



**GREEN
CLIMATE
FUND**

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Consideration of accreditation proposals and activities – Addendum II

Accreditation assessment of APL164

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 164 (APL164), Eldik Bank Open Joint-Stock Company (Eldik Bank), based in Kyrgyzstan.

I. Introduction

1. Eldik Bank Open Joint-Stock Company (Eldik Bank) is the national development bank of Kyrgyzstan. Eldik Bank provides a wide range of banking services to private, corporate and government clients throughout Kyrgyzstan. Activities include lending, economic investments, support for export-import operations, and delivering high-quality financial services to clients. A strong focus is placed on sustainable development and environmental, social and governance (ESG) principles.

2. The applicant submitted its application for accreditation to GCF via the digital accreditation platform on 30 January 2025. Accreditation fees were received from the applicant on 25 July 2025, thereby launching the Stage I institutional assessment and completeness check. Stage I was completed on 30 October 2025, and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:¹

- (a) **Access modality:** direct access, national. The applicant received a national designated authority (NDA) or focal point nomination for its accreditation application from Kyrgyzstan;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or programme:** small;²
- (d) **Fiduciary functions:**³
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management;
 - (iii) Specialized fiduciary standard for on-lending and/or blending (for loans and guarantees);
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2));⁴ and
- (f) Indicative result areas for intended projects/programmes with GCF:
 - (i) Energy generation and access;
 - (ii) Transport; and
 - (iii) Buildings, cities, industries and appliances;
 - (iv) Livelihoods of people and communities; and

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

² 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."

³ Decision B.07/02.

⁴ 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) Health, food and water security.

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 GCF policies and standards to the extent applicable to accreditation below:

- (a) 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. Eldik Bank is an open joint-stock company incorporated and registered under the laws of the Kyrgyz Republic. The applicant was originally registered under the name of Settlement and Savings Company OJSC on 29 July 1996 and is currently registered with the Kyrgyz Republic Ministry of Justice under the name Eldik Bank Open Joint-Stock Company with registration number 1466-3301-OAO. The applicant is licensed by the National Bank of the Kyrgyz Republic to carry on banking operations in national and/or foreign currency and to carry on banking operations in accordance with the Islamic banking and financing principles through “Islamic Window” in the national and/or foreign currency.

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 Bishkek, Kyrgyzstan and has 2,532 employees as of 31 December 2025. The applicant has a significant national presence, with more than 53 branches covering all regions of Kyrgyzstan, including rural and remote areas.

7. The applicant's core business activities include investment and financing in small and medium-sized enterprises (SMEs), agriculture and export-import operations sectors, among others. The applicant is also able to operate with Islamic financial products through a financing window and has a special department for leveraging capital markets.

8. Eldik Bank has established a dedicated Sustainability Department responsible for green finance activities and ESG integration. The department engages with international financial institutions and climate finance partners, including the Green Climate Fund, multilateral development banks and bilateral partners.

9. The applicant coordinates closely with the national designated authority, the Ministry of Natural Resources, Ecology and Technical Supervision, as well as with the Climate Finance Center and other national stakeholders in the context of climate finance programme development.

10. The applicant has also entered into cooperation arrangements related to green finance, including a memorandum of understanding with the Astana International Financial Centre Green Finance Centre Ltd.

11. Eldik Bank intends to seek GCF financing for a Climate Finance Programme for SMEs and households to support climate change mitigation and adaptation in Kyrgyzstan. The programme will expand access to concessional and long-term financing for environmentally sustainable investments, building on the applicant's existing green lending activities. Planned mitigation investments include renewable energy projects, such as small-scale hydropower, solar photovoltaic and heating systems, biomass and biogas solutions, and geothermal energy, as well as energy efficiency improvements, including energy-efficient equipment, building insulation and retrofits, and upgrades to heating, cooling and lighting systems. The programme also includes support for sustainable transport through financing for electric vehicles and electric vehicle charging infrastructure.

12. The applicant's intended programming also includes climate adaptation and resilience activities, with a focus on agriculture and water management. Eldik Bank plans to finance irrigation and water system improvements, climate-resilient agricultural practices, pollution mitigation measures, and wastewater treatment technologies in climate-sensitive areas. In parallel, the programme incorporates market development and capacity-building activities, including sectoral assessments, feasibility studies, technical advisory services, training for SMEs, development of green lending practices, and public awareness initiatives to promote green investments.

2.3 Track record

13. Eldik Bank has an established track record as a commercial lender serving SMEs and households, with experience in financing sectors relevant to climate change mitigation and adaptation.

14. The applicant has financed renewable energy projects, including small hydropower developments, and has provided financing for energy efficiency improvements and climate-resilient agricultural investments.

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

- (a) USD 14.9 million (loans) for an Affordable Housing and Social Mortgage Programme in partnership with KfW Development Bank and the State Mortgage Company of Kyrgyzstan;
- (b) USD 7 million (loan) and USD 6 million (grant) for the Climate-Resilient Value Chains in the Agriculture Sector Programme with financing from the Asian Development Bank;
- (c) USD 4.8 million (guarantee) for the Digital CASA – Kyrgyz Republic between the Government of Kyrgyzstan and the International Development Association to expand digital infrastructure and broadband internet access;
- (d) USD 3.3 million (loans) for the Issyk-Ata-1 2 MegaWatt small hydroelectric power plant (SHPP) and other SHPP similar structures in the Chuy region; and
- (e) USD 2.0 million (loans) for a climate-smart agriculture project financing the construction of modern greenhouses with drip irrigation systems in Kyrgyzstan.

III. Stage II accreditation review assessment

16. 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 (decision B.BM 2021/07).

17. 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

18. Eldik Bank is a state-owned universal commercial bank regulated by the National Bank of Kyrgyzstan. It has extensive retail operations and operates 53 full-service branches and employs over 2,532 staff. In mid-2025, Eldik Bank has become the largest bank in Kyrgyzstan by assets, with about 81.7 billion Kyrgyz som (KGS) (USD 935 million)⁵ following a significant capital increase by the Government of KGS 61.5 billion (USD 700 million).⁶

19. The corporate governance system of Eldik Bank is structured in accordance with the national legislation. The applicant is also guided by the recommendations of the Basel Committee on Banking Supervision and has amended its corporate governance structure to align with international standards. The key documents of the corporate governance system are the Charter, the Corporate Governance Code and the internal regulations on the Board of Directors (BoD) and its committees.

20. The General Meeting of Shareholders is the supreme governing body that approves the election of the members of the BoD. Amending the applicant's Charter is an exclusive power of the General Meeting of Shareholders. The BoD is the governing body responsible for the overall strategic leadership and compliance with rules and regulations. The BoD consists of at least five members elected for a four-year term.

21. The BoD is supported by the Risk Management Committee, Audit Committee, Nomination and Remuneration Committee and the Sustainable Development committee. The roles and responsibilities of the BoD and the committees are defined in the internal regulations. The BoD is also supported by (i) Internal Audit, (ii) Compliance Control Department and (iii) Risk Management Department, reporting directly to the BoD. As the applicant also conducts Islamic banking, it has a Shariah Council, which reports directly to the General Meeting of Shareholders and approves transactions for compliance with Shariah requirements. A summary

⁵ As of 31 December 2025

⁶ See <https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3432166>.

version of the organizational chart is presented in the applicant's published Sustainability Reports. Minutes of meetings were shared with the AP demonstrating the operation of the governance structure.

22. The applicant's Management Board reports to the BoD and operates based on the Charter and internal regulations. It is headed by the Chairman of the Management Board and is supported by several committees such as the Credit Committee and the Asset and Liability Management Committee. The applicant sets objectives in the three-year strategy documents. The 2025–2027 strategy reports on the achievement of objectives of the previous period and includes, among others, the target to develop green financing products and become a national leader in ESG, while supporting the national climate targets of Kyrgyzstan. More detailed operational targets are reflected in the three-year Business Plans/Budgets, updated annually on a rolling basis and monitored by the Financial and Analytical Department, in line with the internal regulations on budgeting.

23. The financial statements of the applicant follow International Financial Reporting Standards (IFRS) and are posted on the applicant's website together with unqualified audit opinions, the most recent for 2024. The audits follow International Standards on Auditing, and there is a five-year term limit per audit firm. The auditor's management letters include comments on the implementation of previous recommendations, as well as management's response. The applicant has shared its comprehensive Accounting Policy with the AP, and the methodological basis for accounting and financial reporting is that of the IFRS. The financial system of the applicant enables the preparation of IFRS-compliant financial statements. The applicant maintains centralized, fully automated accounting records based on the principle of double-entry bookkeeping.

24. The activities of Internal Audit (IA) are governed by the internal regulations and are overseen by the Audit Committee. The IA has 19 employees and develops annual audit plans based on risk assessment and the applicant's strategic objectives and may also conduct unscheduled audits. The applicant provided annual audit plans for 2023–2025 as well as two IA implementation reports setting out findings and recommendations. Several IA reports from 2024, covering different areas of operations as well as monitoring reports on the execution of IA recommendations indicating the implementation status of past recommendations, were also provided. The National Bank of Kyrgyzstan conducts supervisory inspections of the bank, covering also aspects of the applicant's internal control and IA. Overall, the applicant's IA demonstrated alignment with international best practices, as evidenced by its governance structure and documentation practices with the exception of a policy on and completion of quality assessments.

25. Control procedures cover all levels of operations and include mechanisms for risk management, internal audit and compliance control. Based on the Internal Control Policy, the applicant operates a four-level control system. The first level is exercised by the Bank's employees; the second level by the Chief Accountant, Internal Control, Risk Management and Compliance and Control Departments; the third level by the Management Board, its committees as well as IA; the fourth level is exercised by the BoD and its Committees. The Risk Management Department is structurally independent from business operations; it maintains several credit policies and prepares monthly reports for management. The applicant's internal control processes are well defined and implemented, and segregation of duties is maintained. The applicant's control framework is aligned with the main Committee of Sponsoring Organizations of the Treadway Commission principles such as "tone at the top" (control environment), risk assessment, internal control activities, monitoring and procedures for information sharing. Eldik Bank does not employ fiduciary trustees or fiscal agents.

26. Eldik Bank follows a Procurement Policy that aligns with the national legislation for state and municipal enterprises. Information on completed and current tenders is available on

the applicant's website.⁷ Current tenders are also published on the central government procurement website.⁸ Examples of two major procurement contracts in 2024 were shared with the AP. The applicant reports on the status of procurement to the State Agency for State Property Management each quarter. Eldik Bank can pass on the funders' procurement requirements to its borrowers and has demonstrated this for multilateral funders.

27. The AP finds that the applicant's policies, procedures and capacity, supported by its track record, partially meet the basic fiduciary standard for key administrative and financial capacities. The relevant gap is identified in paragraph 24 and is reflected in the corresponding condition for accreditation in section 4.2.

3.1.2 Basic fiduciary standards: transparency and accountability

28. Eldik Bank has a Code of Ethics applicable to all staff since 2018 and updated in 2024. New employees must acknowledge adherence to the Code and other relevant policies in the employment contracts while existing employees access the Code of Ethics via the applicant's intranet. The applicant is in the process of training all staff. The applicant has also developed a Code of Business Ethics for Counterparties⁹ or its suppliers and other counterparties which is publicly available. Conflicts of interest are covered in the Code of Ethics, and more detailed guidance is given in the internal Conflict of Interest Management Policy. The applicant provided evidence of minor reported conflicts of interest and anonymized human resources orders confirming the implemented mitigation measures. During 2024, no significant conflicts of interest were identified.

29. Responsibility for ethical and personnel matters is with the Personnel Committee, which includes members of the Management Board and the heads of the Legal, Human Resources and Accounting and Reporting Departments. Appeals and complaints related to violations of ethical standards are reviewed in accordance with the Regulation on Personnel Committee. The applicant provided an example of the minutes of the committee meetings, demonstrating the review of a matter related to workplace morale in one of its branches.

30. Eldik Bank's zero-tolerance stance is articulated in the publicly available Sustainability Reports and published Anti-Corruption Policy. The list of malpractices in the policy includes bribery of any form, abuse of office, and coercive practices, substantially aligned with the GCF Policy on Prohibited Practices. The applicant has further implemented an Anti-Fraud Policy. Both policies were introduced in 2024 and are reviewed annually. ESG and anti-corruption training was conducted for all employees in 2024. The Code of Ethics and the Code of Business Ethics for Counterparties mentioned above further reinforce the applicant's stance against malpractices. Since 2023, Eldik Bank has been a participant in the UN Global Compact, committing to its ten principles.

31. Wrongdoing and suspected violations can be reported by email, as indicated in the Anti-Corruption Policy and in the Code of Business Ethics for Counterparties. Reports (including anonymous ones) can also be made via the applicant's online form, call centre, written correspondence and complaints and suggestions books available at branch offices.¹⁰

32. The applicant has recently approved the Regulation on Workspace Safeguarding and Grievance Redress and established a dedicated email line or submission via an anonymous QR code system for reporting internal incidents, outlining the process for receipt and registration of reports, their review as well as protection of confidentiality and the principles of non-

⁷ See https://eldik.kg/en/tenders?for_who=legal.

⁸ See <https://zakupki.okmot.kg/>.

⁹ See https://www.eldik.kg/media/sustainable_development/documents/Eldik_Bank_OJSC_-_Code_of_Business_Ethics.pdf.

¹⁰ See https://eldik.kg/en/feedback?for_who=individual.

retaliation. The applicant also has an internal procedure for Reviewing and Handling Consumer Appeals and Complaints. However, the applicant lacks publicly available guidelines for handling and review process of external whistle-blower reports, which was identified as a gap.

33. The mandate to conduct investigations is with the Economic Unit of the Security Department of the Bank, in line with the internal Regulation of Economic Security adopted in 2024. Investigations are carried out in accordance with Instructions on the Procedure for Conducting Internal Investigations, which was shared with the AP. The Unit has five permanent employees and reports directly to the Management Board. It is not involved in business operations due to the specific nature of its activities (requiring it at times to interact with the regulatory bodies and other banks). Investigations typically involve IA, Compliance Control and Risk Management Departments, which all report to the BoD. The applicant provided a report of the activities of the Economic Unit confirming its adherence to the mandate and ensuring independence and objectivity of investigations and information on case trends.

34. The Compliance Control Department of the applicant is responsible for Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) issues, relying on the applicant's Policy on Internal Control for Countering the Financing of Terrorist Activities and the Laundering of Criminal Proceeds. The internal control system for countering money laundering and financing of terrorism is organized based on the national legislation and takes into account the recommendations of the Financial Action Task Force. The Head of the department is the BoD-designated AML/CFT Officer, and all Compliance Specialists and branch directors receive periodic training on AML/CFT. In 2024, no incidents were identified related to money laundering or insider trading. The applicant's monitoring of transfers includes, inter alia, checking against sanction lists and lists of suspected individuals and identifying unusual transactions using data verification and automated control as evidenced by the samples provided of customer due diligence reports and monitoring reports on electronic funds transfers.

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

3.1.3 Specialized fiduciary standard for project management

36. Eldik Bank develops and funds projects using its own balance sheet as well as funding from donors, other financial institutions and using its growing deposit base. The loan portfolio reached KGS 38 billion (USD 435 million) at the end of 2024, with approximately 70 per cent of loans extended to corporate clients and SMEs, with the balance being mortgages and consumer loans. Approximately one quarter of the total loan portfolio is in the agriculture sector.

37. For commercial loans, Eldik Bank adheres to the Instructions on the Procedure for Providing Commercial Loans to Legal Entities and Individual Entrepreneurs, a detailed internal manual outlining loan identification, structuring, review and approval, disbursement, and monitoring. During project appraisal, opinions are obtained from the relevant units (Legal Department, Collateral Management Unit, Risk Management Department), financial analysis is performed, and an Expert Conclusion document (i.e. appraisal document) is finalized with findings and recommendations for submission to the Credit Committee. Cashflow analysis is mandatory for projects exceeding KGS 3.5 million (USD 40,000) in line with Methodology for Financial Analysis. Legal due diligence is conducted in-house. The applicant provided examples of appraisal documents for several SME loans. Depending on the proposed loan amount, credit approval decisions are taken by Credit Committees of different levels. Projects exceeding KGS

250 million (USD 2.8 million) require BoD approval. The Bank relies on the Risk Management Policy in its credit decisions.

38. Following disbursement, the applicant conducts ongoing monitoring, including the use of loan proceeds, payment and financial monitoring, and monitoring of collateral, with examples of monitoring reports and collateral monitoring reports shared with the AP. The procedures, frequency and responsible units are defined in the Instructions on the Procedure for Providing Commercial Loans to Legal Entities and Individual Entrepreneurs, as well as the Procedures for Problem Loans. The applicant's Credit Officers conduct on-site visits to assess the status of financed operations, with site visits mandatory in cases of payment delays exceeding 30 days. Findings are documented in loan dossiers and recorded in the applicant's internal information systems.

39. The applicant does not maintain its own Evaluation Policy and has not undertaken independent evaluations of donor-funded projects. Most projects are still ongoing and where required, the applicant participates in donor-led evaluation processes by providing relevant data and project information.

40. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, partially meet the specialized fiduciary standards for project management. The relevant gap is identified in paragraph 39 and is reflected by the corresponding condition for accreditation in section 4.2.

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

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

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

42. The applicant operates under a license that grants the right to conduct banking operations in both national and foreign currencies. The applicant is also authorized to conduct operations in accordance with Islamic banking principles.

43. The applicant's track record of implementation and administration of government and donor-funded credit facilities includes the following:

- (a) Affordable Housing and Social Mortgage Programme of USD 14.9 million in partnership with KfW Development Bank and the State Mortgage Company of Kyrgyzstan. Eldik Bank issues concessional loans to young and low-income families using the funds extended to it by the State Mortgage Company. Operating since 2020, the programme is still ongoing.
- (b) As part of the ongoing Agricultural Finance Programme funded by the government, the applicant extended concessional loans of KGS 1.65 billion (USD 19 million).
- (c) Under its cooperation with the China Development Bank, Eldik Bank established three credit lines totalling USD 25 million over 2016–2019 to support SMEs. This was topped by yuan 10 million (USD 1.4 million) signed in early 2025.

44. In November 2025, the applicant signed a Project Agreement with the Asian Development Bank for Climate-Resilient Value Chains in the Agriculture Sector Programme. Asian Development Bank provides USD 20 million as a loan and USD 20 million as a grant to the government, of which about one third will be passed on to Eldik Bank as a participating financial institution. Eldik Bank will direct the funds towards concessional lending and will assume obligations related to the provision of subloans, monitoring and control over the use of funds. The applicant is also experienced in blending and is currently implementing the project

Improving Air Quality in the Kyrgyz Republic aimed at financing clean heating technologies, where 95 per cent of funds come from the World Bank (via the Ministry of Finance) and 5 per cent is co-financed by Eldik Bank. Another example is the project Lending to Women Entrepreneurs where 50 per cent comes from the revolving fund provided by the Asian Development Bank on a grant basis and 50 per cent is provided by the applicant from its own funds. The applicant has an active guarantee portfolio as part of its operations, including bid guarantees, performance guarantees and advance payment guarantees.

45. In late 2024, Eldik Bank issued the first domestic ESG bonds worth KGS 200 million (USD 2.3 million) that were acquired by the State Pension Fund. The proceeds are to be used to finance loans that meet the applicant's eligibility criteria.¹¹

46. Eldik Bank is rated B by Fitch Ratings (June 2025) and B+ by Standard and Poor's (August 2025). The credit ratings are aligned with the sovereign ratings of Kyrgyzstan by the two agencies, reflecting the probability of support from the government. The non-performing loan ratio stood at 5.4 per cent at year-end 2024, down from 6.3 per cent at year-end 2023 mainly due to the rapid growth of the loan portfolio. The applicant's ESG score from Standard and Poor's has improved to 60 in November 2025 from the previous level of 45, due to enhanced disclosures in the second 2024 Sustainability Report.

47. Information disclosure of the projects and programmes funded by the applicant has been limited to date. Some information on financed projects is provided in the applicant's annual Sustainability Reports. The applicant is providing project-level data and reports to the donors as required and is capable of meeting the disclosure requirements of GCF-funded projects, if accredited.

48. The Credit Committee, Asset and Liability Management Committee, Management Board and the BoD collectively implement the applicant's Risk Management Policy and ensure consistency of credit decisions. The Risk Management Department assesses the overall credit risk for the loan portfolio. Monthly reports by the Risk Management Department are submitted to the BoD, with two examples shared with the AP. The department maintains and enhances policies and procedures for the management of credit exposures, including guidelines to limit portfolio concentration (Risk Tolerance Policy). The Risk Management Policy of the applicant outlines the framework for managing financial risks such as interest rate risk, foreign exchange risk and price risks through sensitivity analyses, gap reports and oversight from the Asset and Liability Management Committee.

49. The Applicant's Treasury Department is overseen by the Deputy Chairman of the Management Board. The Treasury works in close coordination with the operational units to ensure liquidity management, execution of investment and settlement transactions and compliance with regulatory requirements, based on daily and weekly reports received from the operational units. Examples of monthly and annual reports from Treasury to management were shared with the AP, as well as minutes of Asset and Liability Management Committee meetings.

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 and guarantees.

3.2 Environmental and social safeguards

3.2.1 Environmental and social policy, management and monitoring

51. The applicant's Environment and Social (E&S) Policy (2022) amended by Board decision in December 2023 and adopted in 2024 to integrate aspects of sustainable

¹¹ See https://eldik.kg/en/sustainable-development/kredity-zelenye-produkty?for_who=individual.

development. The policy regulates the applicant's approach to Environmental and Social Risk Management System adopted and approved in (2025The ESRMS provides the institution-wide systematic procedure for integrating E&S considerations throughout the transaction cycle. The E&S Policy explicitly confirms adoption of the International Finance Corporation (IFC) Performance Standards (PS) 1–8 and the applicant's commitment to comply with national laws and regulations governing E&S risk management. The key principles of the E&S Policy include the adoption of the mitigation hierarchy, promotion of inclusive and meaningful stakeholder engagement, and information disclosure. The E&S Policy and associated ESRMS are disseminated among staff, partners and borrowers. The E&S Policy is readily available on the corporate website.

52. The applicant's approach to the management of climate risks is guided by its ESG strategy, approved in 2024, and a suite of policies, including the E&S Policy (2022), the Exclusion Policy, the Gender Equality Policy (2022) and the Code of Corporate Ethics coupled with the applicant's prioritization of the sustainable banking approach. The ESG strategy commits to prioritizing green and social projects, actively working to lower the carbon footprint, embedding ESG criteria in credit analysis, adhering to international and national ESG performance and disclosure standards, while maintaining integrity in all operations and targeting equitable and inclusive financing. As of 2024 year-end, cumulative financing of green products reached KGS 23 billion (USD 263 million). In 2023, the applicant committed to disclosing its annual greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standards, with the first report published in 2024. The 2025 annual report indicates that the applicant's total GHG emissions across all scopes amounted to 130,326 tonnes of carbon dioxide equivalent. Of the total GHG emissions, Scope 3 was the most significant contributor, accounting for over 98 per cent, while Scope 1 and Scope 2 accounted for 1.1 per cent and 0.7 per cent, respectively. The primary sources of Scope 1 emissions are travel and waste management, whereas energy generation from combined heat and power plants constitutes the bulk of Scope 2 emissions. Financed emissions contribute the largest share (81 per cent) of the Scope 3 emissions. The average carbon intensity of the applicant's investment and loan portfolio was 4.3 grams of carbon dioxide equivalent per KGS of outstanding loans and investments.¹² To reduce financed emissions, the applicant has embarked on a decarbonization process for its lending portfolio by systematically supporting its borrowers' climate transition and introducing green lending products. In addition, the applicant has enforced its Exclusion Policy, which prohibits financing investments in carbon-intensive industries and supporting companies whose revenue depends on carbon-intensive activities. To implement the applicant's ESG strategy, a Sustainability Working Group was established and charged with overseeing the integration of climate risk assessments and mitigation into project reviews and implementation.

53. To manage risks to Indigenous Peoples, the applicant has adopted the IFC PS 7, even though the presence of Indigenous Peoples is not confirmed in Kyrgyzstan. The applicant has undertaken an analysis and mapping of the presence of Indigenous Peoples' populations in Kyrgyzstan against the IFC definition of Indigenous Peoples and has concluded that there are no communities that self-identify as Indigenous Peoples, operate under a separate governance system, whose livelihoods are dependent on a defined territorial area, and communicate exclusively through a distinct language different from the mainstream population. The applicant acknowledges the presence of minority and vulnerable groups and affirms that national legislation ensures non-discrimination, protects cultural diversity, and promotes inclusive decision-making. Eldik Bank has demonstrated its commitment to upholding the requirements of the GCF Indigenous Policy by integrating provisions for screening risks and impacts on Indigenous Peoples against PS 7, consultations and monitoring during project

¹² Eldik Bank (2024) Sustainability Report

execution. The AP concludes that Eldik Bank has the necessary procedures and systems to meet the requirements of PS 7 to the extent applicable to the national context.

54. The applicant upholds a zero-tolerance commitment against sexual exploitation, abuse and harassment (SEAH) regulated by the Gender Equality Policy and the Human Resource Policy. The SEAH Policy applies to all staff, partners and borrowers and is enforced in operations and at the workplace. The Policy is disseminated to staff, and commitment from partners is achieved through contractual clauses and covenants. For staff, the commitment is enforced through several instruments, including the Code of Business Ethics. To monitor and track incidents and concerns, the applicant instituted a procedure for reviewing and handling consumer appeals and complaints (2022), which is the centralized institutional procedure for handling third-party concerns. This is supplemented by an additional Board-approved protocol for handling and managing confirmed workplace SEAH incidents and concerns. However, the applicants' SEAH procedures and case management protocols for cases reported by third parties are still under development, expected to be rolled out by the first quarter of 2026. Further, the applicant ESRMS does not include procedures for screening, assessment and management of SEAH aspects in moderate-to-high-risk projects (category B/I-2 and A/I-1). Recognizing this gap, the applicant collaborates with the International Labour Organization and UN Women to support the training of relevant staff in screening, mitigating, handling and reporting SEAH cases. The applicant reports no workplace SEAH incidents or concerns for the last three years. The AP finds the applicant's systems and track record for managing SEAH aspects arising from third parties could benefit from additional enhancements and staff training.

55. The applicant's ESRMS elaborates the procedure for E&S risk identification and project categorization. The applicant's risk screening procedure aligns with the GCF approach to risk screening insofar as it relates to the GCF interim Environmental and Social Standards 2–8. In addition, the applicant screens against its exclusion list and national laws and regulations on environmental assessments. The screening procedure is applied to all projects, regardless of size. The applicant's definition of project categories is well aligned with the GCF categorization for category C/I-3 and category B/I-2 projects, to which the applicant is seeking accreditation. For E&S risk assessment and management, the applicant's ESMS requires the development of a full environmental and social impact assessment and Environmental Social Action Plan for category A/I-1 projects, an Environmental and Social Management Plan (ESMP) for category B projects and no further assessments and risk management measures are required for Category C/I-3 projects in accordance with national regulations. This approach is largely aligned with GCF requirements insofar as they relate to categories A/I-1 and C/I-3. To address the deviations observed in the approach to category B/I-2 projects, the applicant has confirmed its commitment to integrate provisions for a fit-for-purpose environmental and social impact assessment, in addition to the ESMP, to align with the GCF revised Environmental and Social Policy requirements for GCF-funded activities. The applicant demonstrated a solid track record in applying the ESRMS requirements for risk identification by providing screening reports and ESMPs for three projects undertaken in the last three years, illustrating adequate procedures, systems and capacity to undertake E&S risk screening and identification across all risk categories.

56. For category A/I-1 and B/I-2 projects, the obligations for E&S risk management and monitoring rest with the applicant's borrowers, regulated through the project-specific ESMP and covenants in the loan agreements. The applicant remains responsible for validating the ESMPs for category A/I-1 and B/I-2 projects and ensuring that these form part of the legal agreement to secure access to legal recourse in the event of non-compliance. The applicant's project monitoring routines include quarterly implementation reviews, ad hoc site visits, and joint meetings focused on E&S aspects. The applicant provided monitoring reports for three projects undertaken in the last three years, attesting to its adherence to the ESMS requirements. To assess the ESRMS effectiveness, the Internal Audit team conducts annual audits,

supplemented with external audits every three years. In addition, the Risk Management Department undertakes quarterly reviews of E&S performance within the overall investment portfolio, with the last review conducted in 2023. The applicant's current ERSMS was adopted in June 2025 and has therefore not yet been subjected to external independent evaluations. However, the applicant does not maintain a standalone evaluation policy, nor has the applicant demonstrated adequate procedures, systems and capacity to meet the requirements of the GCF evaluation policy.

57. The applicant's Department for Sustainable Development (ESG) is integrated into the applicant's organizational structure and charged with the responsibility of implementing the requirements of the E&S policy and the ESRMS. The applicant has resourced the department with competent staff (E&S Specialist and a Gender Equality and Social Inclusion Manager) and external consultants with relevant qualifications and experience for the assigned roles. The ESG Department is an independent unit, supervised by a department head appointed by the Management Board and reporting directly to the Management Board. The ESG Department collaborates with other independent units, including the Risk Management; Legal; Customer Service Quality and Credit Administration Departments. When needed, external consultants are engaged to support specialized matters and on high-risk projects.

58. The AP finds that the applicant's environmental and social management system, comprising the environmental and social policy and supported by evidence of its track record, partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim standards for maximum E&S risk category B/I-2 projects/programmes with respect to the PS 1-8. The relevant gaps are identified in paragraph 54 and are reflected by the corresponding condition for accreditation in section 4.2.

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

59. The applicant's external communications are guided by the requirements of the national regulations and the Environmental and Social Policy Performance Standard 10 on stakeholder engagement and disclosure. The applicant maintains a dedicated space on the corporate website for disclosing relevant information to the public, including policies, annual and sustainability reports. For the disclosure of project information, the applicant's current practice is to disclose all E&S documents as mandated by the national laws on the Kyrgyz environmental regulators' website. E&S documents are published in languages and formats prescribed by the law. Project-specific information is made available in public hearings and to expert panels for technical review in languages and formats appropriate to the different stakeholder audiences. These practices confirm the applicant's ability to comply with the GCF Information Disclosure Policy requirements. The Service Quality Department is fully equipped with procedures, systems and personnel to support external communications.

60. Eldik Bank conducts bilateral consultations with stakeholders, including clients, local communities, government regulators and international partners. These consultations are carried out during strategic planning, project implementation, and when conducting environmental and social impact assessments. The applicant actively engages with communities through public notices/hearings, grievance feedback, media briefs and social media. The ESG Department oversees the stakeholder engagement and public consultation procedures.

61. Regarding grievance management, the applicant adopts the Procedure for Reviewing and Handling Consumer Appeals and Complaints. The procedure serves as the avenue for Eldik Bank's independent grievance redress mechanism (GRM). The institutional GRM is overseen by the National Bank of Kyrgyzstan, which serves as an appeal channel for the applicant GRM. The procedure defines a systematic approach to submitting, receiving, acknowledging, investigating and providing feedback on complaints. The procedure details the roles and responsibilities, processing timelines (10 days for simple cases and 30 days for complicated cases) and

submission avenues. The procedure is widely disseminated in multiple languages (Russian and other applicable languages), published on the corporate website,¹³ making it accessible and understandable to potential users. Special provisions are integrated to ensure support for vulnerable groups in submitting grievances and receiving feedback, such as the book of complaints and suggestion available at applicant branches, a telephone number and access to the call centre. To specifically capture E&S and SEAH complaints, the applicant has revised the complaints coding system to include categories for SEAH and E&S. Additionally, the applicant has streamlined operating procedures for handling confirmed workplace SEAH cases. However, provisions for managing third-party cases are yet to be instituted. The applicant reports no E&S and SEAH complaints received over the last three years. In addition to the institutional GRM, applicant customers can also submit complaints through the National Bank of Kyrgyzstan. At the activity level, the applicant encourages its borrowers to establish project-specific GRMs, aligning with the requirements of the GCF revised Environmental and Social Policy.

62. The Customer Service Quality Department provides general oversight over the handling of third-party complaints, feedback and enquiries, supported by the Marketing; Credit Administration; Loan; Main Operations; Contact/Call Centre; Records Management and State Language; applicant branches; Security and ESG Department. The Human Resources Department leads the investigation of employee grievances. The applicant maintains dedicated resources to oversee the implementation of the appeals and complaints procedure and has developed systems for recording, tracking and monitoring the status of case handling. Whereas the applicant's staff have the competence to deal with general complaints, the applicants' track record in handling E&S and SEAH complaints is limited and requires strengthening. Staff training on SEAH matters has been prioritized, facilitated by the International Labour Organization, following the adoption of the Board-approved operational procedures for handling confirmed SEAH incidents. The applicant has procedures, processes and capacity to support the grievance redress mechanism, but needs strengthening for managing SEAH cases reported by third parties.

63. 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 GCF Information Disclosure Policy regarding E&S information disclosure requirements for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1–8. However, the AP finds the applicant's track record is insufficient. The relevant gap is identified in paragraph 61 and is reflected by the corresponding condition for accreditation in section 4.2.

3.3 Gender

64. To demonstrate its commitment to advancing gender equality, the applicant developed and adopted a Gender Equality Policy in July 2025. The policy applies to Eldik Bank and all its partners and has been widely disseminated through online publications and the annual disclosure of policy achievements. The Policy aligns with the current legislation of Kyrgyzstan, the United Nations Global Compact, United Nations conventions and the Sustainable Development Goals, all of which promote human rights, gender equality and social justice. Eldik Bank is a signatory to the Women Entrepreneurs Finance Code and commits to systematically tracking data on women-owned/led businesses. The applicant's Gender Action Plan serves as a practical tool for systematically integrating gender equality principles across all areas of the applicant's operations, aiming for sustainable and transformative outcomes. In addition, the

¹³ See https://eldik.kg/en/feedback?for_who=individual.

applicant has adopted tools such as the Gender Equality Marker to categorize projects, understand each investment's contribution to gender equality, and select appropriate financial products, the results of which inform the strategy for strengthening gender outcomes for each transaction. In terms of gender risk assessment and management, the applicant plans to integrate gender screening into the ESMS procedures for transaction screening and to develop procedures for gender-sensitive stakeholder engagement and consultation, budgeting and grievance management. The applicant has adopted approaches such as gender analysis for all proposed investments, the systematic collection of gender-disaggregated data, and gender-transformative human resources approaches.

65. To implement the policy, the applicant has dedicated resources and created a gender function that comprises a Gender Committee, the Gender Equality and Social Inclusion Manager and Gender Focal Points representing the different departments involved in operationalizing the policy, such as the Departments of Human Resources; Credit; Marketing; Loans; and Internal Audit. The Gender Committee, supported by the Gender Manager, has been charged with overseeing, reviewing and introducing relevant action plans, internal regulations and procedures to ensure the practical application of gender policy requirements at all levels. The applicant has offered mandatory training to all employees in several thematic areas¹⁴ relevant to the sector.

66. The applicant reports notable progress in implementing its Institutional Gender Action Plan, with women comprising 59 per cent of the workforce, 29 per cent in senior management, and 44 per cent in revenue-generating roles. Additionally, women hold 40 per cent of positions on the BoD and 33 per cent of the Management Board, reflecting a strong commitment to gender equity. The gender pay gap among comparable jobs has been reduced to 10 per cent, and measures are underway to reduce it further. In the applicant's investment portfolio, over 50 per cent of financed projects included female participation, and 1.4 per cent of total loan disbursements in 2024 were allocated to female entrepreneurs, totalling KGS 392.6 million (USD 4.5 million).

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

IV. Conclusions and recommendation

4.1 Conclusions

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

- (a) Bringing complementarity to the existing GCF national direct access entity for country programming by being accredited for additional instruments (loans and guarantees);
- (b) The indicative projects/programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 70 below;
- (c) Alignment of said indicative pipeline with country programming priorities;
- (d) Increasing the portfolio of direct access entities to GCF;

¹⁴ Gender Equality and Social Inclusion in the Financial sector, Introduction to the Women Empowerment Principles, Introduction to Eldik Bank's Gender Policy and Action Plan.

- (e) Potential contribution to the adaptation and mitigation balance in the GCF portfolio since the applicant focuses on adaptation and cross-cutting activities and supporting diversity in GCF results areas such as renewable energy, SMEs, and water management;
- (f) Enhancing private sector participation through the use of financial instruments such as loans and guarantees; and
- (g) Diversifying the use by direct access entities of appropriate financial instruments, such as loans and guarantees.

69. 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 paragraphs 16 above:

- (h) 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 Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy and the specialized fiduciary standard for project management. The gaps are related to the lack of a policy/chapter on the quality assessments of the internal audit function and conducting such assessment, lack of publicly available guidelines for handling and responding to external whistle-blower reports. The gaps are identified in paragraphs 24, 32, and 39 above, and are addressed by the corresponding conditions for accreditation in section 4.2 below;
- (i) The applicant meets the requirements of the GCF specialized fiduciary standard for on-lending and/or blending (for loans and guarantees);
- (j) The applicant partially meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to medium E&S risk category B/I-2. The gaps relate to (i) the lack of procedures for managing SEAH incidents reported by third parties; and (ii) the lack of integration of SEAH aspects into project screening, due diligence, assessments and management for category B/I-2 projects. The gaps are identified in paragraphs 54 and 61 above, and are addressed by the corresponding conditions for accreditation in section 4.2 below;
- (k) The applicant has demonstrated that it has procedures and competencies to implement its Gender Equality 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
- (l) The applicant has not demonstrated that it has institutional level systems, capacities and competencies regarding evaluation as required by the aforementioned GCF basic and specialized fiduciary standards and interim ESS standards that would enable it to implement the GCF Evaluation Policy for its GCF-funded activities. The gap is related to a limited procedure, capacity and track record in project evaluation. The gap is identified in paragraph 56 above, and is addressed by the corresponding condition for accreditation in section 4.2 below.

4.2 Recommendation on accreditation

70. The AP recommends, for consideration by the Board, APL164 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or programme:** small;
 - (ii) **Fiduciary functions:**

- (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management;
 - (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); and
- (b) **Conditions:** The applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
- (i) Conditions to be met by the applicant prior to the issuance by GCF of a certificate/confirmation of accreditation under the transitional arrangements adopted in paragraph (m) of decision B.42/13 (in connection with the revised accreditation framework adopted in paragraph (a) of decision B.42/13):
 - (1) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of:
 - a. Adoption and implementation by the applicant of tools, checklists and report templates for SEAH risk screening, assessment and management and the adoption of standard operating procedures for the management of SEAH cases reported by third parties;
 - b. The adoption of an updated Internal Audit Policy or Charter which includes a requirement for regular quality assessments of the Internal Audit function;
 - c. The adoption and publication on the applicant's website of guidelines for responding to external whistle-blower reports, which guidelines should outline the applicant's process for reporting, assessing, investigating and responding to allegations, while adhering to the principles of confidentiality and anonymity, independence, fair and objective investigation, and non-retaliation; and
 - (ii) Conditions to be met by the applicant prior to the submission of the first funding proposal to the Board:
 - (1) Delivery to GCF by the applicant, in a form and substance satisfactory to the AP, of a final report of an independent quality assessment of the overall effectiveness of the applicant's internal audit function prepared by a qualified independent third party; and
 - (2) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of the adoption by the applicant of a project evaluation policy and/or guidelines for GCF-approved projects, which should include publication of required project information in line with the GCF Evaluation Policy.

71. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 70 above, and agrees to the recommendation.

4.3 Remarks

72. The applicant is reminded to amend its approach to E&S risk mitigation and management for category B/I-2 projects to align with the GCF revised Environmental and Social Policy for the GCF-funded programmes.
73. The applicant is advised to continue strengthening internal procedures and staff capacity on the management of SEAH cases reported by third parties.
74. The applicant is encouraged to continue regular training of its staff on the Code of Ethics.
75. The applicant is encouraged to streamline the layout and presentation of its policies on its website.
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