



ADAPTATION FUND

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Adaptation Fund Board
Twenty-second meeting
Bonn, 31 October – 01 November 2013

Agenda item 5

REPORT OF THE FOURTEENTH MEETING OF THE ACCREDITATION PANEL

Annex I: Report of the Accreditation Panel on its assessment of the Secretariat of the Pacific Regional Environmental Programme (SPREP)

Background

SPREP was established in June, 1993 as an inter-governmental organisation. The key objective of SPREP is to promote co-operation in the South Pacific region and provide assistance in order to protect and improve the region's environment to ensure sustainable development for present and future generations. Its strategic priorities cover the areas of Climate Change, Biodiversity and Eco-system management, Waste Management and Pollution Control, and Environmental Monitoring and Governance. SPREP has 21 small countries/entities of the region as its members. Apart from these 21 Australia, France, New Zealand, UK and USA are also members. The organisation is headquartered in Apia, Samoa. SPREP applied for accreditation as a Regional Implementing Entity (RIE).

The application was received in April, 2011. As there were substantial gaps the Accreditation Panel has been continuously interacting with SPREP for over two years, while it took various steps to build capabilities in several of the areas of the Fiduciary Standards.

The Fiduciary Standards

Legal Mandate

The Agreement establishing SPREP provides it the legal mandate for it to carry out its functions and responsibilities and, in particular the capacity to contract, to acquire and dispose of moveable and immoveable property and to sue and be sued. The Agreement creating SPREP is also registered under Sec 102 of the UN charter Regulation 21 of the SPREP treaty provides it the authority to accept extra budgetary funds. The applicant has received substantial donor funds from several countries and agencies.

Financial Integrity

SPREP's annual financial statements are audited by an external audit firm. The auditors have given an unqualified opinion on the financial statements and the audit report also notes that funds received from different aid agencies were spent in accordance with the MOU signed between the respective parties. While the organization did not have an Internal Audit function at the time of the application it now has a functioning in-house internal audit department. Similarly, an Audit Committee has since been set up and is functional.

SPREP undertakes an organizational Risk Assessment exercise. It also has documented Delegation of Authority (DOA) to commit funds and approve payments with appropriate safeguards.

The organization has a five year Strategic Plan for the period 2011-15 which also covers risks. Further it prepares an annual Work Programme and Budget.

Institutional Capability

SPREP has a Procurement Manual which covers key processes. The responsibility for oversight of procurement lies with the Internal Audit function. As a part of building its capability the organization has also established some controls for procurements undertaken by a third party Implementing Entity.

SPREP has procedures and the ability to undertake project identification, appraisal, approval and planning. As part of its project management responsibilities, SPREP undertakes monitoring and reporting of projects. Additionally it also undertakes activities relating to project completion and final evaluation. It has reasonable experience in handling projects in different member countries.

Transparency, Self-investigative Powers, and Anti-corruption Measures

Numerous steps have been taken by SPREP over the last two years to increase transparency and improve systems for preventing and dealing with fraud and corruption. These include establishing a policy reflecting a zero tolerance towards fraud, developing guidelines for reporting frauds and other violations including an investigation procedure, and implementing a policy relating to conflict of interest. In addition to documented staff regulations, a revised Code of Conduct has been approved and implemented, and a Fraud Manual prepared which is available at the applicant/s website together with an online mechanism for reporting fraud and related activities

Conclusion

SPREP is a relatively large organization in a region where individual countries and entities within those countries are very small and individually possess limited capabilities and experience in terms of resources, handling climate change issues and undertaking medium and large projects. SPREP has a mandate to deal with issues related to climate change in its area of operations and appears to be one of the few local organizations in the region which can handle medium and large projects in individual or multiple countries. Additionally, over the last 2 years SPREP has grown in size and developed new capabilities to meet the requirements of the Fund's fiduciary standards.

It is recommended that SPREP be accredited as an RIE of the Adaptation Fund