



ADAPTATION FUND

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Ethics and Finance Committee
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Bonn, 7-8 April 2015

Agenda item: 8 d)

**BOARD AND SECRETARIAT, AND TRUSTEE
ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2016**

SECTION I: DOCUMENT STRUCTURE

Budget overview

1. This document presents the budgets of the Adaptation Fund Board (the Board) and the Adaptation Fund Board secretariat (the secretariat), and of the interim trustee (the trustee), for fiscal year 2016 (FY16), i.e. 1 July, 2015 to 30 June, 2016. Table 1 below presents an overview of the budgets of the Board and secretariat, and of the trustee, for FY16, which are explained in detail in the next two sections of the document: Section II covers the Board and secretariat budget for FY16, and Section III covers the trustee budget for FY16.

Table 1: Approved FY15 and proposed FY16 budget of the Board and secretariat, and the Trustee¹

All amounts in US\$		Approved FY15	Estimate FY15	Proposed FY16
BOARD AND SECRETARIAT				
01	Personnel	1,451,938	1,411,938	1,704,295
02	Travel	414,000	394,000	434,000
03	General operations	293,870	297,870	345,870
04	Meetings	340,000	340,000	340,000
Sub-total secretariat administrative services (a)		2,499,808	2,443,808	2,824,165
05	Overall evaluation (b)	335,000	160,000	200,000
06	Accreditation (c)	460,000	460,000	460,000
Sub-total secretariat (a), (b) and (c)		3,294,808	3,063,808	3,484,165
07	Readiness Programme (d)	639,899 ²	523,074	565,000
Sub-total secretariat (a) + (b) + (c) + (d)		3,934,707	3,586,882	4,049,165
TRUSTEE				
01	CER Monetization	246,000	246,000	203,000
02	Financial and Program Management	210,000	210,000	225,000
03	Investment Management	101,000	101,000	115,000
04	Accounting and Reporting	56,000	56,000	56,000
05	Legal Services	40,000	40,000	20,000
	External Counsel	150,000	-	-
06	External Audit	60,000	60,000	50,000
Sub-total trustee		863,000	713,000	669,000
GRAND TOTAL ALL COMPONENTS		4,797,707	4,299,882	4,718,165

¹ Decimal points in the table are rounded up.

² The unspent portion of the Readiness Programme budget for Phase I was carried over from FY14 to FY15.

Recommendation

2. The Board is requested to approve, from the resources available in the Adaptation Fund Trust Fund:

- a) The proposed budget of **US\$ 4,049,165** to cover the costs of the operations of the Board and secretariat over the period 1 July 2015 to 30 June 2016, comprising **US\$ 2,824,165** for the secretariat administrative services (the main secretariat budget), **US\$ 200,000** for the overall evaluation (Phase II), **US\$ 460,000** for accreditation services and **US\$ 565,000** for the readiness programme (Phase II).
- b) The proposed budget of **US\$ 669,000** for trustee services to be provided to the Adaptation Fund over the period 1 July, 2015 to 30 June, 2016.

SECTION II: BOARD AND SECRETARIAT PROPOSED BUDGET FOR THE PERIOD 1 JULY 2014 – 30 JUNE 2015

Background

3. The Board, at its twenty-third meeting in March 2014, approved the Board and secretariat budget of **US\$ 3,294,808** (Decision B.23/21). The Readiness Programm (Phase I) budget of **US\$ 583,899** was carried over from FY14 to FY15 to carry out the remained activities for its Phase I by the secretariat. At its intersessional period between the twenty-fourth and the twenty-fifth meetings, the Board approved the increase of **US\$ 56,000** to the Readiness Program budget to supplement its activities in FY15 (Decision B.24-25/8). Details of the budget for FY15 can be found in Table 3 to 6 which also includes an estimate of the actual expenses for FY15, as well as the proposed budget for FY16 (1 July 1, 2015 – 30 June, 2016).

Table 2: Approved amendments to FY15 originally approved budget

All amounts in US\$	Approved at AFB23 (Decision B.23/21)	Amendment (Decision B.24-25/8)	Revised approved budget
Board and secretariat budget (at AFB23)	3,294,808		3,294,808
Readiness Programme (Phase I) (Carried over from FY14)	583,899	56,000	639,899
Total			3,934,707

FY15 current estimates vs. approved budget

4. Budget slight under-run. Based on the estimated actual expenditure as of 31 December 2014, the estimated FY15 expenditure for the main secretariat budget as of 30 June 2014 will be US\$ 3,063,808, which is 93% of the approved FY15 budget (US\$ 3,294,808). Similarly, the estimated FY15 expenditure for the readiness programme as of 30 June will be US\$ 523,074, which is 82% of the revised approved FY15 budget (US\$ 639,899). The final actual expenditure for FY15 will be reported in the reconciliation budget as of 30 June, 2015.

Proposal of the main secretariat budget for FY16

5. In the FY16 budget, the secretariat will propose creation of two staff positions in the secretariat; an Operations Officer and a Junior Professional Associate (JPA). The proposed new positions will cover the secretariat's work on readiness support and accreditation, thus replicating the structure currently in place for project/programme review and monitoring. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its 10th meeting requested the Board to consider specific options for enhancing the access modalities of the Fund

under the readiness programme (the programme)³ and invited further support for the programme.⁴ Implementation of this mandate and of the proposed Phase II of the programme as presented in document AFB/B.25/5 *Report on implementation of the readiness programme*, will require secretariat staff dedicated to these activities. The position of programme coordinator originally proposed in Phase I of the programme is vacant since 1 August 2014. Given the increasing complexity of the programme, a more stable arrangement for this position is required. In addition, this position will back up the work of the Operations Officer (Accreditation), who currently has no back up. The JPA will provide support in these two areas. It deserves to be noted that the World Bank staff rules will not allow hiring of any JPAs from 1 July 2015. Therefore, the sector of readiness support and accreditation will count with a staff structure similar to the sector of project/programme review and monitoring, which is greatly needed given the current workload of the secretariat. (Instead of a JPA, an Extended Term Consultant maybe hired if a suitable candidate is identified for the position.)

6. The budget request for the **secretariat administrative services** for FY16 amounts to **US\$ 2,824,165** and consists of the following components:

a) *Personnel component.*

- i. Full-time staff: An amount of **US\$ 1,239,428** is estimated to cover the staff cost (salary, benefits, overhead and staff training cost⁵) of a manager, two senior climate change specialists, a senior operations officer (Accreditation), an operation officer (Readiness Programme), an operations associate, two Junior Professional Associates (JPAs).
- ii. GEF secretariat staff cross-support: The estimate of **US\$ 141,867** is to cover the cost of staff (salary, benefits and overhead) in the GEF secretariat, which provides cross-support to the Board. From FY16, the GEF cross support on database, knowledge Management strategy as well as communications and outreach will be removed from the list, to reflect the fact that most of these services have been handled by the in-house capacity. Also, accounting support and IT support which were listed under the GEF cross support will be moved to the consultants & others component from FY16 due to the recent World Bank's restructuring and centralization of those services.
- iii. Consultants and others: The estimate of **US\$ 323,000** includes the secretariat support (legal support etc. from the World Bank) (US\$ 35,000); the support for website and IT systems (US\$ 35,000); the communications strategy and knowledge management (US\$ 127,000); the result based management (RBM) (US\$ 60,000); the environmental and social safeguards (US\$ 35,000); the accounting support (US\$ 23,000) and the IT support (US\$ 8,000). The design and operations of dedicated websites will cover the maintenance of the Fund's main website and the knowledge exchange platform Climate Finance Ready which were built during FY15 as well as the accreditation workflow. The communications strategy and knowledge management will cover

³ Decision 2/CMP.10, paragraph 5.

⁴ Decision 1/CMP.10, paragraph 9.

⁵ The World Bank promotes continued training and learning of staff members. Within the Global Environment Facility (GEF) secretariat, the practice is that staff members excluding consultants are granted annual training budget up to US\$ 5,000 upon their request.

consultancy fees of Short Term Consultants who will work on communications activities including social media and speech writing. The RBM budget includes portfolio monitoring of projects under implementation, specifically examining four projects in FY16. The consultancy fees of the environmental and social safeguards will cover 50 days of an environmental and social safeguard expert on their project/programme review. The accounting support and the IT support are former GEF cross support and will be provided by the World Bank's centralized system going forward.

b) Travel component

In FY16, travel cost is allocated to cover two Board meetings for both secretariat staff and Board members (US\$ 180,000). Other than the Board meetings, the travel for secretariat staff (US\$ 194,000) will include participation in COP21 in Paris, France. An increased budget is requested for the awareness raising travel (US\$ 60,000) to reinforce the fund awareness raising activities. It will cover travels for seven international events and meetings including the Standing Committee on Finance, the Adaptation Committee, the UNFCCC Subsidiary Bodies (SBs) and the Green Climate Fund Board meetings. *Per diem* allowances of Board members and alternates according to the UN rules are paid separately from the Adaptation Fund Trust Fund, and are therefore not included in this budget⁶. The total request amounts to **US\$ 434,000**.

c) General operations component

The FY16 budget estimate is **US\$ 345,870**. This amount includes US\$ 250,000 for office space lease as well as a series of office equipment rentals and fees for eight full time staff members and other consultants of the secretariat, such as PCs, telephones, remote access systems, audio-conference systems and so on. It also includes US\$ 23,870 for communications support to the Chair, US\$ 70,000 for production of publications and outreach materials such as "Adaptation Stories"⁷ for ongoing projects in three UN languages, story videos, FAQ materials targeting donors, press and partners. The staff relocation will cover transportation costs for new staff members who would relocate from overseas in case required.

d) Meetings component

The estimated amount of **US\$ 340,000** consists of meeting organizations and translation. US\$ 240,000 will cover two Board meetings and three accreditation panel meetings and US\$ 100,000 will cover translation of meeting reports into five UN languages and other publications.

⁶ This is included in the cash transfer amounts reported by the Trustee and are US\$ 75,414 for FY14 and estimated at US\$ 66,447 for FY15.

⁷ "Adaptation Story" – Senegal, Honduras and Cook Islands have been published.

Table 3: Approved FY15 budget, FY15 estimate and proposed FY16 budget of the Board and secretariat

All amounts in US\$		Approved FY15	Estimate FY15	Proposed FY16
PERSONNEL COMPONENT				
Full-time staff (including benefits):				
01	Senior Program Manager (GH)			
02	Senior Climate Change Specialist (GG)			
03	Senior Climate Change Specialist (GG)			
04	Senior Operations Officer (Accreditation) (GG)			
05	Operations Associate (GD)			
06	Junior Professional Associate (JPA)			
07	Operations Officer (GF) - New hire			
08	JPA (or Extended Term Consultant) - New hire			
sub-total AFB staff		920,740	920,740	1,239,428
GEF staff cross-support (including benefits):				
01	Head of the AFB Secretariat (GJ) - 10%			
02	HR support (GD) - 5%			
03	Review of projects (1@GF) - 6%			
04	Review of projects (5@GG) - 6%			
05	Advisor (GH) - 2%			
sub-total GEF staff		179,198	179,198	141,867
Consultants & others				
01	AFB Secretariat Support (Legal support etc.)	35,000	35,000	35,000
02	Design and Operation of dedicated Web sites	85,000	85,000	35,000
03	Communications Strategy & Knowledge Management	127,000	127,000	127,000
04	Result Based Management (RBM)	85,000	45,000	60,000
05	Environment and social safeguards	20,000	20,000	35,000
06	Accounting support			23,000
07	IT support			8,000
sub-total Consultants		352,000	312,000	323,000
SUB-TOTAL PERSONNEL COMPONENT		1,451,938	1,411,938	1,704,295
TRAVEL COMPONENT				
01	AF Secretariat staff	174,000	174,000	194,000
02	Awareness Raising	40,000	40,000	60,000
03	Board - 24 eligible members	200,000	180,000	180,000
SUB-TOTAL TRAVEL COMPONENT		414,000	394,000	434,000
GENERAL OPERATIONS COMPONENT				
01	Office Space, Equipment and Supplies	200,000	200,000	250,000
02	Support to Chair (communications)	23,870	23,870	23,870
03	Publications and Outreach	70,000	70,000	70,000
04	Staff relocation	0	4,000	2,000
SUB-TOTAL GENERAL OPERATIONS COMPONENT		293,870	297,870	345,870
MEETINGS COMPONENT				
01	Logistics, interpretation, report writing etc.	240,000	240,000	240,000
02	Translation	100,000	100,000	100,000
SUB-TOTAL MEETINGS COMPONENT		340,000	340,000	340,000
TOTAL ALL COMPONENTS		2,499,808	2,443,808	2,824,165

Accreditation

7. The budget request for the **accreditation services** for FY16 amounts to **US\$ 460,000**, which consists of consultancy fees (US\$ 300,000) and travels (US\$ 160,000). The consultancy fees will cover 80 days of four Accreditation Experts. The travel cost is to cover experts' participation in the Accreditation Panel meetings in Washington DC and experts' and staff's visits to applicant implementing entities.

Table 4: Approved FY15 budget, FY15 estimate and proposed FY16 budget for the accreditation services

All amounts in US\$		Approved FY15	Estimate FY15	Proposed FY16
01	Accreditation Panel (fees & conting.)	300,000	300,000	300,000
02	Accreditation Panel/Staff (travel)	160,000	160,000	160,000
TOTAL ACCREDITATION		460,000	460,000	460,000

Overall Evaluation of the Fund

8. Pursuant to Decision B.23/18⁸, the second phase of the overall evaluation of the Fund will be implemented in FY16. The budget request for the **overall evaluation of the Fund (Phase II)** for FY16 amounts to **US\$ 200,000**. The second phase will assess the progress towards the Fund's objectives, the major achievement of results and lessons from the Fund's results and formulate recommendations for potential improvement. Please see AFB/EFC.14/5⁹ for the detailed programme.

Table 5: Approved FY15 budget, FY15 estimate and proposed FY16 budget for the overall evaluation of the Fund

All amounts in US\$		Approved FY15	Estimate FY15	Proposed FY16
01	Overall evaluation	335,000	160,000	200,000
TOTAL OVERALL EVALUATION		335,000	160,000	200,000

Readiness Programme

10. In its decision 1/CMP.10 Report of the Adaptation Fund Board (paragraph 9)¹⁰, the Conference of Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) "invites further support for the readiness programme of the Adaptation Fund Board for direct access to climate finance in accordance with decision 2/CMP.10, paragraph 5". The CMP in its Decision 2/CMP.10, paragraph 5, "also requests the Adaptation Fund Board to consider, under its readiness programme, the following options for enhancing the access modalities of the Adaptation Fund: (a) Targeted institutional strengthening strategies to

⁸ <https://www.adaptation-fund.org/sites/default/files/Report%20of%20the%2023rd%20Board%20meeting.pdf>

⁹ https://www.adaptation-fund.org/sites/default/files/AFB.EFC_.14.5%20Options%20for%20an%20Evaluation%20of%20the%20Fund.pdf

¹⁰ <http://unfccc.int/resource/docs/2014/cmp10/eng/09a01.pdf>

assist developing countries, in particular the least developed countries, to accredit more national or regional implementing entities to the Adaptation Fund; and (b) Ensuring that accredited national implementing entities have increased and facilitated access to the Adaptation Fund, including for small-sized projects and programmes". In line with the request from the CMP as well as a number of interests and needs that the secretariat has received from potential project implementing entities to continue the readiness programme activities in their regions, a budget to implement the Readiness Programme (Phase II) is requested for FY15. The progress of the readiness programme (Phase I) and the programme of Phase II will be presented during the Board meeting.

11. The budget request for the **readiness programme (Phase II)** for FY15 amounts to **US\$ 565,000**. Similar to the main secretariat administrative budget, it consists of personnel, travel, general operations and meeting components. Technical cooperation grants programed in the readiness programme are not included in the Board and secretariat administrative budget since they are transferred to implementing entities from the trustee directly and never be maintained in the secretariat account.

a) Personnel component

- i. Secretariat support: An amount of **US\$ 40,000** will cover temporary support for operation of the readiness programme, such as travel specialists and moderators of workshops.
- ii. Website: The proposed amount of **US\$ 15,000** is to cover the cost to deploy the Climate Finance Ready for readiness 'knowledge exchange' as its necessity arises.
- iii. Knowledge exchange (Communication strategy): The amount of **US\$ 15,000** will cover communications and knowledge exchange activities particularly for the readiness programme.
- iv. Environmental and social safeguards: The estimate of **US\$ 55,000** will cover the cost of 30 days of two environment and social safeguard experts. In particular, the experts will support the secretariat in developing manuals and guidelines for undertaking project environmental and social risk assessment and for formulating risk management plans, update of the accreditation toolkit, and other information tools. They will also participate as resource persons in the seminars and workshops planned under the readiness programme.¹¹
- v. Accreditation: The seminars and workshops organized under Phase I of the readiness programme required support of the accreditation experts as resource persons. For Phase II, a dedicated budget item is requested to cover their fees to participate in those events in the readiness programme budget separately from their core accreditation work.

The total request for the personnel component amounts to **US\$ 160,000**.

¹¹ See document AFB/B.23/5.

c) *Travel component*

In the travel component of the readiness programme, travel cost for the secretariat staff, meeting participants and Board members are allocated; **US\$ 85,000** for the secretariat is to cover participation in three regional workshops, and **US\$ 265,000** for meeting participants to cover participants' travel to a Climate Finance Readiness Seminar in DC and three regional workshops outside of DC. **US\$ 3,000** is allocated in FY16 in case participation of one Board member in three regional workshops is deemed necessary, who is resided in the respective region. The total request for the travel component amounts to **US\$ 353,000**.

d) *General operations component*

The estimate for general operations is **US\$ 22,000**. This amount includes **US\$ 2,000** for office space, a series of office equipment rentals and fees for the readiness programme support, such as PCs, telephones, remote access systems, audio-conference systems. **US\$ 20,000** is proposed for publications and outreach for production of readiness/accreditation 'manuals', readiness communications/marketing materials which to be distributed to the readiness programme participants and to advertise the programme.

e) *Meetings*

The estimate for the meetings component (logistics) is **US\$ 30,000**, which to cover organization of the seminars and workshops.

Table 6: Approved FY15 and proposed 16 budget of the readiness programme

All amounts in US\$		Approved FY15 (After amendment)	Estimate FY15	Proposed FY16
PERSONNEL COMPONENT				
Consultants & others				
01	Secretariat support	119,140	20,000	40,000
02	Web site	36,513	36,513	15,000
03	Knowledge exchange (Communications Strategy)	64,386	64,386	15,000
04	Environmental & Social Safeguard (Fees)	44,175	44,175	55,000
05	Accreditation (Fees)			35,000
SUB-TOTAL PERSONNEL COMPONENT		264,214	165,074	160,000
TRAVEL COMPONENT				
01	AF Secretariat staff	80,750	85,000	85,000
02	Meeting participants	205,554	200,000	265,000
03	Board members	5,076	3,000	3,000
SUB-TOTAL TRAVEL COMPONENT		291,380	288,000	353,000
GENERAL OPERATIONS COMPONENT				
01	Office Space, Equipment and Supplies	7,000	-	2,000
02	Publications and Outreach	29,121	20,000	20,000
SUB-TOTAL GENERAL OPERATIONS COMPONENT		36,121	20,000	22,000
MEETINGS COMPONENT				
01	Logistics	48,185	50,000	30,000
SUB-TOTAL MEETINGS COMPONENT		48,185	50,000	30,000
GRAND TOTAL ALL COMPONENTS		639,899	523,074	565,000

SECTION III: ADAPTATION FUND – TRUSTEE ESTIMATED COSTS AND EXPENSES FOR FY16, AND REVISED ESTIMATE OF COSTS AND EXPENSES FOR FY15

Background

12. The following sections present the trustee’s estimate of costs and expenses for trustee services to be provided during the period July 1, 2015 to June 30, 2016.

Estimated costs and expenses from July 1, 2015 to June 30, 2016

Table 7: FY15 approved and FY16 estimated costs and expenses (USD)

Trustee Costs: FY15 approved and FY16 estimate		
Trustee Services	FY15 Approved	FY16 Estimate
	(1)	(2)
Monetization	246,000	203,000
Financial and Program Management	210,000	225,000
Investment Management	101,000	115,000
Accounting and Reporting	56,000	56,000
Legal Services	40,000	20,000
External Counsel	150,000	-
External Audit	60,000	50,000
TOTAL	863,000	669,000

13. The estimates in Table 7 reflect the Trustee’s best estimate of the fees, costs and expenses for the fiscal year 2016, on a full cost-recovery basis. These will be subject to adjustment at the end of the period, based upon revised estimates of the fees, costs and expenses incurred in the provision of trustee services to the Adaptation Fund during the period.

14. **The Adaptation Fund Board is hereby requested to approve an estimated budget of USD 669,000 for the period July 1, 2015 to June 30, 2016** to cover estimated costs and expenses for monetization services, financial and program management, investment management, accounting and reporting, legal services, and the external audit. Details for each of the service components are presented below. Gross labour costs indicated include all related overhead amounts.

The estimate is comprised of the following components:

- a) **Monetization (USD 203,000)**: This cost comprises World Bank Treasury staff time and expenses, and exchange and settlement and other trading-related reimbursable fees. The Treasury staff costs cover the management of monetization procedures and systems, daily sales on exchanges, settlement of

sales transactions, and management of direct, over-the-counter, and other transactions. The budget estimate includes all exchange fees and costs for the preparation, execution, and settlement of transactions as well as annual membership fees and trading license fees as needed. The costs associated with monetization of AAUs and ERUs cannot be estimated at this time and will depend upon the level of activity and date of commencement of such monetization. Up-front costs associated with preparation of such monetization activities could also comprise the development/modification of a trading platform, and IT systems adjustments. The overall costs of monetization activities are detailed in Table 8.

Table 8: Monetization Costs FY15 and FY16 (USD)

<u>Monetization - FY15 Approved</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Traders	188,000	15,000	203,000
Back Office	28,000	-	28,000
TOTAL	216,000	15,000	246,000
<u>Monetization - FY16 Estimate</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Traders	148,000	15,000	163,000
Back Office	35,000	-	35,000
TOTAL	183,000	15,000	203,000

¹ Gross labour costs includes all related overhead amounts.

- b) **Financial and program management (USD 225,000):** Costs are based on staff time required for management of financial transactions, including processing of receipts of CER and other sales proceeds, donations, and other cash proceeds on a daily basis in the Adaptation Fund Trust Fund, recording allocations and commitments, and processing cash transfers to implementing entities using World Bank financial systems and procedures. Estimates include staff time associated with implementation of the financial reporting for the Trust Fund; collaboration with the Adaptation Fund Board and Secretariat; the execution and management of donation agreements; and maintenance of systems for reporting and transactional processes and procedures for the Trust Fund. Estimates also include travel costs for one trustee representative to attend regular AF Board meetings.

Table 9: Financial and Program Management Costs FY15 and FY16 (USD)

<u>Financial and Program Management - FY15 Approved</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Financial Officers	105,000	25,000	130,000
Finance Officers/Analysts	80,000	-	80,000
Staff Costs	185,000	25,000	210,000
<u>Financial and Program Management - FY16 Estimate</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Financial Officers	120,000	25,000	145,000
Finance Officers/Analysts	80,000	-	80,000
TOTAL	200,000	25,000	225,000

¹ Gross labour costs includes all related overhead amounts.

- c) **Investment management (USD 115,000):** Investment management fees are calculated as a flat fee of 3.5 basis points (i.e. 0.035%) of the average annual balance of the undisbursed cash in the Trust Fund. The projected average annual balance over the next fiscal year is estimated at USD 330 million, reflecting increased balances due to donations. The cash balance equals net inflows from CER and other monetization, donations and investment income earned, less all cash transfers. In the event that cash transfers take place more rapidly, the average balance would be lower, and investment management fees would be reduced accordingly.
- d) **Accounting and reporting (USD 56,000):** Costs are based on the management of the accounting model for the Trust Fund, maintenance of appropriate records and accounts to identify receipts of monetization proceeds and other contributions. A significant portion of these costs are those associated with the preparation of annual financial statements and arrangement of the annual external audit.

Table 10: Accounting and Reporting Costs FY15 and FY16 (USD)

<u>Accounting and Reporting - FY15 Approved</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Accountants	56,000	-	56,000
TOTAL	56,000	-	56,000
<u>Accounting and Reporting - FY16 Estimate</u>			
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Total</u>
Senior Accountants	56,000	-	56,000
TOTAL	56,000	-	56,000

¹ Gross labour costs includes all related overhead amounts.

- e) **Legal services (USD 20,000):** These costs include drafting, negotiation and processing of donation agreements, funds transfer agreements and other legal agreements as needed. The estimate also covers staff time to provide policy advice and legal review on issues raised by the AF Secretariat and others as they may impact the Adaptation Fund Trust Fund and the services of the Trustee. No external counsel needs are anticipated for FY16 (approved amount for FY15 was in respect of amendments to the Terms and Conditions between the Trustee and the CMP, to add AAUs and ERUs to the monetization program, and extend the termination date). No travel costs for legal services are expected in FY15.

Table 11: Legal Service Costs FY15 and FY16 (USD)

<u>Legal Services - FY15 Approved</u>				
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Services</u>	<u>Total</u>
Senior Counsel	40,000	-	-	40,000
External Counsel			150,000	150,000
TOTAL	40,000	-	150,000	190,000
<u>Legal Services - FY16 Estimate</u>				
	<u>Gross Labour¹</u>	<u>Travel</u>	<u>Services</u>	<u>Total</u>
Senior Counsel	20,000	-	-	20,000
TOTAL	20,000	-	-	20,000

¹ Gross labour costs includes all related overhead amounts.

- f) **External audit (USD 50,000):** This covers the external auditor's costs associated with the external audit of the FY15 financial statements for the Adaptation Fund Trust Fund. In addition to the external audit, the trustee prepares a Single Audit of trust funds, in which the Adaptation Fund is included; this is provided at no cost to the Adaptation Fund.