

SANTIAGO NETWORK

Revised 2024 Budget

Approved at the 3rd Advisory Board meeting

05 September 2024

A. Background

1. Paragraph 7.c. in the Terms of reference of the Santiago network details that the Advisory Board will approve the annual budget of the Santiago network. At its first meeting (18-20 March 2024) the Advisory Board approved an [estimated 2024 annual budget](#).
2. Decision 6/CMA5, para. 3, expresses appreciation to Canada, Japan, Spain, Switzerland and the United States of America for their financial contributions to the work of the Santiago network.
3. Decision 6/CMA5, para. 35, welcomes the pledges made to the Santiago network by the European Union and its member States Denmark, Germany, Ireland and Luxembourg, and by Switzerland and the United Kingdom of Great Britain and Northern Ireland, amounting to approximately USD 40.7 million.
4. UNOPS signed a UN-UN Transfer agreement with UNFCCC for \$7.8m in March 2024 (amended in June 2024 to \$7.2m) to transfer the financial resources received by the UNFCCC secretariat from the Government of Spain (US\$ 5.3m) and the Government of the United States of America (\$1.9m) to support the Santiago network for loss and damage.
5. Decision point 8 of Summary of Decision Points as per SNAB 2 Meeting (4 July 2024) recalled the estimated budget for 2024 adopted in its first meeting. Further budget discussions were agreed upon.

B. 2024 Budget Notes and Assumptions

6. As per AB guidance and other considerations, the 2024 budget total was reduced from USD 2.9M to USD 2.23M. Please see individual variances in Table A.
7. Interim Secretariat Costs and SNAB Meeting Costs include actual and committed expenditures, rather than just estimates.
8. Budget Categories Details (please see *Table A* for detailed descriptions)
 - a. Technical Assistance: covers the expenses towards anticipated technical assistance in 2024.

- b. Interim secretariat personnel: budget updated with actual costs until August 2024 and the assumed time frame until a functional Secretariat is fully in place. An overlap period for properly onboarding the Director etc. is factored in.
 - c. Personnel costs: Calculated in line with the UNOPS & UNDRR pro forma costs as of August 2024. It is agreed that the SN Director will commence her duties on 01 Nov 2024. Estimated that the P5 Technical Position & P4 Operations Position will commence in Dec 2024. Remaining secretariat positions will not commence in 2024.
 - d. Non-personnel Secretariat and co-host costs: No 2024 office and equipment costs apply as 2024 onboarded personnel will be based in Geneva only; this location is fully subsidized by the Swiss Government. Events, Travel and Knowledge Management budgets have been revised as per Table A below. NB: actual costs for 3 SNAB meetings included; also please refer to UNDRR's Concept Note on LDCs and SIDS workshops (06 August 2024).
 - e. UNOPS Shared support costs: Shared (amongst other UNOPS initiatives) direct support towards functions such as HR, procurement, finance and admin incl. travel, which is recovered by UNOPS on a cost-share basis in the absence of dedicated roles within the Secretariat. Amount is in line with the joint UNDRR/UNOPS proposal submitted in March 2024.
 - f. UNOPS Management fees: 1% for funds passed on to UN agencies and at 4.18% for all other budget lines. It is calculated individually for every project and is based on the complexity, the economies of scale and the level of risk of the effort.¹
 - g. UNDRR Programme Support Cost: UNDRR 13% fees are now included as an extra budget line, corresponding to the activities undertaken/costs incurred by UNDRR.
 - h. Contributions: For the purposes of the annual budget, assumption is that all donor contributions are transferred and managed by UNOPS - including amounts later passed to UNDRR. The budget will need to be amended if any funding is transferred directly to UNDRR.
9. Further adjustments will be made in accordance with the evolving context and based on Advisory Board decisions reflected in budget and work programme revisions.
 10. The additional unarmarked contribution of CHF 1 million (\$1,130,000) included in the Estimated 2024 Annual budget to illustrate the impact on locating on the secretariat head office in Geneva has been removed in Table A below. The budget now only includes estimated expenditure rather than details of any sources of income.

C. Requested Decision

11. Advisory Board approval of revised 2024 Budget

¹ The management fee included in the joint UNDRR-UNOPS proposal submitted in March 2023 was 3.76%. The calculation was performed again in January 2024 at the engagement stage at which point the figure was recalculated as 4.18%. UNOPS updates the parameters defining the pricing calculator periodically to ensure full cost recovery. Please see UNOPS [Operational Instruction OI.FG.2018.07 Engagement Pricing and Costing](#) for more information.

Table A: Santiago network revised estimated 2024 Budget

Description	Estimated costs for 2024 (USD)	Revised estimated costs for 2024 (USD)	Variance	Budget Notes	Updates to estimated 2024 budget
Technical Assistance					
Provision of technical assistance by OBNEs to developing countries that are particularly vulnerable to the adverse effects of climate change	\$1,000,000	\$500,000	-\$500,000	Estimated for 2024 based upon an average grant amount of USD 200k, i.e. 5 in 2024	Estimate of \$1m reduced to \$500k as based upon: (a) approval of SN guidelines and ability of interim secretariat to operationalise these in Q4 2024 (b) number of requests for technical assistance received; (c) if requests for TA require financial support from the SN, and (d) Ability of SN members to respond to requests for TA in 2024.
Personnel					
Personnel dedicated for start-up prior to recruitment of permanent staff of the secretariat	\$399,560	\$585,000	\$185,440	Limited number of dedicated full-time resources (4) who will fulfill the role and responsibilities of the Santiago network secretariat (as per the signed MOU) until the secretariat director and permanent secretariat staff are in place.	Increase of \$185k due to extension of existing interim secretariat staff to the end of 2024 when permanent secretariat will be in place. Addition of part-time UNOPS Fund Management Advisory Support and UNDRR consultancy to support the Santiago network workshop for Pacific Island countries and any related additional technical work that may be required.
Santiago network secretariat staff	\$724,480	\$362,681	-\$361,799	Director and 7 other full time head office staff to be recruited in 2024. 4 regional officers to be recruited to start in 2025. The personnel costs have been calculated in line with the UNOPS salary and benefits calculator for UN Staff as of January 2024. It is considered that secretariat head office recruitments will commence after the first Advisory Board meeting and will start their duties in Q3/4 2024.	Calculated in line with the UNOPS & UNDRR pro forma costs as of August 2024. It is agreed that the SN Director will commence her duties on 01 Nov 2024. Estimated that the P5 Technical Position & P4 Operations Position will commence in Dec 2024. Remaining secretariat positions will not commence in 2024.
Office Management					
Office costs & Equipment costs	\$0	-	-	Covered for secretariat head office by Swiss Government through yearly rent subsidy for the office and one-off settlement contribution	No change

Description	Estimated costs for 2024 (USD)	Revised estimated costs for 2024 (USD)	Variance	Budget Notes	Updates to estimated 2024 budget
				of a maximum of CHF 10'000 per person for office materials and infrastructure on site. Costs for 2025 are for 4 regional officers.	
Event Management and Travel					
Costs for travel	\$100,000	\$60,000	-\$40,000	Dependent on level of assistance provided and timing of recruitment of positions, 5-6 missions per personnel per year, including to Subsidiary Bodies (Bonn) and COPs.	No change
Costs associated with organization of the meeting of the Advisory Board	\$180,000	\$210,000	\$30,000	Includes provision for 3 Advisory Board meetings per year. Eligible AB member travel & DSA, operational cost, hospitality, etc.	To accommodate actual costs for SNAB 1 and 2, and estimated costs for SNAB3
LDC-SIDS workshop (Pacific, Sep 2024)	\$0	\$100,000	\$100,000	This is part of the approved work programme, but not budgeted. It is proposed that the unspent balance on 'strategy development' and knowledge products' be deployed here.	Added as per UNDRR's Concept Note on LDCs and SIDS workshops (06 August 2024)
Programme and knowledge management					
Costs for preparation of annual report and other relevant knowledge products for promoting and disseminating information on the Santiago network	\$50,000	\$25,000	-\$25,000	Costs for preparation of annual report and other relevant knowledge products for promoting and disseminating information on the Santiago network as well as quality assurance costs.	Reduced by 50% as no large knowledge products but still accommodating preparatory and COP-related material. No funding required for preparation of annual report.
Strategy development	\$150,000	\$50,000	-\$100,000	Development of a 5-year strategy for the Santiago network, under the direction of the Advisory Board, through a coordinated participatory approach of all relevant stakeholders.	Reduced to 50,000 in 2024 to cover consultancy costs/workshops
Website design and maintenance	\$60,000	\$60,000	\$0	Development of website with restricted network/Advisory board pages.	No change
Audit costs	\$15,000	\$0	-\$15,000	Estimated cost of audit in 2024 and 2025.	No audit required prior to 12 month complete cycle

Description	Estimated costs for 2024 (USD)	Revised estimated costs for 2024 (USD)	Variance	Budget Notes	Updates to estimated 2024 budget
Shared Support Costs					
Shared Support Costs	\$90,340	\$90,340	\$0	Shared direct support towards functions such as HR, procurement support, and financial reporting, which will be availed through UNOPS on a cost-share basis in the absence of dedicated roles within the team towards these.	No change
Contingency					
Contingency	\$68,491	\$68,491	\$0		No change
Management fee					
Management fee (UNOPS)	\$101,921	\$76,972	-\$24,949	Applicable on the overall budget towards UNOPS' indirect costs, such as its corporate and policy setting functions. If the total budget for the initiative changes, this may be adjusted accordingly based on the economies of scale principle.	Applicable on the overall budget towards UNOPS' indirect costs, such as its corporate and policy setting functions. If the total budget for the initiative changes, this may be adjusted accordingly based on the economies of scale principle. A 'pass through' management fee of 1% will be applied to funding transferred to UN agencies (including UNDRR). For all other expenditure incurred, a 4.18% management fee will be applied.
Programme Support Cost (UNDRR)	\$0	\$46,150	\$46,150	Previously not listed	UNDRR 13% fees are now included as an extra budget line, corresponding to the activities undertaken by UNDRR (interim secretariat staff and consultants, travel, LDC-SIDS workshop (Pacific, Sep 2024))
Total	\$2,939,792	\$2,234,634	-\$705,158		