

**GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM (GAFSP)**

**FY19 INTERIM BUDGET PROPOSAL**

**FOR**

**TRUSTEE AND COORDINATION UNIT ADMINISTRATIVE COSTS**

**AND**

**MONITORING AND EVALUATION COSTS**

**February 8, 2018**

## **I. INTRODUCTION**

In August 2014, the GAFSP Steering Committee (SC) approved the proposal for the Trustee and Coordination Unit (CU) to transition from an annual to a three-year budget. The first three-year budget cycle covered fiscal years (FYs) 2016 to 2018 (July 1, 2015 to June 30, 2018). As the end of the first three-year cycle approaches, pending clarity on the future direction of the Program, SC leadership has decided that an *interim one-year budget proposal* for FY19 (July 1, 2018 to June 30, 2019) would be appropriate to allow for immediate continuity of the CU, Trustee and Monitoring and Evaluation functions. This interim FY19 budget proposal is being presented for SC approval. Once fundamental decisions on the future of GAFSP have been taken at the April 2018 SC meeting, this interim budget will be revised, as needed, in line with the services the CU and the Trustee would be expected to provide, and folded into a three-year proposal for approval by the SC.

## **II. PROPOSED DECISION OF THE STEERING COMMITTEE**

The GAFSP SC is requested to approve the FY19 interim budget for the GAFSP Trustee, Coordination Unit (CU), and Monitoring and Evaluation (M&E)<sup>1</sup>. The proposed interim budget is prepared on the principle of full cost recovery under which the GAFSP Trust Fund operates,<sup>2</sup> and covers estimated costs for the period July 1, 2018 to June 30, 2019 (FY19). The proposed budget is based on a *status quo* trend and does not include any estimated costs related to the ongoing review of the GAFSP vision and model.

The proposed budgets for the Trustee, CU, and M&E are respectively: US\$255,000; US\$3,266,000; and US\$555,000. The total request is US\$4,076,000.

This document does not include the costs of the Supervising Entities (SEs) (e.g., administrative expenses, project preparation, and supervision) or the costs related to the work program of the Civil Society Organizations (CSOs). All figures are given in US dollars unless otherwise noted.

## **III. TRUSTEE**

The World Bank serves as the Trustee for the GAFSP Financial Intermediary Trust Fund, through which the Public Sector Window is managed. In this capacity, the Trustee provides the following services: (i) financial and operational management; (ii) investment management; (iii) accounting and reporting; and (iv) legal services. The individual external audit of the Trust Fund is performed by the World Bank's external auditors, for which an external audit fee is charged. The next individual audit for the Trust Fund will cover the period July 1, 2017 to June 30, 2020 (FY17 to FY19) with audit costs to be included in the FY20 proposed budget. There is no charge

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<sup>1</sup> M&E includes the DIME, CU M&E, and ENV (geo-referencing) work programs.

<sup>2</sup> Framework Document for a Global Agriculture and Food Security Program (GAFSP), para. 90, p. 39.

for the World Bank’s annual single audit exercise under which the GAFSP is included. Table 1 shows the estimated Trustee costs for FY19.

**Table 1: Estimated Costs for Trustee Services in FY19**

Trustee Services	FY19 Proposed Budget
Financial and Operational Management	100,000
Investment Management	95,000
Accounting and Reporting	50,000
Legal Services	10,000



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.

**External Audit:** The second individual external audit of the Trust Fund was performed in FY17 and covered the period FY14-16. 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 FY20 and will cover FY17-FY19. Therefore, no costs related to the individual external audit of the Trust Fund are budgeted in the cost estimates for FY19.

#### **IV. COORDINATION UNIT**

The governing principles behind this proposed CU budget remain, as in the past: (i) allow for flexibility in use of resources (both financial and in staff effort); (ii) capitalize on existing

PM, a Senior Agriculture Economist, a Communications Officer and a Communications Associate, two Economists, and one Program Assistant; in addition, a Senior Operations Officer and an Agriculture Economist contribute to the CU work program on a part-time basis.

**Consultants and Temporary Staff:** The CU anticipates continued reliance on a small pool of Short Term Consultants and Temporaries to supplement its own expertise.

**Formal Meetings:** This interim budget incorporates plans for one FY19 Steering Committee meeting, to be held in Washington DC, and no Working Group Meetings. Until additional funding is secured and a Call for Proposals is issued, no TAC meeting will take place.

**CU and Private Sector Window Secretariat Annual Retreat:** A joint team retreat will be held, together with the Private Sector Window Secretariat. This retreat will be held in-house and therefore only the cost of catering will be required.

**CU Staff Travel:** For this interim one-year budget proposal, the CU is anticipating travel expenditures at comparable levels to the current fiscal exercise.

**Communications:** The CU anticipates continuing the publication of written pieces such as the annual report, briefs, etc. The budget proposal also includes a provision for developing, producing, editing, and distributing a variety of short videos. No translation of any of these documents/videos is envisaged under this interim budget.

**Portal:** Enhancements to the online Portal<sup>4</sup>, a tool that provides a live web-based platform for GAFSP reporting and portfolio management and is accessible by all stakeholders, will continue in FY19. Portal maintenance costs are also included.

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### **Table 3**