

The Adaptation Fund

AFB/B.2/12
May 27, 2008

Adaptation Fund Board
Second Meeting
Bonn, June 16-19, 2008

Agenda Item 6 (j)

DRAFT ROLES AND RESPONSIBILITIES OF IMPLEMENTING AND EXECUTING ENTITIES

INTRODUCTION

Clarification of the Terms Implementing and Executing Entities

1. Implementing entities are organizations that are designated ex-ante by the Board as eligible to assist Parties to prepare and implement projects and programs receiving assistance from the Fund. Such entities must have organizational structures and systems competent to adhere to Board-approved fiduciary and other standards.
2. Executing entities are legal entities identified by an eligible Party to prepare and implement projects receiving assistance from the Fund. Executing entities can access Fund resources directly or through an Implementing Entity.
3. If an Executing Entity works through an Implementing Entity, then the Implementing Entity is accountable to the Board for meeting the Board-approved fiduciary and other standards.
4. If an Executing Entity accesses Fund resources directly, then the Entity is directly accountable to the Board for meeting the Board-approved fiduciary and other standards, and therefore will be subject to performance management and supervisory systems to be established by the Board.¹

¹ For example, at the Global Fund to Fight AIDS, Malaria and Tuberculosis, Local Fund Agents located in countries or in the region, selected through a competitive bidding process, provide to the Fund a range of independent program performance and supervisory services to monitor grant recipients. These include: (i) upstream review to assess the potential grant recipient's capacity to implement the grant; (ii) site visits to monitor implementation performance and verify results; (iii) inputs for decisions regarding continuation of grant; (iv) review at grant closure; and (v) ad-hoc assignments, including investigations related to suspected misuse of funds.

5. The Adaptation Fund Board shall discharge those tasks and responsibilities specified in its functions, as agreed by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (Decision 1/CMP.3, paragraph 5), with the cooperation of implementing or executing entities, depending on their respective areas of expertise.
6. Implementing and executing entities shall assist eligible developing country Parties that are particularly vulnerable to the adverse effects of climate change with the identification, preparation, and implementation of concrete projects and programs that would enable them to adapt to the adverse effects of climate change.
7. All project and program proposals submitted to the Fund shall be endorsed by the relevant UNFCCC national focal points.
8. In accordance with paragraph 29 of Decision 1/CMP.3, eligible Parties and implementing or executing entities designated by eligible Parties can directly submit project and program proposals to the Adaptation Fund Board.
9. Any project and program proposal must be submitted by an eligible Party, either through a legal entity identified as an executing entity by the Party, or through an organization designated as an implementing entity by the Adaptation Fund Board, and must meet the criteria adopted by the Adaptation Fund Board.
10. Implementing and executing entities shall ensure quality in their operations and are accountable for preparing and implementing projects and programs according to the principles and modalities applied to the operations of the Adaptation Fund, as established by the Board.
11. Project and program proposals should be submitted to the Secretariat of the Fund, for initial Secretariat review and recommendation and final Board approval, at least eight weeks ahead of the Board meeting at which they would be considered.
12. The implementing and executing entities are fully accountable for the management, operation, and use of funds for projects and programs approved by the Adaptation Fund Board based on fiduciary standards to be established by the Adaptation Fund Board.
13. The implementing and executing entities shall ensure appropriate monitoring, independent evaluation, and financial audits of all activities related to projects and programs funded by the Adaptation Fund.
14. The implementing and executing entities shall adhere to all modalities and formats required by the Secretariat to operationalize the decisions of the Adaptation Fund Board.
15. Implementing entities will be accountable to the Adaptation Fund Board and must submit annually audited accounts to the Board.
16. Executing entities will be accountable to the Adaptation Fund Board and projects and programs under their supervision will be subject to performance management and supervisory systems that will be established by the Board.

17. Implementing and executing entities shall submit to the Secretariat annual progress reports on all Adaptation Fund financed activities approved by the Board and under their implementation.