

Section1:GeneralInformation

Section 1: General Information

Please note that this is section 1 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

1.1 Please indicate if information provided in this APR is disclosable outside the Green Climate Fund. *

- Yes - The Accredited Entity agrees that the information reported is disclosable.
- No - The information reported is partly confidential. The disclosable version of the APR will be attached.

If you select the second option [No - The information reported is partly confidential. The disclosable version of the APR will be attached], please follow the below steps.

- Step 1: Fill in all the sections of the APR with disclosable information.
- Step 2: Save each section using the 'Open as PDF' function provided in the top-right corner. (Do NOT submit an APR at this step).
- Step 3: Attach all these disclosable six sections, including an additional section on COVID-19, to the attachment boxes below, which will be shown once you check the second option only.
- Step 4: Update all the sections of the APR below with non-disclosable information.
- Step 5: Submit the non-disclosable APR with an attachment of the disclosable APR in the PDF format.

Please attach the disclosable Section 1 of the Annual Performance Report

Please attach the disclosable Section 2 of the Annual Performance Report

Please attach the disclosable Section 3 of the Annual Performance Report

Please attach the disclosable Section 4 of the Annual Performance Report

Please attach the disclosable Section 5 of the Annual Performance Report

Please attach multiple documents, if required.

Please attach the disclosable Section 6 of the Annual Performance Report

Please attach multiple documents, if required.

Please attach the disclosable Additional Section on COVID-19 of the Annual Performance Report

1.2 Please indicate if this report has been shared with the relevant NDA(s) for this Funded Activity

Yes

Once the APR is created in the PPMS, please use the 'Open as PDF' function to download the report in PDF format and to share with relevant authorities (i.e. NDAs) before submission. Select 'Yes' only if shared to ALL the relevant NDA(s).

Please Indicate the date of submission to NDA(s)

2021-02-28

If the APR is submitted to multiple NDAs, please indicate the latest date of submission to NDA, and provide the other dates per NDA in the further explanation box below.

Please provide further explanation, if any:

1.3 Funded Activity Title (Project/Programme Title)

1.4 Funding Proposal Reference Number

1.5 Board Meeting Number

1.6 Accredited Entity contacts for this APR

Full Name	
Gloria Visconti	
E-mail Address	Phone Number
gloriav@iadb.org	+1 2026233360

Full Name	
Maria Netto	
E-mail Address	Phone Number
MNETTO@iadb.org	+1 202-623-2009

1.7 Executing Entity(ies)

Full Name of Executing Entity
Banco de Inversión y Comercio Exterior S.A. (BICE)

1.8 Project Duration

From	To

1.9 Current Year of Implementation

2

Indicate the year number, e.g., '2'

1.10 Annual reporting period covered in this report

From	To
2020-01-01	2020-12-31

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 1 of the Annual Performance Report (APR).

 The accredited entity hereby confirms that the information provided in section 1 is complete and ready for submission.

Section2:ImplementationProgress

Section 2: Implementation Progress

Please note that this is section 2 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

2.1 Overall (summary) project progress

On March 1, 2018, the GCF board approved the project: "Promoting risk mitigation instruments and finance for renewable energy and energy efficiency investments." Subsequently, the IDB board approved the project on July 12th, 2018 and the FAA became effective on January 22nd, 2019. IDB received the first GCF disbursement of USD 45,000,000 on July 23, 2019. Under Component 2, BICE reported total financing in 2020 under the Project of USD 9,672,205, of which USD 3,568,225 were resources from GCF and USD 6,103,980 from BICE. The total disbursed loan portfolio (2019-2020) for the five sub-projects financed under the Project totaled USD 19,156,480, which breaks down as follows: USD 11,664,500 from GCF and USD 7,491,980 from BICE. Under Component 1, USD 154,095 GCF grant resources were disbursed, complemented with USD 29,793 in-kind contribution from BICE in 2020. The IDB serves as the Executing Entity for Component 1 (Non-Reimbursable resources for TC), and BICE acts as the Executing Entity for Component 2 (Reimbursable Resources).

COVID-19 caused a significant economic downturn in Argentina in 2020, in the wake of already difficult macroeconomic conditions. This was characterized by sharp local currency depreciation, a fall in foreign reserves, and restrictions on currency exchange. With economic activity severely diminished, demand dropped for financing in USD in general and investment capital in particular. This especially affected SMEs, as they were forced to change or delay their financing plans as their business priorities changed quickly. This resulted in slower than expected sub-loan disbursement and delayed some Project TC activities. Therefore, planned and adapted TC activities focused on creating the conditions for increased demand for SME Energy Efficiency and Renewable Energy (EERE) financing by building up pipeline through new origination strategies. The key Project stakeholders made proactive efforts to adapt and keep the Project moving forward in this new context.

The problem that the Project faces now is that it has become too expensive for BICE to assume the hedging risk as originally planned. While the Project has always allowed, even expected, BICE and LFIs to lend in local currency (ARS or pesos) as well as in USD, BICE is no longer willing to assume the hedging risk because it has increased significantly in the COVID-19 environment, in which Argentina has undergone serious macroeconomic impacts. This restricts demand to the universe of SMEs seeking financing in USD, which has shrunk considerably during the crisis. The interest of the LFIs and SMEs has always been to take financing mainly in ARS, and this interest has increased with the crisis. BICE and IDB are working to resolve this internal problem with the local government under a scenario in which the latter would assume the hedging risk.

Despite this context, IDB and BICE have been working on various fronts to address the implementation challenges and continue making progress in implementing TC activities under Component 1 during the year. IDB has been carrying out assessments, starting to develop new EERE instruments and tools and build capacity in BICE. In particular, the following assessments were conducted: updating segmented potential market demand study for SME EERE financing considering the economic conditions and downturn because of COVID 19; creation and analysis of a gender baseline study for SMEs; updated legislation on and financing potential for distributed generation in Argentina; and a legal and operational study of the EERE Credit Line. These four studies represent key Project areas for adjusting the EERE financing strategy and thereby creating a pathway for greater sub-loan disbursement, directly from BICE and indirectly via LFIs, and scaling in the medium- to long-term.

IDB made progress starting to develop the instruments for the EERE financing strategy. The standard performance contract model for ESI projects used in Colombia was shared with one of the major local insurance companies in Argentina for feedback. Initial discussions were held with two insurance companies and a broker for feedback on the market readiness for the insurance product. The development of the ESI financing structure and risk mitigation instruments will start in Q1 2021 and will be piloted with interested SMEs when EE sub-loans are financed. In addition, with support from local consultants, a simplified methodology (a.k.a. Non-ESI model) for sub-project evaluation was developed and tested and plans for its implementation and the respective training in 2021 are currently being planned.

There are different options available to address the Project challenges that IDB, BICE and the government of Argentina have been evaluating in collaboration with other key Project stakeholders. One option, which IDB informed GCF about earlier this year, is reallocating the hedging risk of offering the EERE Credit Line in ARS from BICE to the Argentine government. The study was carried out on the regulatory and operational frameworks in Argentina for offering the financing in both currencies as originally planned but under this new setup. The highest risk identified is hedging risk. Under the reallocation where this risk is assumed by the Argentine government, this would not pose any Project risk. This study was not a planned activity at the outset of the Project, but rather one that the Argentine government deemed necessary, and the IDB supported, as COVID-19 began to wreak havoc in Argentina in 2020. As a result, BICE's original plan to assume the hedging risk became unworkable. Thus, this study was proactively added as a TC activity.

The main conclusion is the country has confronted serious macroeconomic impacts from the COVID-19 crisis, bringing up issues relating to the hedging risk. Therefore, to ensure that the financing (Component 2) can be made available in ARS, in addition to USD, as initially planned to both LFIs and SMEs, it is necessary to make legal and operational changes at the local level in Argentina. This is the crucial factor that could put the project back on track in 2021 and increase the sub-loan portfolio.

BICE's projections for sub-loan disbursements in 2021 are USD 15,625,000. This considers financing in both ARS and USD. Given the delays and these circumstances, it is probable that IDB will request a two-year extension.

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays, and challenges according to the planned activities. As relevant, include references to other sections of this report (including Annexes or Attachments). Include a description of key milestones of the funded activity achieved during this reporting period including any deviations from original expectations. Also, describe challenges encountered and actions undertaken to resolve these challenges, and lessons learned during the implementation, including issues related to non-compliance with GCF standards or conditions, if any. In parallel, include positive achievements and better-than-expected results. If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets. Kindly make sure that this section just gives an overall summary and doesn't have overlap with other sections.

2.2 Performance against the GCF investment criteria (summary)

Provide a narrative report describing the progress on the funded activity's performance against the GCF investment criteria framework. The performance should be compared against the initial assessment provided in the Board-approved Funding Proposal (section E). The list of the investment criteria as per the current framework is provided below. For each investment criteria outlined below, please include an assessment of current status, changes, progress and impact of the project as well as any impact of project context on the project during this reporting period against the initial baseline scenario and planned activities as per the assessment presented in the approved Funding Proposal. This sub-section 2.2 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

Relevant Links

[The GCF investment criteria framework](#)

2.2.1 Impact Potential ?

2.2.2 Paradigm shift potential ?

2.2.3 Sustainable development potential ?

2.2.4 Needs of the recipient ?

2.2.5 Country Ownership ?

2.2.6 Efficiency and Effectiveness ?

2.3 Project Outputs Implementation Status

Use 'Add Row' button to add multiple outputs and/or activities reported against one output

Project Output Name

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name

Status **Implementation Progress**

%

Progress for the relevant reporting period

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

2.4 Progress Update on the Logic Framework Indicators

Values of Baseline, mid-term target and final targets should be the same from the approved funding proposals unless calculation methodologies were revised in agreements with the GCF. Please attach a supporting document(s) describing the calculation methodology of the current value of all the indicators in Section 6; the indicators cover core, impact, outcome, and output levels. If there is a change in the methodology, you need to include clear justifications for the change and changed values as compared to the previous year.

This sub-section 2.4 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

2.4.1 Core Indicators

Select applicable core indicators

- Mitigation Core Indicator 1 - Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF funded project/programme
- Mitigation Core Indicator 2 - Cost per tCO₂eq decreased for GCF funded project/programme
- Mitigation Core Indicator 3 - Volume of finance leveraged by GCF funding (Disaggregated by public/private source)
- Adaptation Core Indicator 1 - Direct Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 2 - Indirect Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 3 - Number of total beneficiaries relative to total population

2.4.2 Impact Indicators

Select applicable impact indicators

- M1.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of increased low-emission energy access and power generation
- M2.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of increased access to low-emission transport
- M3.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of buildings, cities, industries and appliances
- M4.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of sustainable management of forests and conservation and enhancement of forest carbon stocks
- A1.1 Change in expected losses of lives and economic assets due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention
- A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.)
- A1.3 Number of Fund funded projects/programmes that supports effective adaptation to fish stock migration and depletion due to climate change
- A2.1 Number of males and females benefiting from introduced health measures to respond to climate-sensitive diseases
- A2.2 Number of food secure households (in areas/periods at risk of climate change impacts)
- A2.3 Number of males and females with year round access to reliable and safe water supply despite climate shocks and stresses
- A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable)
- A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change
- A4.2 Value of ecosystem services generated or protected in response to climate change

2.4.3 Project/Programme-level Outcome & Output Indicators

Please provide ex-post 'Current Value' on a cumulative basis. If you have multiple outputs to be reported against one outcome, you need to write down the same outcome name for every output. Likewise, if you have multiple indicators to be reported against one output, you need to write down the same output name and corresponding outcome name for every indicator.

Use 'Add row' button to add multiple outcomes, outputs and/or indicators.

Results Area Type	Outcome Name		
<input type="text" value="Please select"/>	<input style="width: 90%;" type="text"/>		
Output Name (under the afore-mentioned outcome)			
<input style="width: 95%;" type="text"/>			
<small>Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.</small>			
Indicator Name			
<input style="width: 95%;" type="text"/>			
Unit			
<input style="width: 95%;" type="text"/>			
Baseline	Current Value	Mid-term Target	Final Target
<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
Remarks (including changes, if any)			
<input style="width: 95%; height: 40px;" type="text"/>			

2.5 Report on changes during implementation (include actual and expected changes)

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

2.6 Implementation challenges and lessons learned

Challenge encountered	
<div style="border: 1px solid #ccc; height: 40px;"></div>	
<small>Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.</small>	
Challenge type	Impact on the project implementation
<div style="border: 1px solid #ccc; padding: 2px;">Please select</div>	<div style="border: 1px solid #ccc; padding: 2px;">Please select</div>
Measures adopted	
<div style="border: 1px solid #ccc; height: 40px;"></div>	
Lesson learned and other remarks	
<div style="border: 1px solid #ccc; height: 40px;"></div>	

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 2 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 2 is complete and ready for submission.

Section3:FinancialInformation

Section 3: Financial Information

Please note that this is section 3 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

3.1 Approved Budget for entire project period as per FAA

Currency

GCF Funding (Equity)

GCF Funding (Grants)

GCF Funding (Guarantees)

GCF Funding (In-kind)

GCF Funding (Loans)

GCF Funding (Results-Based Payment)

3.1.1 Total GCF Funding

Please confirm if the afore-mentioned values are different as per your knowledge.

Please select

3.2 Co-financing

Currency

Co-financing (Equity)

Co-financing (Grants)

Co-financing (Guarantees)

Co-financing (In-kind)

Co-financing (Loans)

Co-financing (Results-Based Payment)

3.2.1 Total Co-financing

Please confirm the afore-mentioned values are different as per your knowledge.

Please select

3.3 Disbursements Details (Cumulative to this reporting period)

3.3.1 Total GCF Disbursement

Currency

GCF Equity Disbursement

GCF Grants Disbursement

GCF Guarantees Disbursement

GCF In-kind Disbursement

GCF Loans Disbursement

GCF Results-Based Payment Disbursement

Please confirm the afore-mentioned values are different as per your knowledge.

3.3.2 Co-Financing Disbursement

Choose currency

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.3.3 Total Project Disbursement

Choose currency

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

Please provide comments on sub-section 3.3, if any.

3.4 Expenditure details (Cumulative to this reporting period)

Choose currency

Please select

GCF Equity Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Grants Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Guarantees Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Loans Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.1 GCF Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.2 Co-financing Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.3 Total Project Expenditures

Please provide comments on sub-section 3.4, if any.

3.5 Investment & Other Income (Cumulative to this reporting period)

Reporting Level for investment

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

- Project Level
- Accredited Entity Portfolio Level

Choose currency

Please select

Please provide comments on sub-section 3.5, if any.

3.6 Report on AE fees (Cumulative to this reporting period)

Reporting Level for AE fees

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

- Project Level
- Accredited Entity Portfolio Level

Choose currency

Please select

Please provide comments on sub-section 3.6, if any.

3.7 Annual Financial Performance Report

Please download the Financial Performance Report Template in Excel.

[Financial Performance Report Template](#)

This sub-section 3.7 is not applicable for REDD+ Results-Based Payments Projects. Please provide a separate 'Financial Progress Details' in Section 6.

Please attach the Annual Financial Performance Report here.

Please provide comments on the attachment.

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 3 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 3 is complete and ready for submission.

Section 4: Environmental and Social Safeguards & Gender

Section 4: Environmental and Social Safeguards & Gender

Please note that this is section 4 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

4.1 Implementation of environmental and social safeguards and gender elements

Please provide information on the project or programme on the following: (1) key risks and impacts as identified; (ii) compliance with applicable laws and regulations including FAA conditions and covenants; and (3) progress in the implementation of environmental and social management plans and programs including monitoring activities undertaken during the implementation of the funded activity.

4.1.1 The information includes description on any changes in the key environmental and social risks and impacts as identified and arising from the implementation including any unanticipated risks and impacts (ex. from changes in laws and regulations) and, based on these if any change in the project's environmental and social risk category. In case of a change in the E&S risk category for the project, please provide an explanation.

During the reporting period, there were no changes in laws and regulations that affected the existing five sub-project portfolio financed by BICE (consisting of four biogas plants and one biomass plant). There were also no changes in the key environmental and social (E&S) risks and impacts associated with the sub-project portfolio. All five sub-projects are categorized as E&S Category B, and the procedures to implement the E&S Safeguards for Category B sub-projects continued in 2020 as planned, and in accordance with GCF and IDB standards. In addition, there was no change in the E&S risk category for any of the sub-projects.

BICE benefits from having E&S capacity in-house, with a specialized E&S team that has continued to work in collaboration with the external consulting firm to carry out activities under the Environmental and Social Management Framework (ESMF). The BICE E&S team is the same as in 2019, providing continuity. Due to the COVID-19 crisis, virtual E&S supervision was carried out in 2020 for sub-projects. The plan is to resume in-person visits as soon as the situation normalizes. During the reporting period, BICE continued with the application of the grievance mechanisms. A grievance redress mechanism is in place at BICE for the bank as a whole, not only for this Project with GCF. There has also been a grievance redress mechanism for the surrounding communities implemented for each of the five sub-projects.

4.1.2 The information should include status of compliance with applicable laws and regulations of the country as well as the relevant conditions or covenants under the FAA. This can be captured in the table below:

Status of compliance with applicable laws and regulations and the conditions and covenants specifically addressing ESS & Gender under FAA

Compliance Type
<input type="text" value="Please select"/>
Compliance Title & Description
<input type="text" value="Regulatory Decree 531/2016."/>
Status of compliance
<input type="text" value="Compliant"/>

Compliance Type
<input type="text" value="Please select"/>
Compliance Title & Description
<input type="text" value="Order 331/2016"/>
Status of compliance
<input type="text" value="Compliant"/>

4.1.3 Provide a report on the progress made in implementing environmental and social management plans (ESMPs) and frameworks (ESMFs) describing achievements, and specifying details outlined in the tables below.

Implementation of ESMPs and ESMFs

Activities implemented during the reporting period, including monitoring

BICE and IDB review of the Social and Environmental Safeguards related to the biomass plant (new biomass sub-project financed, Molino Matilde, in 2020), the E&S due diligence on this category B sub-project was carried out in 2019. This included a comprehensive E&S analysis of the sub-project by the external consulting firm (same consultant who evaluated the other sub-projects).

Outputs during the reporting period

Due Diligence (DD) Report of Molino Matilde
 Full Review and compliance, including environmental li-cense.
 Stakeholders consultations
 Site Visit (done in 2019)
 External Auditors

Key environmental, social and gender issues, risks and impacts addressed during implementation

The DD (and Environmental Impact Assessment, EIA of the sub-project) identified significant, expected impacts and risks, mainly of those expected during the operation phase. The DD also identified proposed mitigation measures for the identified impacts and recommendations. All of this has been integrated into the sub-project's Environmental and Social Management Plan in accordance with IDB Directive B.5 Requirements for Environmental Evaluation.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

All requirements were met for implementation.

Activities implemented during the reporting period, including monitoring

External auditor check on the client's facilities, stake-holders' consultations, and legal compliance (for the new biomass sub-project financed in 2020, Molino Matilde).

Outputs during the reporting period

Client Implemented all requirements

Key environmental, social and gender issues, risks and impacts addressed during implementation

The sub-project targeted would have no negative impact on Land and Biodiversity, Water, Air quality, and Social impacts.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

The sub-project targeted would have no negative impact on Land and Biodiversity, Water, Air quality, and Social impacts.

Activities implemented during the reporting period, including monitoring

E&S Supervision team monitoring of the sub-project portfolio according to E&S Management Plan

Outputs during the reporting period

Due to COVID-19, instead of site visits sub-project monitoring was done virtually through email and other means, due to COVID-19.

Key environmental, social and gender issues, risks and impacts addressed during implementation

The sub-project targeted would have no negative impact on Land and Biodiversity, Water, Air quality, and Social impacts.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

The sub-project targeted would have no negative impact on Land and Biodiversity, Water, Air quality and Social impacts.

Activities implemented during the reporting period, including monitoring

IDB reviewed E&S safe-guards compliance of all financed sub-projects

Outputs during the reporting period

IDB accepted the safeguards in compliance with its Directives

Key environmental, social and gender issues, risks and impacts addressed during implementation

The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

The sub-projects targeted would have no negative impact on: Land and Biodiversity, Water, Air quality and Social impacts

4.1.4 Provide information on how the GCF Independent Redress Mechanism, as well as the AE's GRM (e.g. contact details, accessibility, and basic procedures of such mechanisms), is brought to the attention of executing entities, people, and beneficiaries in the project target area and the public in accordance with the relevant ESMS/ESIA.

4.1.5 Include a description of the actions undertaken towards increasing the relevant stakeholders' engagement in the project environmental, social and gender elements.

The information in this subsection should be provided for all projects regardless of the E&S risk category for the project.

Implementation of the stakeholder engagement plan

Activities implemented during the reporting period

Public consultation and participation process with Stake-holders were carried out for the new biomass sub-project financed in 2020 (Molino Matilde)

Dates and venues of engagement activities

Engagement was carried out with the surrounding communities and authorities and other stakeholders (i.e. alumni from local schools and representatives from institutions).

Information shared with stakeholders

Explanation of the environ-mental impacts along with the benefits and externalities related to the sub-project

Outputs including issues addressed during the reporting period

Based on the public consulta-tion process, the client devel-oped a Stakeholder Engage-ment Plan for application during the construction and operation of the plant.

Establishment of communica-tion channels for prevention of and reception of grievances, critiques and suggestions from clients/stakeholders

4.1.6 Implementation of the grievance redress mechanism - list on the grievances received in the reporting period with the description of the grievance, the date the grievance was received, and the resolution of the grievance.

Description of issues/complaints received during the reporting period	Date of receipt
No complaints were received via the grievance mechanism systems during the reporting period.	
Description of resolution	Status of addressing issues/complaints
N/A	N/A

4.2 Gender Action Plan

During 2020, implementation of the Gender Action plan continued with the baseline study and trainings, as follows:

Gender baseline study on financing women-led SMEs and participation of women in relevant engineering and construction activities of eligible projects in Argentina

During 2020, within the framework of the Gender Action Plan, an in-depth gender baseline study was created and analyzed for financing women-led SMEs and participation of women in relevant engineering and operational activities of eligible EERE sub-projects in Argentina. It was conducted using secondary data (there was little data available) and completed in September 2020. The goal is to promote greater gender equality in operations financed under this Project. The study seeks to understand the discrepancies, increase women's participation in business and financing activities, and incorporate a gender perspective as an integral part of the Project.

The baseline's objective was to quantify and describe the key characteristics of female exporting SMEs to support BICE to identify potential demand for EERE loans from female SMEs. BICE has been including gender data for its business clients since 2018, so this study builds off that and develops more in-depth analysis, insights, and recommendations, including additional gender indicators to include in the Project's monitoring and evaluation. The study produced a baseline of total estimated female exporting SMEs in Argentina. It includes a detailed mapping by sector (economic activity), geographic location (province), the amount exported in 2019, and potential financing demand. The study includes gender analysis of BICE's loan portfolio and provided tools to BICE to help identify potential female SMEs for EERE financing. It is expected that this study will lead to an increase in the number of female SMEs financed under the Project.

This study was carried out for a more limited target group of female exporting SMEs. Similar to the Project overall, the aim now moving forward is to use this as a starting point and then expand the universe of female SMEs to those who also work in non-exporting industries/need EERE financing in local currency.

The following indicators have been discussed and agreed upon in 2020 between BICE and the consultant for inclusion in the Project:

1. Dissemination events with Chambers of Commerce, Industry, Services, Agriculture to disseminate i.) the existence of investment credit and, ii.) the objective that a fraction of the amounts goes to women exporting SMEs.

- Target: 1 annual event with relevant cameras with women present

2. Energy savings and emissions reduction (indicator already required)

- Target: 2 times per year (semi-annually)

3. Percentage of BICE-funded enterprises included in monitoring indicator #2

- Target: 100%

4. Percentage of companies financed with GCF resources where the number of staff disaggregated by gender is indicated

- Target: 100%

Women participate in capacity building activities - At least 20% of women participate in capacity building activities in the project

Various trainings and workshops with a gender perspective during the year:

- New BICE Committee – BICE's Board of Directors approved the creation of the Gender, Diversity, Inclusion and Sustainability Committee in 2020.
- Gender Webinar – The French Development Agency (AFD) held a gender webinar, in which representatives from all areas of BICE participated. Internal awareness was raised on gender and the development of a gender policy was discussed.
- Gender Perspective Workshop – IDB held a second gender workshop for BICE in November 2020 on the untapped opportunities for financial institutions to finance female SMEs, which included conscious and unconscious biases and how these affect financial institutions' relationships with clients (companies) led by women. The workshop was done for the business teams as well as BICE factoring and BICE fideicomisos (trust funds). There were 96 participants, of which 29 were women (30%). This represents an improvement in number and percentage from the first gender capacity building event held in 2019 that had 60 participants, of which 15 were women (25%).
- Relaunch of "Female Business Leaders" credit line – this offers an interest rate reduction that covers 100% of requested financing, unlike the other lines that cover up to 80%. This is not directly part of the Project, but rather part of BICE's institutional strategy.

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved as a result of completion of an activity. Further it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include a reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative report of the performance of such actions, and on progress on actions identified.

4.2.1 Progress on implementing the project-level gender action plan submitted with the funding proposal

Activity / Action	
(1) Gender baseline study on financing women-led SMEs and participation of women in relevant engineering and construction activities of eligible projects in Argentina	
Indicator	
Number of Studies	
Baseline	Target, including sex-disaggregation
0	1
Budget	Currency
	Please select
Report on annual progress	
Completed in September 2020	

Activity / Action	
(2) Proposed gender activities are presented to SMEs being considered for GCF financing and TSPs	
Indicator	
% of companies considered for GCF financing that receive information about the gender activities (internship, capacity building, working environment)	
Baseline	Target, including sex-disaggregation
0	100% of SMEs and ESTPs
Budget	Currency
	Please select
Report on annual progress	
Scheduled to start in Q3 2021	

Activity / Action	
(3) Gender activities are agreed and planned for (scope, budget, timeline, etc.) with companies interested in implementing them; technical support, funding/incentive plan, and mile-stones/deliverables are contractually defined.	
Indicator	
% of companies receiving GCF financial support that contractually agree and plan for implementation of at least one gender activity	
Baseline	Target, including sex-disaggregation
0	30% of SMEs and ESTPs of financed projects
Budget	Currency
	Please select

Report on annual progress

Scheduled to start in Q3 2021

Activity / Action

(4) Gender activities initiate implementation

Indicator

% of companies that initiate implementation of agreed activities

Baseline	Target, including sex-disaggregation
0	40% of SMEs and TSPs
Budget	Currency
	Please select

Report on annual progress

Scheduled to start in Q4 2021

Activity / Action

(5) Women participate in capacity building activities

Indicator

% of women participate in capacity building activities in the project

Baseline	Target, including sex-disaggregation
0	At least 20%
Budget	Currency
	Please select

Report on annual progress

Gender workshop on conscious and unconscious biases was held in 2020 for BICE business teams, BICE Factoring and BICE Fideicomisos (Trust Funds), in which there were 96 participants, of which 29 were women (30%).

Activity / Action

(6) One knowledge platform module to share experiences with financing women-led projects, SMEs, and ESTs to encourage female participation in the sector

Indicator

Number of knowledge platforms

Baseline	Target, including sex-disaggregation
0	1

Budget	Currency
<input type="text"/>	Please select
Report on annual progress	
<input type="text" value="This is scheduled to start once case studies, best practices and testimonies are identified for sharing in knowledge management spaces"/>	

4.3 Planned activities on environmental and social safeguards for the next reporting period

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS (including other potential vulnerable groups and indigenous people) for the next annual reporting period.

4.4 Planned activities on gender elements for the next reporting period

Provide a list of activities in the gender action plan to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products including processes that will be involved to implement the activities effectively. Please include the monitoring schedule concerning gender activities for the next annual reporting period. Report on actions taken on any of the recommendations made by the secretariat (if applicable) to improve the level of integration of gender issues in the project.

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 4 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 4 is complete and ready for submission.

Section5:Annexes

Section 5: Annexes

Please note that this is section 5 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

Annex 1: Updated implementation timetable for the Funded Activity

Submit only if there are any changes from implementation plan submitted in the FAA.

Annex 2: Accredited Entity compliance reports

Self-assessment reports, Report on Actions pursuant to Clause 18.02, if applicable. Self-assessment reports: In accordance with the AMA requirement in Clause 13.01 of the Accreditation Master Agreement, with the Fiduciary Principles and Standards, ESS and Gender Policy. Report on Actions pursuant to Clause 18.02: Only applicable to International Accredited Entities. In accordance with the Monitoring and Accountability Framework, a report on its actions carried out or planned to be carried out pursuant to Clause 18.02 of the Accreditation Master Agreement.

Please provide comments on the annexes attached above if any.

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 5 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 5 is complete and ready for submission.

Section6:Attachments

Section 6: Attachments

Please note that this is section 6 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

Click on '+ Add row' to attach more than one document.

Submit the Unaudited/Audited financial statement and Interim/Final evaluation report (as required by FAA). Submit a supporting document for Section 2.4. (Update Progress on the Logic Framework Indicators), describing the calculation methodology for the current values provided.

This sub-section 2.4 is not applicable for REDD+ Results-Based Payments Projects.

Other Attachments (if any). Such as additional budget-related information, loan repayment schedules to GCF (interest/principal), equity investment schedules, other related reports relevant to the Funded Activity, statements of capital account, valuation reports, credit guarantee agreements, investor reports, and others, as specified in the relevant legal agreements (e.g. Funded Activity Agreement, Shareholders Agreement)

For the Annual Performance Report of REDD+ Results-Based Payments projects, provide 'Implementation Timetable/Milestones for the next reporting period' and 'Financial Progress Details' as an attachment in this section.

Comments from AE (if any)

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 6 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 6 is complete and ready for submission.

AdditionalSection:COVID-19Impact

Additional Section: COVID-19 Impact

In this additional section of the Annual Performance Report (APR), please provide an update of COVID-19 impact on your project/programme. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

Please indicate if your project/programme is adversely impacted by the COVID-19 pandemic.

Yes

Please choose the severity of overall impact.

Facing delays

Description of levels of severity:

1. On-track with no or minor impact: No or minor impact on project implementation and corresponding annual activities.
2. Facing delays: Implementation progress faced delays in the timeline but did not require any substantial changes in the implementation plan.
3. A minor change(s) required: Changes that are not classified as Major changes but requires intervention from GCF.
4. A major change(s) required: As per paragraph 16 of the Policy on Restructuring and Cancellation - Board Decision B.22/14 paragraph (a). Please find the link to the policy document below.

[GCF Policy on Restructuring and Cancellation](#)

Please describe an overall impact on your project/programme by the COVID-19 pandemic (100-word limit).

Grant (Technical Assistance)

Part of the technical assistance activities planned to support the sub-projects to be financed have been delayed for at least one year. The impact of the economic crisis also changed the needs of the beneficiaries. This led to replanning of activities in the new scenario of economic recovery.

Loan

COVID-19 has caused a significant economic downturn in Argentina this year which has had a major impact on the Project, especially disbursement of sub-loans. Business priorities changed quickly for SMEs, the target beneficiary, which resulted in changes or delays in investment plans and financing needs. The delay in

Provide a short description of the adverse impact on your project/programme and provide references or supporting materials in the Annexes and Attachments sections as relevant.

Please describe details of challenges encountered and corrective/mitigation measures taken.

Select a type of the challenges encountered.

Field Activities

Describe details of the challenge encountered.

Grant (Technical Assistance)

Due to COVID-19 restrictions on movement and assembly of people we enacted. The needs of SMEs also changed in the context of the crisis. This impacted the following scheduled activities:

- Training of project developers/technology solution providers/LFIs/Validators/SMEs was put on hold;
- Seed incentives for projects were rescheduled towards 2021;
- Discussions for the development of financing structuring instruments and risk mitigation (ESI for EE) and project incentive strategy were delayed;
- Development of a project portfolio was interrupted (due to the decrease in the demand for investment credit)

Loan

The severe economic downturn due to COVID-19 in the context of an already difficult macroeconomic situation led to a change in short-term business priorities for SMEs, the target beneficiary, as well as for LFIs. Business/SME activity halted or severely decreased. This resulted on the one hand in a sharp decrease in both demand for USD financing and, in the short-term, in investment capital, and on the other hand, higher hedging risks for BICE to provide local currency sub-loans as planned. This resulted in slower than expected sub-loan disbursement.

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Supply Chain

Describe details of the challenge encountered.

Grant (Technical Assistance)

No impacts are identified for technical assistance activities

Loan

The sub-projects that were in execution did not report delays in the construction of the biogas and biomass plants.

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Liquidity and Solvency Risks

Describe details of the challenge encountered.

Grant (Technical Assistance)

No impacts are identified for technical assistance activities

Loan

Due to the macroeconomic situation caused by COVID-19, the Argentine economy faced a major decline in industrial activity, with a corresponding, significant reduction in short-term of demand for investments capital. Several enterprises including SMEs have seen demand for their products reduced from the impact of COVID-19. As a result, in the short-term, the demand for working capital loans increased significantly.

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Describe details of the challenge encountered.

Grant (Technical Assistance)

No impacts are identified for technical assistance activities

Loan

There have been changes in pricing and types of instruments. It has become too expensive for BICE to assume the hedging risk as originally planned. While the Project has always allowed, even expected, BICE and LFIs to lend in local currency (ARS or pesos) as well as in USD, BICE is no longer willing to assume the hedging risk because it has increased significantly in the COVID-19 environment, in which Argentina has undergone serious macroeconomic impacts. This restricts demand to the universe of SMEs seeking financing in USD, which has shrunk considerably during the crisis. The interest of the LFIs and SMEs has always been to take financing mainly in ARS, and this interest has increased with the crisis.

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Describe details of the challenge encountered.

Loan:

The planned inspection visits to RE sub-projects could not be carried out, due to mobility restrictions in effect between March and December 2020

Describe details of the corrective/mitigation measures taken as much as you can.

Please describe if any support is required from the GCF to address the COVID-19 impact on your project/programme.

There are different options available to address the Project challenges that IDB, BICE and the government of Argentina have been evaluating in collaboration with other key Project stakeholders. One option, which IDB informed GCF about earlier this year (See Update COVID-19 Impact), is reallocating the hedging risks of offering the EERE Credit Line in local currency (ARS or pesos) from BICE to the Argentine government. A study was carried out of the regulatory and operational frameworks in Argentina for offering the financing in both currencies as originally planned, but under this new setup. The highest risk identified is hedging risk. Under the reallocation where this risk is assumed by the Argentine government, this would not pose any Project risk.

Taking into account the context and the impacts described it is probable that IDB will request a two-year extension to increase the chances of successful implementation.

Confirmation and Acknowledgement of Information *

* This is a required question to submit the additional section of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in the additional section on COVID-19 is complete and ready for submission.