

Fifth Session of the Assembly  
25-27 October 2021, Hybrid

## Agenda Item 17

### **Updates on the Special Account (project fund) of AFoCO and the Program Support Fee**

#### **Introduction**

1. The 3<sup>rd</sup> AFoCO Donors' Meeting was held at the AFoCO Secretariat in Seoul, Republic of Korea on 26 February 2021. The meeting was attended by a delegation from the Korea Forest Service (KFS) and the Secretariat. According to the recommendation of the 3<sup>rd</sup> Donors' Meeting, the Secretariat has facilitated the project fund execution in cooperation with the respective Implementing Agencies.

2. As of 25 October 2021, a total of 1.955 US dollars have been executed. This amount accounts for 20.7% of 9.457M US dollars voluntarily contributed by the KFS in the 3<sup>rd</sup> Donors' Meeting and 32.5% of the total project fund of 6.008M US dollars covered by the actual project requirements for CY 2021 subject to the consideration of the respective Project Steering Committee (PSC). The project fund execution of three (3) projects implemented in Myanmar (AFoCO/007/2014, AFoCO/014/2020, AFoCO/015/2020) have been affected by the COVID-19 pandemic and internal situation in the country.

3. The Secretariat allocates the budget for Program Support Fee (PSF) under the Special Account, in accordance with the AFoCO Financial Regulations which is up to 12% of the basic budget (all budget components which are not a Program Support charge). These funds are deposited as Program Support Fee in the Special Account, to fund project management related activities as follows:

- inception and closing workshops
- project monitoring
- PSC meetings and other project-related occasions
- mid-term/final evaluation
- on-call consultancy services
- annual customized training for IAs & project stakeholders at RETC
- publication/advocacy activities, and,
- other expenses related to project administration

4. Budget allocation for PSF was made covering approved projects since the 2<sup>nd</sup> AFoCO Assembly. However, in view of the limitations brought about by the COVID-19 such as on-site travels, project monitoring of the Secretariat and face to face meetings/workshops, the PSF allocation is not being fully utilized. As of 25 October 2021, the amount of 886 US dollars out of a total of 713,746 US dollars was utilized for management of each project.

5. The detailed information of the said updates is in **Annex-1**.

**Points for consideration**

6. The Assembly may wish to:

- review the update on the Special Account (project fund) of AFoCO and the Program Support Fee, and provide further guidance.
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### Updates on the Special Account (AFoCO Fund)

At the 3<sup>rd</sup> AFoCO Donors' Meeting, the Secretariat took note on the requests of the KFS to the Secretariat to put the top priority on project fund execution, particularly in responding to the anticipation of enhanced monitoring requirement of the Korean government on its contributions to the international organizations under newly enacted "Act on Contributions to International Organization". Based on the request from the 3<sup>rd</sup> Donors' Meeting, the Secretariat have taken follow-up actions as follows:

- To organize a technical meeting on 23 April 2021 to discuss available execution range of 2021 annual budget for the five (5) new projects to be launch on or before 1 July 2021
- To discuss additional activities that can be potentially implemented in 2021, for on-going projects
- To discuss the general guidelines on COVID-19 coping-up measures for AFoCO projects

Since the 3<sup>rd</sup> Donors' Meeting, the Secretariat has updated the project fund execution for the AFoCO projects to the KFS. As of 25 October 2021, a total of 1.955M US dollars have been executed (Table1). This amount accounts for 20.7% of 9.457M US dollars voluntarily contributed by the Korea Forest Service (KFS) in the 3<sup>rd</sup> Donors' Meeting and 32.5% of the total project fund of 6.008M US dollars covered by the actual project requirements for CY 2021 subject to the consideration of the respective Project Steering Committee (PSC). The project fund execution of three (3) projects implemented in Myanmar (AFoCO/007/2014, AFoCO/014/2020, AFoCO/015/2020) have been affected by the COVID-19 pandemic and internal situation in the country.

**Table 1. Summary of Project Fund Execution as of 25 October 2021 (unit: Thousand USD)**

Project code	Country	3rd Donors' Meeting			2021 Project WBP			Remark
		plan	execution	Rate (%)	plan	execution	Rate (%)	
<b>1. On-going projects</b>								
AFoCO/005/2014	KH	327	104	31.8	104	104	100	
AFoCO/006/2014	VN	155	76	49.0	76	76	100	
AFoCO/007/2014/LP-2/4	MM, etc	1,327	67	5.0	610	67	11.0	Pending (Myanmar)
AFoCO/008/2014	LA	392	166	42.3	166	166	100	
AFoCO/010/2016	MY/TH	120	40	33.3	79	40	50.6	To transfer Q3/Q4 fund
AFoCO/012/2019	KH	117	117	100	117	117	100	
AFoCO/013/2020	VN	255	172	67.5	172	172	100	
AFoCO/014/2020	MM	393	0	0.0	185	0	0.0	Pending (Myanmar)
AFoCO/015/2020	MM	596	0	0.0	298	0	0.0	Pending (Myanmar)
AFoCO/016/2021	PH	419	40	9.5	40	40	100	
AFoCO/017/2021	BT	312	312	100	312	312	100	
AFoCO/018/2020	TL	288	174	60.4	291	174	59.8	To transfer Q3/Q4 fund
AFoCO/023/2021	ID	349	124	35.6	124	124	100	
AFoCO/024/2021	VN	453	325	71.7	325	325	100	
AFoCO/025/2021	LA	591	238	40.3	238	238	100	
<b>Subtotal</b>		<b>6,094</b>	<b>1,955</b>	<b>32.1</b>	<b>3,137</b>	<b>1,955</b>	<b>62.3</b>	
<b>2. Projects under Inception Arrangements</b>								
AFoCO/026/2021	TL	599	0	0.0	107	0.0	0.0	
<b>Subtotal</b>		<b>1,190</b>	<b>0</b>	<b>0.0</b>	<b>267</b>	<b>0.0</b>		
<b>3. Projects under development</b>								
AFoCO/0xx/2021	CLMV	2,319	0	0.0	2,319	0.0	0.0	
ASEAN-ROK garden	ASEAN	445	0	0.0	445	0.0	0.0	
<b>Subtotal</b>		<b>2,764</b>	<b>0</b>	<b>0.0</b>	<b>2,764</b>	<b>0.0</b>	<b>0.0</b>	
<b>Total</b>		<b>9,457</b>	<b>1,955</b>	<b>20.7</b>	<b>6,008</b>	<b>1,955</b>	<b>32.5</b>	

\* This transfer can be done upon approval of the project by the AKCF.

## Update on the Program Support Fee

Since 2020, the COVID-19 pandemic has adversely affected the utilization of PSF, especially those activities that require on-site travels, project monitoring of the Secretariat and face to face meetings/workshops. As of 25 October 2021, the amount of 886 US dollars out of a total of 713,746 US dollars was utilized for management of each project as shown in Table 2.

**Table 2. Execution of Program Support Fee as of 25 October 2021 (unit: USD)**

Project Code	Country	Items	Sum	Program Support Fee						
				2020	2021	2022	2023	2024	2025	2026
AFoCO/014/2020	MM	Plan	102,360	12,824	16,148	13,278	10,178	11,288	38,644	
		Executed	244	244						
AFoCO/015/2020	MM	Plan	102,000	11,800	22,650	25,750	41,800			
		Executed	148	148						
AFoCO/016/2020	PH	Plan	99,517		19,903	19,903	19,903	19,903	19,903	
		Executed								
AFoCO/023/2021	ID	Plan	75,000		14,086	37,145	13,649	10,120		
		Executed	48		48					
AFoCO/024/2021	VN	Plan	121,286		27,840	48,854	18,769	11,388	14,435	
		Executed	48		48					
AFoCO/025/2021	LA	Plan	106,440		6,000	25,440	25,000	25,000	15,000	10,000
		Executed	350		398					
AFoCO/026/2021 *	TL	Plan	107,143		15,278	75,719	9,246	6,900		
		Executed								
<b>Total</b>		<b>Plan</b>	<b>713,746</b>	<b>24,624</b>	<b>121,905</b>	<b>246,089</b>	<b>138,545</b>	<b>84,599</b>	<b>87,982</b>	<b>10,000</b>
		<b>Executed</b>	<b>886</b>	<b>392</b>	<b>494</b>					

\*Please note that the project document is under development.