



ADAPTATION FUND

25 August 2021

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Accreditation of the Pacific Community (SPC), as a Regional Implementing Entity (RIE) of the Adaptation Fund

Having reviewed the fast-track accreditation application of the Pacific Community (SPC), the Accreditation Panel recommended that SPC be accredited as a Regional Implementing Entity (RIE) of the Adaptation Fund.

A summary of the review is presented in Annex I below.

Accreditation Decision:

Having considered the recommendation of the Accreditation Panel and following the fast-track accreditation process approved by Decisions B.32/1, the Adaptation Fund Board decided to accredit the ***Pacific Community (SPC)*** as a Regional Implementing Entity (RIE) of the Adaptation Fund for five years, as per paragraph 38 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 24 August 2026.

Decision B.36-37/12

ANNEX I: REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE PACIFIC COMMUNITY (SPC) FOR FAST TRACK ACCREDITATION AS A REGIONAL IMPLEMENTING ENTITY (RIE) OF THE ADAPTATION FUND (AF)

Background

The Pacific Community (SPC), derived from its original name of South Pacific Commission is a regional entity serving as the principal scientific and technical organization supporting development in the Pacific region. It was established by international agreement in 1947 and is owned and governed by its 26 members, including all 22 Pacific island countries and territories. The SPC Secretariat is headquartered in Nouméa, New Caledonia, and it has regional offices in Suva, Fiji; Pohnpei, Federated States of Micronesia, and Port Vila, Vanuatu, and field staff in other Pacific locations.

SPC has worked across a spectrum of activities, such as capacity-building, project implementation, policy, research and demonstrative actions and has developed a track record in financing climate change related projects. It is funded from assessed contributions and host country grants (core funding) from members and additional voluntary contributions for project and program funding from members and other resource providers. Total income for 2020 was approximately EUR77 million.

SPC's governing body is the Conference of the Pacific Community, which is charged with establishing the high-level, strategic orientation of the organisation. It meets every two years at the ministerial level. In years when the Conference does not meet, the Committee of Representatives of Governments and Administrations (CRGA) is empowered to make decisions on governance issues. CRGA also has three sub-committees that report to it: the Sub-committee on the implementation of the Strategic Plan, the Pacific Board for Educational Quality and the Audit and Risk Committee. The Director-General is the Chief Executive Officer, appointed by the Conference with full responsibility and authority to lead and manage SPC.

SPC received Green Climate Fund (GCF) accreditation with conditions in February 2019. All except one GCF-specific condition have since been assessed by the GCF Accreditation Panel as fulfilled and closed. Related information was taken into account in the AF Accreditation Panel's review of relevant criteria.

As per [Board Decision B.36/37](#) on classification of IE applicants as regional implementing entities as well as [document AFB/EFC.27/11](#) and its Annex I, SPC submitted its "certified self-assessment" before starting the accreditation process as an RIE applicant. Following the review process for the determination of IE applicant's eligibility to pursue accreditation as an RIE as set out in document AFB/EFC.27/11, SPC was found eligible to apply as an RIE applicant. SPC is the first case in which the self-assessment process for the determination of the applicant's eligibility to pursue accreditation as an RIE applicant is applied. SPC accreditation review process was completed within less than six months, much faster than the average time for other accreditation applications. SPC eligibility to applying as an RIE will be included as part of the report on the results of the certified self-assessment review process in the AP 36th Meeting Report to be presented to the Board at its 37th meeting.

Assessment against the fast track accreditation criteria

The assessment of SPC's application for accreditation by the Adaptation Fund has been in accordance with the Fast Track Accreditation (FTA) process for implementing entities that had been accredited by the Green Climate Fund (GCF) pursuant to EB Decisions B.32/1 dated 12 October 2018. It also includes an assessment of the Fund's Accreditation Standards Related to Anti-Money-Laundering/Countering the Financing of Terrorism pursuant to Board Decision B.32/36. The assessment therefore focused on the following criteria:

- ❖ **The Fiduciary Standard related to the legal status** – SPC is established with its own legal personality under an international agreement, the Canberra Agreement, to which all members have acceded. This grants SPC legal recognition in its member states and territories and SPC provided evidence of its capacity to directly enter into agreements with international organizations, to receive funds directly and to engage in legal actions as a plaintiff or a defendant with privileges and immunities granted under the Canberra Agreement.
- ❖ **Policies and procedures related to anti-money-laundering/countering the financing of the terrorism (AML-CFT) on disbursements, procurement, breaches of financing laws, and necessary investigation activities** – SPC has adopted and begun implementing an AML-CFT Policy which provides for risk-based preventive controls at procurement and disbursement phases, and a framework for responding when suspicious transactions are detected. The AML-CFT checks under the procurement policy also apply to the selection of implementing partners and grant recipients. SPC provided information on how the Know Your Customer policies are implemented through procurement steps and templates.
- ❖ **Policies and Framework to deal with financial mismanagement and other forms of malpractice** – SPC's Manual of Staff Policies and its earlier Managing Fraud and Corruption Policy affirm a policy of zero tolerance for fraud or other prohibited practices applying to both staff and third parties engaged in SPC-funded and supported activities. SPC has processes to ensure new and existing staff, contractors, implementing partners and grantees are aware of the policy and consequences for violations. This is supported by policies for investigating allegations and disciplinary or sanctioning actions in the event of violations being confirmed.

SPC has a suite of mutually reinforcing policies to prevent, detect and respond to incidents of fraud and financial mismanagement. This includes a Staff Code of Conduct, the Financial Regulations, Procurement Policy and Grants and Sub-Delegation Policy. It maintains an email-based complaints reporting channel managed by its internal auditor and legal teams. The internal auditor and legal team register and track through resolution all complaints including fraud-related allegations. SPC also has adequate provisions for whistleblower protection.

While SPC does not have a standing internal investigation function, it has well documented policies and procedures governing objective investigations by internal staff or external experts, and appropriate measures for external investigation of allegations against senior staff. Allegations of fraud by third parties would be referred to external authorities to investigate. There is oversight from the Audit and Risk Committee who may also commission their own investigations. SPC provided information indicating active implementation of the investigation policies and disciplinary actions including terminations in the case of fraud or financial offences as well as other types of offences.

- ❖ **Commitment by the entity to apply the Fund’s Environmental and Social Policy and Gender Policy** – SPC has provided a letter from its Deputy Director-General communicating its commitment to adhere to the AF’s Environmental and Social Policy and Gender Policy.
- ❖ **Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs** - SPC has put in place measures under its Social and Environmental Responsibility Policy to ensure environmental and social assessments are accessible to affected communities, and that those communities have means to report concerns or complaints about project impacts. The Policy is advertised through its Accountability web page on SPC’s public web site, which also includes a grievance form to guide the lodging of complaints. The policy also provides for other program or project mechanisms to raise awareness among affected communities of environmental and social plans. SPC has established an internal process for handling grievances which is managed by a helpdesk comprising SPC’s Environmental Sustainability Coordinator (within the Climate Change and Environmental Sustainability programme) and staff from the Human Rights and Social Development Division and is overseen by the Audit and Risk Committee.

Recommendation

The Accreditation Panel assesses the Pacific Community (SPC) as meeting the fast track accreditation criteria and recommends that it be accredited as a Regional Implementing Entity (RIE) of the Adaptation Fund.