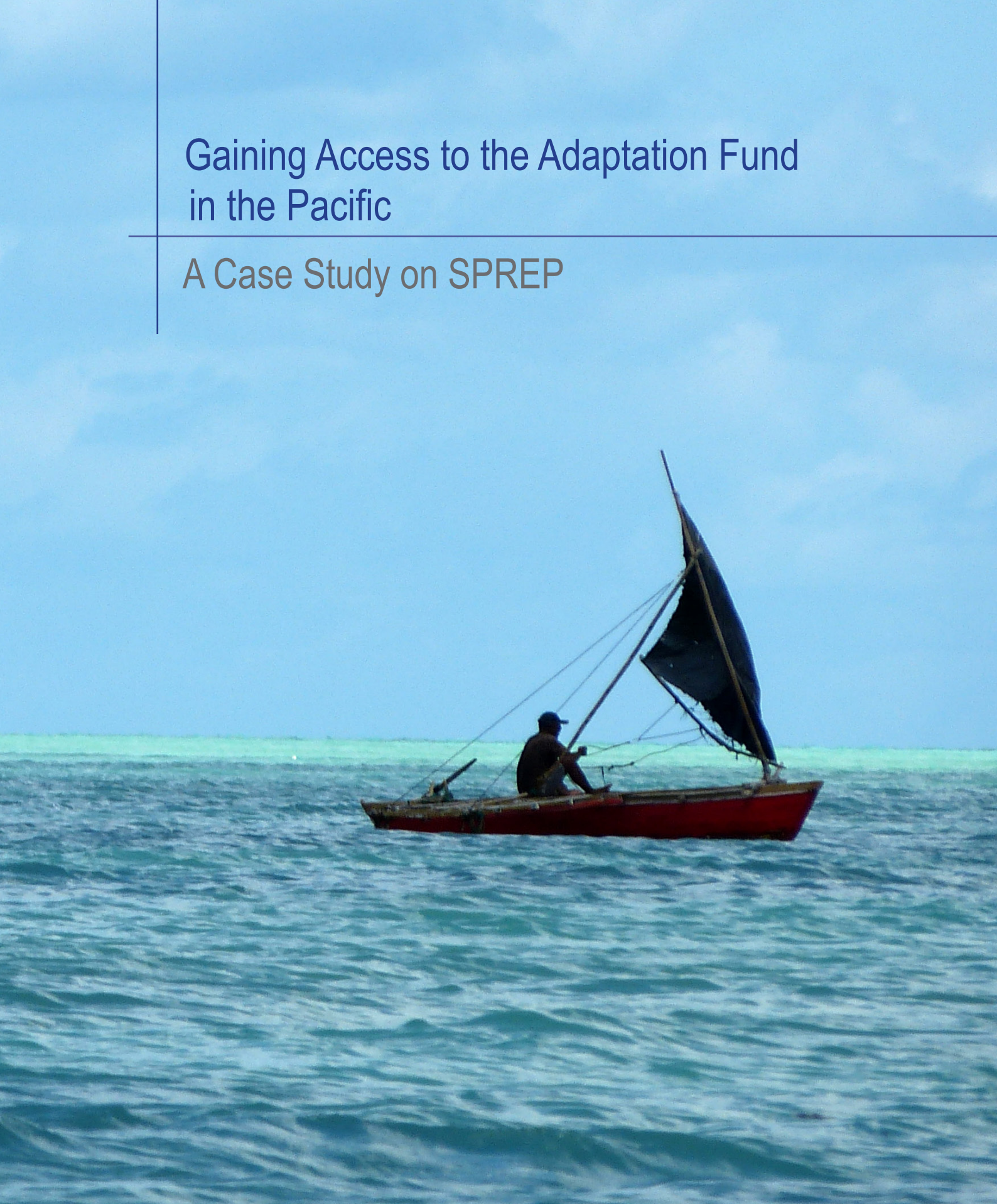


Gaining Access to the Adaptation Fund in the Pacific

A Case Study on SPREP



SPREP
Secretariat of the Pacific Regional
Environment Programme



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SPREP Vision: The Pacific environment, sustaining our livelihoods and natural heritage in harmony with our cultures.





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Foreword

On 1 November 2013, the Secretariat of the Pacific Regional Environment Programme (SPREP) secured its status as a Regional Implementing Entity (RIE) under the Adaptation Fund of the Kyoto Protocol. SPREP has been working on achieving this accreditation since March 2010 at the direction of its Pacific island members. SPREP is now the third RIE under the Adaptation Fund; the other two are the West Africa Development Bank (accredited two years ago) and the Sahara and Sahel Observatory (accredited in early 2013), making this a landmark achievement for SPREP and for the Pacific region.

The accreditation process required that SPREP meet the legal and fiduciary standards approved by the Adaptation Fund Board, as laid out in the Operational Policies and Guidelines. Those requirements led SPREP to the establishment of an independent internal audit function, strengthening the procurement and financial management procedures, and developing a SPREP code of ethics and expected behaviours. By themselves these actions have improved the functioning of SPREP in support of our member countries and territories and have raised the standards for regional organisations and their accountability to their members.

There are no national implementing entities in the Pacific although several countries are now in the process of applying. Some countries have so far successfully developed projects with multilateral implementing entities such as the United Nations Development Programme (UNDP). It is expected that the Green Climate Fund criteria for implementing entities will be similar to the Adaptation Fund. This will place SPREP in an excellent position to assist the region further with climate change financing.

This study is intended not only to inform members of the process that SPREP undertook to comply with requirements of the Adaptation Fund, but also to serve as a guide to assist members to achieve national implementing entity status. The lessons learned from this SPREP experience are valuable in informing members of the level of commitment and dedication that will be required, and SPREP stands ready to support members in that process.

This commitment is in line with the SPREP strategic plan 2011–2015, which requires the Secretariat to deliver quality service to members by expanding funding to support implementation of the following inter-linked and cross cutting priorities with regard to climate change, biodiversity and ecosystem management, pollution control and waste management and monitoring and governance. There are adaptation and resilience building aspects or synergies between all these priorities, and thus opportunities for Pacific island countries to propose integrated adaptation projects to the Adaptation Fund through SPREP. SPREP is currently assisting the Federated States of Micronesia with its first project proposal to the Adaptation Fund.

I acknowledge the work of the consultant, Andrew Kennedy, and the efforts of numerous SPREP staff, in particular Alofa Tu'uau, Selesitina Reti, Makereta Kaurasi-Manueli, Clark Peteru, Simeamativa Leota-Vaai, Taito Nakalevu, Peniamina Leavai, Diane McFadzien and Espen Ronneberg. I also pay tribute to the trust placed on the Secretariat by our members, in particular those Country Focal Points that provided the necessary endorsement letters, namely Vanuatu, Samoa, Nauru and Cook Islands.

Dr Netatua Pelesikoti
Director, Climate Change Division, SPREP



Acronyms

AF	Adaptation Fund
AFB	Adaptation Fund Board
COP	Conference of the Parties
DA	Designated Authority
GCF	Green Climate Fund
MIE	Multilateral Implementing Entity
NIE	National Implementing Entity
RIE	Regional Implementing Entity
SIDS	Small Island Developing States
SPREP	Secretariat of the Pacific Regional Environment Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change

Background

The Adaptation Fund (AF) was established under the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) and is designed to finance concrete climate change adaptation projects and programmes based on the national priorities of developing countries. Since its establishment, the Fund has provided in excess of USD200 million of funding for projects in a number of areas.

A key innovation of the Fund is that it provides countries with the option of accessing funding directly through a National Implementing Entity (NIE), Regional Implementing Entity (RIE) or Multilateral Implementing Entity (MIE) that meets the international fiduciary standards set up by the AF Board. The Implementing Entity is accountable directly to the Board for the overall management of projects, as well as for the financial, monitoring and reporting aspects of project activities.

SPREP began the process of seeking accreditation to the Fund following a directive from its member countries¹ and as part of its broader role in coordinating the Pacific region's response on Climate Change Adaptation.

SPREP has played an active role in assisting its Pacific island countries in accessing climate finance, and the Pacific region has unique challenges and opportunities open to it in taking full advantage of these resources. Often, however, Pacific island countries are constrained in this regard owing to a number of factors such as national capacity.

The Board accredited SPREP as an RIE by its decision of 1 November 2013. SPREP had been working on achieving this accreditation since March 2010 at the direction of its Pacific island country members and decisions of the SPREP Meeting and Pacific Climate Change Roundtable. With this accreditation SPREP can assist countries in developing and submitting adaptation to climate change proposals to the Adaptation Fund Board for financing. This is particularly important for countries in the region with limited national capacity. At the same time, SPREP plans to continue to support efforts in the region that would allow countries to attain NIE status, allowing direct access. Currently, there are no NIEs in the Pacific, and some countries have so far successfully developed projects with MIEs such as the United Nations Development Programme (UNDP).

Table 1.

The Adaptation Fund in Brief

The AF is an entity operating under the Kyoto Protocol under the UNFCCC, which was established to finance concrete adaptation projects and programmes based on the needs of developing countries. Key dates in the development of the AF include:

UNFCCC parties signed the Kyoto Protocol in 1997 and it came into force in 2005.

Marrakesh Accords adopted at COP 7 state that the AF will be funded by 2% of the share of Certified Emissions Reductions (CERs).

In Bali at CMP3, a number of decisions were taken to operationalise the Fund: the key decision-making entity of the Fund, the Adaptation Fund Board, was established,

At COP 14/CMP4, parties adopted the Rules of Procedure for the Adaptation Fund Board and the Strategic Priorities, Policies and Guidelines of the Adaptation Fund and conferred legal capacity.

In September 2009 the Board approved the Fund's first project, a US\$8.6million Adaptation to Coastal Erosion Project in Senegal implemented by Centre de Suivi Écologique of Senegal (CSE).

In March 2011, the Board approved the first Pacific project, a USD5.5 million Agriculture and Food Security Resilience project in the Solomon Islands.

At COP 19 in Poland, the Fund reached its fundraising target of USD100 million.

¹ SPREP's members are American Samoa, Australia, Commonwealth of the Northern Mariana Islands, Cook Islands, Federated States of Micronesia, Fiji, France, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United Kingdom, United States of America, Vanuatu, and Wallis and Futuna.

About this Guide

This guide aims to achieve a number of things. It adopts a SPREP-eyed view of the accreditation process, outlining the specific changes the organisation made to its institutional set-up in order to satisfy the Board's standards. Combined with insights from interviewing key people involved in the process, it is hoped that this will provide a realistic view of the process for countries contemplating applying to be accredited as NIEs. Further, it provides a detailed account of the Adaptation Fund Board's criteria for accreditation and a practical checklist for countries, which can form the basis of planning towards NIE Accreditation. Finally, it makes practical suggestions for Pacific Island countries to think about in preparing their accreditation plans.

There is a great deal of literature on accessing the Adaptation Fund, and the aim of this toolkit is to simplify, consolidate and provide action-oriented guidance that takes advantage of this. For many countries, the AF will be one among many funding sources for their national development priorities and environmental objectives. We have tried to present information in a simple, accessible manner whilst being detailed enough to address some of the more complex features of the AF and its access criteria.

Table 2.

Entity	Institution
National Implementing Entities	Planning Institute of Jamaica (Jamaica)
	Centre de Suivi Écologique (Senegal)
	Agencia Nacional de Investigación e Innovación (Uruguay)
	National Environment Fund (Benin)
	South African National Biodiversity Institute (South Africa)
	Protected Areas Conservation Trust (Belize)
	Ministry of Planning and International Cooperation (Jordan)
	Ministry of National Resources (Rwanda)
	National Environment Management Authority (Kenya)
	Mexican Institute of Water Technology (Mexico)
	Unidad para el Cambio Rural (Argentina)
	National Bank for Agriculture and Rural Development (India)
	Fundecooperación para el Desarrollo Sostenible (Costa Rica)
	Agency for Agricultural Development (Morocco)
Agencia de Cooperación Internacional de Chile (Chile)	
Regional Implementing Entities	West African Development Bank (Togo)
	Observatoire du Sahara et du Sahel (Tunisia)
	Secretariat of the Pacific Regional Environment Programme (Samoa)
Multilateral Implementing Entities	Asian Development Bank (Philippines)
	Inter-American Development Bank (USA)
	International Fund for Agricultural Development (Italy)
	United Nations Development Programme (USA)
	United Nations Environment Programme (Kenya)
	United Nations World Food Programme (Italy)
	World Bank (USA)
	World Meteorological Organization (Switzerland)
	African Development Bank (Tunisia)
	United Nations Educational, Scientific and Cultural Organization (UNESCO)

The Adaptation Fund

The consensus that climate change poses significant challenges and threats to Pacific Island countries is unambiguous. A broad coalition of scientific opinion accepts that climate change is a serious developmental challenge that brings with it a host of other negative impacts. Less predictable availability of freshwater, threats to local environments and economies, combined with an increasing amount and intensity of natural disasters such as cyclones are undermining development efforts and increasing burdens on some of the most vulnerable communities in the world.

The Adaptation Fund was established by the parties to the United Nations Framework Convention on Climate Change to finance “concrete adaptation projects” and programmes in developing country parties that are parties to the Kyoto Protocol. Parties are permitted to access the Fund directly through the accredited entities in the three categories shown in the table above.

The rationale behind this flexibility was to allow parties to determine the way in which they accessed the Fund depending on their national context, which is not the same for all parties. It also sought to increase the extent to which projects were driven by national development priorities across a number of sectors and to increase national accountability for project outcomes.

Direct Access²

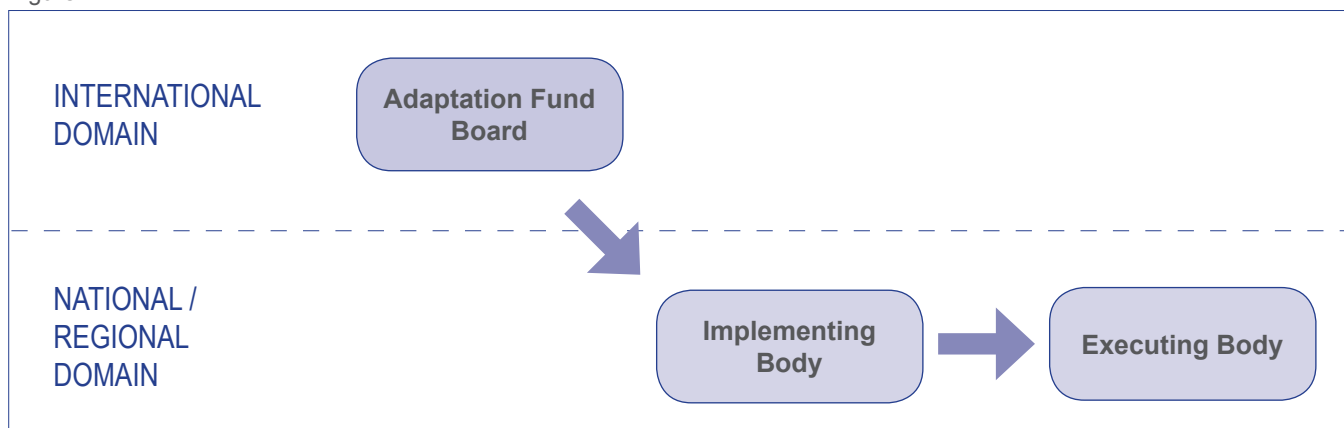
One of the key innovations of the Fund was to provide parties with opportunities to access the Fund directly. Decision 1/CMP.3, at paragraph 29, states:

Eligible Parties shall be able to submit their project proposals directly to the Adaptation Fund Board and implementing or executing entities chosen by governments that are able to implement the projects funded under the Adaptation Fund may also approach the Adaptation Fund Board directly.

Many Pacific island countries have limited internal resources to access financing through the Adaptation Fund directly. More generally, it is recognised that enhancing the equity and fairness of climate finance is achievable only through removing the barriers of access to resources. Against this backdrop, there has also been an increased recognition that current levels of financing will be insufficient to cope with the level of need for adaptation, and that the institutional architecture within finance needs to play an improved role in catalysing finance to ensure that projects and outcomes are country-driven and promote sustainable development and equity.

Under the direct access model, the Fund oversight and management functions remain at the international level, and implementation and execution of projects is delegated to an implementing body at the national or regional level (see Figure 1). In the architecture, SPREP’s role as an RIE will mean that it has more responsibility for oversight, management and accounting for project funding than as an executing entity, where it is effectively a project management agency.

Figure 1.



² For an excellent discussion of Direct Access see Brown, J., Bird, N. and Schalatek, L. Direct Access to the Adaptation Fund: Realizing the Potential of National Implementing Entities. In: Climate Finance Policy Brief No.3. Heinrich BöllStiftung & Overseas Development Institute. November 2010.



Funding the Fund

A further innovation in the Fund is that it is financed by 2 percent of proceeds from climate change mitigation projects registered under the Clean Development Mechanism. The certifications are monetised on the carbon market and provide a market-based solution for funding projects. This was originally thought to be a feature that would remove some of the uncertainty associated with the level and longevity of bilateral sources of funding; however, as has been seen, in August 2008 Certified Emission Reduction (CER) prices stood at USD20 per tonne before plummeting to 31 cents in December 2012³. Given the drop in CER prices, the AF has been forced to diversify its income and, as at May 2013, the AF collected USD188.2 million from CER contributions and USD134.5 million from donors⁴. A further USD100 million target for fundraising was set for COP19. Although the Fund managed to achieve its funding target of USD100 million at COP19 in Warsaw through bilateral contributions, there are some important questions regarding the extent to which the Fund will be in a financial position to fund projects on a sufficient scale.

³ U.N. Offsets Crash to 15 cents Ahead of EU Ban Vote. Thomson Reuters Point Carbon. 12 December 2012. <http://www.pointcarbon.com/news/1.2098417> Last accessed 27 December 2013.

⁴ https://www.adaptation-fund.org/sites/default/files/Adaptation%20Fund%20Board%20secretariat_0.pdf Last accessed 27 December 2013.

The Accreditation Process

The Adaptation Fund has established an accreditation process that NIEs, RIEs and MIEs must follow in order to gain accreditation. The process is overseen by an Accreditations Panel, which comprises three independent experts and two members of the Adaptation Fund Board. The Panel is supported by the Adaptation Fund Secretariat, which is currently housed within the World Bank, which also acts as its Interim Trustee.

In order to be accredited as a NIE, RIE or MIE, prospective institutions must demonstrate that they have the requisite staffing, expertise, experience, internal controls and capacity to manage grant amounts of up to USD10 million disbursed by the Fund. This means that organisations are obliged to demonstrate a “track record” over a number of years. The accreditation process is defined and organised around a set of fiduciary standards which prescribe the level of capacity organisations must have across a range of categories. In order to gain accreditation, organisations must satisfy the Accreditation Panel, the independent body set up to recommend institutions to the Board.

The three independent experts on the Panel each have significant experience in auditing and evaluating the efficiency of institutions delivering projects. An important feature of this process, as will be seen below, is that the Panel engages with the applicant institution, consulting closely and frequently on any steps that need to be taken to bring the organisation’s standards into line with the Adaptation Fund’s criteria. This often involves providing the organisation with detailed suggestions on how an applicant organisation can improve various aspects of the standards with a view to becoming eligible to receive project funding.

A final point about the general process is that all applications for NIE or RIE status must be endorsed by a Designated Authority (DA) who is the representative of the government who acts as the focal point for the Adaptation Fund. In the case of RIE applications, an endorsement is required from at least two DAs from the countries of the region. MIE applicants submit their applications directly to the secretariat and do not require endorsement.

Table 3.

National Implementing Entities - Key Preparatory Steps

The decision to pursue accreditation as an NIE is an important step that should be considered carefully and be informed by extensive consultation with stakeholders and national organisations. The organisation selected by the Designated Authority may be a government ministry; however, equally it may be an organisation without central government. The crucial thing is that the organisation has the resources, track record and infrastructure in place to meet the Fiduciary Criteria. It is also important for organisations to identify as early as possible the proposed projects.

1. Decision to Pursue Accreditation

The “Designated Authority” must reach a decision on whether it would like to become an NIE under the Adaptation Fund through a consultative process especially with the involvement of its Ministry of Finance.

2. Baseline Assessment and Gap Analysis

The prospective NIE must carry out a financial systems assessment to establish its fiduciary standards and capacity, and the soundness of policies used for recruitment, procurement, fraud, risk management and monitoring and evaluation. The tables in this guide can assist organisations in identifying gaps in capacity, providing a framework for institutional development.

3. Action

A plan must be formulated to implement capacity development activities aimed at developing institutional capabilities to the level required by the Adaptation Fund.

Fiduciary and Institutional Criteria

NIEs, RIEs and MIEs are required to demonstrate that they have the requisite capacity and track record of project management across a number of key areas, and are required to illustrate compliance using evidence. These competencies are extensive and cover a broader set of institutional capacities than merely the ability to manage project funding effectively (see Table 4).

Table 4.

Financial Integrity
<ul style="list-style-type: none"> • Ability to record transactions and balances accurately and regularly to an appropriate standard as attested by a competent entity;
<ul style="list-style-type: none"> • Ability to safeguard, manage and disburse funds effectively to recipients on a timely basis;
<ul style="list-style-type: none"> • Competency to produce forward looking plans and budgets; and
<ul style="list-style-type: none"> • Legal status to contract with the AF and third parties.
Requisite Institutional Capacity
<ul style="list-style-type: none"> • Procurement procedures that provide for transparent competition, including effective means of redress;
<ul style="list-style-type: none"> • Capacity to undertake monitoring and evaluation;
<ul style="list-style-type: none"> • Ability to identify, develop and appraise projects; and
<ul style="list-style-type: none"> • Competency to manage or oversee project implementation or execution.
Transparency and Self-Investigative Powers
<ul style="list-style-type: none"> • Competency to deal with financial mismanagement and other forms of malpractice, e.g.fraud; and
<ul style="list-style-type: none"> • Whistleblowing policies and procedures on issues of fraud and gross mismanagement.

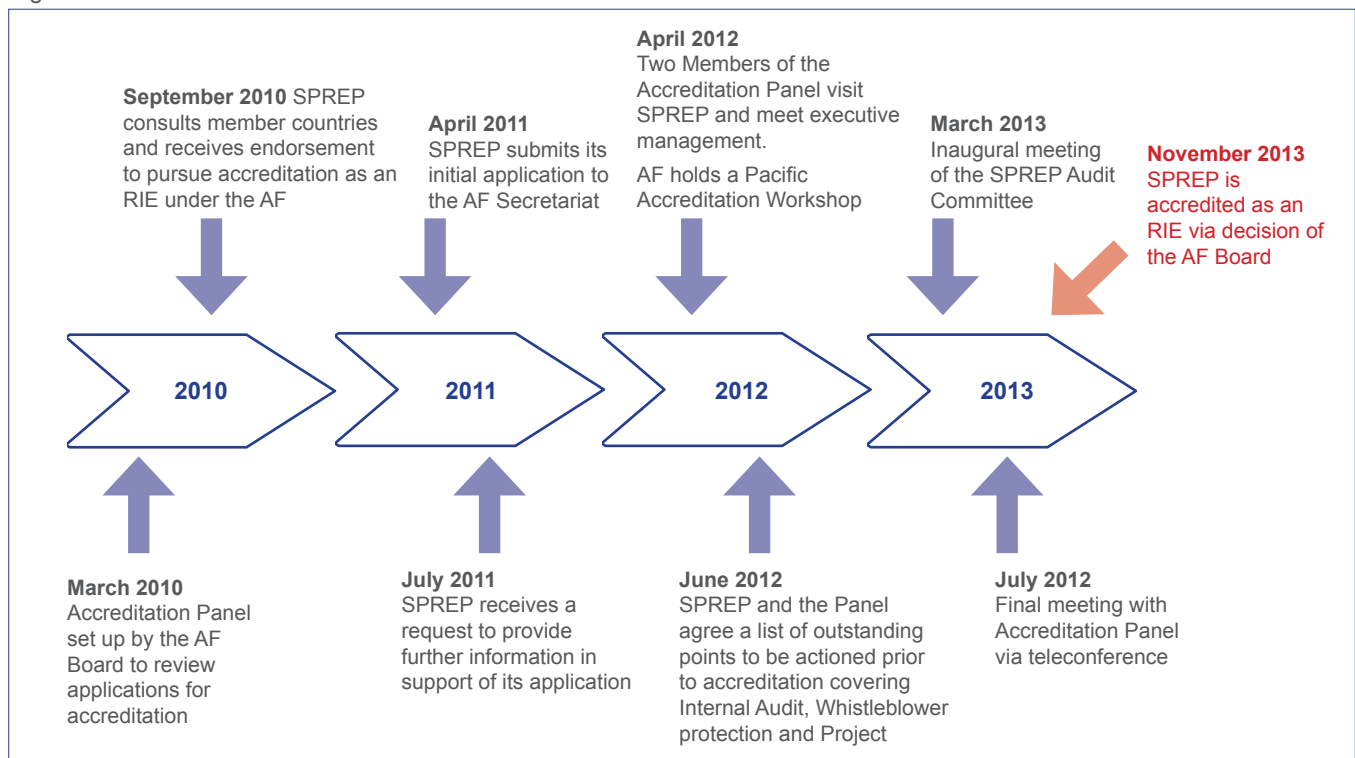
SPREP's Application for RIE Status under the Adaptation Fund

SPREP was directed to engage in seeking accreditation as an RIE at its annual governing council meeting, the SPREP Meeting, at Madang, Papua New Guinea in September 2010. This was subsequently reaffirmed at the next SPREP Meetings in Apia and New Caledonia in 2011 and 2012 respectively. SPREP submitted its initial application to the AF Secretariat in April 2011 and was thereafter involved in close consultation with the Accreditation Panel in supplying further information in order to demonstrate compliance with the fiduciary standards. A significant number of documents were supplied by SPREP to the Secretariat ranging from those establishing SPREP's separate legal personality as an international organisation, to project evaluations, to evidence of its financial systems and accounts. In all, SPREP supplied around 60 separate pieces of evidence ranging from its annual accounts to procurement policies and procedures.

After this initial application, the Panel responded raising a number of requests for clarification in relation to specific points and for further information and/or documentation. In responding to the Panel's requests for information, SPREP's internal divisions all played an important role in supplying information to the Panel. A number of responses were required in relation to the controls that SPREP's Corporate Services Division had for ensuring that donor funding was being disbursed to projects in a transparent manner and in compliance with international best practice.

Equally, its project implementation divisions also had to supply detailed information relating to SPREP's track record of project delivery and achieving successful outcomes. All of these aspects were important in the application, and the focus was as much on its ability to manage resources effectively as it was in demonstrating project outcomes.

Figure 2.





The initial phase was concerned with gathering general information on SPREP as an organisation. As the application advanced, so did the detail and specificity of the information that was required by the Panel. Further, the Panel identified a number of areas as being in need of improvement, and SPREP benefited from the Panel's specific advice on the necessary measures to achieve this. In satisfying many of these criteria it was important that SPREP was a mature organisation with a long history of engagement in climate change and other projects in the Pacific region. There were some areas, however, where the Panel identified "gaps", and so the Secretariat set about implementing many of the changes to its internal infrastructure, policies and processes. Although numerous developments took place, a few were crucial to the success of SPREP's application (see Figure 2).

The process continued very much in a "back and forth" fashion with SPREP responding to Panel requests for information and updating the Panel on key actions based on its feedback. This was usually conducted by teleconference on a more or less quarterly basis; however, SPREP also benefited from a visit by two Accreditation Panel members during the Adaptation Fund's Workshop for the Accreditation of NIEs in the Pacific Region held in Apia in April 2012. This provided an invaluable opportunity to engage with the Panel "face-to-face" and to give the Panel members the opportunity to learn more about SPREP as an organisation by visiting the Secretariat's Apia compound.

Further to the April 2012 Workshop, a set of actions was agreed on covering the outstanding issues raised by the Panel, which in turn was followed up by further teleconferences. A crucial aspect at this relatively advanced stage in the process was the necessity of providing documented evidence that the newly established institutions were operational and running effectively. By its very nature, this issue took time; however, the improvements to SPREP as an organisation will be of benefit in the long term. Once the Panel was satisfied that SPREP had met the required standards, it recommended to the Board that SPREP be accredited as an RIE in its meeting on 22 September 2013.

Key Developments During the Process

As mentioned above, SPREP made a variety of improvements and changes to its internal structures, policies and procedures as part of the accreditation. This section outlines some of the changes that were most significant and instrumental in eventually securing a successful accreditation.

Internal Controls and Internal Audit Function

Perhaps one of the most visible and significant changes SPREP made as an organisation was the establishment of a robust internal audit function covering the extent of the organisation's activities. Indeed, in establishing such a function, SPREP became the first regional organisation in the Pacific to have this control operational. Prior to this, SPREP was accountable to its Annual Governing Council Meeting; however, it now has an independent committee comprised of member countries and an internal auditor based in its Apia headquarters.

The committee meets at least once a year and assesses the extent to which SPREP is complying with its internal policies and procedures as well as donor requirements. One difficulty associated with this new function was the requirement to provide evidence to the Panel that the function was operational. Inevitably, this could be done only once the function itself had been fully set up and producing reports, and this meant that time was added on to the process.

Fraud Reporting and Investigation

It was evident throughout the application that the criteria place a significant emphasis on sound financial management and effective management of resources more generally. In the case of fraud reporting, the additional element of publicity was highly important, and it was vital for SPREP to give its stakeholders a method of reporting fraud or other misconduct in its project activities. Based on the recommendation from the Panel, SPREP developed a Fraud Manual, which drew on international best practice, and the document was uploaded to the SPREP website. Allied to this was the need for a robust system of investigation and management of allegations of fraud and related conduct, and so the Manual outlines an internal mechanism for investigation and handling of these situations. The newly appointed internal auditor now takes primary responsibility for discharging this function.

Project Review and Monitoring Group

A key finding on the project implementation side of SPREP's activities was the need for a formal review group to provide oversight at all stages of the project preparation and delivery cycle. This was required to ensure that SPREP had the ability to anticipate and respond actively to any issues that arose during project delivery that might jeopardise achieving the project objectives or otherwise present a risk to the stakeholders and the organisation as a whole. Although SPREP had existing mechanisms for discussing these types of issues, mainly through Senior Management Team meetings, it was felt that a more specialised, formal group was required to satisfy the fiduciary criteria. In order to effect this change, the terms of reference for this group were drafted and the composition of the group determined. The group was then made operational, and representatives from all SPREP divisions participate in it.

Monitoring and Evaluation

Monitoring and evaluation play an important role in the AF's fiduciary criteria. The Panel identified that SPREP had traditionally relied on external consultants in discharging monitoring and evaluation on a per project basis, usually as part of a donor-initiated project review process or mid-term or terminal evaluation. The Panel recommended that SPREP establish an "in house" role for this function in order to integrate evaluation into SPREP's organisational activities more effectively. In order to do this, SPREP benefited from assistance from the United Nations Environment Programme (UNEP) Collaborating Centre, based at the Frankfurt School in Germany, under the "Fit for Funds" initiative. With technical assistance from the Centre, SPREP developed an internal monitoring and evaluation framework and terms of reference for a monitoring and evaluation advisor position to be established within the Secretariat.

Business Planning

One of the areas highlighted by the Panel was SPREP's ability to conduct business planning in implementing project activities. SPREP had developed the Strategic Plan 2011–2015 in close collaboration with members in 2010; however, the Panel required a detailed business plan to be developed. In order to accommodate this, SPREP engaged the UNEP Collaborating Centre to develop a tailor-made plan that took account of its expertise, size and regional mandate.

Key Lessons Learned and Observations

In general, SPREP had a very positive experience in the process of gaining accreditation to the AF. Overall it was felt that the accreditation provided a focus around which to build organisational development and improvements that otherwise would have been delayed or may not have occurred without the process. This section outlines some of the key lessons learned from SPREP's engagement in the process, and draws from input from SPREP staff and other stakeholders in the process.

Commitment of Resources

It is well documented that one of the main barriers Small Island Developing States (SIDS) and Least Developed Countries (LDC) face in accessing direct sources of funding such as the AF is an insufficiency of resources. This is certainly an attribute to which SPREP can attest directly because, in order to ensure the success of the accreditation, a substantial commitment of staff time and resources was required. In particular, the process involved SPREP introducing internal mechanisms that were new to the organisation, and inevitably these had cost implications. It is also important to note that as the AF was set up in order to finance "concrete adaptation projects", the Fund itself is unable to finance activities associated with building this capacity⁵. As a result, SPREP had to reallocate existing budgetary items in order to ensure that the follow-up actions required were resourced adequately.

Improvements in SPREP's Institutional Capacity

As a whole the process has been very positive as a tool for identifying any gaps or weaknesses in SPREP's organizational policies, procedures and controls. These improvements will serve as one of the bases for improved project delivery for SPREP's Member countries and an improvement in the organisation's credibility and reputation.

Demonstrated Track Record on Project and Corporate Activities

One of the crucial lessons learned from the accreditation process was the importance of being able to demonstrate a track record in project delivery backed up by sound financial management. This can be something as simple as ensuring that policies and procedures are reviewed systematically, ensuring that outcomes and follow-up actions based on these reviews are recorded adequately.

At many times during the process, SPREP found that it was implementing criteria complaint policies and procedures but was unable to generate documentary evidence of this. SPREP's application to the AF was under consideration for over two years, and much of the reason for this was that time had to be given for policies and procedures to be implemented. In short, drafting a policy is half the battle—the other more difficult half comes during the implementation.

Commitment from Stakeholders and Donors

Commitment from SPREP's stakeholders, predominantly from member countries and key donors, was vital to gaining accreditation. As mentioned, SPREP benefited enormously from the support of donors with an active interest in improving the organisation itself as well as implementing project activities. Further, the sense of ownership in the process from SPREP's member countries was beneficial in ensuring that the outcomes are sustainable in the long term.


Benefit of a Focal Point or Team Leader to Drive the Process

Due to the nature of the process as essentially a back-and-forth conversation between SPREP and the Accreditation Panel, it was vital for SPREP to nominate a point person to coordinate the responses to requests for information and keep track of progress on action points. The range of information requested from the Panel covered the whole organisation, so it was important to identify an individual to be responsible for internal coordination of the application.

Use of Existing Donor Initiatives in a Targeted Way

SPREP found some existing initiatives that were designed to assist NIE and RIE entities in their applications for accreditation under the AF. An example of this was the so-called "Fit for Funds" initiative run by UNEP in conjunction with the UNEP Collaborating Centre based at the Frankfurt School. SPREP was able to draw on this organisation's technical expertise in developing many of its policies and procedures. Further, as this organisation was assisting other NIEs and RIEs with their respective applications, it was in a position where it understood the limitations and challenges, particularly for small organisations, in participating in the accreditation process.

⁵ See http://www.adaptation-fund.org/sites/default/files/DirectAccessMemo29_Oct_2012_0.pdf at p.4.



One drawback, however, is that no additional funding was available to implement any reforms proposed, and SPREP had to meet these costs out of its existing budgetary resources.

Flexibility in Agencies Able to Undertake NIE Accreditation

In a country there are potentially several institutions involved in the accreditation process. These could include various ministries, government departments, academic institutions and other organisations. In considering the institutional structures for interacting with the AF, some points need to be well thought out and planned. A prospective government should undertake a consultative process to identify and select an appropriate entity within the government/country that meets the requirements of the fiduciary standard or is in the best position to implement the infrastructure to fulfil the fiduciary requirements.

Viewing Accreditation as a First Step in the Process

SPREP's experience of the accreditation process was very much that the process of upgrading its internal structures was the first in a line of steps required to access funding. After gaining accreditation as an RIE, SPREP began developing the formal structures for developing projects, and produced a Draft Action Plan identifying the specific roles SPREP staff would play in project formulation and in coordinating with member countries. It is important in an NIE context that countries understand the importance of having the resources in place to meet the requirements on an ongoing basis. For example, SPREP has had to review the management fee it charges to projects, as this proved insufficient to cover the additional costs associated with the accreditation criteria.

A Useful Starting Point for Planning under the Green Climate Fund

The issue of access modalities for the Green Climate Fund (GCF) has generated significant discussion and interest both within and outside the Pacific region. Having now progressed through the accreditation process, SPREP is in a position where it has improved its internal procedures and processes to a level that gives it an excellent platform from which to engage with the GCF process with a view to gaining access. Although it is very likely that there will be additional criteria for accessing the GCF, which may represent a higher standard, SPREP sees the AF accreditation process as an important source of learning that will be valuable in the future.

“Each person within the organisation plays an important role in achieving the accreditation for the organisation as a whole.”

**- Selesitina Reti
SPREP Internal Auditor**

Guide to Documents and Supporting Information

The following section is intended to demonstrate the type of documents SPREP supplied to the Panel in order to demonstrate compliance with the fiduciary criteria. Every accreditation application is different, so the information is provided for illustrative purposes only; however, it is hoped that identifying the specific documents against each of the fiduciary criteria will enable prospective organisations to form an impression of the type of information they can expect to supply to the Panel during the accreditation process.

The tables below are structured around the accreditation criteria, the standards adopted by the Adaptation Fund Board for accreditation purposes. They are intended to give a clear indication of:

- the criteria;
- the type of documents and supporting evidence necessary to demonstrate compliance;
- the areas where SPREP was able to demonstrate compliance with the criteria;
- the areas where action was required in order to bring the organisation into compliance; and
- the difficulty rating (1 is easiest, 5 most difficult).

Confidentiality

Organisations should bear in mind that the accreditation process operates under very strict confidentiality requirements in order to ensure the security of information disclosed in the process. SPREP was able to supply the Panel with all of the relevant documentation in the confidence that it would not be disclosed to third parties.

Links to Forms and Policies

The AF website contains a comprehensive amount of information on the process and policies and procedures that are reproduced here for information.

Apply for Funding

<https://www.adaptation-fund.org/page/apply-for-funding>

Information on the process for obtaining accreditation under the Fund

Adaptation Fund Policies and Guidelines

https://www.adaptation-fund.org/policies_guidelines

The various policies and guidelines to be followed by accredited entities

Proposal Materials

<https://www.adaptation-fund.org/page/proposal-submission-materials>

All of the materials needed in the proposals process

Adaptation Fund Meeting Reports

https://www.adaptation-fund.org/meeting_reports

AF meeting reports

Financial Integrity and Management

Summary: SPREP was able to demonstrate compliance with many of the Financial Management and Integrity criteria set by the Adaptation Fund. As an established organisation with a Corporate Services Division, SPREP had a robust system of accounting and external auditing in place in advance of the application. The Adaptation Fund also requires organisations to have a defined Internal Audit function in place as part of a system of internal control, and SPREP was required to set up such a function as a result of this application.

Table 5.

Capacity	Description	Evidence Required	Action	Difficulty
Legal Status	<i>The Adaptation Fund requires all entities to have legal personality in their domestic jurisdiction</i>	Documentation of legal status and mandate	SPREP is an international organisation with legal personality in Samoa. It was able to provide evidence of this via (i) Treaty Establishing SPREP; and (ii) SPREP Headquarters Agreement with the Government of Samoa.	5
	<i>Demonstration of legal capacity/authority and the ability to receive funding directly</i>	Documentation such as donor agreements/loan agreements List of foreign loan/donor funds handled over the last two years	SPREP has donor agreements with numerous bilateral and multilateral donors including the governments of Australia and New Zealand (NZAID), UNDP and UNEP. SPREP compiled a list of all the donor funding it had received since its establishment.	5
Financial Statements of Project Accounts and Auditor Opinions	<i>Production of reliable financial statements prepared in accordance with internationally recognised auditing standards</i>	Annual accounts and audited financial statements	SPREP has accounts and an unqualified audit opinion from a recognised accounting and audit firm. These were prepared in accordance with internationally recognised standards.	5
	<i>Demonstration of use of accounting packages that are recognised and familiar to accounting procedures in developing countries</i>	Name and brief description of the accounting packages used	SPREP's accounts are formulated in accordance with the International Financial Reporting Standards (IFRS).	5
	<i>Demonstration of capability for functionally independent internal auditing in accordance with internationally recognised standards</i>	Policy/Charter and other published documents outlining internal audit function Copies of audit plans for last two years and current year List of internal audit reports for last two years	At the outset, the majority of the oversight for use of donor funding came from the donor organisations themselves through Project Board meetings and Project evaluations. There was also oversight of the Secretariat's activities by the Annual SPREP Governing Council meeting. For the Adaptation Fund, however, these were insufficient, and the choice had to be made between outsourcing the internal audit function to an external organisation or establishing the unit within the organisation. SPREP opted for the latter course and recruited an internal auditor who constituted an Audit Committee comprised of donors and independent member country representatives.	1

Continued...

Capacity	Description	Evidence Required	Action	Difficulty
Internal Control Framework with particular reference to control over disbursements and payments	<i>Demonstration of use of a control framework that is documented with clearly defined roles for management, internal auditors, the governing body and other personnel</i>	Policy or other published document that outlines the entity's control framework	SPREP had a control framework in place that dealt with a wide variety of corporate governance issues. It was able to evidence this by producing copies of its Financial Regulations, Risk Management Plan and other similar policies and procedures. However, as above, the organisation had to establish an internal audit function to satisfy the Panel that these policies and procedures were being reviewed on a regular basis.	1
	<i>Demonstration of proven payment/disbursement systems</i>	Procedures describing the payment/disbursement systems with particular reference to project payments/disbursements	SPREP produced a copy of its Financial Regulations which outlined the manner in which disbursements are made for project and programmatic activities.	5
Preparation of Business Plans and Budgets and Ability to Monitor Expenditure in Line with Budgets	<i>Production of long-term business plans/financial projections demonstrating financial solvency</i>	Long-term business plans or financial projections for the next three to five years	SPREP was able to produce budget projections for the period required by the AF Board. It was also able to demonstrate that a comprehensive strategic planning process had taken place in close consultation with members and donors, which culminated in the SPREP Strategic Plan 2011–2015. At the time of the application, however, SPREP did not have a business plan or similar document in place, and assistance in this regard was received through the UNEP “Fit for Funds” initiative.	3
	<i>Evidence of preparation of corporate, departmental/ ministry budgets and demonstration of ability to spend against budgets</i>	Annual budgets for the organisation and entities within it End of calendar/fiscal year or periodical budget report	SPREP was able to demonstrate that it prepared annual budgets and reports. The budget for the year ahead is approved annually by the Annual SPREP Meeting, which also hears a report from each division (including Corporate Services) on key activities conducted over the past year. An Annual Report, the collective effort of all technical and administrative staff of the Secretariat, also outlines key activities and results achieved by the organisation on an annual basis.	3

Institutional Capacities

Summary: At the outset of the application, SPREP had in place some of the required institutional capacities. For example, the Procurement Policy had been recently updated in order to implement the audit requirements of a multilateral donor. Key issues under this heading were the ongoing review of organisational policies such as procurement, and in constituting formal internal processes aimed at streamlining project drafting and ongoing monitoring and evaluation. The terms of reference for a Project Review Board were drafted and the group was formally constituted, as well as the terms of reference for an in-house monitoring and evaluation function to be established.

Table 6.

Capacity	Description	Evidence Required	Action	Difficulty
Procurement	<i>Evidence of transparent and fair procurement policies and procedures at the national level that are consistent with recognised international practice (including dispute resolution procedures)</i>	Procurement Policy	SPREP is an international organisation with legal personality in Samoa. It was able to provide evidence of this via (i) Treaty Establishing SPREP; and (ii) SPREP Headquarters Agreement with the Government of Samoa.	5
Project Preparation and Approval including Impact (environment, socio-economic, political, etc) Assessment Study with Risk Assessment and Mitigation Plans	<i>Demonstration of capability and experience in identification and design of projects (preferably adaptation projects)</i>	Documentation such as donor agreements/loan agreements List of foreign loan/donor funds handled over the last two years	SPREP has donor agreements with numerous bilateral and multilateral donors including the governments of Australia and New Zealand (NZAID), UNDP and UNEP. SPREP compiled a list of all the donor funding it had received since its establishment.	5
	<i>Demonstration of ability to examine and incorporate the likely impact of technical, financial, economic, social, environmental and legal aspects into the project at the appraisal stage itself</i>	Sample of project documents that demonstrate this capability	Better documentation of a systematic approach to this was required as, at the outset, much of this was conducted according to donor requirements and formats.	1
	<i>Demonstration of availability of/access to resources for track records of conducting appraisal activities</i>	Details of the project approval process/procedure	SPREP's accounts are formulated in accordance with the International Financial Reporting Standards (IFRS).	5
	<i>Evidence procedures/framework in place to undertake risk assessment and integrate mitigation strategies/plans into the project document</i>	Policy and/or other published documents that outline the risk assessment procedures Two samples of completed project appraisals with identified risks and corresponding mitigation strategies/plans	SPREP had policies and procedures in place to deal with risk assessment at the institutional as opposed to the programme and project levels. Further work was undertaken to ensure that the scope of these procedures was broadened to the project level.	3

Continued...

Capacity	Description	Evidence Required	Action	Difficulty
	<i>Demonstration of capability for functionally independent internal auditing in accordance with internationally recognised standards</i>	Policy/Charter and other published documents outlining internal audit function Copies of audit plans for last two years and current year List of internal audit reports for last two years	At the outset, the majority of the oversight for use of donor funding came from the donor organisations themselves through Project Board meetings and Project evaluations. There was also oversight of the Secretariat's activities by the Annual SPREP Governing Council meeting. For the Adaptation Fund, however, these were insufficient, and the choice had to be made between outsourcing the internal audit function to an external organisation or establishing the unit within the organisation. SPREP opted for the latter course and recruited an internal auditor who constituted an Audit Committee comprised of donors and independent member country representatives.	1
Project Implementation Planning and Quality at Entry Review	<i>Evidence of institutional system for planning implementation of projects with particular emphasis for quality at entry</i>	Operational manual or written procedures for project review system during the design phase	The terms of reference for a Project Review and Monitoring Group were drafted and included the function of reviewing project proposals at the concept stage.	3
	<i>Evidence of preparation of project budgets for projects being handled by the entity or any sub-entity within it.</i>	Project budgets Analysis of project expenditure vs budget	<i>Prior to the application, SPREP had in place a robust accounting and budgetary process, which did not require remedial action to bring the organisation into compliance.</i>	5
Project Monitoring and Evaluation during Implementation	<i>Demonstration of existing capacities for monitoring and independent evaluation that are consistent with the requirements of the Adaptation Fund Policy or other published document that outlines monitoring and evaluation during project implementation</i>	Sample project monitoring and evaluation reports Production of detailed project accounts that are externally audited	SPREP had traditionally conducted monitoring and evaluation activities at the project level and usually in response to donor requirements. The AF required the organisation to look closely at setting up an internal process for monitoring and evaluation of projects throughout the project cycle.	4

Continued...



Capacity	Description	Evidence Required	Action	Difficulty
	<i>Evidence of a process or a system, such as a project at-risk system, that is in place to flag when a project has developed problems that may interfere with the achievement of its objectives and to respond to redress the problems</i>	Procedures for project at-risk system or similar process/system to ensure speedy solutions to problems that may interfere with the achievement of project objectives	SPREP had various informal mechanisms internally, such as Senior Management Team meetings, which would consider any major operational or strategic issues with project implementation. Externally, this function was carried out by project board type meetings, which took place at various stages in the life of a project. In meeting the accreditation requirements, SPREP had to implement a more systemic internally driven system for carrying out this project function, and this was done via the establishment of the Project Review and Monitoring Group, which was tasked with providing ongoing oversight of project-related matters at both the strategic and operational level. This group is also responsible for ensuring that the environmental and social safeguards required by the Fund are implemented on an ongoing basis.	4
Project Closure and Final Evaluation	<i>Demonstration of an understanding of and capacity to assess impact/implications of the technical, financial, economic and legal aspects of projects</i>	Project closure reports or independent evaluation reports containing assessment of the impact/implications of the technical, financial, economic, social, environmental and legal aspects of projects	As SPREP had a track record in project delivery in the region, it was able to supply several project closure reports and terminal evaluations going back over a period of 15years.	5
	<i>Demonstration of competence to execute or oversee execution of projects/programmes</i>	Independent evaluation reports of completed projects or programmes	As SPREP had a track record in project delivery in the region it was able to supply several project closure reports and terminal evaluations going back over a period of 15years.	5

Transparency, Self-Investigative Powers and Anti-Corruption Measures

Summary: Improving the processes and procedures for Transparency, Self-Investigative Powers and Anti-Corruption Measures at SPREP was one of the most visible areas of development during the accreditation process. In many of these areas, SPREP was already actively pursuing transparency within the organisation; however, the AF criteria required a more systematic process, particularly in the reporting and investigation of fraud and corruption.

Table 7.

Capacity	Description	Evidence Required	Action	Difficulty
Policies and Framework to Deal with Financial Mismanagement and Other Forms of Malpractice	<i>Evidence or statement from Management emphasising zero tolerance of fraud, financial mismanagement and other forms of malpractice by implementing entity staff or by external parties</i>	Statement of zero tolerance for fraud, financial mismanagement and other forms of malpractice	In its Code of Conduct and Organisational Values, SPREP had a commitment to the highest standards of integrity in its works. In meeting the AF requirements, SPREP had to reflect the relevant commitment to “zero-tolerance” in the organisation.	3
	<i>Demonstration of capacity and Procedures to deal with financial mismanagement and other forms of malpractice</i>	Documented Code of Conduct and/or Ethics applicable to staff. Documentation establishing avenues for reporting non-compliance/violation/misconduct or business conduct concerns Details of policies and procedures relating to managing conflict of interest and whistleblower protection	SPREP had a Code of Conduct and Organisational Values in place, which applied to all staff. This dealt with financial mismanagement and various other forms of malpractice. SPREP had an informal mechanism for reporting incidents of fraud and other business conduct concerns; however, these fell short of the AF requirements. In order to address these issues, the organisation developed a Fraud Manual, which deals with the reporting of fraud and other misconduct together with a detailed investigations procedure that includes whistleblower protection provisions. The Fraud Manual was displayed in a prominent place on the SPREP website. Conflict of interest statements were added to various decision-making processes within the organisation, such as in procurement and recruitment.	3

Continued...



Capacity	Description	Evidence Required	Action	Difficulty
	<i>Evidence of an objective investigation function for allegations of fraud and corruption</i>	<p>Structure and processes/procedures within the organisation to handle cases of fraud and mismanagement and undertake necessary investigative activities</p> <p>Data on cases of violation of code of conduct/ethics and fraud reported over the past two years be provided in terms of the number of cases, types of valuation and summary of status and action taken</p> <p>Periodical oversight reports of the ethics function/committee to be attached for the last two years</p>	<p>With the internal auditor in place, SPREP began building the necessary structures and processes in order to handle cases of fraud and mismanagement. This was built around the internal audit function and around the Fraud Manual, and the operational independence of the internal auditor from management is sufficient to enable investigations to be carried out in a thorough, impartial way. SPREP was able to commit to periodical oversight of the ethics function in the future after establishment of the Audit Committee.</p>	2

Guidance for Prospective NIEs

As mentioned above, the decision to pursue accreditation as an NIE is a step that should be considered carefully. This section is intended to demonstrate and suggest how NIEs may satisfy the criteria based on SPREP's experience. One of the most important lessons learned by SPREP during the accreditation process is that having the appropriate policies and procedures is the first step. Implementing the policies and demonstrating that an organisation has a track record will be a significant undertaking for many Pacific Island countries. Further, the precise solution at the national level will depend on specific country contexts, such as resources and existing institutional frameworks. The role played by institutions is more oversight oriented as opposed to project management, so often the most appropriate agency may or may not be a government institution. In the table below, we set out some suggestions Pacific Island countries may wish to think about in formulating their planning processes.

Financial Integrity and Management

The financial integrity and management criteria exist to ensure that an applicant organisation has the appropriate mechanisms in place to provide for sound management of resources and funding in all activities. These are the fundamentals and, for many Pacific Island countries, the relevant expertise may be found in Ministry of Finance or other central ministries. It may be possible, as an example, for a Ministry of Environment to be sub-contracted by a Ministry of Finance to carry out project execution activities, while Ministry of Finance plays an oversight role. The precise mechanics and accountabilities of such an arrangement would, however, require discussion with the Panel during the accreditation process.

Table 8.

Criteria	Suggestion
Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organisation.	An NIE may demonstrate compliance with this requirement by providing audited financial statements produced by a recognised accountancy firm in accordance with International Financial Reporting Standards (IFRS) ⁶ .
Demonstrate capability for functionally independent internal auditing in accordance with internationally recognised standards.	SPREP chose to conduct internal audit via recruiting a position; however, NIEs could instruct their existing auditors to conduct an annual management review that would assess key systems and suggest follow-up actions. If the NIE could demonstrate that it had implemented changes pursuant to the review, this would satisfy the criteria on internal audit.
Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis	NIEs could certify their processes using relevant ISO Quality Management standards ⁷ .
Legal status to contract with the Adaptation Fund and Board.	NIEs need to have separate legal personality to contract with the Fund. This means establishing an organisation that is its own legal entity with defined objectives, such as to mobilise funding into programmes and projects aimed at management of climate change adaptation and sustainable development in the country.

⁶ For more information see <http://www.ifrs.org/Pages/default.aspx>.

⁷ http://www.iso.org/iso/catalogue_detail?csnumber=46486.

Institutional Capacity

As institutions are playing an implementing role in relation to projects, one of the important requirements of the AF is a guarantee that the organisation has institutional capacity to perform this role and discharge its responsibilities. There are two main things to think about here: one is having the policies and procedures in place covering these areas, but a more important consideration is having the resources, human and financial, in place, as these processes all require continued implementation and demonstrated compliance over an extended period of time.

Table 9.

Criteria	Suggestion
Procurement procedures that provide for transparent practices, including competition	NIEs can implement a procurement policy or guidelines in their organisations that comply with the relevant international standards. Such a guide would describe the basic principles of procurement the organisation applies in projects funded by it, including maximising competitive bidding and best value for money in selecting a tender. It would also be beneficial to publish these on the organisation's website and include a method of resolving disputes.
Capacity to undertake monitoring and evaluation	NIEs prepare guidelines outlining their approach to programme design and monitoring and evaluation. These could explain the step-by-step monitoring framework and how to apply participatory design tools. For project evaluation, a prospective NIE should consider setting up an independent project evaluation group that is directly responsible to the Board or other external body.
Evidence that a process or system, such as project-at-risk system, is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems	Implement risk management into project formulation, i.e., include a mandatory section for risk management in the organisation's standard log frame or project document.



Transparency, Self-Investigative Powers, and Anti-Corruption Measures

Transparency is important to the Adaptation Fund because the Board has an obligation to ensure that funding is dispersed in a transparent manner and is used effectively. Stakeholders at the national level should have the ability to report fraud and other activities in a confidential manner.

Table 10.

Criteria	Suggestion
Competence to deal with financial mismanagement and other forms of malpractice, and evidence of an objective investigation function for allegations of fraud.	SPREP set up its anti-fraud policies as part of the internal audit function and found this to be an efficient way of achieving it effectively. SPREP also formulated and published a Fraud Manual, which set out the relevant policies and procedures for dealing with the reporting and investigation of fraud and other misconduct. The Manual is on the SPREP website at http://www.sprep.org/corporate-documents/sprep-fraud-manual .

Terms of Reference

Desk Review Documenting SPREP's Experiences with its Application to be an RIE for Adaptation Fund Board to Guide Pacific Island Countries' Application for NIE

Background:

1. SPREP has played an active role in assisting Pacific Island countries with accessing climate change finance since the start of the SPREP climate change programme in 1991. The reports from the Barbados (1994) and Mauritius (2005) conferences succinctly captured the overarching and interlinked challenges facing Pacific Island countries and all Small Island Developing States. Key constraints included capacity in-country to obtain information on climate change finance, to apply for and access climate change finance, and to manage these resources according to often onerous donor reporting requirements.
2. The Adaptation Fund Board (AFB) under the Kyoto Protocol has accredited SPREP as a Regional Implementing Entity (RIE) by its decision of 1 November 2013. SPREP has been working on achieving this accreditation since March 2010 at the direction of its Pacific Island Countries members and decisions of the SPREP Meeting and Pacific Climate Change Roundtable. A large number of policy, procedure and regulatory changes were required from SPREP. Experts from the AFB Accreditation Panel guided the process. This included the establishment of an independent internal audit function, a SPREP code of ethics and expected behaviours, and a rigorous analysis of SPREP procurement and financial management procedures.
3. With this accreditation, SPREP can assist countries in developing and submitting adaptation to climate change proposals to the AFB for financing. This is particularly important for countries in the region with limited administrative capacity. At the same time, SPREP will continue to support efforts in the region that would allow countries to attain National Implementing Entity (NIE) status, which would allow direct access to the AFB without the need for a supporting agency such as SPREP or international agencies such as those of the United Nations system. It should be noted that currently there are no national implementing entities in the Pacific, and some countries have so far successfully developed projects with Multilateral Implementing Entities such as UNDP.
4. Having observed the difficulties that many Pacific Island countries were experiencing in seeking accreditation to the AFB as NIEs, SPREP discussed the situation with its members, leading to a directive for SPREP to apply as an RIE. Although various multilateral agencies already accredited to the AFB were offering services to the region, SPREP members called for more options, especially from SPREP, based on its experience on climate change. SPREP members were of the view that a greater degree of country-driven focus was required, and that agencies such as SPREP held closer affinity with Pacific Island countries as it stands accountable to its members. SPREP was requested by members to seek accreditation as an RIE, to provide an additional avenue for members that do not have NIE status to seek AFB funding. Currently no Pacific Island countries have NIE status, although some have applied or expressed an interest. SPREP considered serving as an RIE only as an interim measure to assist the region until all member countries have attained NIE status, and the accreditation process is documented and shared with the region.
5. The experience of seeking accreditation will be documented and shared widely, with a view to informing Pacific Island countries in their endeavours to become NIEs. It is also expected that when the Green Climate Fund becomes fully operational, the criteria for implementing entities will be similar to the AFB. This will place SPREP in an excellent position to assist the region with climate change financing.

1. Purpose of the consultancy:

To review SPREP's AFB accreditation development process, outputs produced and outcomes achieved to date, and identify key lessons learned.

2. Specific objectives:

The consultancy aims to focus on the experiences from SPREP in the development and processes involved in seeking regional implementation entity status:

1) Document the processes and performance, quality and lessons realised through the development of the AFB accreditation process by SPREP:

- a. Discussions and structured interviews with relevant stakeholders and SPREP staff at SPREP and necessary national counterparts involved in the accreditation process to share expertise, information, knowledge and resources.
- b. Describe a systematic approach and guidance checklist required for:
 1. Preparatory phase of realising AFB accreditation.
 2. Key institutional and policy-related requirements as part of the AFB application.
 3. Compile a working list of the required fiduciary standards/regulations involved in the accreditation application.
- c. Identification and analysis of the key challenges with respect to institutional capacity and internal governance functions with appropriate working solutions with SPREP's experience.

2) Review the AFB accreditation development process by SPREP to identify:

- a. Key organisational lessons learned.
- b. Documentation of the accreditation development process to support Pacific island countries in developing national implementation entity status.

3. Output:

- A report, with a tentative title, Seeking Adaptation Fund Board Accreditation development and Pacific: Lessons learnt from SPREP
- A guidance document on key lessons learned titled the SPREP AFB accreditation process for PICs seeking national implementation entity status

4. Methods:

This study will be based on desk review of key documents; interviews with key stakeholders (SPREP staff); consultation via email and phone with key development partners involved in the AFB accreditation process with SPREP respective countries; partners and stakeholders.

SPREP will provide an initial list of staff and national/regional/international stakeholders to be interviewed by the consultant, as well as national focal points as and when required.

The consultant will also consult regional partners for their input. SPREP will provide a list of key persons to consult that were involved in the AFB accreditation application process.



List of Individuals/Organisations Consulted

Secretariat of the Pacific Regional Environment Programme

David Sheppard	Director General
Kosi Latu	Deputy Director General
Netatua Pelesikoti	Director, Climate Change Division
Espen Ronneberg	Climate Change Adviser
Diane McFadzien	Climate Change Adaptation Adviser
Selesitina Reti	Internal Auditor

Adaptation Fund Secretariat

Marcia Levaggi	Manager
Dima Reda	Operations Officer

Accreditation Panel

Angela Kallhaug	Accreditation Panel Member
Phillip Weech	Accreditation Panel Member

Other Organisations

Laetitia de Marez	Climate Policy Analyst, Climate Finance - Climate Analytics
Felix Fallash	Research Assistant, Climate Finance - Climate Analytics



Useful Links and Resources

This section contains a number of links and resources that may be of use to organisations contemplating applying for accreditation under the AF:

The Adaptation Fund

<https://www.adaptation-fund.org>

Accreditations

<https://www.adaptation-fund.org/page/accreditation-process>

Process

https://www.adaptation-fund.org/sites/default/files/Day%201_Session%202_Accreditation%20Process.pptx

Fiduciary Standards

https://www.adaptation-fund.org/sites/default/files/Day%202_Session%204_Fiduciary%20Standards_0.ppt

Sample Applications

<https://www.adaptation-fund.org/sites/default/files/Completed%20Accreditation%20Application%20-%20Fin%20Mgmt.doc>

<https://www.adaptation-fund.org/sites/default/files/Completed%20Accreditation%20Application%20-%20Institutional%20Capability.doc>

<https://www.adaptation-fund.org/sites/default/files/Completed%20Accreditation%20Application%20-%20Transparency.doc>

Direct Access to Climate Finance

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7479.pdf>

<http://cdkn.org/2013/06/report-enhancing-direct-access-to-the-green-climate-fund/>

<http://www.giz.de/fachexpertise/downloads/giz2012-en-climate-finance-capacity-development.pdf>

<http://www.wri.org/sites/default/files/Ownership%20and%20Accountability%20Final%20Paper.pdf>