

Secretariat's assessment of the Project-Specific Assessment Approach (PSAA) Applicant for FP264

Secretariat's assessment of the PSAA Applicant

1. This report describes the updated assessment of Prosperete Investment Management Ltd (the "**Applicant**" or "**PIML**") against the GCF accreditation standards as applicable to Project-Specific Assessment Approach (PSAA) applicants. Documents reviewed during the assessment process are summarized in Annex 1.
2. The Applicant's funding proposal, including the PSAA Entity Assessment finalized in November 2024 (medium capacity rating), was submitted to the GCF Board for consideration at its forty-first meeting (B.41). Subsequently, it was withdrawn by the Applicant in order to *"further engage with the Secretariat on the feedback received from the stakeholders with the possibility of resubmission for consideration of the Board at a subsequent Board meeting"* ([GCF/B.41/02/Add.12/Rev.02 : Consideration of funding proposals – Addendum XII Funding proposal package for FP264 | Green Climate Fund](#)).
3. Since then, the Applicant has engaged with the Secretariat to address feedback received from stakeholders. In May 2025, the Applicant submitted documents to complement the Secretariat's Entity Assessment of the Applicant which was completed in November 2024 for B.41 submission. With this, among other things, the Applicant addressed the conditions that had previously been proposed in the Secretariat's Entity Assessment of November 2024.
4. The result of this updated Entity Assessment and the Secretariat's recommendations for PSAA accreditation are presented below.

Overall capacity	<p>Medium capacity</p> <p>The Applicant has in place a robust financial management system, sound governance structures, and a comprehensive suite of policies aligned with GCF requirements and industry best practices. This includes an internal control framework, risk management systems, and measures to prevent money laundering, terrorism financing, fraud, and corruption. Policies addressing environmental, social, and gender-related risks and impacts are also in place.</p> <p>The Applicant has engaged globally recognized third-party internal and external auditors. It is supported by a highly experienced team with a proven track record in managing similar investments which demonstrates its readiness and capacity to implement the project effectively.</p> <p>Submitted documentation confirms the Applicant's institutional capacity, functional governance bodies, and investment appraisal processes, including due diligence related to safeguards. These elements have been assessed as satisfactory to support the implementation of the entity's policies and procedures.</p> <p>The Applicant has met all 13 areas of accreditation conditions proposed by the Secretariat in its November 2024 Entity Assessment, underscoring its commitment to operational excellence and adherence to best practices. As project implementation progresses, the Secretariat will continue to monitor the fund rigorously, in line with the commercial covenants outlined in the Term Sheet.</p>
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	Based on current systems, policies, procedures and staffing, there is a low risk of any adverse impact on the entity's ability to execute the project as designed.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standard for blending for equity
Maximum environmental and social risk category	Medium risk (I-2)
Conditions	No conditions

5. The Secretariat has augmented its capacity by using external experts in undertaking the Applicant's Entity Assessment review.

I. Applicant Entity Assessment summary report

1.1 Introduction and institutional assessment

1.1.1. Basic information about the project and the Applicant

6. The Applicant, PIML, is a Mauritius-based company holding a Mauritius global business licence and a collective investment scheme manager licence (see more company details in section 1.5 below). The organizational set-up related to the management of the funds include two other companies in addition to PIML. The second entity, called Prosperete Growth Fund I ("PGF") is a Mauritius-based company holding a Mauritius global business licence and authorized to act as a closed-end fund. PGF will be the underlying equity fund which will invest in portfolio companies in the host countries. The third entity, Prosperete Growth Advisors LLP ("PGA"), is an India-based company which will act as investment sub-adviser to PIML to support PGF's investment activities.

7. The initial proposal identified PGA as the Applicant for PSAA accreditation, while PIML was named as the executing entity. After receiving input from the Secretariat on the requirements of the PSAA accreditation, the Applicant determined that PIML was more suitable to act as the accredited entity rather than PGA. Subsequently, a proposal was resubmitted by PIML as the Applicant for PSAA accreditation, with PGA as the executing entity in investment sub-advisory capacity. PIML and PGA are affiliates as both are owned and controlled by the same principals and operated under the same framework of policies. All three entities (PIML, PGF and PGA) share the same suite of policies that have been developed to be specifically aligned with the GCF policy framework. These policies have been formally adopted and operationalized by the respective boards of each PIML, PGF and PGA.

8. GCF's planned investment in the project is USD 50 million as equity. PGF has a total target size of USD 220 million. PGF's expected lifetime of 10 to 14 years. Investments in the portfolio companies will be made in accordance with the agreed eligibility criteria.

1.2 Methodology

1.2.1. Overview of the process

9. The Applicant's Entity Assessment was conducted in parallel with the due diligence on the funding proposal. During the process, two Entity Assessment reviews were completed. The first assessment was completed on 21 November 2024, and the second on 20 May 2025. The Entity Assessments were supported by an External Review Team (ERT) and went through two rounds of Climate Investment Committee meetings. Overall, it took over 17 months from the initial PSAA questionnaire submission on evaluating the project and entity, including team, policies, and processes.

1.2.2. First Entity Assessment for submission to B.41

10. ERT assessed the Applicant's policies, procedures, and track records against GCF accreditation standards. It assessed the entity information and major governance frameworks and/or bodies, evaluating their compatibility with the GCF requirements and validating the information via interviews with Prosperete team members. Altogether, through the review procedures, the ERT conducted seven interviews including all five key staff members in different combinations, and reviewed documents submitted as evidence of operational, governance and management capacity.

11. The first Entity Assessment was completed on 21 November 2024. In it, the ERT identified 13 areas for improvement in meeting the GCF accreditation standards and recommended relevant conditions to address them.

12. Consistent with the ERT assessment, to address the 13 areas identified, the Secretariat proposed that the following processes and controls of the Applicants were to be reviewed once they are operationalized, for which respective conditions were to be included in the funded activity agreement to address them:

- (i) Functional governing bodies;
- (ii) Functional and effective annual planning and budgeting;
- (iii) Functional external audit;
- (iv) Well performing finance systems, finance functions and finance controls;
- (v) Operational risk monitoring and reporting system;
- (vi) Functional ethics committee and system;
- (vii) Procurement;
- (viii) Updating the Conflict of Interests (COI) Policy;
- (ix) Functional COI system and process;
- (x) Functional whistle-blowing, investigation and fraud detection;
- (xi) Functional investment origination process including reporting systems;
- (xii) Functional environmental and social management system; and
- (xiii) Fully operational investment and environmental, social and governance teams.

1.2.3. Second Entity Assessment for submission to B.42

13. After withdrawal at B.41, the Applicant submitted documents and provided information to the Secretariat in order to demonstrate progress in putting in place operational processes, controls and governance mechanisms that comply with the accreditation conditions proposed by the Secretariat in its first Entity Assessment.

14. The Secretariat engaged ERT to re-assess the Applicant based on the submitted documents and provided information. The second Entity Assessment was completed on 20 May 2025.

15. The ERT confirmed that the documents submitted and information provided by the Applicant are sufficient to demonstrate that the 13 gaps in meeting the GCF accreditation standards identified in the first Entity Assessment have been adequately filled. Hence, ERT recommended that the conditions that had previously been proposed be removed.

16. Based on the ERT re-assessment findings, the Secretariat has confirmed that the 13 areas for improvement identified previously, as set out in paragraph 12 items (i) through (xiii) above, have been filled by the Applicant and, therefore, there is no longer a need for conditions to be included in the funded activity agreement in order to address them.

17. Detailed description of evidence and updates that have been provided by the Applicant and confirmed by the ERT and Secretariat and comparison against the first Entity Assessment recommendations are set out in Annex 1.

1.2.4. Assessment methodology

18. The Applicant was assessed in accordance with the GCF policies and standards to the extent applicable to accreditation below:

- (a) “Updated Strategic Plan for the Green Climate Fund 2024-2027” (B.36/13);
- (b) “Matters related to the accreditation framework” regarding the accreditation process (decisions B.24/13 and B.26/01);
- (c) “Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund’s Fiduciary Principles and Standards and Environmental and Social Safeguards” (decision B.07/02);
- (d) “Policy on Prohibited Practices” (decision B.22/19);
- (e) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (AML/CFT Policy) (decision B.18/10);
- (f) “Policy on the Protection of Whistle-blowers and Witnesses” (decision B.BM-2018/21);
- (g) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (h) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (i) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12);
- (j) “Revised Environmental and Social Policy” (decision B.BM-2021/18);
- (k) “Evaluation Policy” (decision B.BM 2021/07); and
- (l) “Updates to the Accreditation Framework” (decision B.31/06).

1.3 Contribution to the mandate of GCF

19. The funding proposal describes the Applicant’s contribution to energy generation and access; low-emission transport; buildings, cities, industries and appliances; most vulnerable people and communities; health and well-being; and food and water security; as well as infrastructure and built environment GCF results areas. The Applicant intends to use GCF funding to foster private sector investment. It intends to participate in equity and equity-like

investment deals of private companies operating in target countries and possibly expanding to countries in sub-Saharan Africa.

1.4 Track record and implementation of similar projects

20. The Applicant's team is assessed to have ample track record of similar projects and asset classes. While the Applicant is a first-time equity fund, the team has extensive experience in similar funds and projects, which were reviewed and considered sufficient by the Secretariat. The referenced investments are similar in size, types of financing structures and instruments, status of development, E&S risk levels, E&S standards triggered, outcomes, and monitoring and evaluation (M&E) processes expected. The track record includes direct equity investments, loan investments and investments into funds.

21. The principals, as key persons in their previous roles, have managed investments in several climate change-related projects and companies, mainly in solar energy, power grid, wind energy, hydro energy, logistics, infrastructure and others. The track record covers over twenty investments valued at over USD 1 billion in similar asset classes with similar financial instruments as intended in the suggested project.

22. Based on the team's track record, the Applicant can be expected to add value in developing projects for countries of operations and address climate priorities in target countries. The pipeline presented by the Applicant fits with the GCF portfolio-level goals.

23. In respect of the track record, a third-party report prepared by one of the Big Four international audit firms and provided by the Applicant, was reviewed to assess the track record of the two principals, verifying their similar roles with their former employers. The external experts interviewed key informants from the Applicant, covering areas such as general management, legal compliance, financial administration, procurement, project management, E&S and gender, as well as transparency and accountability issues.

1.5 Legal status, registration, permits and licences

24. The constitution of PIML was adopted on 22 July 2024 and the certificate of incorporation was issued by the Corporate and Business Registration Department at Port Louis, Mauritius ("CBRD"), on 22 October 2024. PIML holds a Mauritius global business licence and a collective investment scheme (CIS) manager licence, both issued by the Financial Services Commission of Mauritius ("FSC") on 24 October 2024.

25. The constitution of PGF was adopted on 23 July 2024 and the certificate of incorporation was issued by CBRD on 21 October 2024. PGF holds a Mauritius global business licence issued by the FSC on 24 October 2024. PGF is authorized to act as a closed-end fund.

26. PGA was set up in India on 31 October 2023 as a limited liability partnership under the 2008 Limited Liability Partnership Act, 2008.

II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.1. Key administrative and financial capacities

27. The key governing bodies include the Board of PIML, Advisory Committee of PGF, Board of PGF and investment committee of PGF. The key governing bodies and their functions are summarized below:

- (a) Board of PIML – review investment manager operations, reporting, audits and oversight;
- (b) Advisory Committee of PGF – investor supervisory committee to review fund operations and approve any deviations;
- (c) Board of PGF – review fund operations and audits, and oversee fund operations; and
- (d) Investment committee of PGF – approve investments, monitor portfolio, ensure alignment with strategy of investments.

28. The second Entity Assessment found that, except for the Advisory Committee of PGF which is to be formed at initial closing of the PGF and which will consist of investor representatives (including a GCF representative if appointed), other key governing bodies have appointed members who are investment professionals with relevant backgrounds and track records. The Boards of PGF and PIML each consists of independent external members.

29. PGF and PIML have also established Ethics Committee, investigation functions and a Risk Committee reporting to the Boards of PGF and PIML.

30. The Applicant has documented strategic direction as well as plans for target setting and reporting. The description of the objective-setting process has not been done in a documented manner, but further aspects related to setting objectives will be defined and endorsed by the investors through the PGF Advisory Committee. Based on the size of the first close, the Applicant will also complete its annual planning and budgeting. The Applicant has shown capacity for the management, reporting and monitoring of goals.

31. The Applicant has policies that apply to PIML, PGF and PGA. The responsibility of adherence to GCF policies is with PIML.

32. PGF also has finance and operations team consisting of Chief Financial Officer (CFO), Managing Partner, financial operations staff and Head of Compliance, which will supplement and oversee the work of the Administrator. One of the international corporate and fiduciary service providers has been appointed to be the Administrator. Financial statements will be prepared periodically and in accordance with International Financial Reporting Standards.

33. The PIML and PGF are regulated by FSC in Mauritius, which is a jurisdiction compliant with the Financial Action Task Force. The Applicant has provided a document on fund operations and finance that outlines processes for financial transactions. The Applicant has legal and operational capacity to receive international payments from GCF. The bank account for receiving payments to PGF has been set up in Mauritius and is controlled by PIML. The operationalization of the disbursements systems should be followed up during implementation.

34. There is no separate audit committee for the entities. Responsibility for the oversight of the PML and PGF are with the respective Boards.

35. An international accounting firm has been appointed to be the internal auditor of PIML and PGF. The internal audit function will operate in accordance with the audit plan prepared by the internal auditor, in line with the Internal Audit Policy and terms of reference, which have been developed according to industry best practices. The first audit report will be finalized at the end of 2025.

36. As a private sector entity, the Applicant is not subject to external audits carried out by a national audit institution. One of the Big Four international accounting firms is appointed to be the external auditor of PIML and PGF. The external audit function will operate in accordance with the External Audit Policy and terms of reference. The first audit report will be finalized at

the end of 2025. The external auditor will provide annual management letters observing audit and control frameworks.

37. The Applicant's internal controls are based on the following documents that are applied to PIML, PGF and PGA: Governance Architecture and Operations Manual, Compliance Management Policy, Accounting and Financial Policy Manual, a Framework for Key Fund Transactions with a control matrix. These documents define the internal control procedures in the core financial management of PIML, PGF and PGA. The Applicant does not use fiscal agents or trustees in their operations.

38. The Applicant's governance architecture establishes multiple lines of defence through maker-checker controls, independent governing bodies, Head of Risk, risk and environmental, social and governance (ESG) functions, operational efficiency, and external and internal audits by reputable firms. Based on this organizational structure, the duties are segregated. In addition, all functions will have involvement from teams from different departments.

39. The compliance and control functions are supported by the Administrator, which supports in adherence to the local laws of Mauritius through reporting and accounting of the company. The implementation of the control framework is also supported by the CFO and the finance and operations team. The Applicant has provided sufficient evidence that it uses best-in-class accounting management software and has the necessary controls related to financial management.

40. The Applicant manages its risks according to its Risk Management Framework and Policy that details the risks and procedures. A risk matrix for fund operations, which defines potential risks and mitigation measures, has been prepared. A Head of Risk is in place and oversees the risk function and the implementation of policies and processes. The Head of Risk also oversees the operations of the PIML, ensures that audits are conducted when needed and that action plans are implemented. A Risk Committee has been established which reports to the Board. It comprises the Head of Risk and CFO. Staff is and will be trained annually on risk management. The Applicant has demonstrated that the risk monitoring and management framework works as intended.

41. The Applicant has a procurement policy which applies to employees, consultants, officers or agents who are directly or indirectly involved in procurements. The policy highlights principles of efficient and effective procurement and impartiality, transparency and accountability. The policy includes scope, roles, responsibilities, thresholds, authorizations and code of conduct applied to the vendors. It also includes a short list of possible vendors for foreseen procurements. These vendors would be subject to a due diligence process implemented by the CFO and the finance and operations team. As a private entity, Applicant is not required to have a procurement committee or independent panel to evaluate proposals and will handle the procurement internally.

42. For the underlying equity fund, the Applicant does not need to disclose procurement activities. Procurement processes are subject to internal audit. The Applicant has provided evidence of application of the procurement policy. The memorandum of one procurement activity that has formally gone through the procurement process was reviewed and confirmed satisfactory by Secretariat.

43. The assessment finds that the Applicant has shown sufficient evidence for established and operational administrative and financial systems, capacities and human resources to manage the funds. The Applicant has adequate general and financial management capacity. The assessment notes that relevant team members tasked with applying these policies have the relevant experience.

2.1.2. Transparency and accountability

44. The Applicant has a Code of Conduct which is applicable to all employees and vendors. Confirmation that staff members are obligated to sign the Code of Conduct confirmation template has been provided. Staff are also required to undergo annual ethics training. An Ethics Committee has been established to function in line with the terms of reference. The organization has demonstrated conduct of an annual training.

45. The Applicant has procedures for COI under the Policy for Conflict of Interests, which outlines examples of COI and mitigation measures. The Applicant has additional supporting policies such as the Code of Conduct, Whistle-blower Policy and Anti-Corruption Policy and has submitted evidence that it has received annual COI declarations from employees and board members. For any decision-making, members and employees are expected to recuse themselves when any conflict of interests arises. The Ethics Committee oversees and enforces the implementation of the COI policy. Where there is non-compliance, sanctions may follow.

46. The Applicant has demonstrated evidence of zero tolerance for fraud, financial mismanagement and other forms of malpractice. Key manuals include the Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Anti-Money Laundering (AML) Policy. The definition of fraudulent activities is the same as that of GCF. The Applicant's fraud detection is stipulated in the Compliance Policy and in the AML policy. The Head of Risk, supported by CFO and finance team, play an important role in detecting fraudulent activities in the investee companies through monitoring controls ex ante and during the active investment period.

47. The Applicant also has a Whistle-blower Policy and has a publicly available mechanism for raising complaints. The assessment observes that the website of the Applicant also includes a publicly available Grievance Policy and has an email address for complaints. Information regarding the grievance mechanism is available to the public on the Prosperete website. The email is received and handled first by the Ethics Committee managed by the Head of Compliance. The Applicant has expressed zero tolerance for retaliation in its policies.

48. The Ethics Committee oversees the investigations' function. According to the policy, the committee is responsible for determining when an investigation should be initiated. The Board can also decide to launch an investigation independently. Investigations are then outsourced to a third-party service provider who can provide impartial investigations support. The service provider has not been contracted yet but will be procured depending on the issue being investigated. The Whistle-blower Policy stipulates that GCF and the Advisory Committee of PGF, where GCF would be present as well, will receive information on the complaints and ongoing grievance processes quarterly and annually. The system has not yet received any reports (internal or external) of wrongdoings.

49. The Applicant has an Anti-Money Laundering Policy, that is based on the Mauritius FSC code for prevention of money laundering and financing of terrorism. Mauritius FSC expects that the companies operational in Mauritius with financial licences adhere to this code. Two staff are appointed to AML and compliance matters. Their operations are also supervised through international information exchange with other supervisory authorities. Based on the track record, and evidence provided on the proposed investors, pipeline companies and key personnel, the Applicant has demonstrated capacity to deliver customer due diligence and assess AML risks when applying their own policy.

50. The assessment finds that the Applicant has prepared policies on ethical and conflict of interest matters, as well as policies and functions related to the prohibited practices. The whistle-blowing systems, fraud detection and investigation's function have also been assessed to the degree possible. The Applicant follows an anti-money laundering and countering the financing of terrorism regime through their own policies, scrutinized under the FSC regulation. The FSC regulation of Mauritius follows Financial Action Task Force recommendations and is compliant with the recommendations.

2.2 Specialized fiduciary standards

2.2.1. Project management

51. The individuals and experts retained by the Applicant demonstrate a track record and experience in project management, with expertise in assessing project feasibility and viability against set criteria, and monitoring project performance during the development and operational stages. The Applicant has created an Investment and Portfolio Process Policy for a three-stage process in appraising projects and developed processes to select the best projects for the appraisal review. The final decision-making powers are with the investment committee, which has three members, including one of the founders of the companies, an ESG officer and one independent member. The operationalization of the investment process has been demonstrated to the Secretariat.

52. The Applicant plans to use a wide range of external service providers for the assessment of investee projects. According to the Investment and Portfolio Process Policy the deal diligence will be decided on a case-by-case basis and will be led by the investment manager of the case. The investment team that originated the investee projects will also act as the portfolio managers for them.

53. The oversight and control functions for managing the investment process from origination to exit are defined appropriately. The several segregated steps of control are put in place. The controls shared between the investments team and the compliance team, and the reporting lines are all clear. The Applicant has designed *ex ante* site visits for the due diligence process, as well as checkpoints with the investees every six months for risk management. The Applicant also considers AML, a know-your-customer (KYC) process and fraud in its initial background check of the potential investees before investigating the opportunity further, according to its policy.

54. The Applicant has capacity for financial reporting and planning.

55. The Applicant's team members have a track record of monitoring portfolio risks. Their track record includes monitoring risks, and evaluating projects aligned with best practices of the industry. Also, the track record monitoring includes quarterly performance reviews, follow-up of key performance indicators and budgets, and continuous risk mapping. The ESG officer is responsible for the M&E function and timely and appropriate M&E processes. The operationalization of most parts of the processes and systems related to M&E will be followed up by the Secretariat during the implementation stage.

56. Key documents guiding the M&E activities are the measurement and evaluation and the monitoring and evaluation plans which outline the methodology, frequency, independence, external/internal, scope and disclosure of the evaluation and verification results. The documents highlight good capacity and best practices in M&E, including risk monitoring. The Applicant plans to publish its impact reports. The track record of the team supports a knowledgeable and open evaluation approach. The operationalization of the M&E will be followed up by the Secretariat during the implementation stage.

57. The assessment finds that the Applicant, based on its current personnel and policies, has the appropriate experience and ability to implement effective project management including planning, managing, monitoring, verifying and evaluating the projects. While the Applicant as an entity has limited institutional track record for fund management, it has the policies and the personnel to undertake the programme and has demonstrated to the Secretariat evidence of undertaking key programme activities.

2.2.2. Grant award and/or funding allocation mechanisms

58. The Applicant did not apply for accreditation for the grant award and/or funding allocation mechanisms specialized fiduciary standard.

2.2.3. On-lending and/or blending for loans and equity

59. The Applicant has a well-planned system with defined roles in analysing, reviewing, recommending and decision-making for investments. The Applicant's investment process for equity involves thorough due diligence to evaluate potential investees' business models, market potential, and financial health. Reviewed by the Head of Risk and approved by the investment committee, this ensures that investments are aligned with the mission and risk appetite of PGF. Post-investment, the Applicant will provide strategic support to foster growth and sustainability, ensuring the investments drive impactful outcomes aligned with the goals.

60. The Applicant's business model and investment procedures allow it to process funds from organizations such as GCF and blend these with its funds and equity capital from its investors. Therefore, it can apply the specialized fiduciary standards for blending and equities. The Applicant's financing is derived from various sources of other funders, private and public.

61. The Applicant's team is experienced in routinely handling the relations with funders, based on their extensive experience in direct equity investing. The Applicant has good experience through its current staff on managing due diligence processes from sourcing to investment decisions. As the Applicant does not take any loans, and there is no other requirement for it to maintain a credit rating, this is not required from external parties.

62. Investees are analysed based on a specific process, summarized in the Investment and Portfolio Process Policy and supporting documents. The investment cycle process generally follows international best practices from deal sourcing to alignment and impact assessment, to pipeline discussion, to deal due diligence. The due diligence process includes several steps and assessments. After sourcing, screening and discussions on the recommendations committee, the Applicant undertakes legal, environmental, social and governance, and financial due diligence processes that lead to preparation of the project recommendation. In the next phase, the Head of Risk reviews the proposed investments and gives their recommendation to the investment committee. The final step is discussion in the investment committee, which might still require additional work from the investment team. The documentation and investment disbursement follow approval by the investment committee, after which the project is transferred to active portfolio management. The Applicant has demonstrated comprehensive and thorough process and investment analysis capability, including on know-your-customer, legal, environmental, social and governance, and financial aspects of investments.

63. The Applicant manages the risks related to the investments guided by their Investment Policies, Risk Management Policies and Procedures Manual, and a risk metrics document.

64. In the investment origination and portfolio management process, risks are managed according to the "three lines of defence" principle as stipulated in the Governance Architecture and Operations Manual. At the first level, the investment team manages risks by adhering to risk management and investment policies. The second line of defence is represented by the Head of Compliance, who not only oversees compliance but also participates in the in-house recommendation committee to ensure that investment proposals are compliant. Additionally, an independent investment committee in PGF, advised by a separate Head of Risk and a Risk Committee housed in PIML, provides further oversight. The third line of defence comprises both external and internal audit functions, which operate independently of the operational management of the company and under the advice of the PGF board. These auditors ensure objective assessment and adherence to established risk management protocols according to their terms of reference. The reporting lines for risk management in the investment origination and portfolio management process are clear and adhere to best industry practices.

65. The Applicant plans to release information on the investments as defined in their Measurement and Evaluation Policy and Environmental and Social Safeguards (ESS) Policy, excluding information that is under the non-disclosure agreement with investee companies.
66. The Applicant has a constitutional document that defines the company name, governance structure, share structure, management policies, risk management, compliance and regulations, financial policies, conflict of interest policies, investment criteria, investor relations, dispute resolution and amendment procedures. The constitutional document is based on the laws and regulations of Mauritius.
67. Besides the constitutional document, the other key policy defining the portfolio management is the Investment and Portfolio Process and Policy. Based on the policy, PIML is planning to manage the portfolio through their investment team based on the value creation plan developed during the investment process. This includes identified steps of growing and exiting the company in an orderly fashion.
68. The financial team and contracts with the external providers show that PIML has designed an appropriate financial risk management framework.
69. The assessment finds that for the different financial instruments used, the advisory staff has a track record of previously managed funds, and the team has the capacity to establish and manage investments and channel and track the funds. The team and its contracted parties have the capacity to manage the treasury and the financial risk. Financial systems, including payment systems, reporting systems and approval systems, are operational.

2.3 Environmental and social safeguards

70. The Applicant has an environmental and social management system (ESMS) and ESG Policy that describes the processes of E&S risk management and safeguarding. The policy describes the relationship between the ESG team, investment team (deal team) and the investee companies and the reporting requirements on ESG topics. The Applicant has an experienced ESG and Climate Chair, who is a member of the investment committee, and has stated that it is in the process of identifying and hiring an additional ESG officer. An external specialized consultancy company, which has worked on other GCF projects, is also supporting in management of the ESMS.
71. The ESMS and ESG Policy is a comprehensive manual of risk identification, management and mitigation. The track record of the staff of the Applicant is appropriate considering the planned fund and covers the relevant geographies and asset classes. The process being followed by the Applicant adheres to the international rules and standards, including the GCF interim environmental and social standards for risk identification and screening. The evidence provided includes personnel track record of performing E&S assessments of several projects from previous professional experiences. This evidence indicates that the Applicant's team has the capacity and knowledge to operate a transparent risk management system for E&S.
72. The Applicant has specific guidance on the ESMS for its future portfolio. Checklists for analysing and identifying an ESMS for the portfolio companies have been provided in the form of templates but also leave open the possibility for external ESG Audits. The investment team oversees the management and integration of ESG in the investment and portfolio management processes with the support of the ESG officer. The Applicant has demonstrated the ESMS has been operationalized, and the assessment finds that its capacity is adequate.
73. The assessment finds that the Applicant's E&S management programme meets the GCF revised Environmental and Social Policy applicable to accreditation and GCF interim ESS standards for maximum E&S risk Category I-2 projects/programmes with respect to

International Finance Corporation Performance Standards (PS) 1–8. Moreover, the Applicant has capacity to adhere to the PS7 and GCF’s supplementary Indigenous People’s Policy.

74. The investment team of the Applicant, together with the ESG officer, will oversee the monitoring of the E&S reporting and risks. During implementation, it is crucial to follow up on E&S operationalization, to ensure that the tracking and monitoring systems are being put into practice according to the Applicant’s guidelines.

75. The Applicant has a complaints channel as described previously. The same channel is in use for all E&S grievances. These complaints are ultimately received by the Applicant’s Ethics Committee. In the case of E&S grievances, the Applicant has stated that it will co-opt its ESG officer in handling the complaint(s). It is possible to submit complaints and grievances via the Prosperete website; the Grievance Redress Mechanism Policy, ESMS, ESG Policy, and policy on sexual exploitation, abuse and harassment are available online.

76. The Applicant’s E&S operational framework includes policy elements on the requirements for stakeholder consultations and E&S information disclosure in line with the GCF Information Disclosure Policy requirements for E&S risk Category I-2.

77. The assessment finds that the Applicant has an adequate environmental and social policy, following international best practice. It is operating on a risk-based approach by mapping, screening, categorizing and managing E&S risks. The Applicant’s team has capacity and understanding on PS 7, stakeholder engagement processes and consultations, and has the systems and capacity to meet PS 7 on Indigenous Peoples. The Applicant has an E&S management programme that aims to ensure that the related risks are managed properly and in a timely way. The monitoring and review are expected to be carried out through appropriate systems and tracked in proprietary software. As stated in the fiduciary section, the Applicant has the capacity to manage grievances and external communications according to GCF standards and are planning for additional human resources to monitor, follow up and manage E&S risks.

2.4 Gender

78. The Applicant, as a company, does not possess a track record of gender assessments, but it has a stand-alone gender policy framework, which is aligned with the GCF’s Gender Policy, and is planning to use this in its operations. The Applicant’s staff have track records in integrating and using gender goals in equity investments as shown in their curricula vitae and the presented track record document. Gender is integrated into the Applicant’s ESG approach and is covered in most parts in the ESG Policy in addition to the gender policy. The Gender Action Plan shows how gender will be taken into account in screening, origination and portfolio management phases of the investment cycle. The Applicant applies the 2X challenge criteria and report against them. The Applicant has also provided a country and context-specific gender assessment document that highlights the roles, rights, needs, and opportunities of women and men across target countries and focus areas.

79. The Applicant’s ESG officer has been named as the gender focal point, responsible for managing the policy and supporting the investment teams in gender assessments and in portfolio management follow-ups. The Applicant noted in interviews that it intends to hire a gender officer later, if necessary.

80. The Applicant has a stand-alone Policy on Prevention of Sexual Harassment at the Workplace that applies to the staff of the entities, vendors and investee companies. The policy outlines reporting procedures and processes. Moreover, the policy recognizes local laws related to reporting requirements.

81. The Applicant's Gender Policy is further supplemented by its Gender Action Plan, which sets the groundwork for the organization's approach to monitoring and reporting its impacts across multiple output areas. As the fund begins to deploy capital, the monitoring of gender-specific policies will be followed up.

82. The assessment finds that the Applicant has an adequate Gender Policy, in line with the GCF Gender Policy. The Applicant integrates gender into its overall ESMS, with specific monitoring and reporting indicators outlined in its Gender Action Plan. Country-specific gender assessments demonstrate the Applicant's acknowledgement of the different gender contexts in its target geographies. The team's track record demonstrates experience and capacity in gender considerations with equity investments. While the Applicant does not have a staff member dedicated to gender aspects, the Applicant's current staff possesses the competency to monitor gender considerations and risks and incorporate them within their investment work.

III. Conclusions and recommendations

3.1 Conclusions

83. Following the assessment, the Applicant has demonstrated its current capacity through policies, and systems and procedures. The Applicant's team has the track record to support GCF in implementing its updated Strategic Plan 2024–2027 in:

- (a) The project that the Applicant has submitted to GCF within the scope of PSAA accreditation; and
- (b) Enhancing private sector participation by fostering private sector investment in climate change mitigation and adaptation projects using financial instruments such as equity.

84. The Applicant has demonstrated that it has a medium capacity to implement the proposed project, the "Prosperete Growth Fund", and manage the GCF-funded activities in alignment with the relevant GCF policies. While the Applicant has limited institutional track record on managing a full cycle of a similar fund, the Applicant has demonstrated that it has put in place operational control frameworks, investment processes and governance mechanisms, including ESMS systems, to undertake the project. In addition, the Applicant's track record also benefits from the extensive experience of its principals, individual staff and independent members. The Secretariat therefore concludes that;

- (a) The Applicant meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy, and the specialized fiduciary standard for project management, for blending equity to the extent applicable to PSAA and the funding proposal;
- (b) The Applicant meets the GCF revised Environmental and Social Policy, the GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk Category I-2 and to the extent applicable to PSAA and the funding proposal; and
- (c) The Applicant has demonstrated that it has policy, procedures and competencies in order to implement its gender policy consistent with the updated GCF Gender Policy to the extent applicable to PSAA and the funding proposal.

3.2 Recommendations on project-specific accreditation

85. **Accreditation type:** PSAA

86. **Fiduciary functions**

- (a) Basic fiduciary standards; and
- (b) Specialized fiduciary standard for project management, blending equity.

87. **Maximum environmental and social risk category:** Medium risk (Category I-2).

88. **Conditions:**

- (a) No conditions.

89. As described above, in its first Entity Assessment the Secretariat proposed certain conditions for the Applicant. Since then, as reflected in this second Entity Assessment and Annex 1 hereof, the Applicant has successfully demonstrated, to the Secretariat's satisfaction, that it has put in place sufficient processes and controls, such that the previously proposed conditions are no longer required.

90. Given that this will be a first-time equity fund project implemented by the Applicant, the Secretariat will rigorously monitor these processes and controls during implementation of the project to ensure that they are functional and operational.