,312	250,000	299,389
- Administrative Staff	74,591	105,000	93,447
Consultants			82,005
Facilitation of Steering Committee Meetings	55,800	60,000	39,478
- Travel for participation of non-DC based Recipient Representatives in SC meetings	35,681	40,000	14,587
Working Group Meetings	4,823		0
Travel by CU Staff	77,359	110,000	118,140
Outreach and communication activities	25,471	50,000	25,209
Knowledge Management & related services	52,252	75,000	129,900
Technical Advisory Committees:	122,430	175,000	0
- Facilitation of meetings	11,261	10,000	
- Fees	84,884	140,000	
- Travel	26,285	25,000	
GRAND TOTAL	1,191,317	1,411,000*	1,291,400

* The \$10,000 difference between the sum of the expenditure details and the total FY15 budget of \$1,411,000 approved by the SC and transferred by the Trustee is due to a calculation error in the FY15 budget paper.

We provide below the proposed FY18 core administrative budget for the C.

OVERVIEW:

The following budget proposal reflects the overall increase in staffing and expanded mandate of the C after the March 2015 meeting. The CU work program which forms the basis for this proposal responds directly to the mandate laid out in the Vision Paper and endorsed by the S. The governing principles behind this proposal were to: (i) inject flexibility in our use of resources (both financial and in staff effort); (ii) capitalize on existing relationships with Supervising Entities and create synergies whenever possible; and (iii) ensure effective choices are made at every opportunity. With those underlying principles and in an effort for more transparency and clearer reporting of its achievements and expenditures, the C developed a new coding structure along the approved clusters of activity: Core, Outreach/Advocacy/Partnership, Communications, Formal Meetings, Operations & Portfolio,

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Type of Expenditure	FY17				
	Staff Costs	Consultant Costs	Travel	Other	TOTAL
Core CU work	343,400				

time² and 3 parttime) and 2 fulltime administrative staff The team will divide its time across the approved clusters of activity. It should be noted that the recruitment of the new team members will be done in line with the procedure and subject to the approval of the respective WB Practices and Vice Presidencies, the Agriculture Global Practice for the administrative staff and WB Communications, External and Corporate Relations Vice Presidency for the Communications staff.

Consultants and Temporary Staff A significant increase in consultant and temporary staff costs is expected over the next three years compared to FY15. This increase can largely be attributed to the expected annual convening of a Technical Advisory Committee (TAC), at a budgeted cost of almost \$800,000 each year. In addition the CU anticipates continued reliance on a small pool of Short Term Consultants and Temporary staff to supplement its own expertise in various areas of speciality, for example for M&E and the portfolio review.

Formal Meetings

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MMAC: We plan to hold a

allocation has been distributed to the three entities working on impact evaluations, geo referencing, and M&E portfolio activities – namely, the DIMEI and the CU

Table V below provides the breakdown of actual FY15 expenditures for various M&E activities.

TABLE V: FY15 Actual M&E costs

Type of Expenditures	FY15		Undisbursed Balance
	Approved Budget	Actuals	
DIME	1,731,922	988,332	743,590
WBI/LLI	220,000	132,300	87,700

ANNEX I: DIME FY15 Planned and Actual Results

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RWANDA:

ANNEX II: DIME