



**GREEN
CLIMATE
FUND**

Meeting of the Board
25 – 28 March 2026
Songdo, Incheon, Republic of Korea
Provisional agenda item 11

GCF/B.44/03/Add.04

4 March 2026

Consideration of accreditation proposals and activities – Addendum IV

Accreditation assessment of APL166

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 166 (APL166), Nigeria Sovereign Investment Authority (NSIA), based in Nigeria.

I. Introduction

1. Nigeria Sovereign Investment Authority (NSIA) is a statutory investment institution owned by all the federating units of Nigeria, with a mission to drive economic growth through strategic investments for the benefit of all Nigerians. The applicant has a three-fold mandate which it delivers through its three separate and ring-fenced funds as follows: build a savings base for the Nigerian People through the Future Generations Fund; enhance the development of the country's infrastructure through the Nigeria Infrastructure Fund; and provide stabilization support in times of economic stress through the Stabilization Fund. In addition to its core funds, NSIA manages third party funds on behalf of different government institutions and also acts as project manager in the implementation of key government and presidential initiatives.

2. The applicant submitted its application for accreditation to GCF via the Digital Accreditation Platform on 29 March 2025. Accreditation fees were received from the applicant on 9 June 2025, thereby launching the Stage I institutional assessment. Stage I was completed on 26 August 2025, and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:¹

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

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, "medium" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 50 million and up to and including USD 250 million for an individual project or programme."

³ Decision B.07/02.

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

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

II. Stage I institutional assessment

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process in accordance with the 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 part of the application. The Nigeria Sovereign Investment Authority was established as a body corporate pursuant to the Nigeria Sovereign Investment Authority (Establishment, Etc.) Act, 2011, Act No. 15 enacted by the National Assembly of the Federal Republic of Nigeria.

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. NSIA is headquartered in Abuja, Nigeria and had a total of 78 staff members as of February 2026. The applicant, as the custodian of economic resources for the next generation of Nigerians, is committed to tackling climate risks that have adverse effects on the environment. This commitment is reflected in the NSIA Sustainability Strategy, Environmental, Social and Governance (ESG) management system, Climate Action Policy, and dedicated green initiatives.

7. NSIA investments and initiatives such as renewable energy, energy-efficient technologies, and sustainable agriculture practices are aligned with the country's climate change strategies, including nationally determined contributions, Energy Transition Plan, national adaptation plans, and Climate Change Act.⁵

8. NSIA works closely with the National Council on Climate Change through a signed memorandum of understanding to support implementation of the climate action plan of Nigeria. Furthermore, through the intergovernmental committee on the Nigeria Carbon Market

⁵ See <https://nsia.com.ng/portfolio/?direct>.

Activation Plan constituted by the President of Nigeria, NSIA is deeply involved in the development of a carbon market framework policy, manual of procedures and regulations for the country.

9. To drive green project development, the applicant has invested in and established several strategic platforms to attract capital for the development of climate mitigation and adaptation projects from the private sector, institutional investors, climate finance institutions and development finance institutions. Notable platforms include: (i) Carbon Vista, a localized carbon market platform investing in carbon removal and reduction projects, (ii) the Renewable Investment Platform for Limitless Energy, focused on displacing diesel generation with renewable energy solutions; and (iii) the Green Guarantee Company, a climate-focused credit guarantor setup to mobilize climate finance in developing countries.

10. Building on these platforms, the applicant has developed an indicative pipeline of projects to be co-financed with GCF resources, aligning with its mandate to mobilize capital for climate action. Key initiatives in this pipeline include: (i) the Construction Finance Warehouse Facility, a blended finance vehicle designed to provide early-stage construction financing for low-carbon infrastructure, such as solar mini-grids and green housing, to bridge the funding gap for climate-aligned projects; and (ii) a Regenerative Agriculture Programme, aimed at restoring soil health and enhancing the climate resilience of smallholder farmers through sustainable land management and value chain development.

11. NSIA is a member of several strategic networks including the One Planet Sovereign Wealth Fund Initiative, the International Forum of Sovereign Wealth Funds, Nigeria Climate Change Fund Steering Committee, and the Africa Sovereign Investment Forum. These networks position NSIA as a key player in driving policy development, advancing climate change strategies and securing climate finance for sustainable development.

2.3 Track record

12. The applicant has experience in implementing projects/programmes in infrastructure, energy/power, agriculture, industry, health and finance.

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

- (a) USD 62.0 million (loans) for the Presidential Fertilizer Initiative (total project size USD 97.0 million), a national programme where the applicant acts as the fund manager, providing a revolving working capital facility to restructure the domestic fertilizer value chain and enhance agricultural productivity;
- (b) USD 39.3 million (equity) for the Infrastructure Credit Guarantee Company (InfraCredit) (total project size USD 200.0 million). NSIA led the establishment of this specialized facility which provides local currency guarantees to mobilize domestic capital for sustainable infrastructure;
- (c) USD 25.0 million (equity) for the Renewable Investment Platform for Limitless Energy, a platform focused on replacing diesel generation with renewable energy solutions across the commercial and industrial value chain;
- (d) USD 20.0 million (equity) for the Carbon Vista Fund, a joint venture with Vitol S.A. focused on investing in carbon emission reduction and removal projects in Nigeria;
- (e) USD 11.5 million (equity) for the NSIA LUTH Cancer Centre, a healthcare infrastructure project providing advanced oncology treatment;

- (f) USD 10.0 million (equity) for the Green Guarantee Company (total capitalization USD 100.0 million), a specialized vehicle providing investment-grade guarantees to mobilize climate finance for low-carbon infrastructure in developing economies; and
- (g) USD 5.9 million commitment (grants) for NSIA Prize for Innovation; an annual program that provides cash prizes and equity to budding techpreneurs with scalable and impactful solutions.

III. Stage II accreditation review assessment

14. The applicant applied under the normal track accreditation process. Its application has been assessed by the AP during Stage II (Step 1) against requirements in accordance with the GCF policies and standards below 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).
15. As part of this assessment, the Accreditation Panel (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

16. The NSIA (or the Authority) was established under the Nigeria Sovereign Investment Authority (NSIA) Establishment Act (2011) as an independent corporate body responsible for managing the sovereign investment assets of Nigeria. The Authority invests through funds – the Stabilization Fund, Future Generations Fund, and Nigeria Infrastructure Fund (NIF) – each with its distinct mandate and investment approach, making direct investments and creating subsidiaries, associates and joint-venture companies, and in the case of the Stabilization Fund and Future Generations Fund also investing through third-party managers. The third-party managers invest in a variety of publicly listed and private equities, commodities and fixed income instruments in growth assets and conservative investments to safeguard capital and maximize liquidity. The three funds are not separate legal entities from NSIA, but are ring-fenced investment funds within NSIA, with segregated portfolios, with assets and liabilities accounted for and managed separately. Fund-level reporting and audit are consolidated at NSIA level. NSIA governance comprises a Governing Council – an advisory body to the Board – and a Board of Directors (BoD)- the decision-making body of the Authority, and a Managing Director responsible for day-to-day management and supported by Executive Directors. Its Board Committees are: (i) Finance and Investment Committee (FIC); (ii) Audit Risk and ESG Committee; (iii) Nomination, Compensation and Governance Committee; and (iv) Subsidiary Oversight Committee in charge of reviewing matters related to subsidiaries. Based on shared committee charters, the FIC oversees finance, procurement, direct and externally managed

investments. The Nomination, Compensation and Governance Committee oversees the NSIA Code of Conduct and Ethics (the Code) enforcement, compliance frameworks, whistle-blowing procedures and conflict-of-interest management and monitors ethical standards across the Authority. The Audit Risk and ESG Committee oversees risk management, internal control, audit and financial reporting processes and external auditors. The documents shared with the AP demonstrate that the committees are active and operational and exercise their roles as defined by their respective charters.

17. NSIA organizational structure illustrates its various teams and reporting lines, as well as its subsidiaries, sub-subsidiaries, associates and joint ventures, each reflecting differing levels of ownership, control and influence. Through ownership interests, board representation and contractual arrangements, NSIA can align these entities with its strategic priorities, interests and standards. The NSIA subsidiary governance framework outlines the mechanisms for consistently applying its policies and standards across its portfolio. This framework ensures alignment with NSIA strategic, financial, risk, compliance and ESG objectives, under the oversight of the Board and its committees, and is supported by executive management functions and structured reporting systems. The five-year Strategy Blueprint (2024–2028) for NSIA has financial and non-financial targets for the three funds. Budget approval aligns resources with the agreed strategy, while the finance team conducts concurrent, multi-layered financial monitoring across monthly to annual cycles. The NSIA management plan includes monitoring and reporting on the budget execution, with employee-level performance targets aligned with the corporate-level goals. Together, these processes enable continuous oversight, timely corrective actions and consistent achievement of the Authority's strategic objectives. A copy of the budget, covering operations and investments, with a comparison to past budget execution, was shared. The Corporate Planning and Strategy unit evaluates the overarching strategic direction and organizational performance.

18. NSIA financial and accounting systems, supported by a Finance Procedural Manual, include the organization of functions, their descriptions, staffing arrangements, and ensuring clarity of roles and responsibilities in accounting and financial management at the institutional and project level. Project-level accounts are maintained, reported and consolidated into NSIA financial statements. The Manual also covers budget preparation, payment processing, expense and investment management. Custody agreements with JPMorgan Chase Bank N.A, and First Abu Dhabi Bank established robust fiduciary controls using an independent custodian, ensuring segregation between asset management and asset safeguarding. This arrangement reduces the risk of fraud and misappropriation and strengthens financial management through independent third-party verification of holdings, cash balances and transactions.

19. As outlined in paragraph 16 above, the Audit Risk and ESG Committee oversees the internal audit function, described in its Charter and Procedure Manual. The Head of Internal Audit reports to the Audit Risk and ESG Committee, which amongst other responsibilities, approves risk-based audit plans, and also reports to the MD and the CEO on administrative matters. The Internal Audit Procedure Manual determines the internal auditing approach, with quality assurance, stakeholder communication and key performance indicators. The function is staffed by qualified professionals with relevant expertise. NSIA provided a copy of the Internal Audit Plan Execution status 2023 and 2024, presenting implementation status of recommendations and activity plans, including procurement and finance audits. Ernst & Young conducted an independent quality assurance review in 2023, assessing conformity with the Institute of Internal Auditors' standards, the Financial Reporting Council of Nigeria requirements and the Nigerian Financial Regulations, and evaluating the function's effectiveness across purpose, people and process. The review identified good practices, areas for improvement and provided recommendations.

20. NSIA has shared its audited financial statements and the unqualified auditors' opinion for the past three years. The financial statements are prepared in accordance with the International Financial Reporting Standards and audited in accordance with the International

Standards on Auditing. The auditors also comply with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). NSIA's control framework is grounded in the Committee of Sponsoring Organizations of the Treadway Commission guidelines and structured around the "three lines of defence" model, including operational, risk management and compliance and Board oversight. The 2024 Internal Control Policy defines control responsibilities, reviews risks and weaknesses, prevents fraud, tracks audit issues, and ensures strong financial reporting controls.

21. The applicant's Compliance Management Policy defines compliance obligations and assigns clear authority to the Head of Internal Control and Compliance to oversee compliance programmes, investigations, training, risk assessments, corrective actions and continuous improvement in relation to compliance. NSIA enterprise risk management includes documented procedures, a risk appetite statement, risk registers, business continuity planning, regular reviews and risk oversight. The review of a risk management report demonstrates a comprehensive list of operational and investment risks, together with the corresponding mitigation and response strategies.

22. The NSIA Procurement and Outsourcing Policy establishes a transparent, ESG-compliant framework applicable across all business units, wholly owned subsidiaries and affiliates. NSIA has fiduciary oversight of procurement activities of its business units or ensures that the process meets NSIA standards. The procurement process, evidenced by sample documentation, supports principles of fair and equal treatment, transparent decision-making, applies value for money, uses established tendering procedures, and includes dispute resolution and open communication. The procurement methods and thresholds include open competitive bidding, shopping, direct contracting or single sourcing, and consultant engagement. Oversight is vested in top management, with compliance monitored by the Head of the Procurement Unit. Procurement is subject to regular internal audits, including a dedicated 2024 internal audit review of the entire function. The procurement policy includes ethical conduct, conflict-of-interest management and a zero-tolerance policy for fraud and misconduct. Risk management is embedded in procurement processes, with risk management personnel serving as mandatory members of bid-evaluation committees, which oversee and evaluate all procurement activities within the Authority. The Board's FIC approves the annual procurement plans, conducts prior review of high-value contracts, and approves bidder shortlists, bid evaluations and contract awards for large procurements in line with its policy-set thresholds. Examples of requests for proposals were shared, outlining a competitive process for selecting service providers based on technical and financial evaluations. As evidence of implementation, NSIA shared procurement documentation for engaging ESG advisory firms. The NSIA website includes a procurement page⁶ including its procurement guidelines.

23. The AP finds that the applicant's policies, procedures and capacity and track record fully meet the basic fiduciary standards on key administrative and financial capacities.

3.1.2 Basic fiduciary standards: transparency and accountability

24. NSIA's Code of Conduct governs the professional and ethical behaviour of its employees, management and relevant stakeholders. The Code addresses, inter alia, the confidentiality of NSIA and partner information, restrictions on gifts, loans and personal transactions, and compliance with applicable laws and regulations. Evidence of the Code's implementation is demonstrated through the inclusion of ethical and conduct requirements in standard service provider contracts, as well as signed staff declarations confirming acknowledgement of, and adherence to, NSIA's Code of Conduct, examples of which were shared with the AP.

⁶ See <https://nsia.com.ng/procurements/>.

25. In addition, the applicant has shared conflict-of-interest policies applicable to Investment Committee members and staff, which require the disclosure of actual or potential financial conflicts of interest, as well as a separate policy governing board directors. NSIA maintains a zero-tolerance approach to financial mismanagement, supported by a comprehensive set of policies, including Anti-Bribery and Corruption, Fraud and Investigation, Conflict of Interest and Internal Controls. Collectively, these policies are broadly aligned with GCF standards on prohibited practices.

26. Protection of whistle-blowers against retaliation is addressed through the NSIA Whistleblower Protection Policy, which sets out clear procedures and provides multiple reporting channels, including a toll-free hotline, web portal dedicated e-mail address and mobile application. The policy describes the role of a third-party independent entity that manages the platform called “Tip-off-Anonymous”,⁷ which is accessible via the NSIA website. NSIA treats all whistle-blower disclosures in a confidential and anonymous manner.

27. The NSIA investigation procedure includes the rules and responsibilities of the Internal Audit and Investigations functions, an independent unit responsible for managing investigations and reporting to the Managing Director/Chief Executive Officer and the Board’s Audit, Risk & ESG Committee. The NSIA Fraud and Investigation Manual sets out the mandate, organizational structure and standardized procedures for receiving complaints and managing cases before, during and after the investigation process. The abridged version of the whistleblowing policy and the Fraud Investigation Manual is publicly available on the applicant’s website, and describes the complaints mechanism and a structured investigation process.⁸ The NSIA Know-Your-Customer (KYC) and Anti-Money-Laundering Policy complies with Nigerian law and international best practices, the Financial Action Task Force Recommendations, and with international sanctions regimes (e.g. Office of Foreign Assets Control, United Nations, European Union and United Kingdom), and includes due diligence procedures for customers, roles and responsibilities, including the role of the Head of Control and Compliance in enforcement and awareness-raising. The applicant has described its tracing and monitoring of funds transfers and the reporting of suspicious activities, its record keeping and annual policy updates. Samples of KYC due diligence undertaken were shared, along with a description of its newly installed compliance management system, which provides ongoing risk monitoring and funds transfer monitoring. Staff certifications on AML/CFT compliance were provided as evidence of training.

28. The AP finds that the applicant’s policies, procedures and capacity and track record fully meet the basic fiduciary standards on transparency and accountability, and to the extent applicable to accreditation, the GCF Policy on Prohibited Practices, the GCF Policy on the Protection of Whistleblowers and Witnesses, and the GCF AML/CFT Policy.

3.1.3 Specialized fiduciary standard for project management

29. NSIA provided a comprehensive set of policies and procedures governing its project appraisal, investment decision-making and portfolio management processes. These are investment appraisal and approval frameworks for the NSIA Nigeria Infrastructure Fund (NIF), procedures for selecting and reviewing external fund managers, ESG and environmental and social risk management frameworks, investment policy statements for the NIF, Future Generations Fund and Stabilization Fund, as well as guidelines for unsolicited proposals.

30. These documents define investment evaluation, approval and monitoring processes, while the Environmental and Social Governance Management System Framework addresses environmental, social and climate risk management. Application is evidenced by two

⁷ See <https://tip-offs.deloitte.com.ng/>.

⁸ See <https://nsia.com.ng/contact-us/#whistle>.

investment appraisals (Baban Gona and the Carbon ESG Fund) covering objectives, financials, key performance indicators (KPIs) and cost-benefit analysis.

31. Among the NSIA funds, NIF is most relevant for climate-related investments, as the other two funds are externally managed in global markets, including overseas' listed financial assets. NIF is the in-house managed fund with around USD 1.4 billion assets under management; it has an Investment Procedure which governs the review of projects and approval by the Board's FIC, subject to due diligence – often by external advisers – covering financial, legal, technical, market and KYC reviews. Findings are submitted to the Executive Committee, with qualifying investments escalated to the Board for final approval. The FIC oversees NIF investment policy, decisions, portfolio performance and reporting to the Board. Post-investment, project teams conduct periodic performance reviews against agreed milestones, documented in portfolio reports submitted to NIF Management, the FIC and the Board Subsidiary Oversight Committee. Sample quarterly portfolio reports and standardized update memos – covering implementation progress, budget utilization and KPIs – were shared with the AP. NSIA oversees investments through regular project reporting, reviews and milestone-based financial controls. Project teams provide weekly updates to the Management Investment Committee, enabling early identification and resolution of issues, while fund disbursements are released in tranches linked to agreed milestones and deliverables. Beyond weekly reviews, project teams submit monthly progress reports to Executive Management, with quarterly updates provided to the Board through the Executive Committee. NSIA also shared an example of an FIC-approved implementation plan for a healthcare centre expansion. Financial oversight is supported through regular audits, reconciliations, and monthly budget variance analyses conducted by the finance and project teams. Periodic in-depth budget reviews assess milestone achievement and investment performance, with findings reported to Investment Committees and Executive Management for decision-making and corrective action. The NSIA ESG Team publishes annual sustainability and impact reports aligned with the United Nations Sustainable Development Goals and Global Reporting Initiative (GRI), supported by regular site visits by Risk, Compliance and ESG teams to monitor progress and escalate issues. Consolidated portfolio reports to the Board Subsidiary Oversight Committee provide Board-level oversight of performance across subsidiaries, joint ventures and associates. NSIA has the institutional capacity, supported by its established investment procedures, to originate, assess and manage projects financed through a range of financial instruments. NSIA demonstrates experience managing medium size infrastructure investments and projects through NIF, including project structuring, financial oversight, and portfolio risk management.

32. NSIA also provides fund management services to third parties, including government and civil society organizations, using investment approaches tailored to sponsor objectives. It holds the Federal Government's shareholding in the Development Bank of Nigeria and was appointed in 2018 as Fund and Project Manager for a 10-megawatt solar plant – the Kano Solar Project and fund manager for the Presidential Infrastructure Development Fund. Project teams maintain investment models under the Chief Investment Officer's oversight, with asset valuations reviewed at least annually by the Finance and Investment Committee and periodic performance reviews conducted by project and risk teams.

33. The applicant's evaluation framework relies on internal controls and operational monitoring but lacks a formal monitoring and evaluation policy and function, including defined structures, independent evaluation procedures, and disclosure of evaluation findings.

34. The NSIA Risk Management Framework sets out a structured approach to identifying, assessing and managing risks at both corporate and project levels. Risk registers and periodic reports to senior management and the Board demonstrate active monitoring of key, emerging and critical risks, with defined mitigation actions across the investment portfolio.

35. The AP finds that the applicant's policies, procedures and capacity, and track record partially meet the specialized fiduciary standard for project management (medium size

category). The relevant gap is identified in paragraph 33 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

36. NSIA demonstrates capacity to allocate, disburse and manage grant funding through the NSIA Prize for Innovation, a publicly advertised, competitive grant programme for start-ups with potential for growth, operating under transparent eligibility criteria and standardized evaluation and approval procedures. Since its launch in 2022, the programme has processed over 10,000 applications and awarded over USD 700,000 in cash and equity prizes. The programme has secured strategic third-party support, reinforcing its credibility and ability to mobilize external funding. Cascador sponsored a USD 45,000 impact prize, while the Presidential Initiative for Unlocking the Healthcare Value Chain (PVAC) contributed USD 15,000 for a Healthcare Innovator Prize. Grant awards are determined through a multi-stage selection process overseen by an independent evaluation committee, supported by documented due diligence manuals, conflict-of-interest safeguards, and external verification and audit. Disbursements are made on a tranche basis linked to defined KPIs, with post-award oversight including performance monitoring, reporting, site visits and quarterly reviews, demonstrating the ability of NSIA to manage grant funding in a transparent, controlled and accountable manner.

37. Overall, NSIA grant operations demonstrate the institutional capacity to design and implement competitive and transparent grant award processes, supported by publicly disclosed eligibility criteria, documented evaluation procedures, independent review mechanisms, and conflict-of-interest safeguards. Grant decisions are taken by authorized bodies, with public disclosure of beneficiaries and robust post-award controls, including KPI-based disbursements, reporting, audits and enforcement provisions. These arrangements evidence NSIA ability to allocate, disburse and oversee grant funding in a controlled, accountable and results-oriented manner.

38. 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 grant award and/or funding allocation mechanisms in the micro size category⁹.

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

39. NSIA operates three funds with a combined capital base of about USD 3.4 billion, including the NIF, which invests (i) directly in infrastructure projects or companies; (ii) by co-investing through partnership on projects and co-investment funds; and (iii) by establishing institutions that support infrastructure development. By virtue of the NSIA Act, NSIA is empowered to invest through subsidiaries, and special purpose vehicles, which is consistent with its fiduciary duty.¹⁰

40. NSIA investments are governed by a comprehensive policy and legal framework that defines objectives, risk appetite, approval processes, lifecycle management and oversight, supported by transparent procedures for unsolicited proposals and statutory authority under the NSIA Establishment Act.

⁹ As per annex III to decision B.31/06, "micro" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of up to and including USD 10 million for an individual project or programme".

¹⁰ Accordingly, NSIA operates through several wholly owned investment vehicles, including its Investment Management Company, Healthcare Development Company, Property Investment Company, and Agriculture Investment Company, among others.

41. NSIA's investment track record spans major infrastructure, healthcare, agriculture and renewable energy projects: samples of equity investments include a USD equivalent 20 million direct investment in a USD 50 million total investment setting up in CarbonVista – alongside Vitol S.A. – to develop and invest in carbon-reduction and removal projects, delivering high-integrity Certified Emission Reductions. To develop the financing of infrastructure projects, NSIA has invested USD equivalent 39.3 million equivalent equity capital in InfraCredit (Infrastructure Credit Guarantee Company Ltd), which provides local currency guarantees for infrastructure debt. In general, NSIA does not issue direct guarantees in accordance with the provisions of its establishing Act. The Applicant's lending track record includes a medium loan of USD equivalent 62 million equivalent to support a total size project of USD 97 million implemented by PFI-NPK to - a financing for the procurement and production of key fertilizer inputs that are not available locally. It has also shared the examples of many loans made in the small size range. Investment memos, due diligence reports, and ongoing monitoring reports support the assessment and approval of many of the examples referenced above.

42. The local credit rating firm Augusto & Co¹¹ affirmed the 'Aaa (NGA)' credit rating of NSIA for 2025, reflecting the Authority's strategic importance to Nigeria. NSIA was also assigned an ESG score of 2, indicating that environmental, social and governance factors have minimal contribution to credit risk.¹²

43. The NSIA Procedures/Guidelines govern the evaluation of loans, equity and guarantees, requiring comprehensive financial analysis, including three years of audited financial statements and projections. Debt reviews focus on leverage, liquidity and debt service capacity, while equity assessments use valuation methods such as discounted cash flow and peer comparables.

44. Key risks are identified, along with mitigants, periodic performance reviews with reporting to management and the FIC, and clearly defined exit strategies. The NSIA Valuations Policy and Procedures complement this framework by establishing a standardized approach to valuing portfolio companies in line with International Financial Reporting Standards and International Private Equity and Venture Capital Valuation guidelines. Valuations are centrally managed by the Finance Group, rely on transparent documentation and professional judgment, and are subject to periodic review by external auditors and valuation specialists. Documents shared include copies of feasibility studies for a proposed equity investment, a lending and business plan for a manufacturing plant. The documents provide proof of the staff's implementation of investment guidelines and of due diligence on borrowing entities or investees related to loans and equity investments.

45. While the NSIA Corporate Communications Policy outlines the policies for managing communication, and its Disclosure Policy provides for the timely and accurate release of information, there is no evidence of the publication of information on beneficiaries and results. NSIA has confirmed in writing that upon successful accreditation, it will have a dedicated webpage to publicly disclose information on all GCF-funded projects implemented by the Authority. Subject to any confidentiality obligations, this webpage will provide project-level information, including results, key milestones and periodic implementation updates, consistent with GCF information disclosure and reporting requirements.

46. Management of NSIA funds is guided by the Santiago Principles,¹³ with strong internal controls, compliance mechanisms, risk oversight and financial oversight for all disbursements to ensure alignment with objectives and best practices. Accountability is reinforced through internal reviews, annual independent, published audits and verification of segregated

¹¹ Augusto & Co. is widely recognized and used within Nigeria and parts of Africa, for local and national ratings.

¹² See <https://nsia.com.ng/credit-rating/>.

¹³ Santiago Principles are voluntary guidelines for best operations' practices of Sovereign Wealth Funds. The guidelines are to maintain a stable global financial system, proper controls around risk, regulation and a sound governance structure.

resources, preventing cross-use of resources and strengthening financial discipline. Using its Risk Management Framework, NSIA staff assess and manage risks across its investment portfolio. The framework, under the Board's risk oversight, requires a diversified multi-asset investment strategy, risk assessment tools covering credit, market, operational and liquidity risks, including stress testing and scenario analysis. NSIA uses financial structures to de-risk projects and mobilize private capital. NSIA applies internationally recognized standards and maintains strong liquidity and capital management to preserve capital. NSIA has a shared Treasury Management Framework which describes products and procedures for identifying, measuring, controlling, monitoring and reporting treasury risks, including liquidity, to maximize profitability and meet its financial obligations on time. Asset and Liability Management is a core part of the framework. A sample of its 2025 monthly risk management report, shared with the AP, includes an update on key portfolio risks across all risk categories. A shared memo by the NSIA risk group on a proposed investment evidences the implementation of processes and the scope of the risk review.

47. The AP finds that the applicant's policies, procedures and capacity, supported by its track record, meet the specialized fiduciary standard for on-lending and/or blending for loans (medium size category) and equity (small size category).

3.2 Environmental and social safeguards

3.2.1 Environmental and social policy, management and monitoring

48. The NSIA BoD adopted the Environmental, Social, and Governance (ESG) Policy in 2022, which was later amended in 2024 to include a gender responsive grievance mechanism. The ESG Policy sets out the group's commitments to embed ESG considerations across its business and investment activities. The ESG Policy confirms NSIA commitment to comply with the national laws and the IFC Performance Standards (PS) 1–8. To operationalize the policy, NSIA developed and adopted the institutional Environmental and Social Governance Management System (ESGMS) in 2023. The ESGMS details the Authority's approach to ESG integration across internal policies, procedures, reporting and monitoring processes integrated into the investment cycle. The ESGMS was reviewed and appraised by IFC, African Development Bank (AfDB), and [Japan International Cooperation Agency \(JICA\)](#) in 2025, leading to the integration of additional risk management measures for gender and climate risks. The ESG Policy and ESGMS have been disseminated to all staff, and NSIA borrowers are contractually obligated to adopt the ESGMS requirements in their operations. The applicant's climate approach is anchored in its Climate Action Policy (2023) and the requirements set out in the ESGMS. The Climate Action Policy was amended in 2025 to ensure alignment with the nationally determined contributions of Nigeria. To operationalize this commitment, NSIA integrates climate risk management, emissions reduction, and resilience-building measures across all investments and internal operations. A key aspect is the adoption of the Task Force on Climate-related Financial Disclosures recommendations, where climate risk screening and emissions analysis is integrated into the applicants' due diligence process. In addition, NSIA initiated an analysis of the portfolio-wide carbon assessment to establish a robust emissions baseline for future greenhouse gas (GHG) tracking and trend analysis with results expected in the first quarter of 2026. The applicant is exploring opportunities for setting up digital platforms to support continuous measurement, monitoring and reporting of GHG emissions across its portfolio. The applicant's current operating portfolio comprises 10 per cent climate mitigation and adaptation projects, amounting to USD 145 million committed total investment, mainly in the renewable energy and transport sectors. In the meantime, NSIA has adopted energy efficiency measures in its operations and is streamlining transport through measures such as carpooling and hybrid-vehicle adoption. Key employees have received relevant training in GHG accounting, estimating GHG emissions and carbon sequestration, climate mitigation and adaptation, and sustainability and climate risk training, to be completed by March 2026.

49. To safeguard the rights of Indigenous Peoples, NSIA adopted IFC PS 7, which promotes the principles of inclusive development benefits, meaningful consultations, access to grievance mechanisms and information disclosure. The applicant has shared one Category A project where the presence of Indigenous Peoples was confirmed and the Environmental and Social Action Plan (ESAP) included the development of an Indigenous Peoples Plan, demonstrating the existence of procedures, systems, capacity and track record to screen for Indigenous People's presence, manage risks through the development of Indigenous People Plans and secure free prior and informed consent. The applicant closely follows the developments in regional and country dialogues on the regulation of risks and impacts related to Indigenous Peoples and gathers updates on any judicial decisions affecting such communities to inform internal procedures. To operationalize this commitment, the applicant sourced a team of external consultants on a retainer basis to draw on specialized expertise when needed. The AP recognizes that NSIA possesses the necessary procedures and capacity to meet the requirements of PS 7 under the GCF ESS Standards.

50. Sexual harassment is one of the prohibited actions outlined in the Whistle-blowing Policy, as well as in the Gender Equality and Social Inclusion Policy. Furthermore, the Human Resources Policy, the Code of Conduct and the Human Rights Policy regulate the management of incidents of sexual exploitation, abuse, and harassment (SEAH) at the workplace. NSIA commits to a zero-tolerance policy for SEAH in the workplace. Enforcement of these commitments is through the whistle-blowing mechanism operationalized via the Tip-offs Anonymous platform, which enables reporting and tracking of SEAH reports submitted. The platform is operated by an external entity (Deloitte) and is accessible to NSIA employees and service providers. The Human Resources Department oversees the handling of workplace SEAH cases. NSIA reports no workplace SEAH cases registered over the last three years. In parallel, the management of SEAH complaints raised by external parties (communities and individuals) arising from or connected to NSIA activities, projects, investments, contractors, investee companies and other third parties acting on behalf of NSIA, is regulated through a parallel procedure linked to the grievance management mechanism and overseen by the ESG Department, supported by the investigation and disciplinary committees. The complaint resolution process encompasses key steps, including verification, thorough investigation, support for the survivor and appropriate disciplinary action against the perpetrator. Due to the recent introduction of external grievance management guidelines, the applicant's track record in managing third-party SEAH cases is limited. The applicant has demonstrated policies, capacity and systems to manage SEAH complaints, but must disseminate its SEAH management procedures to all stakeholders in NSIA operational contexts.

51. The ESGMS details the NSIA approach to ESG integration throughout the investment cycle and details the procedures for environmental and social (E&S) risk screening, identification, assessment, management and monitoring. E&S risks and impacts are screened against the PS 1–8, the national laws and the applicant's exclusion list. For risk categorization and management, the applicant leverages the IFC E&S risk classification framework which is similar to that of GCF. The applicant has provided evidence of screening reports attesting to a systematic approach and capacity to identify and assess E&S risks and impacts embedded in its investments. The applicant's screening and due diligence processes have been appraised by other development finance institutions (AfDB, IFC and JICA) on recent transactions and projects, including the MedServe project implemented through one of NSIA subsidiaries. The IFC Environmental and Social Review summary of the MedServe Project confirmed the adequacy of the screening criteria and the E&S risk category (Category B) based on the identified risks and impacts. The applicant's investment portfolio comprises 22 projects, including nine Category B and five Category A projects.

52. The approach to E&S risk assessment mitigation and management is aligned with GCF requirements related to E&S assessments, requiring Environmental and Social Impact Assessment and an Environmental and Social Management Plan for Category A/I-1 and B/I-2

projects. The applicant's Environmental and Social Due Diligence (ESDD) process revalidates the project category and evaluates the Environmental and Social documentation, informing the ESAP, which forms the basis for project E&S management and monitoring. The applicant has provided an example Environmental and Social Impact Assessment for ongoing Category B projects, ESDD reports, and ESAP for both Category A and B projects. The applicant's experience with E&S risk management for Category A projects is less advanced, limited to one Category A/I-1 project under development, and whose E&S risk management approach is still being streamlined to align with the ESGMS requirements, while the remaining four projects are still awaiting NSIA board approval. The applicant retains external E&S consultants to support the due diligence and monitoring processes for Category A/I-1 and B/I-2 projects. The AP concludes that the applicant has a stronger track record for Category B projects, and not Category A, to which the applicant seeks accreditation.

53. Monitoring project performance is undertaken internally on a weekly and quarterly basis, with reports submitted to the executive management and the applicable Board Committee. Borrowers are mandated to provide quarterly progress reports on the ESG performance throughout the investment duration. To support the monitoring of Category A and B projects, the applicant engages the services of external consultants from three firms on a retainer for a period of one year, renewable. The independent monitoring consultants verify the contents of the quarterly report through site visits and meetings with the borrowers. NSIA maintains an ESG tracker to assess the overall E&S performance in its investment portfolio, tracking elements such as permitting and licenses, E&S staffing, grievances and incidents, resource efficiency, pollution and waste management, gender diversity in the workforce, among others. The applicant has provided the ESG trackers for the overall portfolio for AP review attesting to its adherence to the ESGMS monitoring requirements and confirming its ability to supervise its borrowers/executing agencies and enforce ESG obligations.

54. Policy and project evaluation is the responsibility of the subsidiary management team, which is independent of the project teams supported by the internal audit teams. Third party review of the effectiveness of the applicant's ESG Policy and ESGMS was last undertaken in 2023 by IFC, JICA and AfDB, leading to the revision of the ESGMS in 2025, integrating procedures for managing gender, labour management and climate-related risks. An internal audit of the ESGMS was conducted in the last quarter of 2025, coinciding with the accreditation process and facilitating dialogue on areas for improvement to align with the GCF revised Environmental and Social Policy. The internal audit identifies the need to strengthen ESG capacity and staffing at two NSIA subsidiaries, in alignment with the IFC findings. Regarding project evaluation, the applicant reports that three projects have recently transitioned to the post-investment phase and are subject to a post-evaluation process. There was no evidence that the applicant had instituted a formal procedure for the independent evaluation of the effectiveness of its policies, procedures, including the ESGMS. The AP finds that the applicant does not meet the requirements of the GCF evaluation policy.

55. ESG Policy approval is the responsibility of the BoD through the Audit Risk and ESG Committee. Overall accountability for policy implementation lies with the Chief Executive Officer supported by the Sustainability and ESG Manager, who oversees the day-to-day operationalization of the ESG policy. The Sustainability and ESG Manager is supported by two professionals and external firms engaged on a retainer basis. The applicant has provided evidence of retention and continuous access to competent E&S professionals within NSIA and among its borrowers. Internally, the ESG unit collaborates with the legal, Audit, Risk, Communication and Human Resources Departments. For intermediated projects, the applicant ensures that its borrowers have the required capacity on ESG matters, either as a stand-alone function or integrated into other functions, customized to the needs of a particular entity. Based on the review and evaluation of the curriculum vitae provided, the AP concludes that the Sustainability and ESG Manager has the relevant experience and training. ESG leads in the NSIA subsidiaries possess the relevant qualifications and experience to oversee E&S risk

management at the project level. NSIA has ensured that contributing staff from collaborating units have access to and undertake relevant training and orientation on the ESGMS requirements, customized to their contributions in the due diligence, monitoring and reporting roles.

56. The AP finds that the applicant's environmental and social governance management system, comprising the environmental and social policy and the ESGMS manual, 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 ESS standards for maximum E&S risk Category A/I-1 projects/programmes with respect to PS 1–8. The relevant gaps are identified in paragraphs 52 and 54 and are reflected by the corresponding conditions for accreditation in section 4.2.

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

57. The NSIA approach to information disclosure and stakeholder engagement is guided by the national laws and regulations, specifically the Freedom of Information Act of 2011, which guarantees everyone access to information from any public institution. To implement the regulatory requirements, the applicant instituted the Corporate Communications Policy (2025) and procedures, to regulate the applicant's approach to Information Disclosure and Stakeholder Engagement. The Communications Policy applies at the institutional and project level and advocates for the principles of accessibility, inclusivity and transparency in its information disclosure procedures. Other internal policies and procedures supplementing the information disclosure efforts include the Whistle-blower Policy, the ESG policy, the Code of Conduct and the Board and Committee Charters. NSIA implements a balanced approach to information disclosure, aligning with national regulations, especially in restricted circumstances where regulation allows the maintenance of confidentiality as well as the data protection protocols. The applicant utilizes multiple avenues for information disclosure, including the corporate website,¹⁴ emails and press releases in electronic, oral and written formats. E&S Information disclosed to date includes policies and Annual Sustainability Reports. Project-specific information, such as E&S documents, project-specific grievance redress mechanisms (GRMs), is disclosed on the investee and regulator websites. External communications are overseen by the executive management, supported by the Corporate Communications Unit, and approved by the Executive/Managing Director. The applicant has demonstrated adherence to the Freedom of Information Act and the Corporate Communications Policy throughout the organization by sharing the information disclosure policies of two NSIA subsidiaries (the Nigeria Mortgage Refinance Company Plc and InfraCredit). The applicant commits to aligning with the GCF Information Disclosure Policy requirements applicable to Category A/I-1 and Category B/I-2 projects.

58. In addition to the Communications Policy, the applicant abides by the national regulations¹⁵ and the IFC PS as regards public consultations and stakeholder engagement on project-specific elements, for Category A/I-1 and B /I-2 projects that mandate embedding of consultations and stakeholder engagement in environmental assessments, mitigation and management. The applicant has provided evidence of implementing stakeholder engagement processes through forums such as meetings, interviews, workshops and public hearings, for three Category B projects. NSIA adopts a two-tier GRM, at the institutional and project levels. At the institutional level, differentiated pathways have been adopted for managing integrity/misconduct and environmental and social grievances, including SEAH aspects. To guide the handling of environmental and social grievances, NSIA adopted external grievance

¹⁴ See <https://nsia.com.ng/>.

¹⁵ The Nigerian Constitution 1999; Environmental Impact Assessment Act Cap E12 LFN 2024; the Freedom of Information Act, 2011.

management guidelines in December 2025 to govern complaints by external parties arising from or connected to NSIA activities, projects, investments, contractors, investee companies and other third parties acting on behalf of NSIA. The procedure has been published on the applicant's website¹⁶ for accessibility. A centralized digital platform and tracking system has been established to facilitate the submission and tracking of E&S grievances from external stakeholders. Grievance processing timelines range from 5 days for acknowledgement of receipt to a maximum of 45 working days for case closure, ensuring predictability and transparency. At the activity level, the applicant has demonstrated a track record of enforcing and supervising the borrower's obligation to operate project-level GRMs. NSIA reports no E&S grievances/complaints received through the institutional GRM, but a number of cases were received and resolved through the project level GRMs. To ensure sufficient internal capacity, the applicant is collaborating with IFC on staff training on GRM, gender and SEAH aspects.

59. The AP finds that the applicant's system of external communications, consultations, information disclosure and grievance redress mechanisms, supported by evidence of its track record, 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 A/I-1 projects/programmes with respect to PS 1–8.

3.3 Gender

60. The NSIA approach to gender is guided by the Gender Equality and Social Inclusion Policy approved and adopted in 2023 by the BoD and amended in 2025. The policy is operationalized through the Gender and Inclusion Strategy (2025); its ambitions are implemented through two pillars that aim to improve gender considerations in the NSIA investment portfolio and in internal policies and procedures. The strategy identifies short- and medium-term goals, most of which are already initiated. Since the approval of the Gender Strategy, NSIA has adopted gender-responsive workplace policies for recruitment, enforced equal pay for similar work, set thresholds for female representation in training and management positions, and embarked on the collection of gender-segregated data for monitoring and reporting to inform management decisions. By August 2025, NSIA workforce comprises 41% women, 22 per cent of the Board members are women, and women hold 32 per cent of the management positions. Within the investment portfolio, more than 30 investments in NSIA contribute to gender-related improvements. Of the applicant's active corporate loans 56 per cent have been issued to companies that are either wholly or jointly owned or women-led entities. NSIA is intentional in ensuring that all investments will promote non-discrimination in the exploitation of project benefits.

61. NSIA requires its investee companies to have a gender-based policy or action plan. Notably, the enforcement of integrating gender screening into investment portfolios against the 2X Criteria has resulted in the development of specific Gender Action Plans by NSIA borrowers/investees. The applicant utilizes a standardized gender screening questionnaire during the due diligence process to collect data on risks, impacts and opportunities for selected gender indicators defined by the 2X Criteria. The results are documented in the ESDD and inform the project-specific Gender Action Plan, which is part of the ESAP that forms the basis for project monitoring. The applicant tracks gender considerations through portfolio-level KPIs, and metrics established for each investee company, which are monitored quarterly. Monitoring results are used to document progress, identify areas for improvement, and support investee companies in strengthening gender integration, ensuring accountability and continuous

¹⁶ See <https://grievance.nsia.com.ng>.

improvement. The applicant provided evidence of screening for gender risks, the inclusion of gender in the ESDD reports, and training of staff on gender aspects.

62. The Human Resources Department provides oversight over the implementation of the workplace Gender Equality and Social Inclusion (GESI) policy requirements, while the ESG unit provides oversight over the integration of policy requirements throughout the transaction cycle. In terms of capacity-building, NSIA, in collaboration with IFC, is providing training for NSIA's gender representatives and executives on gender-based violence and harassment. In January 2026, the IFC training sessions began, with the first session held on 8 January 2026. The training sessions aim to build capacity on the integration of gender considerations in programming as well as the management of risks of gender-based violence and harassment in the workplace. In the meantime, the applicant has sourced external consultants to support the integration of GESI policy requirements into all investments that commenced before the adoption of the GESI policy in May 2023.

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

IV. Conclusions and recommendation

4.1 Conclusions

64. 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 complementary to the existing GCF national direct access entity for the country by acting as a sovereign investment vehicle capable of structuring and financing projects, mobilizing co-financing and deploying risk-tolerant capital;
- (b) The indicative projects/programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 66 below;
- (c) Alignment of said indicative pipeline with country programming priorities;
- (d) Potential contribution to the adaptation and mitigation balance in the GCF portfolio since the applicant focuses on cross-cutting activities, and supporting diversity in GCF results areas such as energy, infrastructure, livelihoods, ecosystems and health;
- (e) Enhancing private sector participation by creating enabling environments/de-risking climate investments, etc. through the use of financial instruments such as loans and equity;
- (f) Diversifying the use of appropriate financial instruments, such as loans and equity; and
- (g) Increasing GCF portfolio innovation potential by focusing on the indicative pipeline in areas such as new technologies.

65. 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 14 above:

- (a) The applicant meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy, and the specialized fiduciary standard for grant award and/or funding allocation mechanisms, and specialized fiduciary standard for on-lending and/or blending for loans and equity.

- (b) The applicant partially meets the specialized fiduciary requirements of the GCF for project management. The gap relates to the lack of formal evaluation and monitoring policy. The gap is identified in paragraph 33 above, and is addressed by the corresponding condition for accreditation in section 4.2 below;
- (c) 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 high E&S risk Category A/I-1. The gap relates to the lack of demonstrated application of the environmental and social management system (ESMS) procedures related to E&S risk screening, mitigation, management and monitoring for Category A/I-1 projects. The gap is identified in paragraph 52 above and is addressed by *the* corresponding condition for accreditation in section 4.2 below;
- (d) The applicant has demonstrated that it has a policy, procedures and competencies in order to implement its Gender Policy, which is found to be consistent with the GCF Updated Gender Policy to the extent applicable to accreditation, and has demonstrated that it has experience in gender consideration in the context of climate change; and
- (e) 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 relates to the absence of an evaluation policy. The gap is identified in paragraph 54 above and is addressed by the corresponding condition for accreditation in section 4.2 below.

4.2 Recommendation on accreditation

66. The AP recommends, for consideration by the Board, APL166 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or programme:**
 - (1) Medium in relation to the specialized fiduciary standard for project management and the specialized fiduciary standard for on-lending and/or blending for loans;
 - (2) Small¹⁷ in relation to the specialized fiduciary standard for blending for equity; and
 - (3) Micro¹⁸ in relation to the specialized fiduciary standard for grant award and/or funding allocation mechanisms.
 - (ii) **Fiduciary functions:**
 - (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management;

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

¹⁸ As per annex III to decision B.31/06, “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of up to and including USD 10 million for an individual project or programme”.

- (3) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
- (4) Specialized fiduciary standard for on-lending and/or blending for loans and equity; and
- (iii) **Maximum environmental and social risk category:** High risk (category A (I-1))
- (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) Condition 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 the adoption by the applicant of a monitoring and evaluation policy and/or procedures which enable the applicant to implement the GCF Evaluation Policy in respect of GCF-funded projects and programmes; and
 - (ii) Conditions to be met by the applicant prior to the submission of the first funding proposal with E&S risk category A/I-1 to the Board:
 - (1) Delivery to GCF by the applicant, in a form and substance satisfactory to the AP, of an environmental and social management framework which describes the applicant's project-specific approach to E&S risk and impact categorization, the applicant's risk mitigation and management, and the applicant's E&S risk monitoring and reporting processes and procedures;
 - (2) Delivery to GCF by the applicant, in a form and substance satisfactory to the AP, of a final report of an independent ESMS effectiveness reviews, specific for category A/I-1 projects, prepared by a qualified independent third party which shall have assessed the implementation of the applicant's ESMS, and which report should include examples of the application of the ESMS and provide lessons learned; and
 - (3) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of its development and implementation of a targeted capacity-building plan for the environmental and social safeguards staff on the applicant's Environmental, Social and Governance Policy, including training on category A/I-1 risk management and independent supervision of high-risk projects.

67. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 66 above, and agrees to the recommendation.

4.3 Remarks

68. The applicant is encouraged to disseminate and train staff and partners on the application of the SEAH policy and procedures.

69. The applicant is encouraged to disseminate guidelines for grievance management for external stakeholders to its staff and communities in its operational contexts.



70. The applicant has confirmed in writing its commitment to the public disclosure of information on GCF-funded projects, including results and beneficiaries.
