

Annex XIII: Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points

1. The Board decided that countries may designate a national designated authority (NDA), in conformity with the Governing Instrument, or mandate a country focal point to interact with the Fund. It further decided that countries should have flexibility in relation to the location, structure, operation and governance of NDAs or focal points.
2. The following guidelines serve to help countries in selecting the most appropriate institution to be designated as NDA or focal point with a view to ensuring effective implementation of the Fund's activities.

I. Mandate

3. The NDA or focal point will likely be placed within a ministry or authority conversant with the country's national budget, economic policies and their interrelation with climate change-related priorities and development plans.
4. The selected institution should ideally have a mandate that enables the institution to work on and influence an appropriate combination of economic policy and development planning, with appropriate leverage over climate change, energy, sustainability and environmental resource management priorities, strategies and plans.
5. In cases where this combination is not possible, it is recommended that the NDA or focal point be in a position to lead and coordinate a country coordination mechanism that allows for an overview of all these sectors as they relate to the country's climate change strategies and plans.
6. Countries may choose to mandate a focal point while undertaking a process for selecting and establishing an appropriate NDA and setting up all its necessary institutional capacities and country coordination mechanisms, or in cases where special national circumstances so determine. The focal point will therefore fulfil all functions until the NDA is established.

II. Capacities

7. Ideally, the NDA or focal point should possess or attain through country coordination mechanisms and institutional networks within the country:
 - (a) Adequate knowledge of national priorities, strategies, and plans;
 - (b) The ability to contribute to and drive national development strategies and plans;
 - (c) Familiarity with both mitigation and adaptation efforts and needs in the country;
 - (d) Familiarity with relevant institutions and stakeholders in the countries (including contacts with multilateral and bilateral institutions, civil society organizations, and sub-national, national or regional entities that may be potential candidates for accreditation as intermediaries or implementing entities);
 - (e) Capacity to facilitate and coordinate country coordination mechanisms and multi-stakeholder engagement for country consultations;
 - (f) The ability to monitor and evaluate in accordance with relevant guidelines of the Fund; and

- (g) An overview of activities of other relevant multilateral, bilateral, regional and global funding mechanisms and institutions working in the country.
8. The NDA or focal point should be able to maintain regular communication with the secretariat in English through Internet-based correspondence, facilitate country visits and meetings with Fund officials, and provide written communication as required.
9. The NDA or focal point should also be able to disseminate in local languages key operational procedures of the Fund, including its environmental and social safeguards and no-objection procedure.
10. The NDA or focal point should also retain an overview of all funding proposals relating to the country and facilitate available information on the projects and programmes through appropriate media and relevant networks, including in local languages.
11. The NDA or focal point should be familiar with multilateral finance and be able to interact with private sector actors in the country.

III. Authority

12. The legal authority for the NDA or focal point with signing capacity should be at a senior level with the authority to oversee the capacities outlined in Section II.
13. The NDA or focal point should aim to have a team responsible for coordinating and driving communication with the Fund and managing operational activities.
14. The NDA or focal point should lead the country's efforts to prepare the country's country programme.

IV. Position relative to designated authorities or focal points of other funds

15. In order to ensure consistency with national priorities, strategies, and plans, the NDA or focal point should have the ability to interact and coordinate with the focal points and designated authorities of other funds, if applicable and as appropriate.
16. The NDA or focal point should be familiar with the operations of other funds within the country. Based on country capacities, the NDA or focal point should also drive and coordinate relevant country coordination mechanisms and multi-stakeholder engagement, as needed and appropriate. Accordingly, the NDA or focal point should ideally be able to oversee and streamline the country's engagement with all sources of internal and external climate finance.

V. Funding of national designated authorities

17. Funding for the establishment and operation of NDAs will be determined in accordance with Board decisions on readiness and preparatory support and paragraph 40 of the Governing Instrument.