

**GREEN
CLIMATE
FUND**

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Consideration of accreditation proposals and activities – Addendum IV

Accreditation assessment of APL176

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 176 (APL176), PT Indonesia Infrastructure Finance (PT IIF), based in Indonesia.

I. Introduction

1. PT Indonesia Infrastructure Finance (PT IIF) is a private sector national direct access entity based in Indonesia. The applicant, which has a vision to become a leading catalyst for infrastructure financing, focuses on mobilizing finance and providing advisory services for commercially viable and sustainable infrastructure projects in Indonesia. With a mission to work with financial institutions and other investors to channel into the long-term development of Indonesia's infrastructure, it intends to accelerate and improve private sector participation in infrastructure development and financing in the country. The applicant provides various financial instruments to structure infrastructure projects in line with the needs of investors and has rich experience in transport, water and waste infrastructure, irrigation, telecommunications and electricity infrastructure.

2. The applicant submitted its application for accreditation to GCF via the online accreditation system on 31 May 2017. Accreditation fees were received from the applicant on 15 November 2017, thereby launching the Stage I institutional assessment. Stage I was completed on 23 January 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:¹

- (a) **Access modality:** direct access, national. The applicant received a national designated authority or focal point nomination for its accreditation application from Indonesia;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or programme:** medium;²
- (d) **Fiduciary functions:**³
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management;
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;
 - (iv) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees);
- (e) **Maximum environmental and social risk category:** high risk (category A/intermediation 1 (I-1));⁴ and
- (e) Indicative result areas for intended projects/programmes with GCF:
 - (i) Energy generation and access;
 - (ii) Transport;

¹ Refer to section 4.2 for the scope of accreditation recommended by the Accreditation Panel.

² 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".

³ Decision B.07/02.

⁴ As per the revised Environmental and Social Policy adopted in decision B.BM-2021/18, category A is defined as "Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented," and 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".

- (iii) Buildings, cities, industries and appliances;
- (iv) Forests and land use;
- (v) Health, food and water security;
- (vi) Infrastructure and built environment; and
- (vii) Ecosystems and ecosystem services; as well as
- (viii) Public, private and cross-cutting types of projects/programmes.

II. Stage I institutional assessment

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 GCF 2024–2027 (decision B.36/13);
- (a) Updates to the accreditation framework (decision B.31/06); and
- (b) Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach (decision B.08/02).

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. The applicant was established as a limited liability company under the name PT Indonesia Infrastructure Finance pursuant to a Deed of Establishment No. 34 dated January 15th, 2010 which was approved and ratified by the Minister of Laws and Human Rights of the Republic of Indonesia by Decree No. AHU-21503.AH.01.01.Tahun 2010 dated 28 April 2010. The applicant is registered as a limited liability company with Business Identification Number 2910250100015, is licensed as an infrastructure financing company by the Minister of Finance pursuant to Decree of the Minister of Finance No. KEP-439/KM.10/2010 dated 6 August 2010, and is regulated as such by the Financial Services Authority of the Republic of Indonesia.

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. The applicant is headquartered in Jakarta, Indonesia, and had 138 staff members (including Executive Committee) as of 30 April 2026. The applicant partners with both public and private sector companies to provide various financial services, such as loans, equity and guarantees. The applicant also provides policy advisory services to ministries and local governments in formulating infrastructure-related policies and building government capacities for accelerating and improving infrastructure delivery. The applicant further provides financial and transaction advisory services to clients and private sector entities for both public-private partnership projects and other projects in terms of project due diligence, project preparation

and structuring, feasibility analysis, concession bid preparation, concession negotiation, loans and equity fundraising.

7. The applicant is committed to contributing to the achievement of Indonesia's Second Nationally Determined Contribution, including its unconditional target of 31.89 per cent and conditional target of 43.20 per cent by promoting a paradigm shift towards low-emission, climate-resistant and climate-resilient infrastructure. Reducing GHG emissions is one of the applicant's guiding principles and is integrated into all of its projects and those of its clients. The applicant aims to continue to actively seek opportunities to increase investment in low-carbon development in Indonesia.

8. In order to advance the objectives of GCF, the applicant intends to use GCF resources for the development of both mitigation and adaptation activities, such as renewable and energy-efficient technologies (e.g. waste to energy, solar panel, green transport/building sector). The applicant also aims to leverage GCF financing to deliver renewable energy and enabling technologies that provide sustainable and affordable power for productive use. The applicant also intends to use GCF resources to support national policies and regulations for an enabling investment environment. Furthermore, the applicant plans to share best practices in the development and implementation of sustainable projects and assist capacity-building of its partners in applying E&S standards to projects.

9. The Indonesian national designated authority supports the applicant's intention to work in the sectors indicated above, in particular: energy and transport (renewable energy, low-carbon emissions for public transport, energy efficiency), waste (waste-to-energy, waste management), economic resilience (renewable energy in remote areas) and social and livelihood resilience (climate-resilient infrastructure). PT IIF is reflected in Indonesia's country programme published in November 2023, which mentioned PT IIF as one of the prospective direct access entities that can mobilize private sector financing. Moreover, PT IIF's targeted sectors for project development aligned with Indonesia's Second Nationally Determined Contribution⁵.

2.3 Track record

10. The applicant has experience in financing and managing climate-friendly infrastructure projects, applying high standards in credit management, risk management, and social and environmental risk management. With its experience with various financing instruments, including loans, equity and guarantees, combined with its institutional capacity to undertake projects with high E&S risks, the applicant has mobilized significant resources from various private sector companies and multilateral development banks. The applicant has also issued a five-year senior unsecured sustainability bond to attract the private sector to participate in green financing.

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

- (a) USD 50 million (guarantees) out of a total projects cost of USD 150 million for a 75 megawatt wind farm project at South Sulawesi;
- (b) USD 46 million (investment in bonds) out of a total projects cost of USD 611 million for a refinancing of a 227 megawatt geothermal power plant project at West Java;

⁵ Second Nationally Determined Contribution Republic of Indonesia 2025. Available at: https://unfccc.int/sites/default/files/2025-10/Indonesia_Second%20NDC_2025.10.24.pdf

- (c) USD 31 million (loans) out of a total project cost of USD 1.67 billion for expansion of the airports at Semarang, Banjarmasin, Makassar and Surabaya and the new development of an airport at Jogjakarta;
- (d) USD 27 million (equity) for 10 per cent ownership in a publicly listed company in Indonesia;
- (e) USD 16 million (loans) out of a total project cost of USD 89 million for the development of an intercity drinking water supply at Kampar Regency and Pekanbaru City;
- (f) USD 16 million (loans) out of the total projects cost of USD 57 million for the international terminal at Gorontalo;
- (g) USD 15.6 million (loans) out of a total project cost of USD 31 million for a 5 megawatt mini-hydro power plant project at Sangir Solok; and
- (h) USD 2.5 million (loans) out of a total project cost of USD 3.5 million for a solar power plant development project at North Gorontalo.

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 requirements in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (a) GCF policies and standards identified in paragraph 3 above;
- (b) Policy on Prohibited Practices (decision B.22/19);
- (c) Anti-Money-Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy) (decision B.18/10);
- (d) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);
- (e) Comprehensive Information Disclosure Policy of the Fund (decision B.12/35) regarding the disclosure of E&S information;
- (f) Updated Gender Policy and Gender Action Plan 2020–2023 (decision B.24/12);
- (g) Revised Environmental and Social Policy (decision B.BM-2021/18); and
- (h) Evaluation Policy (decision B.BM 2021/07).

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. PT IIF operates under a formal governance and framework established in accordance with Indonesian company law and financial sector regulations. Thus, PT IIF follows two tier boards system in which the ultimate fiduciary oversight is exercised by the PT IIF Board of Commissioners, supported by dedicated committees, including the Audit Committee. Related Governance roles, decision-making authority and escalation mechanisms are defined through article of association and approved charters.

15. The Board of Directors (BoD) of PT IIF is responsible for day-to-day operations under article of association and an approved delegation of authority framework that defines approval

thresholds for operational, financial, procurement and contractual decisions and ensures separation between oversight, decision-making and execution functions. Organizational responsibilities are defined through article of association, job descriptions and internal procedures covering finance, risk management, compliance, procurement and project operations, which were shared with the AP. Internal reporting mechanisms provide the BoD with regular information on operational performance, compliance matters and follow-up on audit findings. Evidence provided through Audit Committee materials and responses to AP queries demonstrate active engagement by governance bodies in reviewing administrative performance and internal control matters.

16. The applicant maintains a financial management and accounting framework supporting accurate financial recording, effective control and timely reporting. Financial policies and procedures govern budgeting, accounting, cash management and financial reporting across the institution. Accounting is conducted on an accrual basis in accordance with applicable Indonesian Financial Accounting Standards, which are substantially converged with International Financial Reporting Standards (IFRS) Accounting Standards. Financial operations are supported by an integrated information system that records transactions, enforces approval workflows and supports segregation of duties, with embedded budget controls enabling monitoring of expenditure against approved budgets and management review of financial performance, liquidity and capital adequacy through periodic reporting to management (BoD), commissioners, shareholders, and regulator. The applicant has demonstrated a sustained track record in managing large-scale financial resources from multilateral and bilateral development partners, with documentation evidencing compliance with financial covenants, reporting obligations and disbursement conditions.

17. The annual financial statements of PT IIF published on its website⁶ are independently audited by a recognized international audit firm in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants, which are aligned with International Standards on Auditing, with the most recent audit (2025) accompanied by an unqualified opinion. The external auditor has also confirmed that no material weaknesses or significant deficiencies in internal control over financial reporting were identified. Audit results and significant accounting matters are reviewed by the Audit Committee, which meets regularly with management and the external auditor.

18. The applicant's Audit Committee, operating under approved terms of reference, support the BoD's oversight of financial reporting, internal controls, risk management and audit arrangements. Documentation provided confirms that the committee meets regularly and reviews matters such as internal and external audit plans, audit findings, management responses and follow-up actions. Evidence from Audit Committee summaries demonstrate active engagement with both management and auditors, including discussion of significant accounting judgments, internal control matters and the status of remediation actions. The internal audit function of PT IIF operates under a charter approved by the BoD and standard operating procedures and applies a risk-based audit approach, with audit planning informed by institutional risk assessments and reviewed and approved by the Audit Committee. The function is headed by a formally appointed Head of Internal Audit subject to regulatory fit-and-proper requirements and who reports functionally to the Audit Committee. Internal audit reports are submitted directly to the committee, preserving functional independence from management, and management responses and corrective actions are documented and monitored through structured follow-up mechanisms overseen by the committee. The documentation provided indicates that audit findings are tracked to resolution and form part of the committee's regular oversight agenda. Under the quality assurance and improvement programme outlined in the standard operating procedures, internal audit activities are conducted in accordance with the Institute of Internal Auditors International Professional

⁶ See <https://iif.co.id/en/reports/financial-statements>.

Practices Framework, including the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. Periodic internal self-assessments are undertaken, and evidence of the 2023 exercise has been provided. In addition, an external quality assessment conducted in 2024 (and planned at least every five years) confirmed that the internal audit function generally conforms with the International Professional Practices Framework, including the code of ethics and standards.

19. External audits are reviewed and approved by the applicant's Audit Committee, which meets with the external auditor on a regular basis, including sessions without management present. In addition to the audit of the annual financial statements, the applicant commissioned an independent firm to undertake a reasonable assurance engagement in relation to its annual performance evaluation reporting, including key financial, portfolio and operational performance indicators. The assurance engagement was conducted under recognized assurance standards⁷ and provides an independent assessment of the reliability of performance information used by management and the Audit Committee for oversight and decision-making.

20. PT IIF has established an institutional control framework structured around recognized internal control principles and consistent with the Committee of Sponsoring Organizations of the Treadway Commission framework.⁸

21. Financial and operational controls are documented through formal policies and manuals, including the Financial Management Manual, accounting policies, a delegation of authority framework, procurement procedures and risk management policies. These instruments define approval thresholds, segregation of duties, reconciliation requirements and documentation standards, and are supported by system-based controls embedded within the applicant's financial and operational information systems. Independent checks are implemented through layered approval workflows, periodic reconciliations and management review controls.

22. Control effectiveness is subject to multiple assurance mechanisms. These include internal audit reviews, external financial statement audits and independent reasonable assurance over performance evaluation reporting, and the independent practitioner's reasonable assurance report on annual performance evaluation reporting, as described in paragraph 19 above.

23. PT IIF enterprise risk management⁹ under the Chief Risk Officer ensures that credit, market, operational, strategic, liquidity, legal and compliance, reputational, and social & environmental risks are identified, measured, monitored and controlled. Risk registers are maintained and periodically updated, with risk exposures and mitigation measures reported to senior management and the BoD, and monitoring processes are reflected in internal and BoD-level reporting shared with the AP. Risk management is also evident at the project level through structured due diligence and approval and monitoring processes for financing operations and advisory activities.

24. The applicant has established an institutional procurement framework governed by a formal procurement policy and supporting procedures applicable to goods, works and services procured at the institutional level. The framework defines procurement methods, approval thresholds, evaluation processes, documentation requirements, and roles and responsibilities and is aligned with the delegation of authority framework to ensure segregation between

⁷ Indonesian SPA 3000 (revised 2022) (equivalent to ISAE 3000, issued by the International Auditing and Assurance Standards Board), is designed for assurance engagements that do not involve audits or reviews of historical financial information. This standard is applicable to a wide range of assurance services, including evaluations of internal controls, sustainability reports and compliance with laws and regulations.

⁸ The Committee of Sponsoring Organizations of the Treadway Commission develops guidelines for businesses to evaluate internal controls, risk management and fraud deterrence.

⁹ See <https://iif.co.id/en/social-and-environment/risk-management>.

procurement initiation, evaluation and approval. However, with respect to disclosure of competitive procurement processes, including publication of policies, tenders and awards, the applicant's experience to date has been for quotations, limited tenders, and direct contracting with pre-qualified vendors selected through a documented internal evaluation and selection process. PT IIF has indicated its willingness and capacity to adopt procurement policies and procedures for GCF-funded activities, including downstream through executing entities and beneficiaries, that include the publication of competitive procurement opportunities and awards above an institutional threshold.

25. Procurement activities are subject to internal oversight and assurance, including review through internal and external audit procedures, and the applicant has established mechanisms for addressing procurement-related complaints and disputes, with evidence indicating that grievances are recorded, reviewed and resolved in accordance with defined processes.

26. 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 key administrative and financial capacities. The relevant gap is identified in paragraph 24 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

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

27. The applicant has adopted a formal Code of Conduct (CoC), available on its website, applicable to members of the BoD, management, staff and all parties acting on the organization's behalf. The CoC establishes principles of integrity, impartiality, confidentiality and accountability and sets expectations regarding compliance with applicable laws, internal policies and professional standards. Conflict of interest provisions form an integral part of the CoC and require the disclosure of actual, potential or perceived conflicts that could influence decision-making. The applicant has established procedures requiring periodic and ad hoc conflict of interest and ethics disclosures by BoD members, senior management and staff in relevant roles. Evidence includes completed conflict of interest and ethics declarations, examples of which were shared with the AP. Declared conflicts are subject to review and management, including recusal from decision-making where appropriate. Oversight of ethical conduct and conflict of interest matters exercised at the level of the BoD, by the Audit Committee was evident in the documents shared with the AP.

28. Awareness of ethical standards is supported through induction processes and internal communication. Breaches of the CoC are addressed through disciplinary procedures in accordance with human resources policies, reinforcing accountability and consistency in the application of ethical standards.

29. The applicant maintains a formal policy framework addressing corrupt, collusive, coercive and fraudulent practices, set out in its Policy Implementation Procedure for Fraud Prevention and Anti-Corruption (2020), supporting guidelines and standard operating procedures. These instruments define prohibited practices broadly in line with the GCF Policy on Prohibited Practices and establish responsibilities for prevention, detection, investigation and sanctions. Preventive measures include segregation of duties, internal controls, due diligence on counterparties and audit coverage of higher-risk processes. Tone from the top is set through governance and senior management communications emphasizing integrity and zero tolerance for prohibited practices and is reflected in the CoC, anti-fraud and anti-corruption policies and corporate annual reporting.

30. The applicant has established formal whistle-blowing and complaints-handling mechanisms under the same policy framework, allowing staff and third parties to report suspected wrongdoing through multiple channels published on the applicant's website,¹⁰

¹⁰ See <https://iif.co.id/en/wbs>

including a physical address, a telephone line, a dedicated email account and standard reporting forms. Anonymous submissions are accepted subject to the provision of sufficient detail to enable follow-up. Whistle-blower protection provisions explicitly prohibit retaliation against individuals reporting in good faith and apply to both staff and external parties. These protections are communicated through internal guidance, induction processes, contractual documentation and public disclosures. The applicant has also published them for stakeholders, as well as a summary of its whistleblowing report handling mechanism including whistle-blower protection measures. PT IIF has also published summarised investigation procedures and terms of reference used for investigations.

31. Investigations into alleged misconduct are conducted under documented policies and procedures defining roles, responsibilities, independence safeguards and escalation pathways. Investigative responsibilities are divided between the Audit Committee, which oversees cases involving members of the BoD members, and the Internal Audit Division, which manages investigations relating to staff, with functional independence from operational management and the option to engage external experts where required. Procedures provide for confidential reporting, evidence gathering, due process and formal documentation of findings and recommendations.

32. Investigation outcomes, corrective actions and sanctions are subject to management review and governance oversight, and implementation of corrective measures is tracked and informs updates to internal controls and risk management. The applicant has confirmed through management representations and external audit communications that no material fraud cases affecting financial reporting were identified in recent audit periods. While the applicant's experience in handling complaints to date has been limited, the institutional arrangements in place provide a structured framework for intake, triage, investigation, escalation and governance oversight of future cases.

33. PT IIF operates within Indonesia's national anti-money-laundering, counter-terrorist financing or terrorism, and counter proliferation financing (AML/CFT/CPF) framework, which is governed by statutory requirements and supervisory oversight applicable to financial institutions. Indonesia is subject to periodic assessment under the Financial Action Task Force (FATF)¹¹ framework, and national AML/CFT/CPF obligations are implemented through sector-specific regulations and supervisory expectations. The applicant has adopted formal AML/CFT/CPF¹²/CPF policies and procedures that establish a risk-based approach to customer due diligence and transaction monitoring. These policies define risk categorization methodologies, customer acceptance standards, enhanced due diligence requirements for higher-risk counterparties and procedures for identifying and reporting suspicious transactions. Responsibility for AML/CFT/CPF implementation and oversight is assigned to designated compliance functions, operating independently from business origination units, with escalation to senior management and regulatory bodies where required.

34. AML/CFT/CPF controls are applied at both onboarding and transactional stages. Customer and counterparty due diligence is conducted prior to engagement and includes verification of legal status, ownership and control structures, and beneficial ownership information. Screening processes incorporate checks against applicable sanctions and watchlists, including international sanctions lists, and are supported by system-based tools and manual review processes appropriate to the applicant's risk profile and transaction volumes. The applicant's documentation and responses provided track-record evidence of AML/CFT/CPF controls being applied in practice, including examples of due diligence conducted at onboarding and screening undertaken in connection with financial transactions. Compliance with

¹¹ The Financial Action Task Force is the global money-laundering and terrorist financing watchdog. It sets international standards that aim to prevent these illegal activities and the harm they cause to society.

¹² Full policy name: Policy Implementation Procedure for the Implementation of Anti-Money Laundering, Countering Terrorist Financing and Counter Proliferation-Financing of Weapons of Mass Destruction Program.

AML/CFT/CPF requirements is subject to internal control mechanisms, internal audit review and external audit procedures where relevant, and AML/CFT/CPF matters form part of management and governance reporting.

35. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully 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.

3.1.3 Specialized fiduciary standard for project management

36. PT IIF relies on the Investments Standard Operating Procedure as the central document for project appraisal, a comprehensive guide with various flowcharts and templates. The first stage of the appraisal is the preparation of a project information document (PID) by the Business Development Department, which is part of the Investment Directorate. PID is approved by the BoD Investment Committee. This is followed by a Project Appraisal Memorandum (PAM) that consolidates due diligence findings across technical, legal, financial, and social and environmental areas, as well as mitigation such as covenants and conditions. PT IIF typically engages external consultants for technical and social and environmental due diligence. The Transaction Legal Department and the Credit Risk Department provide their input and an internal project risk rating is assigned. PAM is approved by the BoD Investment Committee members with the issuance of an approval sheet and minutes. PT IIF shared several examples of PID and PAM documents that confirm the applicant's capabilities to outline project objectives and comprehensively assess the technical, financial, economic and legal aspects of projects.

37. PT IIF has approximately 40 professionals (as of December 2025) within the Investment Directorate, organized into six key departments: the Business Development Department, Business Analysts Department, Transaction Legal Department, Syndication Department, Product Development Department and Business Services Department. Project teams are usually composed of a minimum of two business analysts and accompanying relationship managers from the Business Development Department.

38. PT IIF oversees project implementation and conducts periodic reviews in line with the Investment Standard Operating Procedure. Semi-annual reviews are carried out for greenfield/brownfield projects and annual reviews for operating assets and corporate loans. Project supervision is a shared responsibility: it is led by the Business Development Department, with contributions from the Business Analysts Department and the Business Services Department under the Investment Directorate. PT IIF may engage independent monitoring consultants, typically when specialized expertise is required to verify project implementation progress or technical performance. Examples of monitoring and implementation reports were shared with the AP.

39. Through financing agreements and contractual arrangements, the PT IIF procurement requirements are applied to its executing entities and borrowers. Compliance is assessed during project appraisal and monitored during implementation. Track-record documentation includes examples of reviews of procurement plans, tender documentation and award decisions undertaken by executing entities.

40. The PT IIF Risk Management Directorate conducts in-depth credit risk analysis, develops internal rating models and monitors the performance of investment transactions. It maintains independence while collaborating with the Investment Directorate throughout the transaction life cycle. Project-at-risk management is anchored on two main processes: the Early Warning System (EWS) and Special Assets Management (SAM). The EWS relies on the Internal Monitoring Report (IMR) and Early Alert Reporting (EAR) used to track projects with delayed

payments, operational setbacks or financial underperformance, with the objective of enabling early identification of potential credit risk deterioration and ensuring the timely formulation of remedial actions. In the event of a significant deterioration of credit quality, projects may be transferred to SAM. The procedures undertaken by SAM function are covered in the Investment Standard Operating Procedure and in more detail in the Policy Implementation Procedure for problem loan management.

41. PT IIF does not have project evaluation policy or a standalone monitoring and evaluation unit. The project supervision function within the Investment Directorate effectively operates as a monitoring and evaluation mechanism. Project evaluations conducted to date were carried out by the funders, with input from PT IIF. Project summaries are also published on the applicant's website.¹³ While the applicant is capable, based on its track record, of conducting evaluations, commissioning independent evaluations and disclosing information, it has no documented policy or procedures.

42. 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 project management. The relevant gap is identified in paragraph 41 above and is reflected in the corresponding condition for accreditation in section 4.2 below.

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

43. PT IIF is in the process of developing a grant award mechanism and does not yet have a track record of grant award. The AP noted that in July 2024, PT IIF signed a blended finance delivery mechanism grant agreement for USD 51 million with Millenium Challenge Account Indonesia II. The blended finance delivery mechanism represents an innovative financing approach targeting combining multiple funding sources. Key criteria for projects to be eligible for a grant component include a minimum economic rate of return of 10 per cent and the participation of PT IIF through co-investment of at least 1:1, while total leverage should be 3:1. Projects are to be assessed using project appraisal memorandums as the central appraisal document. As at late 2025, two out of seven pre-identified projects were in the process of preparation, while PT IIF was finalizing the Policy Implementation Procedure for blended finance activities. This project, as and when implemented, will build the applicant's track record of grant award.

44. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, do not meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms.

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

45. PT IIF operates based on a licence for infrastructure finance issued by the Minister of Finance of Indonesia, with no expiration date. PT IIF raises capital and channels it to national infrastructure projects, mainly in the form of debt (senior debt, subordinated debt, bridge finance, blended finance, take-out finance and refinancing). PT IIF is also experienced in providing credit enhancement (guarantees) and has participated in a few equity investment transactions. Furthermore, PT IIF extends services for swap markets and provides advisory services for infrastructure projects. Eighty-six per cent of investment commitments as at the end of 2024 were from the private sector. Electricity, telecoms and toll roads are the dominant sectors in the portfolio, split evenly between corporate loans and project finance.

¹³ See <https://iif.co.id/en/investment-and-financing/summary>.

46. PT IIF has demonstrated a significant track record of on-lending and blending funds from a diverse set of institutions, including multilateral development banks, Indonesian banks, and domestic and international bond markets. Since 2010, PT IIF has received USD 400 million equivalent in long-term subordinated loans from its largest shareholder, PT Sarana Multi Infrastruktur, channelling corresponding loans from the World Bank (USD 100 million and USD 200 million equivalent) and Asian Development Bank (ADB) (USD 100 million). The World Bank's Implementation Completion and Results Report¹⁴ dated June 2024 highlighted the overall outcome as "highly satisfactory", with all financing extended to 17 infrastructure projects in Indonesia. A senior loan from ADB (USD 100 million) was signed in 2020 with the Government of Indonesia on-lending the funds to PT IIF, amended to USD 50 million in 2023. As of September 2025, about half of PT IIF debt was from multilateral agencies. Other debt was from domestic banks and several bond issues, including a five-year USD 150 million sustainability bond placed on the Singapore Stock Exchange in 2021, with proceeds allocated to 10 projects. In 2023, PT IIF issued domestic green perpetual notes of IDR 335.2 billion (approximately USD 20 million), the first instrument of this kind listed on the Indonesia Stock Exchange. In relation to the issuance of the notes, PT IIF adopted its Green Financing Framework in 2023 in compliance with the regulation No. 18 2023 issued by the Financial Services Authority of the Republic of Indonesia on Sustainability-Linked Debt Securities and Sustainable Sukuk. Eligible projects financed by the issuance are reviewed and approved by PT IIF's Sustainability Council. The proceeds may be used for both new financing and refinancing of eligible projects, with 100 per cent of the proceeds fully allocated as of December 2025.

47. The PT IIF credit rating was affirmed at BBB by Fitch Ratings in January 2026, in line with Indonesia's sovereign rating. In March 2026, the outlook was revised from Stable to Negative, reflecting the corresponding change in the sovereign outlook. Fitch regards PT IIF as a government-related entity that is credit-linked to the sovereign, with no stand-alone rating assigned. The capital increase by PT Sarana Multi Infrastruktur increasing its stake from 30 per cent to 45 per cent in 2024 has strengthened the balance sheet of the entity. Gross non-performing loans were at 5.11 per cent in December 2025 and 4.71 per cent in December 2024, while the net non-performing loans were 3.75 per cent and 3.41 per cent, respectively, within the regulatory requirement of 5 per cent. Only one borrower was contributing to non-performing loans. PT IIF maintains several policies and procedures to manage credit risk. The Credit Risk Management Policy is the umbrella policy, providing the overarching principles and guidelines for credit risk management. The policy also outlines the roles and responsibilities of oversight bodies such as the Risk Management Committee and Risk Oversight Committee. In 2024, the applicant established the Impairment Committee comprised of the BoD members to enhance governance in monitoring and ensure the adequacy of provisions for impairment losses. More detailed provisions are set out in the derivative policies (the Policy Implementation Procedure). The Control Limit Framework consists of internal and regulatory limits to manage concentration risk, setting exposure limits for individual borrowers, groups of borrowers and sectors. The Problem Loan Management Framework provides guidance for recovering distressed loans through strategies such as rescheduling, restructuring, litigation, and debt-to-equity swaps. The Loan Loss Provisioning Policy adheres to regulatory and accounting standards and incorporates key components, such as probability of default, loss given default and exposure at default. Quarterly risk management reports prepared by the Risk Management Directorate demonstrate ongoing risk monitoring across the organization, with the risk scorecard revamped in 2024. The reports shared with the AP for the fourth quarter in 2023 and 2024 cover nine risks (credit, market, liquidity, operational, social and environmental, strategic, legal, compliance and reputational), with assessments of each risk on a scale from 1 to 5, supported by a narrative. The composite risk score is derived based on weight factors, with credit risk assigned the highest weight. PT IIF also provides self-assessments on the eight risk factors (excluding social & environmental risk) to the Financial

¹⁴ See <https://documents1.worldbank.org/curated/en/361681490865386287/pdf/>.

Services Authority. PT IIF has established Market & Liquidity Risk Management Policy operationalized through its Policy Implementation Procedure for Market & Liquidity Risk Measurement and Limit Framework.

48. The Treasury is responsible for managing liquidity, foreign exchange exposure, and interest rate risk, as well as executing treasury transactions, including fund placements and hedging activities. Its functions and activities are governed by the Treasury Standard Operating Procedure, the Hedging Standard Operating Procedure, and the Policy Implementation Procedure for Treasury, all shared with the AP. In managing liquidity, Treasury performs monthly cash-flow forecasting and conducts daily portfolio reviews, and provides regular updates on portfolio positions to the Asset Liability Committee (ALCO), which convenes at least once a month; the minutes of ALCO meetings have been shared with the AP.

49. The AP finds that the track record of the applicant is commensurate with the medium size category for its loans and guarantees. PT IIF has not yet managed projects with a total cost of USD 250 million and above on a consistent basis. As for equity investments, the AP finds that the track record is consistent with small size categories, evidenced by several equity investments undertaken by the applicant in that size range.

50. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, fully meet the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees.

3.2 Environmental and social safeguards

3.2.1 Environmental and social policy, management and monitoring

51. The applicant's current Social and Environmental Policy, integrated into its Social and Environmental Management System (SEMS), was approved in 2019 by the applicant's management and its shareholders. The key objectives of the Social and Environmental Policy are to ensure that project developers comply with all applicable national and local E&S requirements, particularly those governing land acquisition, compensation, involuntary resettlement, labour practices and the protection of the rights of Indigenous Peoples, as well as the requirements of PT IIF strategic investors. The policy also seeks to ensure that social safeguards, based on the principle of restoring and, where possible, improving the economic status of Project-Affected People and/or Affected Communities, are integrated, that E&S risks are mitigated through appropriate corrective actions and that transparency is maintained throughout the E&S risk assessment and mitigation process.

52. The Social and Environmental Policy and SEMS require compliance with the IFC Performance Standards, ADB Safeguards Policies, World Bank Safeguards policies and all applicable national laws. The applicant has adopted IFC Performance Standards 1–8 as the standards against which all projects are reviewed and evaluated, and ongoing compliance is monitored. These are outlined in the SEMS as the applicable Social and Environmental Principles (SEPs), including an overview of the objectives and key requirements of each SEP. The SEMS also clearly outlines that compliance of all financed projects is screened and monitored against the E&S-related requirements of national laws and regulations, and the applicant regularly ensures that projects are reviewed against any new regulations or requirements introduced and provides updates on these and how they have been addressed in its Annual Social and Environmental Performance Report.

53. The applicant prioritizes investments in sectors that contribute to achieving the Indonesian Net Zero target and sustainable infrastructure, with a key focus on renewable energy projects, including mini-hydro, hydro, wind, solar, geothermal and biomass, and has a current portfolio of 9 renewable energy projects (IDR 3.1 trillion, 16.47 per cent of IIF portfolio in 2025). The applicant has a 5 per cent portfolio exposure to downstream gas infrastructure

pipelines and supporting facilities, but aims to support lower-carbon projects, phase out carbon-intensive investments and increase renewable energy projects and climate-resilient infrastructure. The applicant has a Policy Implementation Procedure for Climate Risk Management Policy since March 2025, developed through a technical assistance programme supported by its shareholders and in close collaboration with the Climate Policy Initiative (CPI). Climate-related sector-specific guidelines are being developed. The applicant is already measuring scope 1 and 2 emissions, which were externally verified for the first time in 2024, and has completed a scope 3 financed emission measurement using the Partnership for Carbon Accounting Financials methodology for three of the seven asset classes in its portfolio. During the E&S due diligence and monitoring, the applicant focuses on assessing and monitoring GHG emission data and supports clients with tools and training to standardize reporting on emissions, in line with the SEMS provisions and the E&S standards currently being applied. GHG emission data are also utilized to promote energy efficiency measures.

54. While the applicant has no stand-alone policy regarding Indigenous Peoples, the SEMS provides that all projects/borrowers be assessed against risks related to Indigenous Peoples and impacts in line with IFC Performance Standard 7, as well as the Indigenous Peoples requirements of ADB and the World Bank. In addition, the applicant has developed a tailored screening tool to identify risks related to Indigenous Peoples and impacts, requiring free, prior and informed consent (FPIC) and that Indigenous Peoples Plans (IPPs) to be prepared. The applicant has three Social Specialists (of its total E&S team of 13 staff as of May 2026) who have the required background and experience to assesses and support the management of risks related to Indigenous Peoples, and as needed PT IIF also utilizes specialized consultants to support its work. Over the past 15 years the applicant has undertaken 11 projects, including three category A projects, that triggered its Indigenous Peoples standard and for which the applicant reviewed and assessed issues related to Indigenous Peoples. Prior E&S due diligence (ESDD) review and supervision of category A projects are undertaken by several of the applicant's shareholders, including assessments of reviews related to Indigenous Peoples undertaken by the PT IIF E&S team. The AP finds that PT IIF has the systems and capacity to meet Performance Standard 7 on Indigenous Peoples as per the GCF Environmental and Social Safeguards (ESS) standards.

55. The applicant's CoC, Gender Policy and Gender Manual, Policy on Implementation Procedures for Ethical Conduct and SEMS include key principles regarding sexual exploitation, abuse and harassment (SEAH), applicable both internally and externally. The CoC prohibits any form of discrimination and harassment, including sexual harassment, and affirms the applicant's commitment to provide a work environment free from inappropriate behaviour and harassment. The Implementation Procedures for Ethical Conduct details the process for reporting, investigating and addressing harassment and other inappropriate behaviour. For financed projects, the applicant's SEMS and Gender Manual include SEAH provisions, including survivor-centred approaches to be applied. No cases related to sexual harassment have been reported in the past three years. The AP concludes that the applicant has the systems and capacity to meet the SEAH principles outlined in the GCF revised Environmental and Social Policy.

56. The applicant's current SEMS is adequate for managing projects of all E&S risk categories, including the category A projects that PT IIF applied for. A revised version is currently being developed to further enhance and integrate climate-related risk management aspects and gender issues, while also enhancing alignment with the standards of PT IIF shareholders, such as the ADB safeguards policy. The SEMS covers E&S appraisal and management of new projects/clients as well as ongoing monitoring. It outlines the key steps to be followed during pre-approval, appraisal, approval and post-approval supervision, and monitoring, integrated into business processes.

57. During pre-approval, the applicant gathers all available E&S-related information and documents, verifies that the proposed activity is not an excluded activity and conducts a

preliminary screening against the national laws and SEPs, as well as a reputational risk screening, assigns an initial categorization and determines the respective assessments that need to be undertaken, and a preliminary social and environmental impact assessment is prepared. During appraisal, borrowers must prepare all relevant E&S documents (E&S Impact Assessment, E&S Management System, Indigenous Peoples Plan, Resettlement Action Plan, etc.) and obtain all permits, and either the applicant or borrower will appoint an independent consultant to undertake the E&S due diligence, including conducting site visits. The capacity of the borrower to manage E&S risks and impacts is assessed in line with the Performance Standard 1 requirements. If Indigenous Peoples are involved, the E&S due diligence prepared includes an assessment of whether an Indigenous Peoples Plan is required, and if land acquisition is involved whether a Resettlement Action Plan is needed. The social and environmental due diligence report, including Corrective Action Plan must be approved by the Social and Environmental Manager and Investment Committee. Legal agreements include the required E&S covenants, and the relevant E&S documents are disclosed on the website of the project/borrowers or PT IIF and in public places accessible and understandable to affected groups, local civil society organizations and other stakeholders.

58. The applicant's SEMS includes all the required tools to implement the key provisions regarding E&S due diligence and monitoring. This includes categorization guidance, a screening checklist, detailed requirements for each of the SEPs aligned with the IFC Performance Standards 1–8, the terms of reference for the key E&S staff and guidance on E&S documentation requirements for the various types of financing provided. The applicant has also developed additional tools including Sustainable Development Goals tagging tool, a land registration/acquisition and stakeholder engagement tools.

59. As part of portfolio supervision and monitoring, the applicant's E&S team regularly reviews portfolio company compliance, including the implementation of Environmental Management Plans, Corrective Action Plans and other mitigation measures. The team also examines publicly available information on incidents and accidents and other reputational risks and undertakes regular supervision visits. The applicant has a Management information System in place to track and monitor all E&S-related information and documents of its portfolio companies. The monitoring database/logbook has recently been further enhanced through digitalization of an online system to ensure that a risk-based approach is implemented, with a focus on higher-risk issues such as land acquisition, indigenous peoples, and biodiversity risks. Regular reporting is provided by the applicant to its shareholders, and an exit report is prepared after project completion. Project evaluation is effectively integrated into the bank's E&S monitoring and includes an assessment of the contribution of projects to the Sustainable Development Goals.

60. Day-to-day implementation and conformance with the SEMS is ensured by the Head of the Social and Environmental Division, who reports to the Chief Risk Officer. The SEMS has provisions that require regular review and updating, which is to be led by the Social and Environmental Manager. Compliance with the SEMS is reviewed regularly by the Internal Audit Department of the applicant, as well as key shareholders, which undertake regular supervision of the applicant and its subprojects and to which the applicant reports to. Findings from recent supervision (2025) from its shareholders all rated SEMS implementation as robust and provided further recommendations for enhancement. External audits have also been undertaken both at the institutional (2018) and project level (2019), and with a new external audit currently under way, based on terms of reference approved by both the World Bank and IFC.

61. Examples of E&S due diligence, including for category A projects, project-level E&S documentation and monitoring, and internal audit findings, as well as a full list of all current portfolio projects with their respective categorization and key E&S risks identified, were shared with the AP. These demonstrate the applicant's track record and adequate capacity to manage E&S projects of all categories, including high-risk projects. As a fund investing in high-risk

projects, the applicant is also subject to oversight by some of its key shareholders (e.g. IFC, World Bank, ADB) through prior review of E&S due diligence. The applicant's E&S due diligence for all category A and selected category B projects is subject to prior review by, for example, IFC and the World Bank, which provide feedback and recommendations on the E&S due diligence and Environmental and Social Action Plans (ESAP) prior to the applicant making a financing decision. This ensures that the E&S due diligence is appropriately undertaken, key risks and impacts are adequately identified, and the proposed mitigation measures are robust.

62. The applicant has an adequate E&S-related organizational structure and staffing, which is described in its SEMS. The applicant's Social and Environmental Division is responsible for day-to-day management and implementation of all social- and environmental-related tasks, reporting to the Chief Risk Officer, who is accountable to the Risk Management Committee of the Board of Directors. The social and environmental team is headed by a Social and Environmental Manager, and a team of 13 full-time social and environmental specialists as at May 2026. The applicant also utilizes specialist consultants for high-risk projects. The roles and responsibilities of all E&S staff and independent consultants, the Board of Directors, Board of Commissioners and Risk Management Committee, and of the various teams within the fund for appraising and monitoring clients/projects, are clearly outlined in the SEMS, which also includes the terms of reference of key E&S staff.

63. The AP finds that the staff capacity and experience of the applicant's social and environmental team is appropriate for managing high-risk projects. The applicant's team has expertise in all key E&S management issues and E&S risks and impacts as per the IFC Performance Standards, as well as national laws and regulations and other organizations' safeguards policies (e.g. World Bank, ADB). The team has a diverse background and qualifications, including on issues such as land acquisition, Indigenous Peoples, biodiversity, climate change, and health and safety. Regular training is provided to the team, including on new E&S safeguards-related topics, climate and carbon management, gender and inclusion. Staffing capacity and quality of the appraisal and supervision by the applicant is also closely monitored by other development finance institutions on an ongoing basis. In addition, the applicant has started to provide Environmental, Social and Governance (ESG) Advisory Services, including on undertaking E&S due diligence and specialized studies, E&S management systems, ESG frameworks and road maps, capacity-building, decarbonization strategies and ESG bond frameworks, which highlights the team's expertise.

64. The AP finds that the applicant's SEMS, including its Social and Environmental Policy supported by evidence of its track record, fully meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category A/I-1 projects/programmes with respect to Performance Standards 1-8.

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

65. PT IIF has a mechanism through which it receives external communications, including E&S-related inquiries, through its website,¹⁵ a dedicated email account, a telephone line and other channels. The practices and key principles followed regarding public consultation and stakeholder engagement are integrated into the applicant's SEMS procedures and aligned with the IFC Performance Standards and GCF requirements. Stakeholder engagement includes stakeholder analysis and planning, information disclosure and consultations, and the provision of grievance redress mechanisms (GRMs). Where applicable, Stakeholder Engagement Plans are required, which include specific measures to address the needs of vulnerable and disadvantaged groups. The applicant also ensures local information disclosure at the project

¹⁵ See <https://iif.co.id/en/social-and-environment/principles>.

planning stage and throughout implementation, consultations following the free, prior and informed consent principles and that a gender-sensitive approach is applied.

66. The applicant implemented a GRM in 2017, which was further enhanced in 2019. Feedback and grievances can be submitted anonymously by internal and external stakeholders, including employees, project representatives, vendors, affected people and communities, and other stakeholders. The process to be followed in responding to and resolving grievances is outlined in the applicant's Complaint Handling Operating Procedures. The procedures outline the key steps from complaint submission, verification, investigation, escalation and reporting following the national regulations on complaints handling. These require that verbal complaints be resolved within five business days and written feedback within twenty business days (both extendable). A unit has been established to handle all feedback and grievances received. The applicant shared with the AP its register of complaints, which included one grievance received and addressed related to E&S issues from project stakeholders. However, although the applicant's website notes that stakeholders can provide feedback, it does not specifically indicate how E&S-related grievances and complaints can be submitted, nor does it outline the key steps and timelines to be followed by the applicant to address them.

67. Borrowers are required to establish project-level GRMs that, in line with the applicant's own GRM principles, should be understandable, transparent, culturally appropriate and readily accessible to project-affected people, while allowing access to judicial and administrative remedies. Project-level GRMs are assessed as part of the E&S due diligence undertaken and projects are required to establish them if none are in place as part of the project's Corrective Action Plan. E&S due diligence examples and Corrective Action Plans provided for AP review demonstrate implementation of the GRM requirement at the project level. The applicant also actively supports clients and projects with the development of tools that foster communication between projects and individuals, groups or communities, and reviews project-level logs of these as part of its portfolio monitoring and supervision.

68. Information is disclosed through a wide range of channels, including the applicant's website, with E&S-related disclosure guided by its SEMS provisions. It includes publication of the applicant's SEMS, as well as project-related social and environmental documents (e.g. E&S Impact Assessment, Environmental and Social Action Plan, Indigenous Peoples Plan, Resettlement Action Plan) on its website¹⁶ or its clients' websites, subject to their approval. The applicant's disclosure is aligned with the requirements of the Comprehensive Information Disclosure Policy regarding the disclosure of E&S information requirements.

69. The AP finds that the applicant's system of external communications, consultations, information disclosure and GRM, 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 the requirements of the Comprehensive Information Disclosure Policy of the Fund regarding the disclosure of E&S information for maximum E&S risk category A/I-1 projects/programmes with respect to Performance Standards 1–8. The relevant gap is identified in paragraph 66 above and is reflected by the corresponding condition for accreditation in section 4.2 below.

3.3 Gender

70. The applicant's Gender Policy (2017) outlines its commitment to foster gender equity and equality at the institutional level, complemented by the provisions of its Code of Conduct and SEMS. The focus of the Gender Policy is to ensure gender sensitivity and equality related to participation, income and benefits, access to training opportunities and non-discrimination (on gender, ethnicity, race, religion, social status, political affiliation and other vulnerabilities), and

¹⁶ See <https://iif.co.id/en/investment-and-financing/summary>.

which aligns with the principles of the GCF updated Gender Policy and Gender Action Plan 2020–2023. Non-discrimination regarding equal rights, treatment and compensation for men and women is a key element of the applicant’s Gender Policy. At the institutional level, 49.32 per cent of the applicant’s 148 employees are female and no incidents of discrimination were reported in 2025.

71. The Code of Conduct also includes provisions on SEAH-related aspects internally. Through the SEMS the applicant ensures that project-level E&S risk assessments take gender-specific issues into account and that gender-related risks, impacts and protections are assessed and adequately managed in line with Performance Standard 2 on labour and working conditions. The applicant also promotes women’s participation in decision-making, gender-sensitive consultations and gender-responsive information disclosure at the project level. In addition, since 2024 the applicant has assessed and required clients to establish gender policies and implement adequate measures to prevent gender-based violence and harassment.

72. The applicant has expressed its interest and willingness to mainstream gender considerations and extend the scope of application of its Gender Policy to financed projects through applying its newly developed gender procedures to GCF-funded activities. The applicant has developed, with the support of Millenium Challenge Corporation (“MCC”), detailed procedures (its Operational Manual on Inclusion, Gender and Women’s Economic Empowerment Framework for Blended Finance Delivery Mechanism) for assessing, managing and monitoring project- and client-related gender practices, which is currently applied to infrastructure projects funded by the MCC. The procedure includes detailed assessment and monitoring steps, and requirements on gender-specific data collection and monitoring, gender-responsive stakeholder engagement and GRMs. The applicant shared two examples of gender assessments undertaken, which were found to be adequate.

73. The applicant’s capacity to manage gender aspects is sufficient for the current scope of application. Internally, gender aspects are overseen by the applicant’s Human Resources and General Affairs Directorate, and project-level assessments and monitoring of gender aspects are undertaken by the Social and Environmental Division of the Risk Directorate, which have sufficient background and experience on gender issues. As part of the Gender Action Plan’s development, the applicant is recommended to review and consider further evolving its organizational structure and staffing to align with the extended scope of the Gender Policy and its efforts to mainstream gender considerations at the project level.

74. The AP finds that the applicant’s gender policy, procedures, capacities and competencies, supported by evidence of its track record, fully meet the GCF updated Gender Policy to the extent applicable to accreditation.

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) Increasing the portfolio of direct access entities to GCF;
- (b) The indicative projects and programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 77 below;
- (c) Alignment of the said indicative pipeline with country programming priorities;
- (d) The potential contribution to the adaptation and mitigation balance in the GCF portfolio since the applicant focuses on adaptation, mitigation and cross-cutting activities and supporting diversity in GCF results areas such as transport and resilient infrastructure;

- (e) Mobilizing climate finance at scale since the applicant is being recommended for accreditation in the medium size category; and
- (f) Enhancing private sector participation by creating enabling environments/de-risking climate investments, etc., through the use of financial instruments such as loans, equity and guarantees.

76. 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 partially meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy and the specialized fiduciary standard for project management. The gaps relate to public disclosure of procurement notices and monitoring and evaluation policies and procedures. The gaps are identified in paragraphs 24 and 41 above, and are addressed by the corresponding conditions for accreditation in section 4.2 below;
- (b) The applicant does not meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (c) The applicant meets the specialized fiduciary standard for on-lending and/or blending for loans, equity and guarantees;
- (d) The applicant partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation, the GCF interim ESS standards and the Comprehensive Information Disclosure Policy of the Fund regarding disclosure of E&S information in relation to the high E&S risk category A/I-1. The gap relates to the lack of operationalization of the GRM on the applicant's website. The gap is identified in paragraph 66 above, and is addressed by the corresponding condition for accreditation in section 4.2 below;
- (e) The applicant has demonstrated that it has a policy, procedures and competencies in order to implement its Gender Policy, which is found to be consistent with the GCF updated Gender Policy to the extent applicable to accreditation, and has demonstrated that it has experience in gender consideration in the context of climate change; and
- (f) The applicant does not have 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. The gap is identified in paragraph 41 above, and is addressed by the corresponding condition for accreditation in section 4.2. below.

4.2 Recommendation on accreditation

77. The AP recommends, for consideration by the Board, APL176 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or programme:**
 - (1) Medium in relation to the specialized fiduciary standard for project management, and the specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and

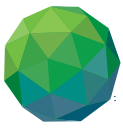
- (2) Small¹⁷ in relation to the specialized fiduciary standard for on-lending and/or blending (for equity);
- (ii) **Fiduciary functions:**
 - (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management; and
 - (3) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees); and
- (iii) **Maximum environmental and social risk category:** high risk (category A/I-1); 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 submission of the first funding proposal to the Board:
 - (1) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of:
 - a. Adoption by the applicant and publication on the applicant's website of a procurement policy, or the adoption of relevant provisions in respect of procurement in another policy, for GCF-funded activities, applicable to competitive procurement by the applicant and its executing entities that should include the requirement for publication of competitive procurement notices, procurement awards and dispute resolution mechanisms;
 - b. The operationalization of the applicant's accessible and predictable grievance redress mechanism including access on the applicant's website; and
 - c. Adoption by the applicant of a monitoring and evaluation policy or procedures for GCF-funded projects/programmes, which should include procedures for public disclosure of monitoring and evaluation reports in line with the GCF Evaluation Policy.

78. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 77 above, and agrees to the recommendation.

4.3 Remarks

79. The applicant is encouraged to consider using a web form or specialized service provider to handle future complaints, and to provide automated responses and process information when suspected complaints are reported, in line with good practice from peer-entities.

¹⁷ As per annex III to decision B.31/06, "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 10 million and up to and including USD 50 million for an individual project or programme."



80. The applicant is encouraged to continue to build a track record in specialized fiduciary standard for grant award and/or funding allocation mechanisms.
 81. The applicant is encouraged to further its GRM practices in line with the GCF Independent Redress Mechanism good practice guidance.
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