

32nd LDCF/SCCF Council Meeting
June 23, 2022
Washington D.C.

Agenda Item 08

**FY23 ADMINISTRATIVE BUDGET AND BUSINESS PLAN FOR THE LEAST DEVELOPED
COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND**

Recommended Council Decision

The LDCF/SCCF Council, having reviewed document GEF/LDCF.SCCF.32/07 FY23 *Administrative Budget and Business Plan for the Least Developed Countries Fund and the Special Climate Change Fund*, approves the proposed budget for the GEF Secretariat, Scientific and Technical Advisory Panel (STAP), the Trustee and the GEF Independent Evaluation Office (IEO), as follows:

1. \$2,502,196 (GEF Secretariat), \$128,000 (STAP), \$427,000 (Trustee), and \$23,000 (GEF IEO) from the Least Developed Countries Fund; and
2. \$941,037 (GEF Secretariat), \$128,000 (STAP), \$110,000 (Trustee), and \$23,000 (GEF IEO) from the Special Climate Change Fund.

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INTRODUCTION

1. The Least Developed Countries Fund for Climate Change (LDCF) and the Special Climate Change Fund (SCCF) were established in accordance with the decisions of the United Nations Framework Convention on Climate change (UNFCCC). In establishing these funds, the Council agreed that the operations and administrative costs incurred in connection with managing both the LDCF and the SCCF should be kept separate from the GEF Trust Fund.
2. This document reports on the fiscal year 2022 (FY22) LDCF/SCCF Council-approved budget and delivery of associated business plan for FY22. It proposes an administrative budget to cover the costs of the Secretariat, the Trustee, Scientific and Technical Advisory Panel (STAP), and the GEF Independent Evaluation Office (IEO) for their services to the LDCF and the SCCF for FY23 (July 1, 2022 to June 30, 2023), which is the first year of the GEF-8 period. The business plan for FY23 for the Secretariat is also presented. The business plan and the budget include the launch and implementation of the Dedicated Programs, which were included as part of the GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period of July 2022 to June 2026 and Operational Improvements.¹ It is built on the best estimation of the continued anticipated impacts of the COVID-19 on expenditures, as described below.

KEY DEVELOPMENTS AND ACCOMPLISHMENTS IN FY22

3. International processes remained affected by the COVID-19 pandemic in FY22 even though in-person meetings and conferences resumed in a limited scale. In the climate change arena, the 26th Conference of the Parties to UNFCCC (COP 26) was successfully organized in Glasgow in November 2021 with in-person, albeit limited, participation. A GEF Secretariat delegation, led by the CEO and Chairperson, participated in COP 26 where an official pledging session for the LDCF resulted in a record pledge of \$413 million for the LDCF to support LDCs. The UNFCCC Subsidiary Body meetings are also held in person, from June 6 to 16, 2022 in Bonn, Germany.
4. In FY22, GEF Secretariat continued to operate primarily in the virtual mode for the provision of finance through the LDCF and SCCF in line with COP guidance and national priorities, as well as consultations with countries and Agencies.
5. During this fiscal year, the development and finalization of the Programming Strategy for the LDCF and SCCF and Operational Improvements for the GEF-8 period of 2022-2026 was one of the most significant tasks undertaken by the GEF Secretariat. The strategy development involved three meetings with representatives of donors and recipient regions, UNFCCC

¹ GEF, 2022, [GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period of July 1, 2022 to June 30, 2026, and Operational Improvements](#), Council Document GEF/LDCF.SCCF.32/04.

Secretariat, Civil Society Organizations, Green Climate Fund, and the Adaptation Fund. These meetings were held on October 19, 2021, February 16, 2022, and April 26, 2022. The Secretariat also organized a number of informal consultation meetings, primarily virtually. The participants reached an agreement on the Strategy and the operational improvements, including financial scenarios, at the third meeting on April 26, 2022. The document will be considered for endorsement by the LDCF/SCCF Council at the June 2022 Council meeting.²

6. The FY22 reporting period was characterized by the following additional developments and accomplishments, based on the FY22 business plan approved by the LDCF/SCCF Council in June 2021:

- (a) Continued operationalization and finalization of the GEF Programming Strategy on Adaptation to Climate Change for the LDCF and SCCF and Options for Operational Improvements, covering July 2018 to June 2022, approved at the 24th LDCF/SCCF Council;³
- (b) Constituted the seventh Work Program presented to the 31st LDCF/SCCF Council in December 2021, requesting \$19.62 million of resources, including GEF project financing and Agency fees, for three LDCF projects;⁴
- (c) Constituted the eighth Work Program presented to the 32nd LDCF/SCCF Council to be held in June 2022, requesting \$74.01 million of resources, including GEF project financing, Agency fees, for eight LDCF projects;⁵
- (d) Organized two LDCF/SCCF Council meetings, including preparation and timely posting of Council documents;
- (e) Finalized CEO endorsements of 18 LDCF projects totaling \$117.23 million of LDCF resources, including GEF project financing and Agency fees, and CEO approval of eight projects totaling \$9.97 million (\$3.6 million SCCF and \$6.36 million LDCF) of GEF project financing and Agency fees. Additional projects are also expected to be endorsed and approved before the end of the fiscal year.
- (f) Intensified efforts to reach out to the LDC Group and four LDCs that had not accessed LDCF resources in the GEF-7 period by the beginning of FY22, with the intent of leaving no LDCs behind in GEF-7 period, resulting in all the remaining four LDCs submitting proposals for consideration in the December 2021 and June 2022 LDCF Work Programs;
- (g) Continued to respond to various UNFCCC COP decisions and guidance of relevance;

² Ibid.

³ GEF 2018, [GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund and Options for Operational Improvements](#), Council Document GEF/LDCF.SCCF.24/03.

⁴ GEF, 2021, [Work Program for the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.31/03.

⁵ GEF, 2022, [Work Program for the Least Developed Countries Fund](#), Council Document GEF/LDCF.SCCF.32/03.

- (h) Carried out reporting to UNFCCC, and engagement in relevant UNFCCC-related bodies and Committees of relevance for climate adaptation, matters related to LDCs, and finance, and the UNFCCC training workshop on climate finance mobilization and access in Male, Maldives in May 2022;
- (i) Continued engagement in global thought leadership and partnership to accelerate adaptation action including participation at a high level inter-ministerial session to discuss climate impacts, adaptation priorities and support to Small Island Developing States, engagement in the World Adaptation Science Programme and its Management Group;
- (j) Strengthened collaboration with the Green Climate Fund (GCF) under the Long-Term Vision (LTV) on Complementarity, Coherence, and Collaboration between the GEF and GCF⁶ through technical consultations, inclusion of LTV-related opportunities in the GEF-8 LDCF/SCCF Programming Strategy, and development of a major initiative under the LTV to jointly contribute to the new phase of the Great Green Wall initiative with the GCF board approval in March 2022 and LDCF/SCCF Council consideration in June 2022;
- (k) Enhanced communications and outreach on LDCF and SCCF achievements and unique contributions in climate finance, including the CEO engagements, in various adaptation-related events, organization of events on the Challenge Program for Adaptation Innovation, GEF-GCF LTV, and others at the GEF-GCF Pavilion at COP 26;
- (l) Organized a Ministerial Dialogue and Pledging Session during COP 26 where twelve donors, namely Belgium, the Belgian region of Walloon, Canada, Denmark, Estonia, France, Germany, Ireland, the Netherlands, Sweden, Switzerland and the United States of America jointly committed a record \$413 million in the new funding to the LDCF;⁷
- (m) Continued to address LDCF/SCCF business needs for the GEF Portal and Dashboard, particularly LDCF SCCF results framework functionality and addressing issues as encountered by Agencies and partners; and
- (n) Continued work to improve data accuracy for LDCF and SCCF projects.

7. Due to the gradual relaxation in travel restrictions, official mission travel was possible at a limited scale to strategic meetings and events during this FY. Majority of participation by the LDCF/SCCF team in events and meetings continued to be virtual in nature.

⁶ GEF, 2021, [Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility](#), Council Document GEF/C.60/08.

⁷ GEF, 2022, [Joint statement on donors' pledge of \\$413 million to Least Developed Countries Fund to support climate change adaptation](#)

BUSINESS PLAN FOR FY23

8. The FY23 business plan for the LDCF and SCCF is presented at a time when scientific evidence from Intergovernmental Panel on Climate Change (IPCC) clearly points out the current and future impacts of climate change, while the world continues to grapple with the COVID-19 pandemic, and global environmental degradation remains severe. These interconnected crises of climate, COVID-19, and the global environment have exacerbated climate vulnerability of countries particularly LDCs and SIDS and affected implementation of adaptation measures in countries .

9. FY23 marks the beginning of the implementation of the new GEF-8 LDCF/SCCF Adaptation Programming Strategy, which aims to support transformational adaptation in LDCs, SIDS and other vulnerable countries. Through the strategy, the LDCF/SCCF will continue to facilitate the articulation of opportunities to provide nimble support to countries to address urgent adaptation needs in synergy with actions that respond to the COVID-19 crisis and support resilient, green and blue recovery, and contribute to more inclusive, sustainable, and resilient development.

10. As such, actions associated with rolling out the GEF-8 LDCF/SCCF Adaptation Strategy, addressing the COVID-19 crisis and responding to guidance from the recent UNFCCC COP are major tasks to be undertaken in FY23, in addition to the ongoing tasks for the LDCF/SCCF portfolio management. These tasks include reaching out to LDCs and SIDS under the new Dedicated Programs, which are described further below; supporting development and processing of high impact and innovative adaptation projects; oversight and implementation of the operational policies and programming strategies of the LDCF and the SCCF; review and processing of the project proposals for CEO or Council approval and endorsement; management of the portfolio of LDCF and SCCF projects; collaborating with partners including other adaptation funds; coordination with the GEF Agencies, the Trustee and the Convention Secretariat; and reporting to the LDCF/SCCF Council and the UNFCCC COP. The team working on the LDCF and the SCCF is also responsible for the organization and management of the LDCF/SCCF Council meetings.

11. The LDCF/SCCF personnel also plan to participate in COP 27 in Sharm El-Sheikh, Egypt, to be held in-person from 6 to 18 November 2022, where the global goal on adaptation and climate finance are expected to be two key topics for discussion. Guidance to the LDCF and SCCF, and to the GEF are expected.

12. In light of the above, and to roll out the new adaptation strategy and accelerate activities of the previous financial years which got impacted due to the pandemic, the GEF Secretariat expects intensified needs and demands for LDCF/SCCF work and relevant staff engagement to undertake in FY23. The proposed business plan for FY23 thus includes the following areas of work for the Secretariat. The proposed business plan for the Dedicated

Programs is also presented below:

- (a) Initiate the roll-out and implementation of the 2022-2026 GEF Programming Strategy on Adaptation to Climate Change for the LDCF and SCCF and Operational Improvements;⁸
- (b) Intensify outreach to, and dialogue with, donors to broaden the scale and scope of LDCF and SCCF support base to address critical emerging needs associated with the COVID-19 and climate crises, as well as opportunities for innovative programming;
- (c) Review project concepts and CEO endorsements to assess their eligibility and to guide countries and Agencies towards impactful project/program design for the LDCF/SCCF in line with the GEF-8 Programming Strategy and partnerships;
- (d) Organize two LDCF/SCCF Council meetings, including preparation of Council documents and background materials, Work Program constitution, provision of information and responses to queries, and follow-up on Council decisions;
- (e) Continue support to UNFCCC-related reporting, meetings, and other processes, including participation in COP 27 and subsidiary meetings, responding to Party and UNFCCC queries and requests for information, submission of reports, and consultations with the incoming and outgoing COP Presidencies;
- (f) Continue the implementation of Challenge Program for Adaptation Innovation, including the issuance of the first call for concepts in GEF-8;
- (g) Explore collaboration and complementarity among other climate funds, contribute to advance the climate adaptation agenda jointly, and enhance adaptation mainstreaming opportunities;
- (h) Work with partners, including GEF Agencies, STAP, and other climate funds, to build and share knowledge of gender-related results, and enhance capacity to address impact and sustainability of outcomes;⁹
- (i) Continue outreach to the LDC Group and partners on the LDC Work Programme;
- (j) Support the CEO and senior management in global thought leadership and partnership to build momentum for adaptation action, to mainstream climate resilience, and to explore adaptation opportunities in blue and green recovery;
- (k) Monitor the project portfolio under implementation and recently completed; and
- (l) Continue with the improvements of data accuracy of LDCF and SCCF projects in the ongoing work on the GEF-wide Portal development, including debugging and data

⁸ GEF, 2022, [GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund for the GEF-8 Period of July 1, 2022 to June 30, 2026, and the Special Climate Change Fund and Operational Improvements](#).

⁹ This activity is aligned with recommendations from the [2020 Program Evaluation of the Least Developed Countries Fund](#) by GEF IEO (Council Document GEF/LDCF.SCCF.29/E/01).

clean-up in the LDCF/SCCF module in the Portal, and request ITS to complete remaining tasks for Portal work flow configurations for LDCF and SCCF projects.

13. For the Dedicated Programs, FY23 will focus on the development and launch of two programs on communication and visibility enhancement, and outreach and capacity support.¹⁰ The Dedicated Program on organizational learning and coordination is expected to be launched in FY24:

- (a) Communication and visibility enhancement: Enhance communications and outreach on LDCF and SCCF achievements, lessons learned, unique contributions, and outcomes of partnerships to accelerate adaptation action. Towards this, develop the Dedicated Program for communications and visibility enhancement, with a four-year strategy and begin its implementation with development of concrete products that focus on the LDCF/SCCF and intensified outreach efforts. Efforts will be carried out in close coordination with, and with cross-support from, the Communications Team of the GEF.
- (b) Outreach and capacity support: Launch the Dedicated Program for outreach and capacity support for country planning and programming with an emphasis on enhancing access to adaptation finance by LDCs and SIDS. Organize upstream project development workshops targeting LDCs, to encourage strategic use of the GEF-8 LDCCF initial cap. Organize outreach efforts targeting SIDS, to raise awareness about new opportunities for SIDS support from the SCCF in GEF-8. Continue collaboration with GCF through the implementation of the LTV, including identification of additional joint initiatives between the LDCF/SCCF and the GCF, and support the national investment planning process, including joint outreach and consultations with countries. Organize and/or support at least five planning and programming events during FY23. Explore opportunities for alignments with the Country Engagement Strategy for the GEF-8 period.
- (c) Organizational learning and coordination: Start the preparatory process for this Dedicated Program with the development of a work plan and identification of potential partners and platforms, towards its launch in FY24.

GEF SECRETARIAT FY23 ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

FY22 Current Status

14. The approved FY22 administrative budget for the GEF Secretariat was \$1,251,037 for the LDCF and \$583,275 for the SCCF.¹¹ The FY22 budget included financing for staff, consultants, travel, publications and outreach, meetings, and general costs necessary for the

¹⁰ The SCCF portion of the Dedicated Programs will start upon confirmation of contributions from more than one donor totaling \$10 million or more.

¹¹ GEF, 2022, [FY22 Administrative Budget and Business Plan for the Least Developed Countries Fund and the Special Climate Change Fund](#), Council Document GEF/LDCF.SCCF.30/06.

operations of these funds.

15. The FY22 projected expenditure for the GEF Secretariat currently stands at \$981,897 for the LDCF, at 78.5 percent of FY22 budget, and \$404,998 for the SCCF, at 69.4 percent of the approved FY22 budget. The under-run is attributed to limited travel, publications and outreach, and meetings from both the LDCF and SCCF due to the pandemic, and lower staff costs due to staff attrition, which necessitated the ongoing recruitment.

FY23 GEF Secretariat Budget Request

16. The GEF Secretariat's budget request for FY23 amounts to \$2,502,196 for the LDCF and \$941,037 for the SCCF. This request is built on the best estimations of anticipated impacts of the COVID-19 on expenditures and the business plan.

17. Starting this fiscal year, the Secretariat budget includes allocations for the Dedicated Programs on communication and visibility enhancement, outreach and capacity support, and organizational learning and coordination. The introduction of the Dedicated Programs was agreed as part of the Programming Strategy and Operational Improvement negotiations, with a four-year resource allocation of \$8 million from the LDCF and \$1 million from the SCCF.

18. The FY23 budget presents \$1,00,000 for the Dedicated Programs from the LDCF, and \$250,000 for the SCCF. This allocation will enable the Dedicated Programs to get started within the fiscal year, while also retaining flexibility to intensify the efforts in FY24 and beyond when the GEF Trust Fund will transition into the GEF-8 corporate budget allocations. The SCCF portion of the Dedicated Program budget (\$250,000) will only be used upon confirmation of contributions from more than one donor totaling \$10 million or more.

19. The business plan is presented in the above section. The FY23 budget allocations for the Dedicated Programs are included in the budget request to ensure transparency, with separate budget items to enable expenditure tracking. For the first year of the Dedicated Programs, the requested budget is as follows:

- i. Consultancies: \$300,000 from the LDCF and \$70,000 from the SCCF, to cover costs associated with the development and launch the LDCF/SCCF Communications and Visibility Program, costs of consultancies to minimize staff recruitment until FY24, and preparations for the organizational learning and coordination initiative, which will be launched in FY24;
- ii. Travel: \$150,000 from the LDCF and \$50,000 from the SCCF, to cover missions and meeting participation as described below;
- iii. Publications and Outreach: \$250,000 from the LDCF and \$60,000 from the SCCF, to develop and disseminate outreach materials and to intensify efforts across different media;

- iv. Costs of meetings: \$300,000 from the LDCF and \$70,000 from the SCCF, to organize and support at least five upstream project development workshops targeting LDCs and to support joint national investment plan development with the GCF, with a focus on enhancing access to adaptation finance.

20. With the inclusion of the Dedicated Program budget as above, the proposed increase from the FY23 budget for the LDCF is \$1,251,159 (100.0 percent) and for SCCF is \$357,762 (61.3 percent). Requested budgets for regular LDCF/SCCF activities besides the Dedicated Programs are explained below.

21. For staff costs, an amount of \$1,220,058 is included in the FY23 budget request for the LDCF and \$552,882 for the SCCF. The amounts requested reflect an increase of \$358,754, or 25.9 percent for the two funds. The increase is attributable to the following: (i) to recruit an additional GF level staff to partially accommodate for increased workload associated with the LDCF/SCCF portfolio analysis and management; (ii) to account for the FY23 Salary Rate Increase (SRI). Similar to the GEF corporate budget, the LDCF/SCCF personnel cost increases annually based on the SRI approved by the Board of the World Bank for staff, which applies automatically to staff of the GEF Secretariat. This increase is expected to be 5.0 percent.¹²

22. For consultants, \$30,000 is requested from the LDCF and \$10,000 for the SCCF for FY23, which are similar to the amounts requested for FY22. The amounts are proposed for portfolio data management and for coverage of the UNFCCC COP.

23. As for travel, \$87,500 and \$35,000 are requested in FY23 under the LDCF and SCCF respectively. The requested amount is at the same level as the approved FY22 budget. These figures take into account the following:

- (a) Anticipated reduction in travel to continue to a lesser extent, with assumptions that postponed meetings will take place in FY23;
- (b) Travel needs associated with the roll-out of the GEF-8 Programming Strategy for LDCF/SCCF;
- (c) Travel costs associated with UNFCCC negotiations, committees, and other working bodies, which are expected to continue as scheduled; and
- (d) Measures to economize on missions and consultations with countries, partners, and donors.

¹² As stated in the GEF Business Plan and Corporate Budget for FY23, the level of SRI increase is based on current information from the World Bank and is subject to final review and approval by the World Bank Board.

25. For publications and outreach, the requests for \$30,000 for the LDCF and \$20,000 for the SCCF are at the same level as FY22. The resources would support tasks to prepare COP reports, technical briefs, and other targeted materials. These tasks are expected to complement efforts by the Dedicated Program, while also covering tasks that are not addressed by the Dedicated Program.

26. For general operations costs, the FY23 requests for office lease for \$89,638 for the LDCF and \$63,155 reflect the shares of office least costs allocated to the two funds. As summarized in the GEF Trust Fund FY23 budget request, the successful negotiations for re-pricing of the office space by the World Bank Global Corporate Solutions Office in 2019 led to the reduction in least costs from February 2020. In FY23, the least costs will rise by 3.5 percent from this adjusted (lower) rate at the regular contractual amount set out in the updated provisions of the lease.

27. A budget for IT systems (Portal) of \$40,000 for the LDCF and \$35,000 for the SCCF is requested for FY23 to develop the GEF-8 LDCF/SCCF results framework functionality, to program the LDCF and SCCF country initial cap ceiling to avoid over-programming, complete the adjustments to the project cycle process for multi-trust fund projects that involve LDCF/SCCF financing, and other tasks identified.

28. The costs of meetings are requested for \$5,000 for the LDCF and \$5,000 for the SCCF, reduced from the FY22 requests for \$8,000 for the LDCF and \$7,000 for the SCCF. The request is reduced, as the specific needs for FY22 consultations for the Programming Strategy discussions have been addressed. Some meetings are expected to take place virtually, resulting in cost savings.

29. The GEF Secretariat’s FY23 budget requests are summarized in Table 1 and Table 2.

Table 1: GEF Secretariat FY22 Budget and FY23 Budget Request for LDCF

L D C F							
Expense Category	FY22 Approved Budget	FY22 (Actual/Projected Costs)	Comparison between FY22 Actual/Projected and Approved Budgets		FY23 Budget Request	Comparison between FY22 Approved and FY23 Requested Budgets	
	US\$	US\$	\$	%	US\$	\$	%
Staff Costs (Salaries and Benefits)	968,930	771,997	-196,933	-20.3%	1,220,058	251,128	25.9%
Variable Costs	155,500	83,293	-72,207	-46.4%	1,152,500		
Consultants	30,000	16,729	-13,271	-44.2%	30,000	0	0.0%
Consultants for Dedicated Program					300,000		
Travel	87,500	44,307	-43,193	-49.4%	87,500	0	0.0%

L D C F							
Expense Category	FY22 Approved Budget	FY22 (Actual/Projected Costs)	Comparison between FY22 Actual/Projected and Approved Budgets		FY23 Budget Request	Comparison between FY22 Approved and FY23 Requested Budgets	
	US\$	US\$	\$	%	US\$	\$	%
Travel for Dedicated Program					150,000		
Publications and Outreach	30,000	16,808	-13,192	-44.0%	30,000	0	0.0%
Publications and Outreach for Dedicated Program					250,000		
Costs of Meetings	8,000	5,450	-2,551	-31.9%	5,000	-3,000	-37.5%
Costs of Meetings for Dedicated Program					300,000		
Fixed Costs	126,607	126,607	0	0.0%	129,638	3,031	2.4%
General Operations Costs (office lease)	86,607	86,607	0	0.0%	89,638	3,031	3.5%
IT systems (Portal)	40,000	40,000			40,000	0	0.0%
GRAND TOTAL	1,251,037	981,897	-269,140	-21.5%	2,502,196	1,251,159	100.0%

Table 2: GEF Secretariat FY22 Budget and FY23 Budget Request for SCCF

SCCF							
Expense Category	FY22 Approved Budget	FY22 (Actual/Projected Costs)	Comparison between FY22 Actual/Projected and Approved Budgets		FY23 Budget Request	Comparison between FY22 Approved and FY23 Requested Budgets	
	US\$	US\$	\$	%	US\$	\$	%
Staff Costs (Salaries and Benefits)	415,256	226,703	-188,553	-45.4%	522,882	107,626	25.9%
Variable Costs	72,000	82,276	10,276	14.3%	320,000	248,000	344.4%
Consultants	10,000	48,441	38,441	384.4%	10,000	0	0.0%
Consultants for Dedicated Program					70,000		
Travel	35,000	14,178	-20,822	-59.5%	35,000	0	0.0%
Travel for Dedicated Program					50,000		
Publications and Outreach	20,000	14,207	-5,793	-29.0%	20,000	0	0.0%

SCCF							
Expense Category	FY22 Approved Budget	FY22 (Actual/Projected Costs)	Comparison between FY22 Actual/Projected and Approved Budgets		FY23 Budget Request	Comparison between FY22 Approved and FY23 Requested Budgets	
	US\$	US\$	\$	%	US\$	\$	%
Publications and Outreach for Dedicated Program					60,000		
Costs of Meetings	7,000	5,450	-1,551	-22.2%	5,000	-2,000	-28.6%
Costs of Meetings for Dedicated Program					70,000		
Fixed Costs	96,019	96,019	0	0.0%	98,155	2,136	2.2%
General Operations Costs (office lease)	61,019	61,019	0	0.0%	63,155	2,136	3.5%
IT systems (Portal)	35,000	35,000			35,000	35,000	100.0%
GRAND TOTAL	583,275	404,998	-178,277	-30.6%	941,037	357,762	61.3%

STAP FY23 ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

Responsibilities of STAP

30. In the final year of GEF-7 (FY22), STAP has continued to collaborate and engage with GEF Partners and with the GEF Secretariat in efforts to enhance adaptation impact – particularly through the development of a new strategy, mainstreaming activities, and continued support in the quality of LDCF and SCCF Work Programs which reflect the ambitions of recipient countries. STAP has worked on two specific activities in support of this effort: The Decision Tree Tool for the identification of adaptation investments; and the Adaptation Services Assessment to better codify the types of adaptation investments funded by the GEF. Preliminary findings from these activities will be reported on at this Council Meeting, with the final reports presented at the upcoming Assembly.

31. STAP will continue to review the scientific rationale and technical soundness of all LDCF/SCCF full-sized projects particularly pertaining to climate change impacts, resilience, vulnerability, and adaptation. In addition, STAP will continue to provide advice on strategies and policies pertaining to the LDCF/SCCF Program as required, as well as on project or program development at the invitation of Agencies. STAP will continue to regularly report on its work in this area to Council.

32. The STAP's budget request for FY23 is summarized in the Tables below for LDCF and SCCF. STAP work program activities for FY22 have been implemented within the approved budget. Similar to FYs 19 to 22, no increase in budget is requested. Figures for FY23 expenditures are estimates, as final audited results are not yet available.

Table 3: STAP FY23 Budget Request for LDCF

STAP – Secretariat Expense Category	FY22 Budget \$ millions	FY22 Estimated \$ millions	FY23 Request \$ millions
Staff Costs	0.045	0.045	0.045
Salaries and Benefits, Travel			
Consultant Costs, Fees, Travel	0.029	0.029	0.029
General Operating Costs			
Office space, equipment, printing/design, communications, supplies, corporate services	0.009	0.009	0.009
SUB-TOTAL	0.083	0.083	0.083
		0.046	0.046
Panel Members Honoraria, STAP Panel Meetings	0.046		
SUB-TOTAL	0.045	0.045	0.045
TOTAL	0.128	0.128	0.128

Table 4: STAP FY23 Budget Request for SCCF

STAP – Secretariat Expense Category	FY22 Budget \$ millions	FY23 Estimated \$ millions	FY23 Request \$ millions
Staff Costs	0.045	0.045	0.045
Salaries and Benefits, Travel			
Consultant Costs, Fees, Travel	0.029	0.029	0.029
General Operating Costs			
Office space, equipment, printing/design, communications, supplies, corporate services	0.009	0.009	0.009
SUB-TOTAL	0.083	0.083	0.083
Panel Members Honoraria, STAP Panel Meetings	0.046	0.046	0.046
SUB-TOTAL	0.045	0.045	0.045
TOTAL	0.128	0.128	0.128

TRUSTEE FY23 ADMINISTRATIVE FEES FOR LDCF AND SCCF

Least Developed Countries Fund

33. As agreed with donors under the Trust Fund Administration Agreements, the Trustee receives an annual administrative fee to cover reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the LDCF.

34. The core elements of the Trustee’s work program in FY23 include: (i) management of donor contributions; (ii) financial and investment management of resources; (iii) commitments and disbursements to the Agencies; (iv) infrastructure and systems support; (v) accounting and reporting for the financial and operational activities of the LDCF; and (vi) preparation of amendments and finalization of Financial Procedures Agreements (FPAs) between the Trustee and the GEF Agencies. Table 5 below shows the breakdown of the Trustee fee by services provided to the LDCF.

35. The fees for Trustee services for FY22 will be \$459,000. These fees are \$39,000 higher than approved budget mainly due to increased investment management fees. The actual average liquidity balance for LDCF of \$797 million for FY22 was higher than the projected balance of \$713 million which led to higher than budgeted investment management fee.

36. To cover FY23 expenses of the above work program, the Trustee requests a budget of \$427,000 which is \$32,000 less compared to the FY22 estimated actual cost of \$459,000. This is largely due to expected lower investment management fees based on lower average liquidity balance for LDCF that is estimated at \$711 million. The actual investment management costs will vary depending on the actual average liquidity level during FY23.

Table 5: LDCF: Budgetary Requirements for Services Provided by the Trustee (in US\$)

Trustee Services	FY22 Approved	FY22 Expected Actual	FY23 Proposed Budget
Financial Management and Relationship Management	53,000	54,000	57,000
Investment Management /a	321,000	359,000	320,000
Accounting and Reporting	22,000	22,000	23,000
Legal Services	24,000	24,000	27,000
Total Costs	420,000	459,000	427,000
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

Special Climate Change Fund

37. As agreed with donors under the Trust Fund Administration Agreements, the Trustee will receive an annual administrative fee to cover reasonable actual expenses incurred by the Trustee in carrying out the Trustee function for the SCCF.

38. The core elements of the Trustee’s FY23 work program for the SCCF include: (i) management of donor contributions; (ii) financial and investment management of resources; (iii) commitments and disbursements to the Implementing Agencies; (iv) infrastructure and systems support; (v) accounting and reporting for the financial and operational activities of the SCCF; and (vi) preparation of amendments and finalization of Financial Procedures Agreements (FPAs) between the Trustee and the GEF Agencies. Table 6 below shows the breakdown of the Trustee fee by services provided to the SCCF.

Table 6: SCCF: Budgetary Requirements for Services Provided by the Trustee (in US\$)

Trustee Services	FY22 Approved	FY22 Expected Actual	FY23 Proposed Budget
Financial Management and Relationship Management	43,000	43,000	44,000
Investment Management /a	23,000	22,000	23,000
Accounting and Reporting	19,000	19,000	19,000
Legal Services	24,000	24,000	24,000
Total Costs, including Special Initiative	109,000	108,000	110,000
a/ Investment management cost is a variable cost that is calculated based on 4.5 basis points of the average annual balance of the Trust Fund.			

39. The FY22 fees for Trustee services are expected to be \$108,000, which is slightly lower than the approved budget of \$109,000 due to lower investment management fee.

40. To cover FY23 expenses of the above work program, the Trustee requests a budget of \$110,000 which is \$2,000 higher compared to the FY22 estimated actual cost of \$108,000. This is largely due to the expected slightly higher cost for financial management and investment management, with a slightly larger estimated average liquidity balance. The actual investment management costs will vary depending on the actual average liquidity level during FY23.

GEF INDEPENDENT EVALUATION OFFICE FY23 ADMINISTRATIVE BUDGET FOR LDCF AND SCCF

41. The GEF IEO work plan and corresponding budget request are presented in a separate document.¹³ The GEF IEO requests \$23,000 for the LDCF and \$23,000 for the SCCF, for a total of \$46,000 for FY23 to cover the cost of implementing the proposed evaluation work plan.

TOTAL FY23 ADMINISTRATIVE BUDGET REQUEST FOR LDCF AND SCCF

42. The total consolidated FY23 budget request for the GEF Secretariat, STAP, Trustee and GEF IEO is \$3,080,196 from the LDCF and \$1,202,037 from the SCCF, as summarized in Table 7.

Table 7: Consolidated FY23 Budget Request for LDCF and SCCF

	LDCF FY23 (\$)	SCCF FY23 (\$)	Total FY23 (\$)
GEF Secretariat	2,502,196	941,037	3,443,233
STAP	128,000	128,000	256,000
Trustee	427,000	110,000	537,000
GEF IEO	23,000	23,000	46,000
Total	3,080,196	1,202,037	4,282,233

43. As presented in Table 8, the total FY23 budget request for LDCF at \$3,080,196 is \$1,244,159 or 67.8 percent, additional to the FY22 budget. Most of the increase is attributable to the inclusion of the GEF-8 Dedicated Programs.

Table 8: Comparison of FY22 and FY23 Budget Request for LDCF

	LDCF FY22 (\$)	LDCF FY23 (\$)	Difference (\$ and %)
GEF Secretariat	1,251,037	2,502,196	1,251,159
			100.0%
STAP	128,000	128,000	0
			0.0%
Trustee	420,000	427,000	7,000
			1.7%
GEF IEO	37,000	23,000	-14,000
			-37.8%
Total	1,836,037	3,080,196	1,244,159
			67.8%

¹³ GEF IEO, 2022, [FY23 Work Program and Budget for the Independent Evaluation Office of the GEF under the LDCF and SCCF](#), Council Document GEF/LDCF.SCCF.32/E/01.

44. As for the SCCF, the total FY23 budget request at \$1,202,037 is \$334,762, or 38.6 percent, more than the FY22 budget, as presented in Table 9.

Table 9: Comparison of FY22 and FY23 Budget Request for SCCF

	SCCF FY22 (\$)	SCCF FY23 (\$)	Difference (\$ and %)
GEF Secretariat	583,275	941,037	357,762
			61.3%
STAP	128,000	128,000	0
			0.0%
Trustee	109,000	110,000	1,000
			0.9%
GEF IEO	47,000	23,000	-24,000
			-51.1%
Total	867,275	1,202,037	334,762
			38.6%