



**GREEN  
CLIMATE  
FUND**

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# Consideration of accreditation proposals and activities - Addendum II

## Accreditation assessment of APL174

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### **Summary**

This document contains the accreditation assessment conducted by the Secretariat and the Accreditation Panel in accordance with decision B.31/06 and the transitional arrangements in respect of the revised accreditation framework adopted in decision B.42/13 paragraph (m) and set out in annex VI to that decision, and the recommendation by the Accreditation Panel for accreditation of applicant 174 (APL174), Corporación Financiera de Desarrollo S.A. (COFIDE), based in Peru.

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## I. Introduction

1. Corporación Financiera de Desarrollo S.A. (COFIDE) is the Development Bank of Peru and has 49 years of experience in promoting and financing sustainable interventions in the country. It plays a key role in the Government's economic and social development programmes and is regulated by the Superintendence of Banking, Insurance and Private Pension Fund Administrators (SBS). COFIDE is committed to promoting sustainable and inclusive development through a triple bottom line approach that aims to generate positive economic, social and environmental impacts, while contributing to a more sustainable Peru. Throughout its activities, COFIDE seeks to be an active participant in the sustainable and inclusive development of the country by financing investments and strengthening the financial system, as well as supporting entrepreneurship through innovative products and services, while being socially responsible.

2. The applicant submitted its application for accreditation to GCF via the online accreditation system on 6 March 2021. Accreditation fees were received from the applicant on 30 August 2021, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 31 October 2025 and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:<sup>1</sup>

- (a) **Access modality:** direct access, national. The applicant received a national designated authority (NDA) or focal point nomination for its accreditation application from Peru;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or programme:** medium;<sup>2</sup>
- (d) **Fiduciary functions:**<sup>3</sup>
  - (i) Basic fiduciary standards; and
  - (ii) Specialized fiduciary standard for on-lending and/or blending (for loans);
- (e) **Maximum environmental and social (E&S) risk category:** high risk (intermediation 1 (I-1));<sup>4</sup> and
- (f) Indicative result areas for intended projects/programmes with GCF:
  - (i) Energy generation and access;
  - (ii) Transport;
  - (iii) Health, food and water security;
  - (iv) Infrastructure and built environment; and
  - (v) Public, private and cross-cutting types of projects/programmes.

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<sup>1</sup> Refer to section 4.2 below for the scope of accreditation recommended by the Accreditation Panel.

<sup>2</sup> As per annex III to decision B.31/06, "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 50 million and up to and including USD 250 million for an individual project or programme."

<sup>3</sup> Decision B.07/02.

<sup>4</sup> As per the revised Environmental and Social Policy adopted in decision B.BM-2021/18, intermediation 1 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, financial exposure to activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented".

## II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (a) Updated Strategic Plan for the Green Climate Fund: 2020–2023 (decision B.27/06);
- (b) Updated Strategic Plan for the GCF 2024–2027 (decision B.36/13);
- (c) Updates to the accreditation framework (decision B.31/06);
- (d) Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach (decision B.08/02);
- (e) Policy on Prohibited Practices (decision B.22/19);
- (f) Anti-Money-Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy) (decision B.18/10);
- (g) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);
- (h) Comprehensive Information Disclosure Policy of the Fund (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (i) Updated Gender Policy and Gender Action Plan 2020–2023 (decision B.24/12);
- (j) Revised Environmental and Social Policy (decision B.BM-2021/18); and
- (k) Evaluation Policy for the GCF (decision B.BM-2021/07).

### 2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licences to operate, where relevant, as a part of the application. COFIDE was established as a state enterprise under private law in the form of a corporation organized as a public limited company (sociedad anónima) pursuant to Law Decree N° 206 adopted on 8 September 1981, assuming the rights and obligations of the Development Finance Corporation established by Decree Law No. 18807. The applicant forms part of the National Financial System and is registered with the Superintendency of Banking, Insurance and Private Administrators of Pension Funds (SBS) which regulates its activities in accordance with Law N° 26702. COFIDE is registered in the Juridical Person Registry of Lima under Electronic Record N° 11019289.

5. The applicant has indicated and provided evidence that it has independent legal personality and legal capacity to enter into legal arrangements directly with GCF. In accordance with the transitional arrangements in respect of the revised accreditation framework adopted in decision B.42/13, paragraph (m), and set out in annex VI to that decision, if approved, the applicant's accreditation will be deemed to be complete on the date that GCF issues a confirmation/certificate evidencing the applicant's accreditation.

### 2.2 Institutional presence and relevant networks

6. COFIDE is headquartered in Lima, Peru, and has 291 staff members. The majority of the applicant's loan portfolio is concentrated in the infrastructure and productive investment sectors, with a strong focus on financial development and microfinance.

7. The applicant maintains key partnerships with several international financial institutions and development finance institutions. A partnership with KfW includes a EUR 40

million loan for a renewable energy and energy efficiency programme to finance subloans for climate investments. Additionally, in partnership with the European Investment Bank, the applicant signed a USD 100 million climate action framework loan to finance renewable energy and energy efficiency and to support micro, small and medium-sized enterprises (MSMEs). COFIDE also collaborates with the Inter-American Development Bank on initiatives such as a women entrepreneurs programme and e-mobility projects. The Development Bank of Latin America and the Caribbean holds a minority equity stake in COFIDE and provides technical assistance to strengthen its corporate governance. The applicant participates in internationally recognized initiatives, including the Global Reporting Initiative, for its sustainability reporting. It has also joined the Carbon Footprint Peru platform, becoming the first financial entity to be awarded the Carbon Footprint Level 2 diploma by the Ministry of the Environment for measuring and verifying its institutional carbon footprint.

8. Through its partnerships with entities such as KfW and the European Investment Bank, the applicant aims to support Peru's national climate change goals and nationally determined contributions by fostering the country's transition to low-emission infrastructure and enhancing the resilience of productive sectors. The applicant has engaged in the Readiness and Preparatory Support Programme, receiving technical assistance and capacity-building support to evaluate and strengthen its broader institutional capacities along with E&S capacities.

9. To advance sustainable finance, the applicant's Board of Directors has approved a formal Sustainability Policy and established the Eco-Efficiency Committee to reduce its operational environmental impact. The applicant's commitment to strategic climate initiatives is further demonstrated by its issuance of Peru's first public green bond and first sustainable bond by a financial institution, mobilizing 200 million Peruvian soles for projects with positive E&S impacts.

## 2.3 Track record

10. The applicant channels resources, primarily through specialized loans, financial intermediation and the issuance of thematic bonds, towards the infrastructure, renewable energy, energy efficiency and productive sectors.

11. The applicant's track record in financing and managing sustainable development and climate change related projects to date includes the following:

- (a) USD 294 million (loan) for the KfW Green Recovery programme, channelled through financial intermediaries to promote economic recovery and green investments in Peru;
- (b) USD 100 million (loan) for an Inter-American Development Bank financing programme to channel funds through financial intermediaries to MSMEs, with a focus on women-led businesses in Peru;
- (c) USD 100 million (loan) for a European Investment Bank Climate Action Framework loan to finance climate action projects in renewable energy and energy efficiency in Peru;
- (d) USD 45 million (loan) for the Santa Ana Electric Power Generation Company to finance the construction of the H1 Hydroelectric Power Plant and transmission lines in Peru; and
- (e) USD 44.3 million (loan) for a KfW renewable energy and energy efficiency programme (phase II) to finance subloans for climate investments in Peru.

### III. Stage II accreditation review assessment

12. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against the requirements in accordance with the GCF policies and standards identified in paragraph 3 above.

13. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

#### 3.1 Fiduciary standards

##### 3.1.1 Basic fiduciary standards: key administrative and financial capacities

14. COFIDE is a mid-size State-owned development bank, with the Peruvian Government interest held through the National Fund for Financing State Business Activity (FONAFE), an agency of the Ministry of Economy and Finance established in 1999 that regulates and directs the business activities of State-owned enterprises, and the Development Bank of Latin America and the Caribbean, holding an interest of 99.2 per cent and 0.8 per cent, respectively. It had approximately USD 3 billion in total assets at the end of 2024, with 291 staff. Its role is to mobilize funding from multilateral institutions and capital markets and channel it to MSMEs and infrastructure projects.

15. The governance structure of COFIDE is overseen by its Board of Directors, composed of members with expertise in finance, law, economics and public policy, including independent directors. The Board of Directors is composed of seven members, two of whom are independent members, and is responsible for strategy, oversight of management, supervision of risk management and the final approval of investments and financing. The Board of Directors is supported by key committees, including the Risk Committee (which reviews risk policies and loan transactions), the Audit, Ethics and Compliance Committee (AECC, which has oversight of internal control and compliance systems), the Recovery Committee (which monitors credit portfolio recovery) and the Sustainability and Corporate Governance Committee. The Executive Presidency and General Manager are responsible for overall management and execution, supported by management-level committees (the Management, Assets and Liabilities Committee, the Follow-up (Portfolio) Committee, the Remuneration, Gender Equality and Digital Government Committee). Oversight is further reinforced by control functions, including the Internal Audit Unit, the Institutional Control Body and the Compliance Management Unit. Committee terms of reference were provided, which define mandates, scope, appointments and terminations, reporting lines and operating rules, as well as governance safeguards such as mandatory recusal in the event of conflicts of interest and other ethical conduct requirements. Examples of committee records and minutes were shared with the AP. The COFIDE organizational chart shows the three main layers of governance, support functions and operational units.

16. The COFIDE 2022–2026 Strategic Plan, which aims to transform it into a sustainable, impact-driven development bank operationalized through the annual operating plan and budget cycle, includes a balanced scorecard that translates objectives into measurable indicators. The indicator-based performance management system cascades through departmental dashboards and unit-level objectives. COFIDE shared planning and budget preparation records that show the linkage between its long-term strategic direction and annual implementation planning. COFIDE monitors and reports on the achievement of its objectives through its periodic management and budget evaluation reports, including strategic plan evaluations and quarterly management/budget performance reports. A sample shared with the AP included the Third Quarter 2025 Business Management Report and Budgetary Assessment,

the Ratification of COFIDE's 2026 Operational Plan and Budget and the Evaluation of the 2022–2026 Strategic Plan. The 2024 Management Report and Management Agreement, which was also shared with the AP, evaluates achievements against financial, development, operational and human resource indicators, demonstrating the use of clear key performance indicators and the monitoring and tracking of financial and operational performance.

17. The audited financial statements of COFIDE are published annually<sup>5</sup>, and the statements for 2023 to 2025 are unqualified and prepared in accordance with the accounting and financial reporting requirements prescribed by SBS,<sup>6</sup> a recognized national accounting framework for financial institutions in Peru. These standards are broadly aligned with the International Financial Reporting Standards, with certain prudential adjustments required for regulatory purposes. The financial statements are audited by independent auditors in accordance with the International Standards on Auditing.

18. COFIDE uses SAP as its core accounting system, which supports transaction recording, workflow-based approvals, reconciliations and financial reporting. The procedures demonstrate structured access controls and system-based validation processes. The COFIDE Finance Management Organizational and Functions Manual outlines the structure, roles, responsibilities and staffing of the finance function, including detailed job descriptions, qualification requirements, reporting lines and decision-making responsibilities across the treasury, accounting, capital markets and fundraising functions. COFIDE produces regular accounting and financial management reports, with periodic reconciliations and payment documentation demonstrating the integration of accounting and treasury processes with operational controls. Financial operations are conducted under defined control and authorization arrangements in line with the Policies on Levels of Autonomy, which establish approval thresholds, roles and responsibilities. Payments and disbursements are governed by documented procedures covering execution, debt servicing and liability reporting, ensuring accuracy, timeliness and compliance with contractual obligations. Segregation of duties is maintained between the Operations Unit, Oversight Functions Unit (covering risk, compliance and legal functions) and Internal Audit Unit. Procedures across multiple payment channels (host-to-host, banking platforms, letters and Society for Worldwide Interbank Financial Telecommunication) demonstrate multilevel authorization processes, a clear separation of execution, review and approval functions, monitoring, reconciliation and a documented audit trail.

19. The AECC is a fully functional and active body that oversees internal controls, financial reporting, internal and external audits, compliance and whistle-blowing mechanisms at the Board of Directors level. It reviews audit plans, audit reports, corrective action plans and follow-up actions, and reports its conclusions to the Board of Directors. The AECC meets periodically in accordance with a defined annual calendar and when required in response to risk considerations. The shared minutes of three AECC meetings (January, April and October 2025) cover the performance and quality of the Internal Audit Unit, including internal and external quality assessments, audit results and audit planning. They also address governance improvements (such as enhancements to the conflict of interest policy) and the monitoring of the ethics and complaints mechanism.

20. The Internal Audit Unit operates independently and objectively under an approved charter aligned with the Global Internal Audit Standards, reporting to the Board of Directors through the AECC. The function follows a risk-based annual audit plan approved by the AECC and applies a disciplined methodology to assess risks, internal controls and governance processes. Audit recommendations and corrective action plans are monitored until they are closed. Activities are conducted in accordance with the Internal Audit Unit's regulations issued

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<sup>5</sup> See <https://documentos.cofide.com.pe//informacion-financiera-y-presupuestaria/>.

<sup>6</sup> See <https://www.sbs.gob.pe>.

by SBS. Documentation shared with the AP includes the Internal Audit Strategic Plan, annual audit plans for 2024 to 2026, quarterly results reports and follow-ups on corrective actions, evidence of periodic internal audit activities and management-level communication. COFIDE conducts an annual self-assessment of the internal audit function in accordance with the Global Internal Audit Standards. In addition, an independent specialist conducts an external assessment of the internal audit function every five years. The next external assessment is scheduled for 2027, as indicated in the Internal Audit Unit's 2026 audit plan, as the last external quality assessment was carried out in 2022.

21. The external audit firm responsible for issuing an opinion on the financial statements of COFIDE is selected by the Comptroller General of Peru. In accordance with SBS regulations for external auditors, the auditor also evaluates the COFIDE risk management framework, key performance indicators and its anti-money-laundering and combating the financing of terrorism (AML/CFT) system. SBS oversees compliance with these requirements and conducts regular inspection visits to assess the overall management and control environment of COFIDE.

22. The governance and internal control arrangements of COFIDE reflect its status as a State-owned development bank within Peru's financial system, combining prudential oversight by SBS, including SBS internal audit requirements, with governmental control through its Institutional Control Body under Peru's National Control System. The internal control system of COFIDE reflects the framework of the Committee of Sponsoring Organizations of the Treadway Commission through a defined control environment with a multilayered approval and oversight structure (Board of Directors/AECC, Institutional Control Body and Internal Audit Unit), clear segregation of roles and the integration of risk management across operational units. Control activities are implemented through formal policies and procedures, with key verifications carried out through the risk, legal and compliance functions. Monitoring is supported by established information and reporting flows, with internal audits, external audits and regulatory supervision. The AECC plays a central role in oversight, while internal and external audit functions provide independent assurance on the effectiveness of controls across operations, financial reporting and compliance. COFIDE also conducts periodic compliance reviews. COFIDE risk management is led by an independent function that covers credit, market, liquidity, and operational and structural risks. The framework integrates risk identification and measurement, monitoring and mitigation across COFIDE, supported by defined policies, limits, stress testing and continuous reporting, aligned with its risk appetite and internal control environment.

23. COFIDE follows the State contracting law for procurement and the regulations of FONAFE for public bidding, public tenders and consultant selection, including the appointment of selection committees for each process. Procurement notices and awards are disclosed through the national electronic procurement system (SEACE).<sup>7</sup> To operationalize this, the Procurement Policy for Goods and Services of COFIDE (2025) promotes efficiency, transparency, equity and accountability and defines roles and responsibilities, internal controls, procurement methods, evaluation processes and selection bodies. It also establishes approval thresholds, documentation requirements (including terms of reference and technical specifications) and simplified procedures for low-value procurements (procurements of less than USD 10,000 equivalent). Procurement activities are subject to independent oversight by the Internal Audit Unit, while contract implementation is monitored by the management of COFIDE. COFIDE provided examples of procurement processes and awarded contracts. Track record documentation shared with the AP included evaluation and award reports from SEACE, as well as full bidding dossiers for other procurement processes, such as for cybersecurity services, covering calls for bids, registration in SEACE, submission and evaluation of offers,

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<sup>7</sup> See <https://www.gob.pe/institucion/oece/tema/seace>.

contract awards, and anti-corruption and anti-collusion provisions. COFIDE oversees the application of its procurement framework by implementing entities under its funded projects, including compliance with procurement policies, the use of standardized selection documents, contract administration procedures and payment certification controls.

24. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the GCF basic fiduciary standards on key administrative and financial capacities.

### 3.1.2 **Basic fiduciary standards: transparency and accountability**

25. The applicant's Code of Ethics and Conduct (2025) defines key categories of misconduct, including fraud, corruption, conflicts of interest and harassment, and establishes a zero-tolerance policy toward these practices. The Code of Ethics and Conduct is available on the COFIDE website<sup>8</sup> and is disseminated annually through mandatory training sessions. It applies to all personnel, governing body members, consultants, contractors, suppliers and executing entities associated with COFIDE. Compliance obligations are incorporated into employment agreements, contracts and procurement documents.

26. The Conflict of Interest Management Policy establishes criteria and procedures to identify, disclose and manage conflicts of interest and sets out roles, responsibilities and enforcement measures, which are supported by compliance and communication campaigns. Conflict of interest procedures include sworn declarations from all covered individuals upon appointment and following changes in role, with annual re-certification and whenever new conflicts arise. Supporting documentation, including acknowledgment forms, declarations of interest, training materials and attendance records, was provided.

27. The COFIDE Ethical and Conduct Guidelines for Suppliers set out the ethical, social and environmental standards expected of suppliers, including prohibitions on malpractices and requirements for conflict of interest declarations. The Crime Prevention Model Manual defines categories of misconduct, such as bribery, corruption and financial crimes. Taken together, these instruments are broadly aligned with the GCF Policy on Prohibited Practices.

28. COFIDE provides multiple channels for reporting conflicts of interest, breaches of the Code of Ethics and Conduct, wrongdoing and prohibited practices, including through supervisors, the AECC and the publicly accessible Ethics Line,<sup>9</sup> managed by an independent third party (BDO)<sup>10</sup>. The Ethics Line enables anonymous and confidential submissions. Additional reporting channels include telephone, email, mail and in-person submissions.

29. Complaints received through the Ethics Line are transmitted to COFIDE for review and investigation. These processes are governed by policies and procedures that define reporting channels, complaint intake and investigation steps, roles and responsibilities, and whistleblower protection, including confidentiality and non-retaliation. These policies are: the Procedure for the Administration of the COFIDE Ethics Line; the Procedure for the Administration of the BDO Ethics Line; the Procedure for the Whistleblower Channel Support Ethics Hotline; and the Whistleblower Management Policy.

30. Investigations are conducted by the Internal Audit Unit and the Compliance Management Unit, with oversight by the AECC, which is an active body, as demonstrated by the minutes of its meetings covering compliance matters. Evidence of implementation was provided through complaint records from 2024 and 2025 shared with the AP and sample case files, which

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<sup>8</sup> See <https://documentos.cofide.com.pe/wp-content/uploads/2025/11/Codigo-de-Etica-y-Conducta-2022.pdf>.

<sup>9</sup> See <https://bdolineaetica.smartsys.com.pe/cofide>.

<sup>10</sup> BDO is a global accounting and advisory network that provides audit, tax and consulting services, often supporting organizations' financial reporting, compliance and governance systems.

demonstrated that cases are recorded, tracked and reported. The complaints mechanism is publicly available on the COFIDE website.<sup>11</sup> However, the publication of policy documents governing the investigation function would further strengthen transparency and address the current gap regarding public access to the terms of reference.

31. COFIDE's AML/CFT framework is set out in its PLAFT Manual (version 10),<sup>12</sup> which establishes a risk-based system covering governance, customer due diligence, and transaction monitoring and reporting, with clearly defined roles and controls across COFIDE. Monitoring begins at onboarding through 'know your customer' and risk rating processes and continues on an ongoing basis through alerts and red-flag controls. A centralized system (SPLAFT)<sup>13</sup> records and maintains transaction data. COFIDE provided examples of customer and counterparty due diligence reports (for 2023–2025) and guidance on identifying unusual or suspicious activities. Oversight is supported by periodic compliance reporting. Documents shared with the AP include annual compliance reports submitted to the Board of Directors and SBS (for 2023 and 2024), SPLAFT monitoring reports (for 2023 and 2024) and Compliance Officer management reports, including semi-annual reports summarizing AML/CFT monitoring activities and suspicious transaction reporting to the Financial Intelligence Unit. An Independent Annual Compliance Report evaluating the AML/CFT system for the year ended 31 December 2024 was also provided. The COFIDE AML/CFT system is further supported by regular staff training conducted by the PLAFT Compliance Officer and independent evaluations by third parties (e.g. KPMG), in line with SBS requirements.

32. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, partially meet the basic fiduciary standards on transparency and accountability, and to the extent applicable to accreditation the GCF Policy on Prohibited Practices, the GCF Policy on the Protection of Whistleblowers and Witnesses and the GCF AML/CFT Policy. The relevant gap is identified in paragraph 30 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

### 3.1.3 **Specialized fiduciary standard for project management**

33. The applicant did not apply for accreditation for this standard at this time.

### 3.1.4 **Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

34. The applicant did not apply for accreditation for this standard at this time.

### 3.1.5 **Specialized fiduciary standard for on-lending and/or blending (for loans)**

35. COFIDE operates as a second-tier lender through financial intermediaries, whereby it assumes the intermediaries' risk while the intermediaries bear the credit risk of the final beneficiaries. COFIDE provided the AP with several key policies and procedures, including: the Credit Risk Policy Manual for Intermediaries; information on the evaluation and approval of intermediation operations; information on the preparation and approval of business proposals; and financial intermediation policies. These documents describe the COFIDE on-lending and intermediation model, including processes for origination, due diligence, structuring, approval and disbursement, as well as decision-making mechanisms across management, committees and the Board of Directors. Decision-making is layered and distributed among units, each with segregated roles, checks and balances: the Business Unit makes the proposal, the risk evaluation

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<sup>11</sup> See <https://bdolineaetica.smartsys.com.pe/cofide>.

<sup>12</sup> PLAFT: Prevención del Lavado de Activos y del Financiamiento del Terrorismo.

<sup>13</sup> SPLAFT: Sistema de Prevención del Lavado de Activos y del Financiamiento del Terrorismo.

team evaluates the proposal, the credit assessment and structuring team formalizes the proposal, the Risk Committee approves the proposal, the Board of Directors validates the proposal (if needed) and the Operations Unit executes it. Counterparty selection and exposure limits are determined through risk evaluation, internal rating and the assignment of limits based on solvency and risk metrics relative to the COFIDE capital base, reflecting a prudential, capital-based approach to risk management. Transaction risk classification further considers factors such as collateral, maturity and guarantees, resulting in differentiated risk treatment and alignment between the types of financial instrument used and the corresponding control measures.

36. COFIDE is a regulated, State-owned development bank, operating under regulatory supervision and statutory constraints, with oversight from SBS, FONAFE and general corporate law.

37. The track record of COFIDE in on-lending/blending loans from different international and multilateral funding sources includes the 2023 signed agreement for the USD 100 million Inter-American Development Bank financing programme for women entrepreneurs in Peru. The sovereign loan agreement between the Government and the Inter-American Development Bank is implemented by COFIDE, which channels funds through financial intermediaries to MSMEs, with a focus on women-led businesses. The audited financial statements of the programme, shared with the AP, review the loan's disbursements through financial intermediaries, portfolio management and repayment flows and affirm the operational capacity of COFIDE for on-lending. A second example is the USD 294 million KfW Green Recovery programme, which is implemented by COFIDE through financial intermediaries to promote economic recovery and green investments. COFIDE manages the allocation of funds through intermediaries; the 2023–2024 audited financial statements for this programme cover disbursements to intermediaries, portfolio performance and repayments. COFIDE enters into channelling agreements with financial intermediaries, which function as on-lending agreements governing the provision of funds, risk allocation and the terms under which intermediaries extend subloans to the final beneficiaries. Examples of such agreements were shared with the AP.

38. Independent credit ratings confirm the creditworthiness of COFIDE. Fitch Ratings (November 2025) assigns a Long-Term Issuer Default Rating of BBB (stable) and a Short-Term Issuer Default Rating of F2, supported by a Government Support Rating of BBB, reflecting strong government backing, linkage to Peru's sovereign rating and the financial profile of COFIDE (asset quality, capitalization and liquidity). S&P Global Ratings (August 2025) assigns an Issuer Credit Rating of BBB– (stable) and a Short-Term Rating of A-3, with a stand-alone credit profile of bb–, which is uplifted owing to government support.

39. The entity's framework for on-lending (the Channelling Agreement) describes its due diligence on how funds are allocated to financial intermediaries, controlled, monitored and recovered under disciplined risk management criteria and enforceable practices. The application of the described approach is demonstrated in a number of shared due diligence reports for the review and approval of the COFIDE Risk Committee.

40. The COFIDE compliance requirements are monitored through periodic supervision, portfolio reviews and ex post evaluations. Monitoring by COFIDE includes continuous risk classification of intermediaries, early warning systems, thresholds that trigger corrective action and ongoing recalibration of exposure limits. Reports shared with the AP include periodic monitoring of borrowers, updates on financial and operational information on borrowers, identification of risk categories (e.g. normal, special monitoring, etc.), portfolio reviews and quarterly reporting to the Risk Committee. The applicant also shared several Risk Management Reports covering 2020–2025, which include risk dashboards with information on profitability (return on investment), delinquency rates, capital adequacy, provisioning coverage, liquidity ratios and operational risk indicators.

41. The applicant's information disclosure policy includes its annual reports, which describe activities at the aggregate and programme level, including data on financing volumes, programmes and development impacts. There is no formal policy governing the disclosure of project-level information on beneficiaries and project results, or the publication of such information. This gap has been acknowledged, and the applicant has committed to addressing it through a new information disclosure policy, which will include beneficiary names, funding terms and actual versus planned results.

42. COFIDE financial risk management and asset-liability management follow the policy and procedures set out in a number of documents, including the Asset and Liability Management Policy Manual and the Asset and Liability Committee Regulations. These govern balance sheet management, financial risk oversight, structured decision-making and governance arrangements. Evidence of implementation is provided through Asset and Liability Committee meeting minutes, which demonstrate that the committee meets regularly and actively oversees financial risks and the asset-liability management framework's effective functioning.

43. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, partially meet the specialized fiduciary standard for on-lending and/or blending for loans. The relevant gap is identified in paragraph 41 above and is reflected by the corresponding conditions for accreditation in section 4.2 below.

## 3.2 Environmental and social safeguards

### 3.2.1 Environmental and social policy, management and monitoring

44. COFIDE has applied for accreditation to implement projects or programmes in E&S risk I-1. Upon reviewing the entity's policies, systems and procedures, as well as its track record, the AP has found that these demonstrated a level of environmental and social management system (ESMS) maturity that is compatible with projects/programmes up to medium risk (intermediation 2 (I-2))<sup>14</sup>. The applicant may consider building its experience in implementing higher-risk projects and programmes and applying for an upgrade in its accreditation scope for the high E&S risk I-1 in the future.

45. The COFIDE E&S Risk Policy, most recently updated and approved by the Board of Directors in 2023, establishes the institutional framework for managing E&S risks across its financing activities. The policy defines roles, responsibilities and governance arrangements across multiple levels of the organization. COFIDE has had a Sustainability Policy in place since 2020, which aims to promote sustainable development and support climate-aligned investments. The COFIDE E&S policy framework aligns with the International Finance Corporation (IFC) Performance Standards (PSs) 1-8, the Peruvian regulation on socioenvironmental risk management of financial firms (SBS 01-2015), the International Labour Organization's fundamental conventions and the Association of European Development Finance Institutions' harmonized standards.

46. The COFIDE financing portfolio demonstrates increasing alignment with Peru's national climate commitments and low-emission development objectives. The applicant reports a growing share of climate-related investments, including renewable energy generation,

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<sup>14</sup> As per the revised Environmental and Social Policy adopted in decision B.BM-2021/18, intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented".

transmission infrastructure, energy efficiency and climate-resilient agriculture. As at 2023–2024, sustainable and climate-related projects represented approximately 25.4 per cent of the COFIDE portfolio, with an internal target to increase this share to 30 per cent by 2026, and further targets expected under the forthcoming 2027–2032 Strategic Plan. The remaining 74.6 per cent consists primarily of second-tier financing for MSMEs, productive sectors, infrastructure, housing and financial inclusion programmes, without direct exposure to carbon-intensive activities. Currently, COFIDE reviews and monitors greenhouse gas related information at the project level but does not aggregate or calculate emissions at the portfolio level. As for the corporate level footprint, COFIDE holds a carbon-neutral certification with a two-star rating on the Peru Carbon Footprint Registry and is recognized as a Sustainable Management Company by Perú Sostenible. Climate-related considerations are integrated within the COFIDE E&S risk management processes, where resource use, emissions and environmental impacts are assessed at the project level.

47. The presence of Indigenous Peoples is confirmed in some of the geographic contexts in which COFIDE-financed projects may operate. In response, COFIDE addresses risks and potential impacts on Indigenous Peoples within its ESMS (SARAS), which incorporates relevant elements of the IFC PSs and applicable national legislation in Peru, including the prior consultation law. The screening and categorization process identifies whether proposed activities may affect Indigenous communities, including those located in legally recognized territories or areas of territorial sensitivity. Where such risks are identified, the ESMS requires E&S due diligence proportionate to the level of risk, including the assessment of potential impacts, verification of compliance with national legal requirements, and the definition of mitigation and engagement measures. COFIDE also applies a detailed exclusion list that prohibits financing of activities that adversely affect Indigenous Peoples' lands, territories or access to natural resources where legal requirements, such as prior consultation, have not been met, as well as activities involving involuntary resettlement. Responsibility for implementation is embedded within the institutional structure of COFIDE, with E&S risk management functions distributed across relevant units and supported, where necessary, by independent external specialists. Although COFIDE has not yet applied the updated ESMS to a I-1 project involving Indigenous Peoples, the procedures, tools and institutional framework are in place to manage such risks should they arise in future operations. The AP finds that COFIDE has the systems and capacity to meet the requirements of IFC PS 7 and the GCF Indigenous Peoples Policy.

48. COFIDE has in place its Regulation for the Prevention and Sanction of Sexual Harassment, required under Peruvian law, which provides an institutional framework for addressing workplace misconduct. Since 2025, COFIDE has also participated in the ELSA<sup>15</sup> initiative, which has supported an institutional diagnosis to assess gaps in prevention and response mechanisms, followed by the development of a targeted workplan and the strengthening of its Sexual Harassment Prevention Committee. The AP finds that COFIDE has the systems and capacity to meet the sexual exploitation, abuse and harassment principles outlined in the GCF Environmental and Social Policy.

49. SARAS is fully embedded within the credit cycle rather than functioning as a parallel process. It covers six stages (screening, categorization, assessment, management, monitoring and audit) and is supported by a comprehensive set of tools, including exclusion lists, categorization forms, sectoral questionnaires, management and monitoring plans, contractual clauses and reporting templates. Operations are categorized into low, medium and high risk, with differentiated requirements for each category. The E&S risk categorization is based on two key variables: the sector and geographic location, including an assessment of territorial sensitivity. The latter considers factors such as biodiversity, access to natural resources, climate risks, Indigenous Peoples, cultural heritage and potential resettlement impacts. For high-risk

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<sup>15</sup> See <https://www.elsa.la/>.

operations, independent external reviewers are required to conduct E&S due diligence, while medium-risk operations are assessed by internal teams, with the option of external support if necessary.

50. Based on the E&S risk assessment, COFIDE requires the development of environmental and social management, control and monitoring plans that define mitigation measures, responsibilities, timelines and monitoring indicators. This approach is demonstrated by multiple due diligence reports provided by the applicant, including for renewable energy and infrastructure projects, in which independent experts assess compliance with national regulations, the IFC PSs and international good practices, and develop environmental and social action plans to address identified gaps. E&S requirements are further reinforced through contractual mechanisms, including minimum and operation-specific clauses incorporated into financing agreements. These clauses require clients to comply with applicable E&S regulations, implement agreed mitigation measures and provide information to COFIDE for monitoring purposes. In the event of non-compliance, remedial actions and contractual sanctions may be applied.

51. COFIDE maintains a structured SARAS database that tracks each operation across all stages of the E&S risk management cycle, including screening, categorization, due diligence, monitoring, site visits, audit reports and compliance with mitigation measures, enabling traceability and oversight at the transaction level. Monitoring by independent experts includes periodic reviews, analysis of E&S reports and field visits where necessary. In the event of any exclusion list breach identified during monitoring, corrective actions or contractual remedies are triggered.

52. The applicant has demonstrated practical implementation of its ESMS through a portfolio of recent operations (for 2023–2025), including projects in renewable energy, transmission infrastructure, agroindustry and social infrastructure, with assigned E&S risk categories and documented due diligence processes. The documentation reviewed confirms that SARAS is actively applied in financed transactions, including the preparation of E&S due diligence reports, monitoring plans and mitigation measures proportionate to the level of risk. These reports also include detailed mitigation measures and monitoring frameworks as well as environmental and social action plans to address identified gaps, indicating a level of analytical depth aligned with international good practice. Internal audit reports demonstrated periodic institutional-level reviews of ESMS effectiveness and continuous assessments, and capacity-building efforts have generated practical lessons, including the need to initiate the E&S process at early stages of the credit cycle, ensure completeness of client information and engage independent reviewers in a timely manner for high-risk operations.

53. The COFIDE project portfolio reviewed (for 2023–2025) includes both I-2 and I-1 operations, with documented E&S risk categorization, due diligence processes and implementation status. Notably, the high-risk operation, the Petrotal erosion control project, has been classified as I-1 and subjected to independent E&S due diligence in line with IFC PS 1–8. The applicant may consider building its experience in implementing higher-risk projects and programmes and may consider applying for an upgrade in its accreditation scope for the high E&S risk I-1 in the future.

54. For financial intermediary operations, COFIDE requires intermediaries to maintain proportional E&S risk management systems, apply the COFIDE exclusion list, comply with applicable regulations and standards and report on E&S performance. These requirements are formalized contractually, and the COFIDE Risk Management Division conducts institutional-level assessments and follow-up.

55. Responsibility for E&S risk management is anchored within the COFIDE Risk Management Division, which retains final authority over E&S validation, ensuring functional independence from the Business Management Division, which is responsible for credit

origination. The Admissions Department plays a central role in conducting E&S assessments and has the authority to delay or halt operations in the event of non-compliance. At present, E&S risk management is implemented through a cross-functional model involving the business, risk and monitoring functions. COFIDE has strengthened its institutional capacity for E&S risk management through continuous training programmes and technical assistance. In 2023 and 2024, multiple training sessions and workshops were conducted for business and risk teams, covering E&S risk management in both direct and financial intermediary operations. These trainings include both internal workshops and external courses as well as practical sessions focused on the application of SARAS tools and procedures. The applicant presents limitations in terms of internal technical capacity to effectively oversee, supervise and quality assure external consultants in relation to higher-risk operations within the proposed accreditation scope.

56. The AP finds that the applicant's E&S management system, comprising the Environmental and Social Risk Policy, Sustainability Policy, Regulation for the Prevention and Sanction of Sexual Harassment, SARAS Methodology and related procedures, supported by evidence of its track record, partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim environmental and social safeguards (ESS) standards for maximum E&S risk I-2 projects/programmes with respect to IFC PSs 1-8. The relevant gap is identified in paragraph 55 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

### 3.2.2 **External communications, consultations, information disclosure and grievance redress mechanism at the institutional level**

57. The approach of COFIDE to external communications and information disclosure is governed by its Communication and Information Policy, approved by the Board of Directors in 2020. The policy establishes principles of transparency, timeliness and accessibility of institutional information and defines the official channels through which COFIDE engages with external stakeholders, including its institutional website, dedicated email addresses, telephone lines, a virtual complaints book and the Ethics Line.

58. In the E&S domain, COFIDE discloses information through instruments such as its Annual Report on Environmental and Social Risk Assessment, reflecting the implementation of its SARAS framework and its broader commitment to transparency. The SARAS framework establishes disclosure criteria for operations classified as medium and high E&S risk, in line with the requirements and timelines defined by external funding sources, including multilateral development banks. These criteria are applied on a case-by-case basis depending on the specific obligations attached to each funding line. To date, no such disclosure requirements have been triggered, as no specific requests have been received from funders for individual operations. In relation to future GCF-funded projects and operations, the applicant has committed to disclose relevant E&S information in accordance with the applicable requirements of the Comprehensive Information Disclosure Policy of the Fund.

59. COFIDE has established institutional channels for handling inquiries, complaints and claims, including an independently managed Ethics Line administered by BDO, which is accessible online and enables employees, clients, suppliers and third parties to confidentially or anonymously submit concerns, including those related to E&S matters and sexual exploitation, abuse and harassment cases. The system allows for the registration, classification, assignment and monitoring of cases through to resolution, and includes escalation and oversight mechanisms. The management of complaints is governed by its Whistle-blowing Policy, the Communication and Information Policy and related institutional procedures for the handling and follow-up of inquiries, complaints and claims.

60. In parallel, under procedures managed by the communications, institutional relations and marketing function, cases are registered, classified and either addressed directly or referred

to the responsible unit for analysis and response. Responses are tracked through to closure, with a maximum response period of 15 business days for complaints and claims. Consolidated reports on cases received and actions taken are prepared on a semi-annual basis and submitted to management and control functions, including the AECC. Reports reviewed (for 2022–2025) show a well-functioning institutional complaints system for general stakeholder queries, with consistent compliance rates and response times well within the 15 working day target. However, none of these reports include any ESS-related grievances. Also, information derived from these mechanisms is not publicly disclosed, and COFIDE does not currently maintain a publicly accessible registry of grievances. In addition, COFIDE provides access to the Government-wide complaints mechanism administered by the Office of the Comptroller General of Peru, which is available through a dedicated link on its website and enables individuals to submit complaints related to public entities, including COFIDE. This mechanism routes complaints through the Government of Peru and does not guarantee anonymity. The AP finds that the applicant has mechanisms in place; however, there is only limited in-house capacity to address E&S-related complaints.

61. The COFIDE ESMS also requires executing entities and financial intermediaries to maintain project-level grievance redress mechanisms that enable communities and affected stakeholders to raise concerns directly related to project implementation. These requirements are formalized through contractual clauses and are monitored through ESMS supervision processes. The ESMS further specifies that clients must implement mechanisms to receive and address project-level concerns and report critical E&S issues to COFIDE as part of ongoing monitoring and supervision processes. However, the AP found limited evidence that COFIDE systematically verifies the existence, accessibility, effectiveness and outcomes of such mechanisms in practice.

62. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and Comprehensive Information Disclosure Policy of the Fund regarding E&S information disclosure requirements for maximum E&S risk I-2 projects/programmes with respect to IFC PSs 1–8. The relevant gap is identified in paragraph 60 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

### 3.3 Gender

63. COFIDE has established a comprehensive institutional framework for gender equality and gender mainstreaming, anchored in its Gender Equity Policy, approved in 2021. The policy operates across five strategic axes: leadership in gender equity, human capital, mainstreaming in business, measurement of gender indicators and positioning COFIDE as a benchmark in gender equity. The policy is complemented by the Code of Ethics and Conduct and internal regulations addressing discrimination and sexual harassment, demonstrating a sustained institutional commitment to gender equality principles.

64. The policy is operationalized through a Gender Equity Committee and a network of gender focal points, supported by annual gender workplans overseen by senior management and aligned with guidance from Peru's Ministry of Women and Vulnerable Populations. The institution published sex-disaggregated workforce data across multiple dimensions (e.g. Board of Directors composition, employee category, age group, contract type, working arrangements, turnover and new hires) in its annual Sustainability Reports for 2023 and 2024, as well as salary equity data by position category. As at the latest reporting period, approximately 50 per cent of the workforce of COFIDE were women.

65. COFIDE has demonstrated an established track record of implementing its Gender Equity Policy at the institutional level, including evidence of gender-responsive approaches in its activities. Capacity-building efforts documented in the 2023 and 2024 Sustainability Reports include regular mandatory staff training on gender equality, inclusive language and prevention of discrimination, reaching all employee categories. The continued functioning of the Gender Equity Committee and the network of gender focal points supports the integration of gender considerations across COFIDE, as reflected in sustainability reporting by COFIDE over multiple years. Internal grievance mechanisms and ethical safeguards further contribute to promoting a safe and inclusive workplace.

66. In terms of practical implementation at the project and programme level, COFIDE has provided evidence of gender-responsive programming through its Rural Inclusion Program for Entrepreneurship Development and other initiatives targeting women's economic empowerment. The programme shows measurable gender outcomes: 60 per cent of the 7,704 members are women and 56 per cent of leadership positions within member groups are held by women. Evaluations and reports linked to these programmes show sex-disaggregated participation, consultations with women beneficiaries and measurable outcomes related to financial inclusion and resilience. These examples demonstrate the application of gender principles in programming and provide tangible proof of commitment by COFIDE to advancing gender equality within its portfolio. However, COFIDE has not yet established a systematic approach to project-level gender analysis, including the preparation of stand-alone gender assessments or formal gender action plans for individual operations.

67. Implementation of the COFIDE Gender Equity Policy is reinforced through internal mechanisms, including mandatory training on gender equality and standards of conduct, the Ethics Line, with independent reporting channels, and a dedicated committee responsible for the prevention of and response to sexual harassment. Looking ahead, the applicant has indicated that its Gender Committee plans to participate in the Aequales PAR Ranking in 2026, an external benchmarking initiative assessing organizational gender equality practices, with the aim of identifying gaps and informing targeted actions to reduce disparities. In parallel, awareness-raising workshops are planned for both the Sexual Harassment Prevention Committee and COFIDE staff, in coordination with the ELSA initiative, further strengthening prevention and institutional capacity.

68. The AP finds that the applicant's gender policy, procedures, capacities and competencies, supported by evidence of its track record, partially meet the GCF updated Gender Policy and Gender Action Plan 2020–2023 to the extent applicable to accreditation. The relevant gap is identified in paragraph 66 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

## **IV. Conclusions and recommendation**

### **4.1 Conclusions**

69. Following the assessment of the applicant, the applicant is found to have the potential to support GCF in implementing the updated Strategic Plan for the GCF for 2024–2027 with respect to:

- (a) Bringing complementarity to existing GCF national/regional direct access accredited entities for the country/region by providing the capabilities of a national development bank focused on large-scale sustainable infrastructure, productive investments and financial intermediation to MSMEs;

- (b) The indicative projects/programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 71 below;
- (c) Alignment of the indicative pipeline with country programming priorities;
- (d) Potential contribution to the adaptation and mitigation balance in the GCF portfolio since the applicant focuses on cross-cutting activities and supporting diversity in GCF results areas such as energy generation, transport and water security;
- (e) Mobilizing climate finance at scale since the applicant is being recommended for accreditation in the medium-size category;
- (f) Enhancing private sector participation by creating enabling environments/de-risking climate investments through the use of financial instruments such as loans channelled through local financial intermediaries; and
- (g) Addressing the interests of particularly vulnerable groups through financial inclusion programmes targeting MSMEs, women entrepreneurs and rural communities.

70. Following its assessment, the AP concludes the following in relation to the application with respect to the applicant's ability to meet the GCF accreditation standards identified in paragraph 12 above:

- (a) The applicant meets partially the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy and the specialized fiduciary standard for on-lending and/or blending for loans. The gaps relate to the lack of publicly available terms of reference for the investigative function on the applicant's website and the absence of a formal policy governing the disclosure of information on project beneficiaries and results, including evidence of such information being publicly disclosed. The gaps are identified in paragraphs 30 and 41 above, and are addressed by the corresponding conditions for accreditation in section 4.2 below;
- (b) The applicant partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and the Comprehensive Information Disclosure Policy of the Fund on disclosure of E&S information in relation to the medium E&S risk (I-2). The gaps relate to the limited ESS specialization of the staff and limited accessibility of the grievance redress mechanism. The gaps are identified in paragraphs 55 and 60 above and are addressed by the corresponding conditions for accreditation in section 4.2 below;
- (c) The applicant has demonstrated that it has the policies, procedures and competencies to implement its gender policy, which is found to be consistent with the GCF updated Gender Policy and Gender Action Plan 2020–2023 to the extent applicable to accreditation, and has demonstrated that it has limited experience in gender consideration in the context of climate change. The gap relates to the limited experience and capacity to develop gender action plans. The gap is identified in paragraph 66 above and is addressed by the corresponding condition for accreditation in section 4.2 below; and
- (d) The applicant has demonstrated that it has institutional-level systems, capacities and competencies regarding evaluation as required by the aforementioned GCF basic and specialized fiduciary standards and interim ESS standards that would enable it to implement the Evaluation Policy for the GCF for its GCF-funded activities.

## 4.2 Recommendation on accreditation

71. The AP recommends, for consideration by the Board, APL174 for accreditation as follows:

(a) **Accreditation type:**

(i) **Maximum size of an individual project or programme:** medium;

(ii) **Fiduciary functions:**

(1) Basic fiduciary standards; and

(2) Specialized fiduciary standard for on-lending and/or blending (for loans); and

(iii) **Maximum E&S risk category:** medium risk (I-2);<sup>16</sup> and

(b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:

(i) Conditions to be met by the applicant prior to the issuance by GCF of a certificate/confirmation of accreditation under the transitional arrangements adopted in decision B.42/13, paragraph (m) (in connection with the revised accreditation framework adopted in decision B.42/13, paragraph (a)):

(1) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, demonstrating the public disclosure of the terms of reference of its investigation function; and

(2) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of the adoption of a revised information disclosure policy that includes the requirement for the publication of project-level information on beneficiaries and project results; and

(ii) Conditions to be met by the applicant prior to the submission of the first funding proposal to the Board:

(1) Delivery to GCF by the applicant, in a form and substance satisfactory to the AP, of a report on the implementation of the grievance redress mechanism, which shall include a confirmation of the training of relevant staff and the operationalization of the public registry of complaints;

(2) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of the appointment of dedicated staff with explicit E&S responsibilities, including at least one qualified professional, responsible for coordinating ESMS implementation across the institution; and

(3) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, that it has conducted or facilitated training for all

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<sup>16</sup> As per the revised Environmental and Social Policy adopted in decision B.BM-2021/18, intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented".

relevant staff on the development and implementation of project-level gender assessments and gender action plans.

72. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 71 above, and agrees to the recommendation.

### 4.3 Remarks

73. The applicant may wish to consider expanding its definition of malpractices to fully align with the taxonomy of prohibited practices in the GCF Policy on Prohibited Practices.

74. The applicant may consider building its experience in implementing higher-risk projects and programmes and may consider applying for an upgrade in its accreditation scope for the high E&S risk I-1 in the future.

75. The applicant is encouraged to enhance the documentation of its verification of intermediary performance, which would further strengthen its supervision practices.

76. The applicant is encouraged to strengthen documentation and supervision of project-level grievance redress mechanisms.

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