



**GREEN  
CLIMATE  
FUND**

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**8 June 2026**

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# Consideration of accreditation proposals and activities – Addendum VI

## Accreditation assessment of APL178

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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 178 (APL178), Equity Group Holdings PLC (EGH), based in Kenya.

## I. Introduction

1. Equity Group Holdings PLC (EGH) is a financial services holding company and has banking and non-banking subsidiaries in six countries: Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and United Republic of Tanzania. The applicant is committed to advancing the socioeconomic prosperity of the people of Africa by delivering integrated financial services that promote social and economic empowerment for consumers, businesses and communities.
2. The applicant submitted its application for accreditation to GCF via the Digital Accreditation Platform on 19 August 2024. Accreditation fees were received from the applicant on 4 October 2024, thereby launching the Stage I institutional assessment. Stage I was completed on 15 March 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, regional. The applicant received a national designated authority (NDA) or focal point nomination for its accreditation application from Kenya the Democratic Republic of the Congo, and Rwanda;
  - (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;
    - (ii) Specialized fiduciary standard for project management;
    - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
    - (iv) Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees); and
  - (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2));<sup>4</sup> and
  - (f) Indicative result areas for intended projects/programmes with GCF:
    - (i) Energy generation and access;
    - (ii) Transport;
    - (iii) Buildings, cities, industries and appliances;
    - (iv) Forests and land use;

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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, category B is defined as “Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures,” and 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.”

- (v) Livelihoods of people and communities;
- (vi) Health, food and water security;
- (vii) Infrastructure and built environment;
- (viii) Ecosystems and ecosystem services; and
- (ix) Public and private 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);
- (b) Updates to the accreditation framework (decision B.31/06); and
- (c) 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. EGH was incorporated in Kenya as a public limited company limited by shares pursuant to the Kenya Companies Act (chapter 486), originally under the name Equity Bank Limited on 10 January 2005, subsequently changing its name to Equity Group Holdings Limited and, on 13 July 2017, to Equity Group Holdings PLC. The applicant is regulated by the Central Bank of Kenya as a non-operating holding company, with approval granted on 30 December 2014. The securities of EGH are listed on the Nairobi Securities Exchange and are cross-listed on the Uganda Securities Exchange and the Rwanda Stock Exchange.

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. EGH is headquartered in Nairobi, Kenya, and has approximately 1,277 staff<sup>5</sup>. EGH operates as a non-operating holding company, whose subsidiaries provide integrated financial services in six countries: Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and United Republic of Tanzania. EGH also has subsidiaries focused on insurance, investment banking and other services.

7. EGH, the applicant, is the parent company of a group which operates through its consolidated subsidiaries in the above-mentioned countries. EGH, as the parent company, sets the strategy, capital mobilization and deployment, risk, and oversight, and the subsidiaries

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<sup>5</sup> As at 31 May 2026.

operate within that framework as the customer-facing, regulated banking entities in their respective markets.

8. EGH has a wide array of partners, including the World Bank Group, the International Finance Corporation (IFC), Proparco and British International Investment plc (formerly Commonwealth Development Corporation). These partnerships provide both financing and de-risking instruments to support the EGH vision of championing socioeconomic prosperity in Africa.

9. Through its Africa Recovery and Resilience Plan, launched in 2022, the first phase of which targets the end of 2030, EGH is leveraging a credit capacity of USD 4 billion with projected disbursements of up to USD 40 billion over a five-year period to drive social and economic transformation in Africa. The plan's focus on boosting the local private sector's role and linking East African value chains to global markets provides a framework for promoting sustainable economies. A key pillar of the plan is social and environmental transformation, which aims to build capacity among smallholder farmers and SMEs to drive sustainable productivity, addresses social needs and promotes sustainability.

10. Building on the framework of the Africa Recovery and Resilience Plan, the applicant's intended programming with GCF focuses on supporting a paradigm shift in climate finance through two key approaches. First, the applicant intends to develop a Green Bond Programme designed to increase the participation of small private sector finance players in climate mitigation and adaptation by making funds accessible and affordable across its operating countries. Second, the applicant is developing a programme for "Scaling-up MSMEs adoption of climate technologies in East Africa" (SMACT). This initiative will utilize complementary financial instruments, including credit lines, senior loans and guarantees, alongside grants for technical assistance to eliminate financial and technical barriers for micro, small and medium-sized enterprises (MSMEs).

## 2.3 Track record

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

(a) USD 100 million (subordinated loan) from the African Development Bank for the expansion of the EGH programme of support to MSMEs, with a focus on women and youth entrepreneurs, with loan proceeds channeled to its subsidiaries for execution.

12. In addition, in respect of the transactions referenced below, EGH indicated that it played a pivotal role in the origination and structuring of the following initiatives which were implemented by the relevant subsidiary:

(a) USD 165 million (subordinated loan), extended to Equity Bank Kenya, for on-lending to green projects in Kenya through a partnership with the Commonwealth Development Corporation and IFC;

(b) *USD 100 million (subordinated loan) and USD 100 million (senior loan), both extended to Equity Bank Kenya, for green finance projects in Kenya through a partnership with IFC;*

(c) USD 100 million (senior loan), extended to Equity Bank Kenya, for impact investments focusing on climate change and SMEs in Kenya through a partnership with Proparco; and

(d) A portfolio of USD 100,000 (loan) clean energy products, implemented by Equity Bank Kenya (EcoMoto).

## IV. Stage II accreditation review assessment

13. 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 environmental and social (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 for the GCF (decision B.BM 2021/07).

14. 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

15. EGH is a non-operating holding company with banking subsidiaries in the Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and the United Republic of Tanzania, a commercial representative office in Ethiopia and non-banking subsidiaries in Kenya that are engaged in providing investment banking and stockbroking, insurance, custodial services, payment services, telecommunications, fintech and social impact investments. EGH is listed on the Nairobi Securities Exchange and other regional exchanges, with a customer base of more than 22.2 million people. Its largest shareholder, at around 13 per cent, is Arise Besloten Vennootschap, an African-focused investment company founded by Rabobank, Norfund, Netherlands Development Finance Company and IFC. Banking operations are executed principally by the regulated banking subsidiaries (including Equity Bank Kenya and peer subsidiaries), while EGH provides group-wide governance, policy standards, strategic direction and consolidated oversight through Board of Directors' committees, control functions and reporting lines.

16. In accordance with the EGH Group Corporate Governance Framework,<sup>6</sup> the Board of Directors of EGH provides strategic leadership, independent oversight and risk stewardship for EGH. Governance roles are clearly separated, with distinct responsibilities for the Chairman of the Board of Directors and the Group Chief Executive Officer in ensuring effective checks and balances. Business operations and finance are managed centrally and report separately to the Chief Executive Officer, while the risk and compliance functions operate independently, reporting to the Chief Risk Officer with direct access to the Board of Directors. In 2024, the Board of Directors comprised 11 directors, regularly assessed for independence, with the composition reflecting a broad mix of skills and regional experience. The Board of Directors has

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<sup>6</sup> See <https://equitygroupholdings.com/wp-content/uploads/2021/10/EGH-Plc-Group-Corporate-Governance-Framework.pdf>.

six specialized committees, each operating under approved charters: the Governance, Nominations and Compensation Committee; Risk Committee; Strategy and Innovations Committee; Information and Communications Technology and Cyber Security Committee; Sustainability Committee; and Audit Committee. The directors' profiles, the charters of the committees and an overview chart including all subsidiaries and related entities were shared with the AP.

17. The EGH Board of Directors has overall responsibility for EGH, including its monitoring of its subsidiaries and provides continuous support, oversight and direction to its relevant subsidiaries. The boards of the subsidiary companies ensure that the provisions of the EGH Group Corporate Governance Framework are followed and adopt the policies as directed by the EGH Board of Directors. For each subsidiary, the overview chart specifies the respective subsidiary board-level committees, tailored to the nature of the business of each entity. EGH-level oversight is centralized, with shared services, strong control functions and alignment of business growth with strategy and regulatory compliance.

18. EGH sets mandatory frameworks and standards (the Enterprise Risk Management Framework, the Fraud Risk Management Framework, and standards for finance, procurement and risk appetite) that banking subsidiaries must adopt. EGH maintains functional reporting lines between the units covering group risk, internal audit and finance and their counterparts across the subsidiaries. EGH exercises monitoring and escalation authority, including review of risk appetite breaches and fraud events. EGH provides centralized support and control functions (finance, compliance, AML/CFT, information technology, human resources, procurement) that establish uniform controls across entities. EGH conducts performance and strategy reviews through regular group-level assessments, ensures audit alignment and consolidated stress testing across the subsidiaries. The subsidiaries retain local boards and regulatory accountability, but operate within group-defined governance, risk and control parameters. In sum, central oversight is policy-setting, supervisory and monitoring in nature, with structured reporting and escalation mechanisms linking the subsidiaries to the group's leadership.

19. The Africa Recovery and Resilience Plan outlines the long-term strategic direction for EGH. It sets out quantitative objectives and group-level performance targets, including results for the subsidiaries. The strategic objectives are translated into quantified operational plans and reflected in the EGH budget, which is prepared and monitored based on the EGH Finance Policy, applicable to all subsidiaries. The Finance Policy describes the executive oversight of the subsidiary entities through reviews and monitoring of performance against approved budgets and key performance indicators, covering achievements and performance gaps and required corrective actions, as reflected in a report shared with the AP.

20. The EGH Finance Department coordinates and manages the budget, which is prepared with the active involvement of all business units. Budgets are reported on through periodic monitoring, with variance analysis; a sample of presentations was shared with the AP. EGH uses Finacle integrated with Oracle Enterprise Resource Planning to support accounting compliant with the International Financial Reporting Standards, regulatory reporting and internal controls. The system enables centralized payments and processes transactions of the subsidiaries with delegated authorities, defined approval limits, documented disbursement requirements and Enterprise Resource Planning-based invoice and budget controls to ensure the integrity of payment and disbursement records.

21. EGH publishes financial statements compliant with the International Financial Reporting Standards that are audited annually under the International Standards on Auditing by an independent external auditor, with unqualified opinions issued for 2022–2024 audited financial statements. The statutory audit includes the information and communications technology audit mandated by the Central Bank of Kenya. The external auditor complies with

the International Ethics Standards Board for Accountants Code of Ethics and Kenyan independence requirements from the audited entity, EGH.

22. The Board of Directors Audit Committee operates under an approved charter and provides oversight of an independent internal audit unit governed by its own charter and policy. Risk-based internal audit plans for the past recent years and follow-up reports on audit findings and management actions demonstrate structured oversight and alignment with the EGH risk profile.

23. The EGH internal audit function operates under a group-subsiary structure, with the EGH Chief Internal Auditor reporting to the Audit Committee and subsidiary audit functions reporting to their boards, with a matrix line to the EGH internal audit function. This structure ensures independence, consistency and group-wide risk and control oversight. Evidence reviewed includes internal audit implementation status reports and the agenda of the March 2025 Audit Committee meeting, confirming quarterly monitoring of progress against the audit plan and review of significant internal audit findings, including those for the fourth quarter of 2024. An additional audit implementation status report presented to the Audit Committee was also shared with the AP. EGH also provided a 2022 external quality assessment of the internal audit function, conducted by Deloitte, which concluded that the function complies with applicable standards and is progressing towards a more optimized level of operational and governance maturity.

24. The EGH Enterprise Risk Management Framework, embedded in its Internal Control Framework, defines risk culture, appetite, governance and lines of defence, with evidence of implementation provided through a sample risk register. The Enterprise Risk Management Framework provides a group-wide risk management framework that the banking subsidiaries must formally adopt and align with local regulations, while the non-banking subsidiaries apply its principles. Group-defined risk appetite metrics are cascaded to the subsidiaries, with monitoring and escalation to the Group Chief Risk Officer. Oversight is exercised through subsidiary risk committees, Managing Director accountability, periodic group reviews and consolidated stress testing, supported by annual self-assessments and structured risk reporting.

25. The EGH Procurement Policy commits to the ethical, fair and efficient procurement of goods and services, guided by principles of value for money, fair competition, equal access for bidders, and transparent, well-documented processes. These principles are supported by defined planning, approval and authorization controls. The policy emphasizes anti-corruption compliance, supplier integrity and risk management across suppliers and contracts, with suppliers evaluated and monitored based on quality, cost, sustainability and performance. The policy sets out the procurement structure, applicable principles, processes, thresholds and delegated authorities. EGH shared its Procurement Policy and guidelines, with operational procurement activities governed by the Procurement and Logistics Procedures, including procurement conducted through service providers. The EGH Procurement Policy applies to all subsidiaries under a centralized governance framework. It sets subsidiary-level approval limits and oversight through subsidiary executive committees, while allowing local management of approval matrices and suppliers within group standards.

26. Procurement linked to projects and programmes is monitored against these procedures and samples of procurement monitoring reports were provided to the AP. EGH also shared its Vendor Code of Conduct and a recent internal audit report of the procurement function, covering procurement planning, supplier identification and selection, supplier performance management, purchase requisitions, and purchase order creation and approval. Additional evidence of application of the policy and procedures includes minutes of a Group Procurement Committee meeting, declarations of conflict of interest from Tender Evaluation Committee members, and two procurement case examples, including signed contracts, quotation analyses, procurement justifications and approval documentation.

27. EGH does not publicly disclose its detailed Procurement Policy, individual procurement announcements or awards as it is a publicly listed private sector entity and is subject to market disclosure rules that limit the publication of commercially sensitive information. However, EGH has published a summary of its Procurement Policy on its website.<sup>7</sup> The current Procurement Policy does not include a dispute resolution provision, nor does it explicitly set out the extent to which EGH reviews or oversees the procurement procedures of beneficiary institutions or EEs that are not members of EGH.

28. 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. However, the AP finds that the applicant's track record is sufficient. The relevant gap is identified in paragraph 27 and is reflected by the corresponding condition for accreditation in section 4.2 below.

### 3.1.2 Basic fiduciary standards: transparency and accountability

29. The applicant's Code of Conduct and Work Ethics (CoCWE) applies to all group employees and contractors across headquarters and branches in and outside Kenya. The CoCWE sets out standards on ethical behaviour, including conflicts of interest, bribery, gifts and other workplace misconduct, and requires mandatory acknowledgement and adherence by staff as a condition of employment. It is communicated through induction training and regular staff-wide reminders and is included in employment contracts.

30. Employees are required to sign the CoCWE at onboarding and complete an annual conflict-of-interest declaration; sample declarations were shared as evidence. The CoCWE encourages reporting of suspected bribery, corruption or misconduct through line management or the compliance function, or using the EGH Speak-Up Policy channels, which include email, a toll-free hotline and an ethics portal. Ethics awareness is supported through human resource-led training, including on the EGH Anti-Bribery and Corruption Policy, whistle-blowing and grievance-handling mechanisms (GHMs). All policies are hosted on the company intranet and accessible to staff. At the governance level, article 4 of the EGH Code of Conduct and Ethics applies to all the Board of Directors. The Code of Conduct and Ethics, available on the EGH website,<sup>8</sup> requires full disclosure of conflicts of interest.

31. EGH manages corruption risks through its Anti-Bribery and Corruption Policy, complemented by frameworks on conflicts of interest, whistle-blowing and grievance handling, and consequence management, with oversight by the Group Risk, Human Resources and Compliance function, in alignment with national regulators, including the Ethics and Anti-Corruption Commission in Kenya, where applicable. Similarly, the subsidiaries follow the national fraud prevention regulations in their respective jurisdictions. The EGH Anti-Bribery and Corruption Policy, the AML/CFT policies and the Anti-Fraud Policy are disseminated through webinars. These policies, together with the Code of Conduct and Ethics, are aligned with GCF standards and the Policy on Prohibited Practices, and apply to employees, directors, suppliers and other third parties and customers with whom EGH does business or acts on its behalf. The Anti-Bribery and Corruption Policy defines bribery and corruption, and other misconducts, and EGH maintains a zero-tolerance approach to corruption, fraud and unethical behaviour. In accordance with its charter, the EGH Governance, Nominations and Compensation Committee oversees corporate governance systems and serves as an ethics committee.

32. Fraud risk management at the EGH level is overseen by the Audit Committee, which reviews the adequacy and effectiveness of fraud risk management. The EGH framework on whistle-blowing, grievance handling and fraud investigation protects whistle-blowers and

<sup>7</sup> See [https://equitygroup Holdings.com/investor-relations/page/3/#tab\\_partners](https://equitygroup Holdings.com/investor-relations/page/3/#tab_partners).

<sup>8</sup> See [https://equitygroup Holdings.com/investor-relations/page/4/#tab\\_partners](https://equitygroup Holdings.com/investor-relations/page/4/#tab_partners).

ensures independent investigation of misconduct. The EGH Speak-Up Policy promotes reporting without fear of retaliation. EGH has appointed an independent third-party service provider (NAVEX/EthicsPoint),<sup>9</sup> which allows anonymous reporting and operates a dedicated email address to receive complaints. Complaints are handled confidentially, and the process of complaints handling is published on the EGH website.<sup>10</sup>

33. EGH maintains an independent and objective fraud investigation function, governed by the Fraud Risk Management Procedures Manual and EGH Fraud Risk Management Framework, which define investigation processes and the organizational structure. The Fraud Management Policy and Fraud Risk Management Framework apply group-wide, including to all subsidiaries. The fraud management investigation function, is described and published on the EGH website,<sup>11</sup> and is positioned under the Risk and Compliance Department. It reports to the Chief Risk Officer, and ultimately to the Board of Directors, ensuring independence from business operations. It operates as a centralized shared-services function with fraud risk management, detection, prevention and forensic investigation capabilities, receives and investigates complaints, and reports significant cases and findings to senior management and the Board of Directors. EGH shared a report, Group Customer Complaints and Inquiries FY 2025, which captures trends on service quality. The EGH AML/CFT group policy is aligned with international best practices, including the Financial Action Task Force<sup>12</sup> recommendations, and applies a risk-based approach, with customer due diligence, including simplified, standard and enhanced due diligence. The policy provides for transaction monitoring, reporting and record keeping, and defines governance arrangements, AML/CFT accountability, oversight and the role of the Money Laundering Reporting Officer. Copies of group-level and bank-level know-your-customer and customer due diligence/enhanced due diligence procedure manuals have been provided. All the subsidiaries comply with the AML/CFT regulatory frameworks of their respective jurisdictions and submit statutory reports, including suspicious transaction reports, currency transaction reports and periodic compliance returns. The Equity Financial Intelligence System of EGH monitors fund transfers and enables real-time screening against various sanctions lists. EGH has shared samples of customer due diligence and transaction monitoring reports demonstrating implementation of its AML/CFT procedures. EGH conducts annual AML/CFT training for all staff across all subsidiaries.

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

35. The subsidiaries of EGH provide retail and corporate banking, mobile and digital banking services, and investment and capital market activities, with a strong emphasis on lending to MSMEs. Programme and project identification is centralized through the Strategy Office at EGH, which leads engagement with strategic partners. Projects are formulated by EGH through a cross-functional process to ensure alignment with beneficiaries, partners and parent objectives. Project appraisal is centrally coordinated through term sheet reviews, due diligence, and legal and contractual assessments, with roles and responsibilities defined following programme approval. The subsidiaries are responsible for day-to-day programme implementation, including credit administration, risk management, eligibility screening, fund disbursement, monitoring compliance and reporting. The parent Finance Department

<sup>9</sup> See <https://secure.ethicspoint.eu/domain/media/enuk/gui/106483/index.html>.

<sup>10</sup> See <https://equitygroup Holdings.com/ke/open-an-account/personal/current-account/>.

<sup>11</sup> See [Equity-Group-Holdings-Plc-Fraud-Management-Investigations-Standards.pdf](#).

<sup>12</sup> 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.

centralizes financial and donor reporting, ensures timely submission and manages financial covenant audits, while both the Treasury and Finance Departments oversee financial obligations and payment schedules, ensuring transparency and control.

36. Multidisciplinary legal, credit and corporate teams and MSME business units, the Equity Group Foundation and sustainability functions support programme roll-out to frontline delivery channels. Programme execution and oversight are led by group-level directors with senior management supervision, with similar governance structures replicated at the subsidiary level to ensure consistent implementation.

37. A sample credit file for a renewable energy financing facility shared with the AP demonstrated the capacity of EGH to appraise and approve projects, structure credit facilities, assess repayment capacity and conduct due diligence, including disbursement and repayment monitoring.

38. EGH has demonstrated project management capacity and a proven track record through leading and overseeing various programmes and development initiatives across the group. EGH and its subsidiaries have implemented multiple subprojects that finance MSMEs, renewable energy, climate-smart agriculture and green buildings, funded by various development finance institutions and donors, as described in section 3.1.4 below.

39. In 2023, GCF approved a funding proposal of USD 200 million for the Africa Rural Climate Adaptation Finance Mechanism for East Africa region with the International Fund for Agricultural Development as an accredited entity and Equity Bank Kenya, the main subsidiary of EGH, as the executing entity. The project is to be implemented across Kenya, Rwanda, Uganda and the United Republic of Tanzania and for various SME lending programmes, with GCF funding of USD 55 million alongside other donors and lenders.

40. EGH shared several periodic reports for donor-funded projects, including progress reports that present implementation status, key insights and lessons learned, aligned with approved project monitoring, evaluation and learning, and monitoring, evaluation, research and learning frameworks, and donor reporting requirements. These include reports for the Young Africa Works programme, implemented by Equity Bank Kenya to support MSMEs through business development services and access to finance, with total funding of approximately USD 20 million. The reports provide evidence on programme scale, beneficiary outreach, loan volumes and portfolio quality. In addition, EGH shared a progress report for the Financial Access to SMEs and Rural Population in Agriculture using Technology project, an initiative funded by the Norwegian Agency for Development Cooperation on access to finance by rural and agricultural SMEs.

41. EGH does not maintain a stand-alone monitoring and evaluation unit, conducting monitoring and evaluation of its programmes/projects through the Equity Group Foundation (see below in section 3.1.4), leveraging its expertise and proven track record. EGH has shared documentation on monitoring and evaluation, including the strategy, processes, manual and templates, defining the monitoring and evaluation objectives, governance arrangements, organizational roles and approaches to monitoring, evaluation, research and learning. These documents are developed and applied by Equity Group Foundation and are relied upon by EGH. Given the reliance, the Evaluation Policy for GCF requires assurance that evaluations remain functionally independent and are fully aligned with GCF requirements, with accountability retained by the AE.

42. The EGH credit processes cover monitoring, recovery, external collections, debt management and credit bureau reporting to supervise and manage distressed assets as part of portfolio-level risk management. Several supervision reports were shared with the AP.

43. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of the applicant's track record, partially meet the specialized fiduciary standard for

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

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

44. EGH established the Equity Group Foundation, which is a not-for-profit entity that serves as the institutional platform for the social and development initiatives of EGH. The Equity Group Foundation operates independently under a related-party arrangement; it is not consolidated within EGH. The programmes of the Equity Group Foundation are primarily funded by third-party donors under donor agreements and include the Wing to Fly programme. The contributions of EGH to the Equity Group Foundation include monetary contributions but are mainly in-kind contributions in the form of utilizing the EGH branch network and staff in fulfilling its goals in communities. The Equity Group Foundation maintains dedicated administrative and operational functions, including finance, programme management and monitoring, evaluation, research and learning. The Equity Group Foundation applies standardized monitoring and evaluation frameworks set out in manuals, supporting consistent reporting, accountability and learning across programmes. Independent assessments, including social impact and social return on investment evaluations, demonstrate the practical application of these systems through documented methodologies, outcome analyses and recommendations for programme improvement.

45. EGH acknowledges that it does not carry out a funding allocation programme; instead, grants are mobilized and extended by EGH to support Equity Group Foundation technical assistance programmes, an activity eligible under the specialized fiduciary standard for project management.

46. 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 and guarantees)**

47. EGH oversees its subsidiaries in on-lending, blending of funds and working with guarantees following group-wide credit risk management policies and processes, aligned with funding eligibility criteria and overseen by relevant committees. The track record of EGH includes raising senior and subordinated debt, blended finance facilities with grant components, and first-loss and risk-sharing guarantees. The track record highlights the utilization of funds, partial utilization of guarantees, grant subsidies and lessons learned in selecting appropriate guarantee instruments, particularly for SMEs and agriculture and climate-related portfolios.

48. In 2021, EGH received a subordinated loan of USD 100 million from the African Development Bank for the expansion of the EGH programme of support to MSMEs, with a focus on women and youth entrepreneurs, with loan proceeds channelled to its subsidiaries for programme execution.

49. Examples of blended finance (senior debt with grant components) are two EUR 25 million loans in 2019 from the European Investment Bank to Equity Bank Kenya for agriculture, with interest rate subsidies funded by grants from the European Commission. Grant benefits under blending are passed to end borrowers through reduced interest rates, with sub-borrower selection governed by structured credit committee processes. Another example is the 2021 EUR 125 million in senior debt extended to EGH subsidiaries by the European Investment Bank and the European Union, which also included grant components.

50. Examples of raising debt for on-lending include senior debt of USD 100 million from Proparco (September 2020) and USD 100 million from a German Investment Corporation/Commonwealth Development Corporation/Netherlands Development Finance Company syndicate (December 2020), both facilities extended to Equity Bank Kenya and targeted at SMEs. In total, USD 250 million in senior debt has been raised over the past three to five years. IFC also extended a subordinated loan of USD 100 million to Equity Bank Kenya in 2019. IFC also extended a subordinated loan of USD 100 million to Equity Bank Kenya in 2019. Overall, EGH has raised USD 365 million in subordinated debt over the past three to five years.

51. Examples of credit risk guarantees include a first-loss guarantee from the Netherlands Development Finance Company, covering a USD 50 million portfolio and USD 75 million guarantee facility<sup>13</sup> from the African Guarantee Fund for SMEs in the Democratic Republic of the Congo, Kenya, Rwanda and Uganda. Other guarantee programmes were from ARIZ/EURIZ and aBi Finance.<sup>14</sup> In total, six credit risk guarantees cover a combined portfolio of approximately USD 170 million, as at 2025, with 60–70 per cent utilization. Most of these funds have been deployed across SMEs, agriculture and climate adaptation portfolios, with the group managing grant components, passing on subsidies and selecting appropriate guarantee structures by product and sector. The examples shared with the AP demonstrate the track record and operational capacity to structure, manage and monitor risk-sharing projects.

52. In May 2025, EGH and the African Guarantee Fund expanded their strategic partnership through a USD 500 million guarantee framework, which will enable EGH to scale its lending activities to MSMEs. The framework will be implemented in several phases, with an initial USD 115 million tranche committed to the five core subsidiaries of EGH.

53. EGH is a registered financial institution, as evidenced by the Certificate of Incorporation and approval as a non-operating holding company, and owns banking subsidiaries that are licensed by the relevant banking regulatory authorities in Kenya and in the jurisdictions in which the subsidiaries operate.

54. In May 2025, Global Credit Ratings (an African rating agency and an affiliate of Moody's Ratings) downgraded the long-term national scale rating of EGH to A (KE) from AA (KE), citing elevated credit risks in the region, inflationary pressures and constrained liquidity conditions. The outlook remained stable. The revision followed Moody's Ratings upgrade of Kenya's sovereign rating to B3 in early 2026 after the downgrade to Caa1 in 2024. The upgrade in 2026 reflects improved macroeconomic conditions, including stronger external liquidity, a more stable Kenyan shilling, easing lending rates and a reduced near-term default risk. The move signalled a reduction in assessed credit risk compared with the previous Caa1 rating (which indicated a very high credit risk), while the stable outlook reflects a stable credit profile.

55. The applicant has group-level risk-based credit procedures that have been adopted and implemented across its banking subsidiaries. The credit procedures cover multiple products and client segments, with documented end-to-end credit life-cycle processes from appraisal and approval through monitoring, recovery and debt management. Credit appraisal is differentiated by risk profile, cash-flow and collateral structures, supported by segregation of duties, operational controls and legally enforceable collateral. Evidence provided included sample credit memoranda, portfolio assessments and public quarterly disclosures. These demonstrate structured credit appraisal and risk assessment, multilevel credit committee oversight, active portfolio monitoring and transparent reporting on asset quality, non-performing loans and

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<sup>13</sup> See <https://equitygroup Holdings.com/equity-group-and-african-guarantee-fund-scale-up-transformative-partnership>.

<sup>14</sup> ARIZ is a risk-sharing programme launched by the French Development Agency aimed at reducing financing gaps for SMEs by providing guarantees to financial institutions. EURIZ is a guarantee facility co-financed by the European Union and the Organization of African, Caribbean and Pacific States targeting financially underserved MSMEs in the African, Caribbean and Pacific region. aBi Finance is a financial institution based in Uganda, founded by the Governments of Denmark and Uganda in 2010.

provisioning.<sup>15</sup> EGH publishes information on the progress of ongoing projects in sustainability and development impact reports,<sup>16</sup> which present aggregated data on the portfolio and overall EGH activities. However, the information disclosure policy does not provide for the publication of project-level information on beneficiaries and results.

56. EGH engages with different bilateral and multilateral funders on target sectors/interventions or themes. Funds are channelled through established credit processes and allocated based on eligibility criteria, with the use of funds being tracked, reported and auditable.

57. EGH manages financial risks through a group-wide Enterprise Risk Management Framework, supported by its Internal Control Framework and finance policies governing balance sheet management, liquidity and funding. Financial risks are identified, assessed, monitored and reported through established governance structures, enabling risk-informed decision-making in line with the risk appetite of EGH and regulatory expectations. Evidence shared with the AP includes minutes and agendas of group- and subsidiary-level risk committees, demonstrating active oversight of EGH risks, including credit, liquidity, market and treasury risks. Reports to the EGH Board of Directors Risk Committee and the subsidiary Asset and Liability Committee show a regular review of risk heat maps, funding plans, liquidity forecasting, portfolio allocation, pricing strategies, non-performing loan trends and diversification measures.

58. The AP finds that the applicant's policies, procedures and capacity, supported by the evidence of its track record, partially meet the specialized fiduciary standard for on-lending and/or blending (for loans and guarantees). The relevant gap is identified in paragraph 55 and is reflected by the corresponding condition for accreditation in section 4.2.

## 3.2 Environmental and social safeguard

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

59. The EGH Environmental and Social Risk Management (ESRM) Policy, updated in 2023, requires compliance with all applicable national laws and regulations on environmental, health and safety, human rights, gender and social issues across its six countries of operation. The ESRM Policy aligns with key international standards, including the International Labour Organization's fundamental conventions, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Sustainable Development Goals and the IFC Performance Standards 1–8. The ESRM Policy complements other EGH policies on credit risk, whistleblowing, human rights, health and safety, and human resources, its Code of Conduct and Ethics, and the Environmental, Social, Governance and Climate Risk Management Framework approved in 2024. These policies and the framework apply to EGH and its subsidiaries and their engagements with customers, strategic partners and suppliers.

60. The EGH climate strategy focuses on expanding green finance, supporting renewable energy, promoting climate-smart agriculture, advancing sustainable waste management and improving access to climate financing. The ESRM Policy applies a risk-based approach to identify, screen, assess, manage and monitor climate-related risks and impacts, under the oversight of a dedicated climate risk function. While EGH has not yet classified its portfolio into

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<sup>15</sup> See <https://equitygroup Holdings.com/equity-group-unveils-2024-sustainability-report-showcasing-measurable-progress-and-impact/>.

<sup>16</sup> See <https://equitygroup Holdings.com/equity-group-unveils-2024-sustainability-report-showcasing-measurable-progress-and-impact/>.

climate and non-climate activities, it has cumulatively disbursed USD 203 million in climate-aligned financing, supporting businesses and communities in transitioning towards more sustainable practices over time. The current energy portfolio, valued at USD 350 million, covers utility transmission and fuel transport, with no support for carbon-intensive activities across the subsidiaries. The Equity Bank Sustainability Report 2023 demonstrates the applicant's capacity to calculate and track greenhouse gas emissions from its operations and portfolio. In 2023, EGH set a group-wide target to allocate 5 per cent of its loan book to climate lending, leveraging co-financing from development partners, including IFC. The strategy and all investments align with nationally determined contributions and national adaptation plans in the countries in which EGH operates.

61. Although EGH does not have a formal policy on Indigenous Peoples, it adheres to IFC Performance Standard 7 on Indigenous Peoples and complies with national free, prior and informed consent protocols in its host and subsidiary countries. The ESRM Procedures, approved in 2023, include an environmental and social (E&S) due diligence template requiring the identification of potential impacts on Indigenous Peoples, stakeholder engagement plans to ensure informed community participation and decision-making, and grievance redress mechanisms. The ESRM Procedures exclude activities affecting Indigenous lands without documented consent. Projects in areas with Indigenous Peoples must include action plans with timelines and, where relevant, obtain a licence to proceed based on the nature of the engagement. EGH maintains dedicated staff capacity on Indigenous Peoples' issues and applies an inclusive approach. This includes collaboration with independent experts when required, as well as engagement with national authorities and local communities, to ensure the protection of land rights, cultural heritage and traditional practices. To date, EGH has not implemented any projects that have triggered issues related to Indigenous Peoples. The AP finds that EGH has the systems and capacity to meet IFC Performance Standard 7 under the GCF interim environmental and social safeguards (ESS) standards.

62. The applicant's Speak-Up Policy (2023), together with the Human Resources Policy (2023), the Code of Conduct and Ethics (2012) and the Safeguarding Policy (2023), prohibits discrimination, malpractice, harassment and sexual or gender-based violence, including against children and vulnerable populations, across its work environment and projects/programmes. These policies enforce zero tolerance for retaliation, support anonymous complaints and gender-responsive resolutions, outline disciplinary measures, including contract termination, and ensure victim support and confidentiality. Cases are managed by the Group Director of Human Resources, who submits quarterly status reports to the Governance, Nominations and Compensation Committee, which reports to the Board of Directors via the Company Secretary. EGH conducts regular training on the Speak-Up, Safeguarding, and Grievance and Complaints Handling Policies, with emphasis on managers and supervisors. The AP finds that the applicant has the systems and capacity to meet the sexual exploitation, abuse and harassment-related principles under the GCF revised Environmental and Social Policy.

63. EGH has adopted a strategy on monitoring, evaluation, reporting and learning, supported by monitoring and evaluation procedures to ensure compliance with EGH and donor policies, procedures and applicable regulatory frameworks. Its Environmental, Social, Governance and Climate Risk Management Framework emphasizes regular monitoring and evaluation of project indicators, including those of financial intermediaries, to ensure adherence to E&S management plans, climate risk measures, E&S loan covenants and national regulations, including permits and licences. The Strategy Office periodically reviews programme effectiveness in collaboration with environmental, social and governance (ESG) teams and strategic partners, while the internal audit unit conducts periodic independent evaluations of the framework's performance. EGH submitted sample monitoring and final evaluation reports, demonstrating its capacity to monitor and evaluate E&S, gender and climate change issues across projects/programmes. The ESRM Procedures establish a due diligence process aligned with IFC Performance Standards 1-8. This includes an E&S due diligence

process and tools for identifying, assessing and categorizing E&S and climate risks; maximizing E&S and climate financing opportunities; developing and implementing E&S management plans; and monitoring and evaluating the performance of projects/programmes. The approach is tailored to various lending models, blended finance structures and project types, and requires EEs to comply with applicable national and local E&S regulations. The Relationship Manager (Credit) is responsible for initial E&S risk identification and assessment. The ESG/Sustainability Department, operating independently, confirms E&S risk categorization, advises lending teams and monitors the implementation of environmental and social action plans by clients. ESG analysts prepare draft E&S due diligence reports, including environmental and social action plans and conditions for inclusion in facility agreements. These reports are approved by the Head of Sustainability and reviewed by the Branch Credit, Regional Credit and Executive Committees.

64. Site visits are mandatory for corporate-level E&S due diligence. Any change in a project's E&S risk category requires formal reassessment, as outlined in the ESRM Procedures. Entities must promptly report significant incidents or accidents with potential adverse E&S risks and impacts. EGH submitted 21 sample projects outlining the triggered IFC Performance Standards 1-8, E&S risk categories, climate-related initiatives and, in some cases, financial support from the Commonwealth Development Corporation, IFC and the International Fund for Agricultural Development. The AP reviewed the ESRM Procedures, framework tools and sample documentation and found them adequate for screening, assessing and implementing projects under GCF risk categories B and C, ensuring compliance with the IFC Performance Standards 1-8.

65. EGH has an oversight mechanism to monitor the performance of its ESRM system across its operations. The Board-level Risk, Assets and Liabilities Committee oversees E&S risk management, while senior management are responsible for implementing the ESRM system and ESRM Policy. EGH submitted quarterly ESRM system progress reports, demonstrating the system's effectiveness. These reports are presented to the Board of Directors Sustainability Committee, and the internal audit unit conducts regular evaluations of E&S and climate risks and impacts. EGH also provided an IFC-prepared report confirming that the applicant has a robust ESRM system, including adequate internal capacity, with E&S staff available at both the group and subsidiary levels.

66. EGH submitted its organizational structure for E&S management, along with the curricula vitae of key staff, demonstrating adequate capacity and expertise to implement the ESRM system. It also provided the terms of reference for its Sustainability Committee. The EGH Head of Sustainability, Governance and Reporting ensures that all policies and procedures are reviewed and adopted by the management. The Sustainability Operations Team, comprising a climate specialist, an environmental specialist and an engineer, oversees the implementation of the ESRM Policy and related procedures across all subsidiaries. The Head of Sustainability, Governance and Reporting and the Climate Risk Team provide technical guidance to credit risk managers, who assess loan applications from ESG and climate perspectives and report regularly to the Board of Directors.

67. The ESG Head leads teams responsible for E&S assessment, monitoring and reporting. In collaboration with the Head of Learning, the ESG team provides training to internal business, credit, compliance and audit teams on integrating E&S considerations into loan covenants and on monitoring E&S risks. Training is guided by needs assessments tailored to each subsidiary's legal and regulatory context. The AP finds that EGH has the systems and capacity to effectively implement the ESRM Policy, as evidenced by its organizational structure and ongoing staff training on E&S and climate-related topics.

68. The AP finds that the applicant's ESRM system, including the ESRM Policy, risk and impacts identification, E&S risk categorization, E&S management and monitoring, 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 B/I-2 projects/programmes with respect to IFC Performance Standards 1–8.

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

69. The EGH GHM, embedded within its Speak-Up Policy, Grievance and Complaints Handling Policy and Human Resources Policy, provides an independent, transparent and accessible process for addressing concerns and grievances at both the entity and project level. The Speak-Up Policy, supported by detailed guidelines and the ESRM Policy, reinforces the commitment of EGH to accountability through timely screening, registration, review and resolution of E&S-related grievances, and applies to both staff and third parties. The Grievance and Complaints Handling Policy specifically addresses staff-related grievances and other employee-related matters. Together with the Code of Conduct and Ethics and the Safeguarding Policy, the Speak-Up Policy reinforces a zero-tolerance stance on retaliation and guarantees protection and compensation for whistle-blowers. Oversight of the Speak-Up Policy is managed by the Group Director of Human Resources, who operates independently from project and E&S teams and conducts investigations as needed.

70. Complaints, including anonymous complaints, can be submitted by email (the email address is jointly managed by the Compliance and Human Resources Departments), the EGH call centre, an E&S grievance form available on the EGH website, EthicsPoint<sup>17</sup> (an external independent whistle-blowing service hosted by Navex) or a dedicated telephone line. The AP finds that the Speak-Up Policy, Grievance and Complaints Handling Policy and GHM meet GCF requirements for accessibility, accountability, effectiveness, transparency and independence, as outlined in the GCF revised Environmental and Social Policy. EGH requires its subsidiaries, implementing partners, and EEs to establish functional project-level GHMs, as outlined in its ESRM Procedures. These procedures clearly define the steps for receiving, screening, assessing and resolving grievances, with a strong emphasis on confidentiality, security and data protection. Additionally, the E&S due diligence tool requires clients to demonstrate the existence of a functional project-level GHM.

71. All E&S-related grievances are screened and categorized by the ESG Team and recorded in the global E&S grievance register. Completed grievance forms are shared with relevant units for action within three days. Investigations, overseen by the Group Director of Human Resources, are conducted in accordance with national legal standards and resolved within four weeks. The E&S assessment team also collects project-level grievances and works with projects to reach resolution. Depending on the nature of the grievance, department heads, such as those in the Risk and Communications Department, approve the proposed response. Unresolved cases are escalated to senior management and the Communications Department, in line with the Communications Policy. Complainants also have the option to pursue resolution through formal legal channels. EGH has not received any environmental, social or safeguarding-related grievances in the past three years.

72. The EGH ESRM Policy and the Communications Policy, approved in 2023, promote inclusive and transparent stakeholder engagement at both the corporate and project/programme level. They outline E&S information disclosure requirements and stakeholder identification. Decision-making on sub-borrower selection is governed by structured credit committee processes and internal and external communications methods. Stakeholder engagement during project/programme development and implementation is gender-sensitive and gender-responsive. EGH receives external enquiries and feedback through multiple channels, including postal mail, email, a dedicated telephone line and its website. All external communications comply with international, national and local laws and regulations,

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<sup>17</sup> See <https://secure.ethicspoint.eu/domain/media/enuk/gui/106483/index.html>.

which take precedence over other reporting requirements. EGH discloses E&S performance through its Integrated Annual Report and annual Sustainability Report and has formally committed to disclose full project-level E&S documents in accordance with GCF timing and language requirements.

73. The Managing Director of the subsidiary, Director of Human Resources and Director of Risk are responsible for maintaining the effectiveness of the Speak-Up Policy. The Director of Human Resources coordinates all related matters and submits quarterly case summaries and investigation outcomes to the Governance, Nominations and Compensation Committee, which reports to the Board of Directors. GHM training is funded through the group training budget, with all subsidiary employees undergoing regular mandatory sessions led by the Compliance Department. The Speak-Up Policy and Grievance and Complaints Handling Policy, along with related procedures, are communicated through training, feedback sessions and the E&S risk management statement published on the EGH website. Awareness is further promoted through newsletters, email and presentations.

74. The AP finds that the EGH system of external communications, consultations, the Code of Conduct and Ethics, information disclosure, Speak-Up Policy and GHM, including EthicsPoint, supported by evidence of its track record, meet 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 category B/1-2 projects/programmes with respect to IFC Performance Standards 1–8.

### 3.3 Gender

75. EGH adopts a comprehensive institutional and programmatic approach to advancing gender equality and women's empowerment, aligned with its commitments as a United Nations Global Compact signatory and as a subscriber to the United Nations Women's Empowerment Principles. This approach promotes globally recognized action for women and girls across five key areas: financing for women, peace and security, and gender-responsive humanitarian programming; meaningful participation in peace processes; economic security and access to resources; leadership and agency; and protection of women's rights in conflict and crisis settings. Through its Justice, Equality, Diversity and Inclusion Agenda and Action Plan, as well as its human resources policies, EGH is committed to identifying and removing barriers to employment and inclusion in all aspects of its work. EGH submitted the 2025 IFC findings, which are based on an assessment of these policies, site visits to selected projects, and an evaluation of human resources institutional capacity. These were found to be comprehensive and regularly updated. The findings note that time-bound action plans were generally developed, including required actions such as pre-disbursement conditions. In addition, the IFC findings identify follow-up actions to further strengthen implementation. The ESRM Policy further mandates compliance with national and local gender and social legislation, embedding gender equality throughout operations.

76. At the project level, the Gender Guidelines outline a process to identify, analyse and integrate gender considerations into project design and implementation, with dedicated budgets for gender action plans. Lending teams, supported by the Risk Management Department, identify gender risks and impacts, analyse sex-disaggregated loan data and develop timely mitigation measures. For its subsidiary projects in Kenya, EGH submitted the Elimu Implementation Strategy, which details monitoring of gender-related activities using gender-sensitive and gender-responsive targets and indicators tracked by the Monitoring and Evaluation Team. EGH also provided youth and women reports from the Wings to Fly programme and an implementation strategy for its World Bank-funded Secondary Education Quality Improvement Project, and an E&S due diligence template for a project in the Democratic

Republic of the Congo, all of which the AP found to be comprehensive and well prepared. These documents demonstrate the EGH track record and capacity to follow up on and ensure that its supported projects identify gender risks and impacts, integrate gender considerations, promote inclusive participation, embed gender-responsive measures throughout the project cycle, strengthen livelihoods and report disaggregated gender data. Women's participation in project activities averages 49 per cent.

77. EGH has established a clear institutional structure to support gender integration, led by the ESG Team and the Gender and Scholar Welfare Programme Coordinator. The Gender and Scholar Welfare Programme Coordinator is responsible for embedding gender considerations into operations, conducting assessments, delivering training and analysing trends to inform strategic improvements. EGH submitted knowledge products, including project progress reports and training materials for its gender mentorship programme that targets branch champions, community selection advisory committees, community scholarship selection boards, gender champions, mentors and scholars. Through its annual Communication on Progress to the Women's Empowerment Principles, EGH reports on actions supporting human rights and labour principles, including progress on gender equality and empowerment. These resources demonstrate the capacity of EGH to promote gender inclusion, raise stakeholder awareness and monitor gender-related commitments. EGH is incorporating climate change and climate action into future mentorship and training content.

78. Launched in 2020, the EGH Equity Inspire Programme promotes gender equality by mentoring female staff in leadership and management, while its MANDATE programme supports men in personal and professional development. According to the 2023 Sustainability Report, women comprise 41.3 per cent of permanent staff, with 27 per cent in senior management and 34.8 per cent in management roles. EGH remains committed to advancing gender parity in line with its Justice, Equality, Diversity and Inclusion Policy.

79. The AP finds that the applicant's approach to gender practices, gender procedures, human resources policies, and capacities and competencies, supported by evidence of its track record, fully meets the GCF updated Gender Policy and Gender Action Plan 2020–2023 to the extent applicable to accreditation.

## IV. Conclusions and recommendations

### 4.1 Conclusions

80. 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 direct access accredited entities for the Africa region including least developed countries;
- (b) Mobilizing climate finance at scale since the applicant is being recommended for accreditation in the medium-size category;
- (c) Enhancing private sector participation by de-risking climate investments for MSMEs and smallholder farmers through the use of financial instruments such as subordinated loans and credit risk guarantees; and
- (d) Diversifying the use by direct access entities of appropriate financial instruments, such as loans and guarantees.

81. 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 13 above:
- (a) The applicant partially meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, it meets the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy, and partially meets the specialized fiduciary standard for project management, and specialized fiduciary standard for on-lending and/or blending for loans and guarantees. The gaps relate to procurement, including dispute resolution and oversight of EE procurement, monitoring and evaluation processes, and information disclosure on project beneficiaries and results. The gaps are identified in paragraphs 27, 41 and 55 above, and are addressed by the corresponding conditions for accreditation in section 4.2 below;
  - (b) The applicant does not meet the requirements of the GCF specialized fiduciary standard for grant award and/or funding allocation mechanisms;
  - (c) The applicant 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 (category B/I-2);
  - (d) The applicant has demonstrated that it has a policy, procedures and competencies in order to implement its approach to gender practices, 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 experience in gender consideration in the context of climate change; and
  - (e) While the applicant has demonstrated institutional-level systems, capacities and competencies to conduct project and programme evaluations, it does not fully meet the requirements of the Evaluation Policy for the GCF with respect to the functional independence of the evaluation function. The gap is identified in paragraph 41 above, and is addressed by the corresponding condition for accreditation in section 4.2 below.

## 4.2 Recommendations on accreditation

82. The AP recommends, for consideration by the Board, APL178 for accreditation as follows:
- (a) Accreditation type:
    - (i) **Maximum size of an individual project or programme:** medium;
    - (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 and guarantees);
    - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2).
  - (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) Submission by the applicant to GCF of evidence, in a form and substance satisfactory to the AP, (i) demonstrating that its Procurement Policy (or an equivalent resolution) provides for oversight of procurement carried out by EEs that are not affiliated with the applicant, and (ii) of an amendment of the applicant's Procurement Policy to include a dispute-resolution mechanism;
  - (2) Submission by the applicant to GCF of evidence, in a form and substance satisfactory to the AP, demonstrating that it has established institutional and governance arrangements enabling compliance with the Evaluation Policy for the GCF, including functionally independent evaluation arrangements and clear accountability by EGH for evaluation quality, reporting and management response; and
  - (3) Submission by the applicant to GCF, in a form and substance satisfactory to the AP, of an amended information disclosure policy, amended to provide for the public disclosure of project-level information on beneficiaries and results for GCF-funded activities.

83. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 82 above, and agrees to the recommendation.

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