



ADAPTATION FUND

1 August 2024

Adaptation Fund Board

Accreditation Panel Recommendation on the Fast-Track Accreditation of the Corporacion Nacional para el Desarrollo (CND) of Uruguay as a National Implementing Entity (NIE) of the Adaptation Fund

Having reviewed the fast-track accreditation application of the ***Corporacion Nacional para el Desarrollo (CND)*** of Uruguay, the Accreditation Panel recommended that CND be accredited as a National Implementing Entity (NIE) 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 Decision B.32/1, the Adaptation Fund Board decided to accredit the ***Corporacion Nacional para el Desarrollo (CND) of Uruguay*** as a National Implementing Entity (NIE) of the Adaptation Fund for five years, as per paragraph 39 of the operational policies and guidelines for Parties to access resources from the Adaptation Fund. The accreditation expiration date is 31 July 2029.

Decision B.42-43/16

ANNEX I

REPORT OF THE ACCREDITATION PANEL ON AN ASSESSMENT OF THE CORPORACION NACIONAL PARA EL DESARROLLO (CND), URUGUAY FOR FAST TRACK ACCREDITATION AS A NATIONAL IMPLEMENTING ENTITY (NIE) OF THE ADAPTATION FUND

Background

The “National Cooperation for Development” or ‘Corporación Nacional para el Desarrollo’ (CND) is based in Montevideo, Uruguay, and is a non-state legal entity created by Law No. 15.785 on 4 December 1985 and is 100% state-owned. The CND was established by the Government with the main mission to provide services to ministries, municipalities, and other public entities and companies, for the achievement of the country's development objectives through management excellence and with a focus on the public interest and social responsibility. As the national development cooperation arm of Uruguay, CND is responsible for facilitating the execution of public policies to support national development, ensuring the effective implementation of environmental projects/programs in the country.

The Ministry of Environment, as the Government of Uruguay’s designated authority, nominated CND as a national implementing entity in 2022, and CND completed its application in July 2023 shortly after receiving accreditation by the Green Climate Fund.

Assessment against the fast-track accreditation criteria

The Assessment for fast-track accreditation was conducted based on CND’s accreditation with the GCF within 4 years of applying to the Adaptation Fund and in application of the relevant criteria on the criteria set out in Board Decision B.32./1 on 15 January 2019 based on B.28/38 (Fast-track re-accreditation of implementing entities accredited with the Green Climate Fund) as contained in on AFB/EFC.19.7 of December 2016; Decision B.32/1 (Focus areas of review of a fast-track re-accreditation) based on AFB/B.31/4 of March 2018; Board Decision B.32/36 (Accreditation standards related to anti-money-laundering/countering the financing of terrorism) as contained in on AFB/EFC.23/4 of September 2018; and Decision B.31/26 (Use of external sources as complementary information) as contained in on AFB/B.31/7 of March 2018).

The review and assessments by the Panel were based on the completed application form submitted through the online system and the documents provided by CND. The Panel complemented its review with information available on CND’s website as well as relevant documents from the websites of the Green Climate Fund and other related international institutions as well as third-party assessments.

Legal Status

The applicant meets the criterion. The applicant possesses the appropriate legal personality, capacity, authority, and ability to enter into contracts or agreements and to directly receive funds from international, and national institutions and the private sector as well as the legal capacity to serve as a plaintiff or defendant in a Court of law.

Policies regarding Anti-money Laundering and Counter-Terrorism Financing (AML/CFT)

The applicant meets this criterion. Uruguay has robust national policies to prevent, address, manage, investigate, and prosecute AML/CFT risks and confirmed violations. As a state-owned entity that receives 99 percent of its funding from the Government, CND ensures compliance via its recently updated detailed policy and procedure on the prevention of ML/FT activities, requiring

diligent know-your-customer (KYC) and acceptance procedures before onboarding any individual or legal entity as a customer. The policy features risk and approval typologies and levels, and due diligence procedures differentiated by low, medium, and high-risk profiled customers/entities and are aligned with relevant national policies. CND uses cutting-edge screening platforms to verify all staff/customers/providers and submitted evidence of due diligence being exercised. CND's policies prohibit the use of vendors that violate AML/CFT regulations and staff as well as non-staff and vendors are held accountable for any violation of the established policies.

Policies and Framework to Deal with Fraud, Financial Mismanagement, and Other Forms of Malpractice

The applicant meets this criterion. The Panel finds the entire established process from reporting misconduct, to investigation, to disciplinary action, and eventual sanctioning complete and in line with established practices but notes that the written procedure lacks specificity on the actual conduct of the investigation. CND has updated policies and capacity processes in place for effectively dealing with fraud, corruption, financial mismanagement, and other forms of malpractice by staff members, consultants, suppliers, and other external parties conducting business with the Organization; zero tolerance, whistleblower policy and a structured investigation procedure and function are in place.

Commitment by the entity to apply the Fund's Environmental and Social Policy (ESP) and Gender Policy and to address environmental, social, and gender risks.

The applicant meets this criterion. CND's provided written confirmation that it will apply the environmental, social, and gender policies of the Fund and has posted the commitment on its website. In addition, CND has a comprehensive set of environmental, social, and gender policies, guidelines, standards, ISO 14001 certification on environmental management, and tools that underpin top management's commitment to abiding by the Fund's policies. Relevant external evaluations confirm good performance in this area.

Mechanism to deal with complaints on environmental and social harms and gender harms caused by projects/programs.

The applicant meets this criterion. CND's original complaints procedure and handling was effectively dealing with queries and administrative complaints. The new GRM established in March 2023 has a well-designed web portal for receiving complaints and up to now has not resulted in the submission of claims. The website provides clear instructions on how and where to submit complaints and contains a public complaints registry for those complaints that have been accepted by the Committee responsible. The Panel was able to successfully test the portal. Based on the evident commitment of the applicant to ensure complaints handling in the past and having reviewed the relevant policy, the Panel believes that the GRM will be effectively operationalized once complaints are received.

GCF Accreditation Conditions

The accreditation by GCF (GCF/B.36/10) was made taking into account the assessment by the GCF Accreditation Panel ([NIE152-381-GCF-Accreditation-Assessment](#)) and subject to the completion of Stage II of the accreditation process. The accreditation was conditional with two conditions related to the provision of a register of grievances and an audit report of the applicant's Environmental and Social Management System and gender policies to be fulfilled once the first project has been approved and they have therefore not been addressed at the time of this review.

Third Party Assessments

In addition to the GCF accreditation report, the Panel also used for its review a mutual evaluation report on AML/CFT, independent evaluations of CND-managed projects, CND's performance as an AF executing entity, and relevant ISO certifications.

Recommendation

The Panel concludes that the CND fully complies with the standards and other criteria for fast-track accreditation. The Panel recommends the fast-track accreditation of CND as a national implementing entity by the Adaptation Fund Board.