

TERMS OF REFERENCE FOR THE ESTABLISHMENT OF THE ADAPTATION FUND BOARD ACCREDITATION PANEL

Background and Context

1. The Adaptation Fund has been established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol.
2. The Adaptation Fund is considered an innovative mechanism for three particular reasons:
 - (a) It is funded by an international levy from the Clean Development Mechanism of the Kyoto Protocol.
 - (b) It is governed by a body—the Adaptation Fund Board (the Board)-which has majority representation from developing countries.
 - (c) It provides eligible developing countries an opportunity to directly access its funds.
3. In order to provide direct access to its funds, the Adaptation Fund requires national legal entities nominated by eligible countries to meet the fiduciary standards adopted by the Board and to be accredited as National Implementing Entities (NIE). For the purpose of accreditation, the Board has decided to establish an Accreditation Panel that will review applications for accreditation and make recommendations to the Board.
4. The Board is therefore seeking external experts to serve on its Accreditation Panel (the Panel).

Mandate of the Panel

5. In accordance with the *Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund* (hereafter “the operational policies and guidelines”), the Panel shall make recommendations to the Board regarding:
 - (a) The accreditation of an implementing entity;
 - (b) The conditional accreditation of an implementing entity;
 - (c) The suspension of accreditation of an implementing entity;
 - (d) The cancellation of accreditation of an implementing entity; and
 - (e) The re-accreditation of an implementing entity.
6. The tasks identified in the paragraph above imply that, *inter alia*, the following activities are to be carried out by the Panel:
 - (a) Review and consideration of applications for accreditation of implementing entities, based on *i.e.* information provided in the Application Form.
In case an application is not immediately approved the following considerations may be taken:

- (b) Determination of whether technical support needs to be provided to an applicant implementing entity to improve its capacities in order to attain accreditation, and the extent of the required support;
- (c) Determination of the existence of exceptional circumstances that would justify the use of an external assessor to help resolve difficult/contentious issues;
- (d) Determination of the need to require additional information or resubmission of an application from an applicant implementing entity;
- (e) Determination of whether an on-site visit and/or observation of the designated implementing entity is required;
- (f) Make recommendations to the Board on the issues above, as applicable.

Membership

7. The Panel shall be composed of at most six (6) members selected by the Board. The Panel members will be comprised of two (2) Board members or alternates and at most (4) four external experts with demonstrated and recognized capacity in their field of work.

8. The two members of the Panel who are Board members will be designated by the Board as Chair and Vice-chair of the Panel.

9. The Secretariat shall invite and compile a list of experts for consideration by the Board. The Board shall select the expert members of the panel from this list, taking fully into account considerations of regional balance and competence/expertise. In addition, the Board may draw on the advice, as necessary, of experts identified by the International Accreditation Forum (IAF).

10. Panel members shall be designated to serve on the panel for two (2) calendar years.

11. Panel members who are also Board members shall be eligible to serve a maximum of two consecutive terms. However, in order to ensure continuity in the work of the Panel after its inaugural period, only one of these two members shall be replaced after his or her first term.

12. Panel members who are external experts may be reelected for two consecutive terms, as the Board deems appropriate, taking into account the performance of the expert.

13. The Board shall oversee the performance of the panel and its members, as necessary.

Competence requirements

14. The panel members who are external experts shall have:
- (a) Demonstrated relevant work experience in accounting, auditing, public finance or project management of at least 5 years in a national, regional or international capacity. Experience with any national or international accreditation body would be an advantage;

- (b) An understanding of government and nongovernmental financial reporting systems. Knowledge of forensic accounting and internal control mechanisms would be desirable;
- (c) Ability to communicate fluently, both in writing and orally, in English. Working knowledge of other UN languages would be desirable;
- (d) Excellent drafting skills, strong operational and analytical skills, and an ability to work as a member of a team; and
- (e) A university degree in economics, accounting, or any related discipline.

15. The Board shall require members of the Panel to commit in writing to comply with the rules defined by the Board, in particular with regard to confidentiality and to independence from commercial and other conflict of interests, including any existing or prior association with an implementing entity to be assessed.

Modalities of work

16. The Panel shall operate under the guidance and authority of the Board and shall be bound by these terms of reference, as well as by the operational policies and guidelines and the code of conduct, as adopted by the Board. The *General Guidelines for Board Committees*¹ shall apply *mutatis mutandi* to the Panel.

17. The mandate of the Panel may be revised or terminated by the Board if necessary.

18. Panel meetings can be held with panel members being either physically or electronically present. The dates and modalities of panel meetings shall be determined by the Chair and Vice-chair of the Panel, bearing in mind resources available and the need for accreditation review.

Compensation

19. Travel costs and daily subsistence allowance shall be paid to those panel members who are Board members and attending a meeting of the panel or undertaking any official site visit as approved by the Board, in accordance with UN rules.

20. Members of the Panel who are external experts shall be paid fees for their services and travel expenses.

Revision of the TORs

21. The Board will revise these terms of reference as necessary.

¹ Report of the Sixth meeting of the Adaptation Fund Board, annex VI