
Annual Performance Report

Project/Programme title:	Poverty, Reforestation, Energy and Climate Change Project (PROEZA) (FP062)
Accredited Entity:	Food and Agriculture Organization of the United Nations (FAO)
Date of Report submission:	15 April 2026
Version number	V1.0



GREEN
CLIMATE
FUND

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RATIONALE

This report layout is designed to support the drafting of a structured report that assesses, evaluates, documents, and communicates the progress on Funding Proposal (FP) implementation and on its associated Funded Activity Agreement (FAA). The layout aims to provide a clear and comprehensive understanding of key objectives, progress, and risks, drawing on project implementation related data provided by Accredited Entities (AEs). Considering the Green Climate Fund's (GCF) evolving strategic direction toward a Risk-Based Approach, the report is intended to:

- Track quantitative and qualitative progress of the project implementation.
- Highlight critical findings and emerging trends.
- Identify risks and propose actionable mitigation strategies.
- Support evidence-based decision-making.
- Promote transparency and accountability.
- Align with strategic and regulatory frameworks.
- Serve as a foundation for AE engagement on project performance

METHODOLOGY

The report's layout mirrors, to the extent possible, the structure of the Funding Proposal (FP) to maintain coherence with the presented information. However, the FP and the Report differ in scope and strategic intent; thus, while the FP serves a functional role in informing the Report, it does not dictate a strictly parallel structure.

A. PROJECT DATA (Prefilled where possible)

Should any information/data prefilled from Section A.1 to Section A.12 be incorrect or require updating, please inform GCF's Project Lead of appropriate corrective action.

A.1. Date of report submission		15 April 2026														
A.2. Project or programme	Project	A.3. Sector	Public													
A.4. Total Financing (GCF + Cofinance)	<table border="1"> <tr> <td>GCF Financing</td> <td>Mill. USD 25.1</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 25.1</td> </tr> <tr> <td>Co-Financing</td> <td>Mill. USD 65.2</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 15.9</td> </tr> <tr> <td>Senior Loans</td> <td>Mill. USD 49.3</td> </tr> <tr> <td>Total Financing</td> <td>Mill. USD 90.3</td> </tr> </table>				GCF Financing	Mill. USD 25.1	Grants	Mill. USD 25.1	Co-Financing	Mill. USD 65.2	Grants	Mill. USD 15.9	Senior Loans	Mill. USD 49.3	Total Financing	Mill. USD 90.3
	GCF Financing	Mill. USD 25.1														
	Grants	Mill. USD 25.1														
	Co-Financing	Mill. USD 65.2														
	Grants	Mill. USD 15.9														
	Senior Loans	Mill. USD 49.3														
	Total Financing	Mill. USD 90.3														
A.5. Total GCF funding disbursed to this date	NA (draft)															
A.6. Implementation period	From NA to 19 June 2027															
A.7. ESS Category (Refers to GCF revised <u>Environmental and Social Policy</u> and GCF ESS Standards to assess your FP category.)			Category B													
A.8. Executing Entity Information																
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)												
FAO Paraguay	Paraguay	UN System Entity	Executing Entity	fao-py@fao.org												

A.9. Co-Financier information

Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
National Forest Institute (INFONA)	Paraguay	secretaria.general@infona.gov.py,	Government	Government of Paraguay
Development Finance Agency (AFD)	Paraguay	info@afd.gov.py	Government	Government of Paraguay
Ministry of Social Development (MDS)	Paraguay	comunicacion@mds.gov.py	Government	Government of Paraguay

A.10. Alignment with country NDCs & NAP <i>(NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)</i>				
Country	Date of NDC/ NAP submission	NDC/ NAP objective	Brief description of project's alignment with NDC/ NAP objectives	Percentage of target met with proposed project.Beneficial owner(s)
Paraguay	11 June 2025	NDC 3.0 objective UT.5 – Agroforestry Systems under the PROEZA Project (AFOLU/LULUCF sector): Promote agroforestry systems and renewable energy use to address extreme poverty and climate change.	The project operationalizes NDC measure UT.5 by promoting agroforestry systems and renewable energy solutions among vulnerable rural households, contributing to climate change mitigation and adaptation while addressing extreme poverty	100%
Paraguay	14 July 2022	Paraguay's NAP objective is to Strengthen climate resilience of productive landscapes and rural livelihoods through sustainable land management, ecosystem conservation	FP062 contributes to Paraguay's National Adaptation Plan by strengthening climate resilience of forest landscapes and rural livelihoods in the Eastern region. The project promotes sustainable forest management, restoration of degraded forest ecosystems and climate-resilient land-use practices that reduce vulnerability to climate variability and land degradation. It supports improved governance of forest resources, strengthens institutional capacity for sustainable land-use planning and promotes sustainable production systems that reduce pressure on forest ecosystems. These interventions enhance ecosystem resilience, improve adaptive capacity of rural communities and contribute to climate-resilient landscape management in line with Paraguay's NAP priorities	0%

A.11. Estimated duration of impact	
A.12 Report to be shared with NDA	Yes ☐ No ☐

B. EXECUTIVE SUMMARY

Should any information/data prefilled in Section “B” be incorrect or require updating, please inform GCF’s Project Lead for appropriate corrective action.

B.1. Summary

The PROEZA project continues strengthening the climate resilience of vulnerable rural households in eight departments of Paraguay’s Eastern Region through sustainable productive systems, forest restoration, and efficient energy technologies. The project simultaneously addresses rural poverty, forest degradation, and climate vulnerability affecting communities dependent on family farming and natural resources.

During 2025, the project consolidated implementation following the Mid-Term Evaluation approved in 2024, enabling territorial expansion and stronger operational mechanisms. The intervention grew from 7 to 29 districts across eight departments, benefiting 14,659 people. Agroforestry systems were established in 3,271 households, across 2,618.6 ha, sequestering 22,796.34 tCO₂eq contributing to productive diversification and food security. In addition, 662 efficient cookstoves were installed, reducing firewood consumption and improving health conditions in rural households.

The project also strengthened its technical assistance system, inter-institutional coordination, and governance mechanisms. The progress achieved contributes to the project’s climate objectives while generating valuable lessons for scaling up climate-resilient production models and integrating them into national climate policie

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

(This section provides a narrative report summarizing the overall progress of the implementation status of the funded activity progress during the reporting period. 1,500 words)

During 2025, the “Poverty, Reforestation, Energy and Climate Change in Paraguay” (PROEZA) project entered a new phase of large-scale implementation following the adjustment process initiated after the Mid-Term Evaluation (MTE) approved by the Green Climate Fund (GCF) in October 2024. The reporting period was marked by the consolidation of the project’s operational architecture and the transition from initial set-up to full territorial deployment.

Key milestones included the completion of the project’s core procurement processes, the large-scale implementation of agroforestry systems, the operational launch of the efficient cookstove programme, and the expansion of the technical assistance system. As a result, project coverage increased substantially, from interventions in 7 districts to active implementation in 29 districts across the eight targeted departments. During the reporting period, the project reached 14,659 beneficiaries, demonstrating continued progress toward the target of approximately 39,000 people by the end of the project. The project also achieved 22,769.34 tCO₂eq in incremental mitigation during the year, reaching a cumulative 62,295.34 tCO₂eq since project inception, mainly through interventions linked to sustainable land use and productive restoration via agroforestry systems.

Overall, these are key advances in the implementation of the Funded Activity during 2025 across its components:

Component 1:

Agroforestry model implementation: Following the procurement processes carried out under Component 1 and the signing of contracts with implementing companies, the project significantly scaled up the territorial implementation of agroforestry models during 2025. As of December 2025, PROEZA implemented agroforestry models in 3,271 households (78% women, 22% men), covering 2,618.6 hectares in 29 districts across the departments of Alto Paraná, Caaguazú, Caazapá, Canindeyú, Concepción, Guairá, Itapúa, and San Pedro. Of the total participants, 62% correspond to Indigenous Peoples and 38% to smallholder farming families, reaffirming the project’s inclusive targeting. The six agroforestry models combine subsistence crops with income-generating activities, enhancing food security and diversifying households livelihoods

Economic incentives: The implementation of agroforestry models was supported through an economic incentive scheme designed to sustain household engagement and support the establishment and early maintenance of productive systems. By the end of 2025, 1,322 participants received wage payments for plantation maintenance activities (USD 217,930). In addition, 794 new Conditional Environmental Cash Transfers (TMCA) were delivered, reaching 849 beneficiary households (USD 143,102).

Installation of efficient cookstoves “Tata Piriri”: The project initiated the field deployment of efficient cookstoves “Tata Piriri”. A total of 662 efficient cookstoves were installed in households across six districts in the departments of San Pedro and Canindeyú, benefiting primarily women (89%) and Indigenous communities (56%). Implementation was carried out with the technical support of the Vice-Ministry of Mines and Energy (VMME) and the National Institute of Technology, Standardization and Metrology (INTN), ensuring compliance with technical standards and the quality of the technology promoted.

Enhanced Technical Assistance System: In response to the MTE recommendations, the project restructured its technical assistance system through a territorial reorganization based on geospatial and operational criteria, establishing 11 territorial lots to optimize coverage and field presence. This redesign doubled the number of technical staff and implemented a mixed assistance model combining specialized training delivered by implementing companies on silvicultural practices, personalized technical assistance provided by FAO extension teams to support the establishment and management of agroforestry systems. This strengthened arrangement significantly improved operational coordination, responsiveness, and quality of technical support, marking a turning point in the project’s capacity to effectively reach target territories.

Forest supervision: The National Forestry Institute (INFONA) conducted the first systematic monitoring of georeferenced agroforestry plots established under the PROEZA project, covering 2.14% of the plantations implemented. This exercise established an initial operational mechanism for independent forest supervision, strengthening institutional oversight of project plantations. The inspections provided updated information on plantation performance, helping identify areas requiring additional maintenance or technical support and informing improvements to the project’s forest supervision and post-assistance monitoring mechanisms.

Component 2: Following MTE recommendations, this component focused on identifying feasible adjustments to strengthen the enabling environment for forest investments. A Technical Note outlining adjustment measures was prepared and validated, based on sector analyses and consultations with key forestry stakeholders. The process confirmed persistent structural constraints affecting access to concessional credit for small and medium-scale producers,

which limit the viability of large-scale commercial plantation models. In response, the project facilitated dialogue among institutions including the Development Finance Agency (AFD), Parcel, and INFONA to explore more feasible pathways.

Component 3:

Institutional strengthening: Activities focused on defining the strategic framework for institutional strengthening and long-term sustainability of the PROEZA model. Building on MTE recommendations. A comprehensive workplan was prepared and validated with project governance bodies, defining priority areas of institutional support, implementation modalities, and the specific activities to be carried out during the remaining implementation period. This process resulted in a structured roadmap for strengthening the institutional capacities required to sustain key elements of the PROEZA approach.

Project governance: The project maintained close coordination with its governance bodies, holding six sessions of the Technical Executive Committee (TEC) to review implementation progress and support strategic decision-making. The TEC was regularly informed of key stages in the expansion of agroforestry models and played an active role in discussing challenges and adjustment options for Components 2 and 3. These discussions informed the validation of technical adjustment notes for the three project components and informed the preparation of the Change Request to the GCF. Initial discussions have been launched on the transition toward the post-project phase, aimed at exploring options for sustaining and potentially scaling the project's interventions beyond the GCF funding period.

Emerging innovations and good practices

During the reporting period, PROEZA consolidated several operational innovations and good practices centered on an integrated implementation model operating at two complementary levels: 1) the coordination of household-level incentive mechanisms; and 2) strengthened institutional collaboration among national entities responsible for rural development, forestry, and energy policies. The project reached an important milestone, as for the first time the full set of PROEZA interventions was implemented in an integrated manner demonstrating how income diversification, restoration, social protection, and clean energy solutions can reinforce each other. These included climate-resilient agroforestry systems, wage payments for plantation maintenance, Conditional Environmental Cash Transfers (TMCA), agricultural technical assistance, social protection instruments through the Tekoporã programme, and the installation of efficient cookstoves.

At the institutional level, collaboration among key sectoral actors was strengthened. INFONA participated in the technical supervision of agroforestry plantations, while the Vice-Ministry of Mines and Energy (VMME) and the National Institute of Technology, Standardization and Metrology (INTN) supported the deployment of efficient cookstoves. Coordination with the Ministry of Social Development (MDS) through the Tekoporã programme strengthened community-level accompaniment. These arrangements are complemented by a territorial technical assistance system integrating implementing companies, FAO extension teams, and Tekoporã field staff, creating a coordinated support structure for participating households at a scale not previously implemented in Paraguay.

The project also contributed to knowledge generation on inclusive climate action in rural contexts. The PROEZA experience has been incorporated into the research initiative *"Strengthening social protection programmes for inclusive climate action in rural contexts"* developed by Oxford Policy Management (OPM) under the STAAR project with support from the UK Foreign, Commonwealth and Development Office (FCDO). In addition, the project has been selected as a GCF case study on cultural heritage in climate projects, currently under preparation for publication.

Challenges and risk mitigation: During the reporting period, the main project risks were associated with operational complexity in implementing agroforestry models at scale. The introduction of integrated agroforestry models combining forestry, agriculture, and livelihood diversification—requires intensive coordination, continuous learning, and adaptive management. Challenges included: limited prior experience in the country with integrated agroforestry systems, short-term economic pressures affecting adoption by some households and the inherent complexity of introducing and maintaining diversified production systems. To mitigate these risks, the project strengthened technical coordination with implementing companies, reinforced technical assistance and community dialogue, and intensified plantation monitoring and territorial follow-up.

Priorities for 2026

In 2026, the project will prioritize continued large-scale implementation of core interventions while preparing for the transition to the post-project phase. Key priorities will include:

- Expanding and consolidating agroforestry systems and their maintenance.
- Continuing the installation of efficient cookstoves Tata Piriri.
- Further strengthening territorial technical assistance and monitoring systems.
- Advancing the Action Plan derived from the Mid-Term Evaluation.
- Supporting submission and operationalization of the Change Request to the GCF.
- Increasing coordination with governance institutions to define sustainability pathways, institutional strengthening measures, and opportunities for scaling the PROEZA model.



- These efforts will help ensure a smooth transition from project-based implementation to long-term institutional ownership and scaling of PROEZA's integrated, climate-resilient development model.

For each of the indicators please report only the 'annual value' for the reporting year; this means reporting solely the values achieved from January 1st, 2025, to December 31st, 2025. The "cumulative value" will automatically be updated by the system by aggregating reported annual values since project FAA effectiveness.

- *Midterm Target: The results to be achieved by the midpoint of implementation.*
- *Final Target: The results to be achieved by the conclusion of project or programme implementation.*
- *Lifetime Target: The total results expected over the entire operational period of the project or programme.*

Should the project be Multicounty, please report the achievement by Country.

Lastly, avoid using commas or periods as thousand separators. Periods should only be used as decimal separators.

For REDD+ Results-Based Payment (RBP) projects, you are only required to report on the progress of activities.

Should any prefilled information/data in the Logical Framework be incorrect or require updating, please inform GCF's Project Lead for appropriate corrective action.

PMF/IRMF Results Management Framework

No indicators/questions defined.

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO₂eq) as a result of GCF support, disaggregated by result area.

Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Result Areas (Mitigation)	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Forestry and land use	0	800,000	1,810,000	7,867,997	39,526	22,769	62,295

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq), disaggregated by Country.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Paraguay	0	800,000	1,810,000	7,867,997	39,526	22,769	62,295

Forestry and land use

No indicators/questions defined.

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO ₂ emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices						
Provide the total degraded or converted ecosystems under restoration (ha).						
Unit					Hectares	
Baseline	Target		Previous Year Cumulative Value		Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target				
0	18,436	37,942	1,061		1,061	2,122

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO ₂ emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices						
Provide the total degraded or converted ecosystems under restoration (ha), disaggregated by country.						
Unit						Hectares
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Paraguay	0	18,436	37,942	1,061	1,557	2,618

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO ₂ emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices						
Provide the total degraded or converted ecosystems under restoration (ha), disaggregated by land type.						
Unit						Hectares
Disaggregation by: Land Type	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Forest Land (afforestation)	0	18,436	37,942	1,061	1,557	2,618

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by result area.						
Unit						No. of Beneficiaries
Disaggregation by: Result Areas (Adaptation)	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Livelihoods of people and communities	0	71,000	87,210	5,502	9,157	14,659

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	35,500	43,605	2,808	4,525	7,333
Female	0	35,500	43,605	2,694	4,632	7,326

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Country.						
Unit						No. of Beneficiaries
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Paraguay	0	71,000	87,210	5,502	9,157	14,659

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by result area.						
Unit						No. of Beneficiaries
Disaggregation by: Result Areas (Adaptation)	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Livelihoods of people and communities	0	0	720,000	573,355	575,847	1,149,202

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	0	360,000	232,407	-224	232,183
Female	0	0	360,000	340,948	2,716	343,664

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Country.						
Unit						No. of Beneficiaries
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Paraguay	0	0	720,000	573,355	575,847	1,149,202

Livelihoods of people and communities

No indicators/questions defined.

(PMF) A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.) (IRMF) Supplementary 2.1 Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options						
Provide the total number of direct beneficiaries (female/male) adopting diversified or strengthened climate-resilient livelihood strategies (including agriculture, fisheries, natural resource-based, and informal livelihoods), disaggregated by gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	35,500	43,605	2,808	4,525	7,333
Female	0	35,500	43,605	2,694	2,808	5,502

(PMF) A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.) (IRMF) Supplementary 2.1 Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options						
Provide the total number of direct beneficiaries (female/male) adopting diversified or strengthened climate-resilient livelihood strategies (including agriculture, fisheries, natural resource-based, and informal livelihoods), disaggregated by country.						
Unit						Enter unit
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Paraguay	0	71,000	87,210	5,502	9,157	14,659

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
			Mid-term	Final target			
Area (ha) of analog agriculture established, georeferenced, inventoried and mapped (model 4)	Hectares	0	270	598	100	197	297
Area (ha) of citrus agroforestry established georeferenced, inventoried and mapped (model 5)	Hectares	0	260	573	241	478	719
Area (ha) of mate grass agroforestry established georeferenced (model 6)	Hectares	0	350	769	71	98	169

Area planted by medium-scale land owners (ha)	Hectares	0	4,100	8,800	0	0	0
Indicator 1.1 Area (ha) of CTNP established, georeferenced, inventoried and mapped (model 1)	Hectares	0	3,000	6,582	423	452	875
Indicator 1.2 Percentage of decrease in consumption of domestic firewood in households that have acquired / build an improved cooking	Percentage	0	10	20	0	48	48
Indicator 1.2 Area (ha) of CTNP established, georeferenced, inventoried and mapped (model 2)	Hectares	0	2,100	4,564	149	249	398
Indicator 1.3 Area (ha) of forest restored, georeferenced, inventoried and mapped (model 3)	Hectares	0	390	855	74	81	155
Indicator 2.1 Area planted by medium-scale land owners (ha)	Hectares	0	4,100	8,800	0	0	0
Indicator 2.2 Area planted by medium-scale land owners (ha)	Hectares	0	4,100	8,800	0	0	0
Legal Forestry Reserve Certification from SEAM and INFONA (number of properties certified)	Hectares	0	2,200	4,800	0	0	0
Level of effective mechanisms to operate public incentive instruments for reforestation/afforestation on, landscape restoration (including payments for environmental services)	Index/Score/Level	1	2	4	1	1	2
Percentage (%) of vulnerable households participating in the project, that obtain legal support and financial assistance for improving land tenure security	Percentage	0	10	30	9	0	9
Percentage of outsourced project field interventions done by technical service providers have a Technical Control Report done by INFONA, SEAM and VMME	Percentage	0	5	10	0	2	2

Percentage of the project beneficiaries that have been trained in access to the bioenergy and agroforestry products markets, that improved their income by at least 12%	Percentage	0	60	60	0	0	0
A5.2 Number and level of effective coordination mechanisms	No. of Coordination Mechanisms	1	2	4	1	1	2
M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support	Tonnes of CO ₂ -equivalent	0	1,200,000	2,000,000	0	1,003	1,003

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
Activity 1.1.1: Select and hire the Environmental Cash Transfer Agent ("ECTA").	47	1,482.53	191,612.61	0
Activity 1.1.2: Provide support to improve governance, coordination and support to the Executive Committee in leading the Project	78	1,735,505.92	2,468,266.01	70
Activity 1.1.3: Provide assistance to vulnerable households through Tekoporã, the Paraguayan Social Protection Programme	47	582,976.98	3,544,363.66	16
Activity 1.1.4: Social conditional cash transfer Tekoporã / SAS (Secretariat of Social Action of the Paraguayan Government).	40	2,613,246.36	10,440,327.27	25
Activity 1.1.5: Provide technical assistance to beneficiaries for implementation of agroforestry models.	60	1,439,260.94	2,739,070.39	52
Activity 1.1.6: Provide goods and wages to beneficiaries for the implementation of agroforestry Models	39	9,273,584.13	13,351,396.95	69
Activity 1.1.7: Environmental conditional cash transfer ("E-CCT") to beneficiaries.	35	150,878.83	2,395,163.21	6

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
Activity 1.1.8: Operate forest administration, supervision and control in the project area.	17	8,554.72	199,090.91	4
Activity 1.2.1: Introduce improved cookstoves	35	190,367.78	1,124,999.5	16
Activity 2.1.1: Offer incentives, credit and promote establishment of NGFPs to the private sector	30	219,578.5	49,332,331.22	0
Activity 2.1.2: Environmental audits/control by INFONA and SEAM	10	0	70,363.91	0
Activity 3.1.1: Support institutional capacity of INFONA, SEAM, SAS and Viceministry of Mines and Energy ("VMME").	43	314,859.14	2,292,003.1	13
Activity 3.1.2: Review and strengthening the legal framework and promote certification systems	43	11,226.34	147,361.34	7
Activity 3.1.3: Independent evaluation of the Funded Activity and sharing of lessons learnt during the implementation of the Funded Activity.	50	162,901.21	364,690.65	44
Activity 4.1.1: Establishment of the PMU	65	714,909.47	1,596,453.33	44

C.2.1. Subprojects							
Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).							
Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C.3. Compliance with FAA covenants				Yes ☒ No ☐			

N/A	
C.4. Funded Activity Implementation Arrangements in the Following Year	Yes ☒ No ☐
A Change Request, currently under review, has been submitted to the Green Climate Fund. This Change Request builds on the recommendations of the MTE, the adjustments focus on recalibrating targets under Component 1 to reflect updated cost structures, strengthening the enabling role of Component 2 by reframe as a credit-facilitation mechanisms channelled through AFD's PROFORESTAL programme, replacing direct , and expanding institutional support in Component 3 to a broader set of government agencies, and updated regulatory language updated to better reflect available enforcement tools.	

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

As stated in the Board-approved "Risk Appetite Statement," a cornerstone of the GCF's Risk Framework is proactive risk management. This includes risk identification, assessment, monitoring, reporting and appropriate mitigation to minimize and respond to risks, both directly and through partners implementing GCF's projects and programmes.

Risk Management Matrix

A risk is the probability of an event to adversely affect the achievement of the project Impact (its objectives, outcomes, and results). "Inherent risk" refers to the level of risk present before any of the mitigating measures are applied. "Residual risk" represents the level of risk after mitigating measures have been implemented.

Please update the project risk matrix by reviewing and revising information for all previously identified risks, and adding any new risks identified during implementation by selecting the adequate Risk Area in the drop-down menu. For each risk, ensure you provide a clear risk description, outline the potential negative consequences, specify the mitigating measures in place, and complete the severity scoring as required.

For the Integrity Risk Area, an annual reporting (and more frequent and prompt reporting if stated in the legal agreements with the GCF) is required for each of its 3 Risk Sub-areas, as GCF has zero tolerance for Prohibited Practices, for SEAH in Fund-related Activities, and for working with parties and engaging in activities subject to sanctions imposed by the United Nations Security Council. The AE reporting obligations under GCF's policies and in the legal agreement(s) with the GCF include but are not limited to requiring AEs to take action to identify, mitigate and promptly disclose to the GCF any real or perceived Conflict of Interest, any alleged or suspected Prohibited Practice, promptly notify the Fund of any material risks or other indications of money laundering and/or financing of terrorism in relation to the Project and promptly take remedial steps in consultation with the GCF.

The AE shall also provide updates on the risks and mitigating measures under the other Risk Areas when changes to already identified risks or new risks have been identified.

Risk scoring:

For likelihood, please rate on a scale from 1 to 5: 1. Unlikely, 2. Possible, 3. Likely, 4. Almost certain, 5. Certain

For impact, please rate on a scale from 1 to 5: 1. Close to none, 2. Low, 3. Medium, 4. High, 5. Catastrophic

The severity of each risk is automatically computed based on the likelihood and impact of the risk.

Risk 1	Market disruption risks		
Risk Origin	External Factors		
Risk Area	Macro-economics		
Risk Sub-area	N/A		
Description	Component 1 of the project looks at smallholder-oriented forestry services market in Paraguay remains incipient, with a limited number of potential service providers focused on large-scale commercial forest plantations. Considering that the productive models promoted by PROEZA integrate both technical and social components and are implemented on small-scale plots, implementation is facing challenges related to cost estimation, operational planning, and adaptation to the technical requirements established by the project. In this context, implementing companies may require adjustments during contractual execution and closer technical support to ensure compliance with the technical and operational standards defined by the project.		
Consequences	If not adequately managed, this risk could affect: - The identification and contracting of service providers with the required technical, operational, and financial capacity to implement project activities. - The ability of implementing companies to adapt to the project's operational conditions and work effectively with smallholder farmers and Indigenous communities. - The timely achievement of project targets, potentially resulting in delays in the implementation of planned activities		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	4 - High	12 - Medium High
Mitigation Measure(s)	- Clear contractual arrangements defining activities, technical standards, and their linkage to project results, ensuring consistency between the contractual scope and the verification criteria. - Field-based technical support to implementing companies during contract		

	execution to ensure the correct application of the project's technical and operational standards. Regular technical coordination meetings with implementing companies to address operational challenges during implementation and apply contractual mechanisms as needed to ensure compliance with the established obligations.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		
Risk 2	Implementation risks		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	The implementation of the agroforestry models entails operational risks associated with the complexity of the project's design and execution. The model promoted by PROEZA introduces productive schemes with limited precedents in the national forestry context, which implies a learning curve for the actors involved, including implementing companies, technical assistance teams, beneficiaries, and local authorities. Implementation also depends on the proper sequencing and coordination of multiple activities, including community engagement, establishment of plantations, technical validation of plots, replacement of seedlings, technical assistance and training, as well as verification processes and authorization of Conditional Environmental Cash Transfers (TMCA). Misalignment among actors or disruption in the sequence of these activities could affect the pace of implementation and the establishment of plots; therefore, effective operational coordination is key to ensuring the technical quality of the interventions		
Consequences	If this risk materializes, it could reduce stakeholders' alignment with the pace of project implementation. As a result, it could: - Generate delays in the establishment of agroforestry plots and in the delivery of technical assistance activities in the field. - Affect the timely achievement of the project's physical targets, particularly in terms of hectares established and the number of participating and beneficiary households. - Affect the level of engagement and ownership of the project among the actors involved.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	- Operational coordination and field technical supervision to monitor the proper implementation of project activities (plot establishment, technical assistance, verification, and related processes). - Continuous monitoring and adjustment of the implementation schedule and associated administrative processes to maintain alignment of activities and reduce potential delays in execution. - Regular coordination meetings with implementing companies, participants, and local authorities to address operational challenges and facilitate the timely resolution of difficulties during implementation.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	N/A		
Risk 3	Implementation risks 1		
Risk Origin	External Factors		
Risk Area	Natural hazard		
Risk Sub-area	N/A		
Description	The implementation of agroforestry models depends on favorable climatic conditions during the initial stages of plantation establishment. According to Paraguay's Climate Outlook (issued by DMH) during the project's timeframe a higher probability of below-		

	normal rainfall is expected across much of the Eastern Region, compared to historical averages, where the project's intervention area is concentrated. In addition, above-normal average maximum temperatures are projected across much of the country. These conditions, combined with the transition toward a neutral ENSO phase, could generate episodes of water and heat stress that may affect the early development of agroforestry plantations, particularly in recently established systems.		
Consequences	Furthermore, drier and warmer conditions may increase the risk of forest fires, soil degradation, and reduced agricultural productivity in associated crops, which could affect the stability of the agroforestry systems implemented. These factors could impact the achievement of targets related to hectares established, carbon sequestration, and direct beneficiaries, while also generating higher requirements for technical assistance and monitoring to ensure adequate survival levels of the plantations		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	- Continuous technical assistance to participants on silvicultural practices and soil management and conservation, with the objective of improving the resilience of plantations under adverse climatic conditions. - Promotion of diversification of forest species in the agroforestry systems implemented, using species adapted to local agroecological conditions, contributing to strengthening the resilience of productive systems. - Periodic monitoring of plantations and field technical support, enabling early identification of plant survival and the implementation of seedling replacement at different stages of implementation when necessary.		
Residual Risk	Likelihood 2 - Possible	Impact 2 - Low	Severity 4 - Medium
Current Residual Risk	Likelihood 2 - Possible	Impact 2 - Low	Severity 4 - Medium
Comments	N/A		
Risk 4	Limited uptake of credit instruments		
Risk Origin	External Factors		
Risk Area	Macro-economics		
Risk Sub-area	N/A		
Description	Component 2 of the project aims to mobilize concessional finance with public funds and facilitate access to credit to support productive investments linked to the agroforestry systems promoted by PROEZA. There is a risk that the effective demand for these financial instruments may be lower than anticipated during the project design phase. This risk is associated with structural factors in Paraguay's rural financial market, including the limited development of the forest finance market, producers' perception of risk, and eligibility and access conditions for credit. These factors limit the effective deployment of the available financial resources and the expected pace of implementation for this component.		
Consequences	If this risk materializes, it could: - Reduce the volume of financing mobilized through the project's financial component, limiting the scope and potential scalability of the productive investments that the instrument aims to promote. - Require adjustments to the component's implementation strategy to facilitate access to financing or strengthen the preparation of eligible investments.		
Inherent Risk	Likelihood 2 - Possible	Impact 4 - High	Severity 8 - Medium High
Mitigation Measure(s)	- Technical coordination between FAO and the Executing Entity of this component to support the development of the forest finance market, including the identification of barriers to credit access and the development of mechanisms that facilitate the structuring of bankable productive investments. - Strengthening the preparation of productive investments eligible for financing through project technical assistance to producers and sector actors, supporting the development of investment proposals that meet the requirements of the available financial instruments. - Submitting a Change Request (CR) to incorporate a catalytic role for Component 2, leveraging existing financial instruments (e.g. AFD's PROFORESTAL) to mobilize investment and enhance the scalability of agroforestry financing.		

	Ensuring continuous market assessment and adaptive management of Component 2 implementation, to inform adjustments and support the proposed strategic repositioning under the forthcoming CR.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	N/A		
Risk 5	test0		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	test		
Consequences	test		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	test		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 6	test1		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	test		
Consequences	test		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	test		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 7	test2		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	test		
Consequences	test		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	test		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		
Risk 8	test3		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	test		

Consequences	test		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	test		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		

D.2. Report risk incidents

If any risk (previously identified or not) has materialized, please capture it here as a risk incident.

(this section is confidential)

E. FINANCIAL INFORMATION

E.1. GCF financing

In addition to the financial report in the annex, update the table with relevant GCF financial data for each country and instrument, including amounts and allocation percentages.

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Paraguay	Grants	USD	25,060,376.29	19,257,521	7,896,838	13,987,035	50%	50%
Total		USD	25,060,376.29	19,257,521	7,896,838	13,987,035	N/A	N/A

E.2. Co-financing

Please populate the table with relevant Co-financing data for each Co-financier and instrument, including amounts and allocation percentages.

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Development Finance Agency (AFD)	Grants	USD	49,332,331	0	68,304	219,579	50%	50%
National Forestry Institute (INFONA)	Grants	USD	1,407,400	0	1,921	8,555	50%	50%
Secretariat of Social Action (SAS) / Ministry of Social Development (MDS)	Grants	USD	12,457,386	0	1,373,086	3,204,164	50%	50%
Total		USD	63,197,117	0	1,443,311	3,432,298	N/A	N/A

E.3. Additional Finance Mobilised Beyond Approved Co-financing

Report the realised (cumulative value) and/or expected volume (Final Target) of private/public finance leveraged as a result of GCF involvement in the investment, in addition to and beyond any co-financing originally committed at approval. This datapoint shall be reported separately from official co-financing figures and is intended to capture the catalytic effect of GCF investments and support institutional learning.

GCF Policy: <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf>

No additional finance mobilized information provided.

File Name: FP062-APR2025 13 - PAR 020 GCF 2025 vers 12_03_2026 NO ETL.xlsx

F. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES

This section provides an update against the ESS standards agreed as part of the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Framework (ESMF), as well as Environmental and Social Management System (ESMS), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Indigenous Peoples Plan (IPP), Indigenous Peoples Plan Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) when applicable.

F.1. progress on key challenges and updates regarding Environmental and Social Safeguards

Key Environmental and Social Changes

Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.

Yes ☐ No ☒

Environmental and Social Safeguarding Updates

Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.

Yes ☒ No ☐

During the reporting period, the project's Environmental and Social Management Plan (ESMP) was updated to align with the FAO Environmental and Social Management (FESM) Framework (2023) and applicable GCF environmental and social safeguard requirements. This update involved a technical review to ensure continued compliance with current standards; however, the overall environmental and social risk profile of the project remains unchanged.

The ESMP has been updated to provide comprehensive documentation of revised mitigation measures, assigned responsibilities, timelines, and enhanced monitoring requirements, reflecting a more systematic and risk-responsive approach to safeguard management. The ESMP has been further enhanced to integrate lessons learned from the Mid-Term Evaluation (MTE), with specific adaptive management protocols to ensure that stakeholder engagement, monitoring, and risk management remain continuous processes throughout implementation. The MTE planning matrix has been incorporated into the ESMP implementation framework to track corrective actions and follow-up on safeguard-related recommendations.

In addition, the project refined its environmental and social monitoring protocols. A structured monitoring system was established to standardize safeguards tracking across field activities. This includes the development and deployment of safeguard field monitoring questionnaires for site visits and beneficiary engagement, as well as data aggregation and reporting templates to consolidate monitoring findings at project level. These tools facilitate consistent data collection, verification of ESMP compliance – including with appropriate national laws (e.g. Forest Law 422/73) - identification of emerging risks, and evidence-based reporting within the APR process.

No changes were made to safeguard classification or core safeguard principles set out in the Board-Approved Funding Proposal. Rather, the updates implemented represent operational enhancements aimed at strengthening oversight, documentation, and accountability for environmental and social risk management throughout project execution.

F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.

Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?

Yes ☐ No ☒

N/A

F.3. ESS standards implementation progress

Does this reporting period include any ESS standards-related activities or updates?

Yes ☒ No ☐

If you tick 'Yes', please provide further information to report on the progress made in complying with the requirements of the relevant ESS standards that were triggered during the approval of the funding proposal and during the reporting period, if any; and the GCF Indigenous Peoples Policy, if relevant, describing achievement and specifying details outlined in the tables below.

Activities implemented during the reporting period, including monitoring

During 2025, PROEZA strengthened compliance with environmental, social, gender, and Indigenous Peoples safeguards in line with the FAO Environmental and Social Management Framework (2023) and GCF ESS requirements. A dedicated Safeguards Specialist supported the update of the ESMP, establishment of a safeguards monitoring system, and integration of management procedures into field operations. The revised ESMP incorporated lessons from the Mid-Term Evaluation, refining mitigation measures and monitoring responsibilities. Extensive capacity-building activities reached project staff, contractors, and beneficiaries across multiple areas, including biodiversity protection, occupational health and safety, gender equality, Indigenous Peoples safeguards, grievance management, sustainable agroforestry, soil conservation, wildfire prevention, and compliance with environmental and social standards. Participant groups included territorial technical teams (18; F=5, M=13), plantation contractors (38; F=17, M=21), cookstove teams (17; F=8, M=9), and agroforestry participants (87–138, with 50–80% women). Participants received agroforestry guidance materials covering pest management and safe agrochemical use. Weed control complied with legal regulations through supervised application and adequate protective equipment. Institutional coordination strengthened safeguard implementation. INFONA monitored approximately 2.14% of georeferenced agroforestry plots to verify plantation conditions. Collaboration with INDERT advanced land tenure regularization and supported protocols to prevent violence against women related to property, complemented by awareness materials. Gender actions included capacity-building on market access for Indigenous communities and provider workshops on gender policies and prevention of violence, abuse, and sexual exploitation. Labor standards followed the LTA with service providers, ensuring compliance with prohibitions on forced and child labor. Four CRI and four CEI meetings enhanced Indigenous Peoples' participation, with dedicated spaces for Indigenous women's engagement. GRM and GCF IRM channels were consistently communicated to stakeholders. No new FPIC processes were required, and no significant environmental, social, or gender issues requiring AE or GCF action were reported during the 2025 reporting period.

Outputs during the reporting period

ESS1 Natural Resource Management: 790 plots (576.6 ha) incorporated organic amendments, 670 plots (550.2 ha) combined native species, and 877 plots (666.3 ha) integrated forestry with agricultural crops. Training reached 480 participants (F=379; M=101) on agroforestry management, 2,594 (F=2,019; M=575) on maintenance and crop integration, and 500 (F=385; M=115) on silvicultural management. ESS2 Biodiversity: Biodiversity Management Plan updated. ESS5 Pest and Pesticide Management: 138 participants (F=120; M=18) trained in pest control and agrochemical use. Additional capacity-building covered soil conservation for 40 company staff (F=12; M=28) and 15 territorial team members (F=3; M=12), and ESS inductions for 55 company staff (F=25; M=30) and 18 territorial team members (F=7; M=11). ESS6 Involuntary Resettlement: Joint planning with INDERT continued to improve land tenure for project participants in INDERT colonies, alongside dissemination of protocols promoting rural women's land rights. ESS7 Decent Work: Child labor was avoided in agroforestry plantations in compliance with Article 30 of the LTA. ESS8 Gender Equality: 47 service provider staff (F=20; M=27) trained in gender policies and prevention of violence, abuse, and sexual exploitation. ESS9 Indigenous Peoples: Four CRI and four CEI meetings held to strengthen Indigenous participation and governance, including engagement of the Indigenous Women Leaders Network.

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

ESS1 - Natural Resource Management: Mitigation good practices addressed the risk of adopting unsustainable agroforestry practices. Reforestation, afforestation, connection of existing forest areas with agroforestry plots, and combining forestry production with agricultural crops contribute to biodiversity, maintenance of soil cover, and enrichment of degraded forests with a variety of forest species. In Indigenous communities, sustainability of practices is linked to worldview and cultural practices. Activities addressed climate-related risks (notably fire risk) that can undermine agroforestry productivity, household resilience, and environmental benefits. These actions also contributed to community preparedness and risk awareness. ESS5 - Pest and Pesticide Management: Trainings addressed the risk of potential improper use of pesticides and herbicides and potential negative impacts on participating families and the environment. A key mitigation measure is that the company is responsible for managing and applying agrochemicals only in specific cases. ESS6 - Involuntary Resettlement and Displacement: Actions contributed to improving land tenure situations and the social ties of participating families, reducing the risk of involuntary resettlement and eviction. ESS7 - Decent Work: Compliance with Article 30 of the LTA and safeguards training for service providers ensured prevention of child labor in the agroforestry model plantations. ESS8 - Gender Equality: Actions contributed to preventing unequal participation due to violence or gender discrimination, as well as discrimination against other vulnerable groups, including Indigenous Peoples. ESS9 - Indigenous Peoples and Cultural Heritage: The project contributed to addressing the risk of possible discrimination regarding Indigenous Peoples' participation and access to benefits.

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

<i>No key environmental, social, or gender issues requiring action by the accredited entity or GCF attention were identified for any of the ESS during 2025</i>	
Remarks/Notes	
N/A	
F.4. Sub-projects information	
Have any subprojects been implemented?	Yes ☒ No ☐
Title of the sub-project	TEST
ESS management plan/instrument in place	
TEST	
Stakeholder engagement plan in place	
TEST	
Activities/engagement conducted with Indigenous peoples	
TEST	
Key environmental, social and gender issues, risks and impacts addressed during this reporting period	
TEST	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
N/A	

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	Yes ☒ No ☐
Activities implemented during the reporting period	
- Capacity-building and coordination activities strengthened PROEZA's implementation and safeguards performance across technical teams, service providers, beneficiaries, and governance bodies. Newly mobilized FAO territorial technical teams received virtual and in-person induction sessions on project procedures and monitoring approaches, followed by presential safeguards training on the application of FAO and PROEZA environmental and social standards in field activities. - Safeguards inductions were also delivered to plantation contractors (Unique Wood Paraguay, Red Forestal Paraguay, HyH Consultores) and cookstove contractors (Agrosurco, Oga Construcciones) prior to operational deployment. Agroforestry beneficiaries participated in field and classroom training on establishment and management of six PROEZA agroforestry models, as well as hands-on pruning cycles for eucalyptus, native species, citrus, and yerba mate systems across models M1, M2, M4, M5, and M6. Fire-prevention workshops strengthened community	

preparedness for wildfire risks, while efficient cookstove beneficiaries received training associated with Tata Piriri distribution.

- Inter-institutional coordination included introductory and follow-up sessions with technical working groups and community facilitators supporting household outreach for efficient cookstove deployment. MDS Family Guides were similarly engaged through territorial coordination and follow-up processes.
- Institutional and governance strengthening activities included an EX-ACT technical workshop for government stakeholders and regular meetings of the Technical Executive Committee (CET) to review progress, coordinate decisions, and reinforce oversight of PROEZA activities.
- Dedicated mechanisms supported Indigenous Peoples engagement: the Special Indigenous Commission (CEI) held regular safeguards coordination meetings on Indigenous engagement processes, while the Regional Indigenous Coordinating Committee (CRI) organized multi-day assemblies for consultations and participatory monitoring. Gender and intercultural workshops, including actions with the Indigenous Women Leaders Network, further promoted inclusive participation and leadership among Indigenous women.

Dates and venues of engagement activities

Mar 19 – Project Orientation, Virtual
 Apr 1–2 – FAOTT Safeguards Induction, Asunción
 Apr 3 & 9 – Plantation & Cookstove Contractor Safeguards, Asunción
 Jan–Mar – Beneficiary Cultural Management, Curuguaty
 Apr 28–30 – Efficient Cookstoves Beneficiary Training, Capiibary
 Jul – Fire Prevention & Management, Curuguaty
 Aug–Sep – Pruning Training, Curuguaty
 Aug 22 – Governance & Institutional Stakeholders (EX-ACT), Asunción
 Apr & Aug – MDS Family Guides, Virtual & Capiibary/Curuguaty
 Ongoing – CET (bi-monthly), CEI (quarterly, virtual), CRI (4 sessions, Cnel. Oviedo), Gender & Intercultural Workshops, Women Leaders Network

Sex-disaggregated data on stakeholder engagement participants (male + female = total)

- Project Orientation Technical Capacity Building, Male= 13; Female= 5; Total= 18
- FAOTT Safeguards Induction, Male= 11; Female= 7; Total= 18
- Plantation Contractors – Safeguards, Male= 21; Female= 17; Total= 38
- Cookstove Contractors – Safeguards, Male= 9; Female= 8; Total= 17
- Beneficiaries – Agroforestry Management, Male= 16; Female= 71; Total= 87
- Beneficiaries – Pruning Training Cycles, Total= ~183
- Fire Prevention & Management, Male= 20; Female= 31; Total= 51
- Efficient Cookstoves – Beneficiary Training, Male= 2; Female= 28; Total= 30
- Efficient Cookstoves (Inter-institutional Coordination), Male= 8; Female= 10; Total= 18
- MDS Family Guides, Male= 17; Female= 24; Total= 41
- Governance & Institutional Stakeholders – EX-ACT, Male= 6; Female= 16; Total= 22
- Project Governance – Technical Executive Committee (CET16–CET21) average participation per meeting: Male= 8; Female= 9; Total= 17.

Information shared with stakeholders

During 2025, PROEZA ensured comprehensive information sharing across all training and engagement activities, covering project objectives, safeguards, operational procedures, and grievance channels including the project's Grievance Review Mechanism.

The FAO Territorial Technical Team received guidance on project scope, field implementation, roles and responsibilities, technical assistance, monitoring, and soil management. Safeguards inductions for FAO teams and contractors covered the ESMF, biodiversity protection, pollution prevention, climate risks, occupational health and safety, gender equality, Indigenous Peoples safeguards, FPIC, land tenure, and grievance mechanisms.

Beneficiary trainings addressed agroforestry establishment and management, pruning, pest control, wildfire prevention, safe cookstove use, and grievance procedures. Coordination meetings with implementing agencies and family guides focused on operational sequencing, community mobilization, distribution logistics, and technical compliance.

Institutional capacity-building included EX-ACT training for carbon and land-use monitoring. CET meetings regularly reviewed implementation progress and follow-up on Mid-Term Evaluation recommendations.

Indigenous governance platforms (CRI and CEI) and Women Leaders Network sessions strengthened understanding of FPIC, community safeguards, and leadership while enabling feedback and dialogue.

Information was delivered through virtual sessions, in-person workshops, practical demonstrations, and culturally appropriate materials, ensuring accessibility for all stakeholder groups throughout the reporting period
Outputs including issues raised and addressed during the reporting period
During the 2025 reporting period, PROEZA implemented a broad set of training and engagement activities that strengthened stakeholder capacity, improved safeguards compliance, and promoted the adoption of sustainable practices. Throughout these processes, participants raised operational questions—mainly on the sequencing of agroforestry establishment activities and the use and maintenance of the Tata Piriri efficient cookstove. These issues were addressed through follow-up trainings, direct technical assistance from territorial teams, and reinforced communication on the project's grievance mechanism and safeguard procedures. FAO Territorial Technical Team was fully mobilized with standardized implementation procedures, reporting tools, and supervision practices effectively applied in the field. Safeguards inductions for FAO staff and contractors enhanced understanding of environmental, social, and occupational standards, including biodiversity protection, community health and safety, FPIC principles, gender equality, and grievance redress, ensuring teams were fully aligned with compliance requirements before deployment. Agroforestry beneficiaries received practical training on establishing and managing six agroforestry model types, pruning and thinning, pest management, and integrating crops with forestry systems. This contributed to improved sustainable land management and greater autonomy in parcel management. Fire-prevention workshops equipped communities with strategies for wildfire mitigation, including early warning systems, controlled burning, and emergency response planning. Efficient cookstove training strengthened household capacity to safely operate and maintain the Tata Piriri, improving indoor air quality and fuel efficiency. Coordination meetings with implementing agencies and family guides supported effective sequencing, field organization, and community mobilization for agroforestry and cookstove interventions. Institutional capacity-building through EX-ACT training improved monitoring of carbon balances and climate impacts. Indigenous governance platforms and Women Leaders Network sessions reinforced FPIC application, strengthened Indigenous participation in decision-making, and supported leadership development for Indigenous women. Standardized protocols for special territorial cases ensured consistent oversight and problem-solving. Collectively, these outputs enhanced implementation effectiveness, stakeholder engagement, and compliance with environmental, social, and gender safeguards.
Remarks/Notes
N/A

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☒ No ☐
Provide planned activities on environmental and social safeguards for the next reporting period	
In 2026 safeguards activities will focus on consolidating and strengthening ongoing stakeholder engagement processes, field monitoring practices, and institutional coordination mechanisms, particularly within the project's technical assistance functions. Actions will prioritize achievable safeguards support measures that reinforce field implementation quality and effective stakeholder engagement, while continuing program-level coordination with partner institutions to support safeguards alignment across project components. Activities include: • Continuation of safeguards capacity-building for territorial technical teams and service providers, including refresher sessions on FAO Environmental and Social Standards, FPIC application, grievance management procedures, occupational health and safety measures, and pesticide handling good practices, as relevant to agroforestry and community-level interventions. • Delivery of beneficiary and community-based trainings through the Technical Assistance Programme, integrating practical environmental management topics (soil protection, fire risk prevention, biodiversity-friendly production approaches) and reinforcing safe and responsible field practices, including appropriate personal protective equipment (PPE) usage. • Targeted implementation of Integrated Pest Management (IPM) orientation activities aligned with FAO good practice guidance, focusing on safe pest control alternatives applicable to agroforestry systems and strengthening awareness of pesticide risk reduction at field level. • Maintenance of participatory safeguards engagement mechanisms, including continued dialogue through CRI assemblies and CEI technical coordination platforms, to ensure culturally appropriate consultation, strengthen community feedback loops, and support referral of emerging safeguards concerns to relevant institutional partners. • Systematic documentation of participation and inclusion measures, including tracking gender and vulnerability disaggregation within safeguards engagement activities and consultations to support inclusive participation reporting. • Ongoing program-level coordination with institutional partners, including information exchange and joint dialogue spaces, to support safeguards alignment across components and facilitate incorporation of field-level lessons learned into broader programme processes. • Semi-annual monitoring of ESMP	

implementation using the Environmental Monitoring System developed in 2025 by designated field and technical staff in coordination with M&E team.

Provide any success stories, good practices, or challenges, including those related to the engagement of Indigenous peoples and local communities, promoting Indigenous knowledge and benefits to Indigenous peoples and local communities

During the reporting period, PROEZA maintained strong practices in inclusive engagement of Indigenous Peoples and local communities through structured governance and dialogue mechanisms that support culturally appropriate participation and safeguard oversight. Indigenous governance spaces, including regular meetings of the Regional Indigenous Coordinating Committee (CRI) and the Indigenous Specialized Commission (CEI), provided platforms for consultation, follow-up on implementation issues, and accompaniment of project activities, enabling integration of Indigenous perspectives and resolution of territorial challenges. The project also promoted gender-responsive inclusion, providing targeted capacity-building for Indigenous women leaders through the Women Leaders Network. This strengthened women's representation and leadership within governance structures, supporting more inclusive decision-making. To enhance responsiveness in complex contexts, PROEZA developed a Protocol for Special Cases for Indigenous Communities, ensuring consistent handling of sensitive issues and reinforcing culturally appropriate safeguards follow-up. While validation processes sometimes extended timelines, standardized protocols and ongoing CRI/CEI engagement strengthened coordination and follow-up, maintaining meaningful community involvement. PROEZA's approach has been recognized in the FAO–GCF study on "Social protection and inclusive climate action," highlighting its alignment of social policy mechanisms with inclusive climate action and its contribution to community resilience and development outcomes. Link: <https://www.greenclimate.fund/sites/default/files/document/20250918-social-protection-fao-joint-report.pdf>

F.7. Grievance Redress Mechanism - confirmation & grievances

Please indicate whether the project can confirm the following statement:

Fully functional and operational Grievance Redress Mechanisms are in place, have been communicated to and are accessible by all stakeholders applicable to this project

☒ The accredited entity confirms the statement above at project-level, AE-level, and GCF-level grievance mechanisms.

☐ The accredited entity does not confirm the statement above

Have there been any grievances received during the reporting period?

Yes ☒ No ☐

Seven grievances were received during the reporting period, mainly related to operational aspects of project implementation. Five were resolved, one partially resolved, and one remains under resolution. No cases were escalated to the GCF Independent Redress Mechanism (IRM). The project implemented a comprehensive GRM ensuring all stakeholders, including Indigenous Peoples and vulnerable community members, could raise concerns through multiple channels: telephone, email, field drop boxes, the FAO Paraguay office, or via Indigenous community leaders. Complaints were reviewed systematically, with eligibility determined within 15 working days, investigations completed promptly, and resolutions communicated to complainants. No cases required escalation to the FAO Office of the Inspector General or GCF IRM. To strengthen awareness, the project conducted community workshops and distributed posters, brochures, and flyers, complemented by WhatsApp and the FAO Paraguay website. Indigenous communities received culturally appropriate guidance through local leaders and project personnel. The GRM is aligned with national grievance procedures and Indigenous customary mechanisms, providing multiple complaint pathways and supporting safeguards compliance, accountability, and community trust. Further details are provided in Annex 3: List of Grievances Received.

F.8. Implementation of activities and actions agreed in the Gender Action Plan

The Gender Action Plan (GAP) showed strong progress in operational activities integrated into technical assistance, cookstove rollout, and institutional capacity-building. However, several activities — including specialized commissions, market access training, satisfaction surveys, ECCT financial literacy, and inter-institutional policy actions — were not implemented during the reporting period.

Key achievements included contracting Western Union International Bank GMBH to support financial transfers. Women's representation in the Technical Executive Committee met or exceeded the ≥50% target in five of six meetings. Gender-responsive capacity-building included a Communicators Network workshop and EX-ACT training, where 71.4% of participants were women.

Field delivery achieved high women's participation: 78.5% of agroforestry and socio-community assistance participants and 89.4% of efficient cookstove beneficiaries were women. To facilitate participation, PROEZA implemented measures including "Pedagogical Houses" for children, community-based locations, and culturally adapted schedules and methods. Gender-related training for teams and contractors, covering GBV/SEA-SH topics, further reinforced gender commitments.

Overall, the programme effectively reached women through its core delivery modalities. However, results highlight the need to strengthen GAP actions that require dedicated governance structures or inter-institutional coordination to ensure full implementation in the next reporting period

Are there GAP implementation activities or progress to report for this period?

Yes ☒ No ☐

Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)

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 because 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 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 reports on the performance of such actions, and on progress on actions identified.

GAP Activity	
Activity 1.1.1 Select, hire and audit the Project Management Agent (PMA) and the Environmental Cash Transfer Agent (ECTA)	
Indicator	
ECTA selected has gender policy	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	1
Annual progress update (Reporting Period)	
An ECTA was selected/engaged in 2025, meeting the GAP commitment to have at least one ECTA with a documented gender policy/strategy as part of the engagement requirements.	
Cumulative progress update (Entire period)	
Consistent with the progress reported in previous years, the intermediary company continued to uphold gender-focused policies, which are formally agreed upon in the contracts at the time of hiring	
Budget	191,413
Currency	USD

Timeline (Planned completion of activity)	19 June 2027
Responsibility	
UGP/FAO/PROEZA	
Remarks/Notes	
Target was fully achieved.	
F.9. Gender Action Plan implementation review	
Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.	Yes ☒ No ☐
Since 2021, a Gender Specialist is providing technical support to the PROEZA Project.	
Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.	Yes ☒ No ☐
Gender Plan activities are implemented in accordance with the funding activity agreements and the GCF gender policy. However, no specific budget has been allocated to them. Gender-related actions during 2025 were implemented primarily through operational delivery modalities already embedded in project implementation (e.g., trainings, technical assistance approaches, safeguards inductions including GBV/SEA/SH prevention, and institutional capacity building).	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☒ No ☐
Overall, implementation of the Gender Action Plan in 2025 can be assessed as mostly on track, with strong performance in areas where gender commitments were embedded into core delivery mechanisms, including technical assistance, cookstove rollout, and institutional capacity-building. Slower progress was observed in specialized or enabling actions, such as governance commissions, market access training, satisfaction surveys, inter-institutional policy activities, and Component 2 financial and incentive-based measures. Participation-related targets demonstrated strong performance during the reporting period. Women's participation exceeded minimum thresholds in several implementation areas, including socio-community assistance and agroforestry technical assistance (79% women), efficient cookstove interventions (89% women), and institutional capacity-building activities (71% women). These results indicate that delivery modalities reached women effectively and contributed to maintaining gender responsiveness in field implementation. At the governance level, the Technical Executive Committee (TEC) met regularly with women's representation meeting or exceeding 50% in most sessions, though one meeting fell below the target (44%), indicating that performance against this target was generally strong but not fully consistent across the year. Implementation challenges were noted primarily in Component 2, including limited technical audits and delays in the establishment of NGFPs. These challenges were not directly gender-related but indirectly affected the implementation of gender activities under this component. Lessons learned emphasize the importance of aligning operational schedules with institutional capacity and maintaining proactive coordination. Corrective measures, such as revised monitoring schedules and Component 2 review processes, are underway to ensure these gaps do not compromise gender-related outcomes. In summary, core GAP activities are largely on track, effectively reaching women and supporting gender mainstreaming, while specialized enabling actions require targeted follow-up and adaptive management to meet planned targets.	
Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.	Yes ☐ No ☒

N/A	
Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?	Yes ☒ No ☐
The 2025 results demonstrate that implementation modalities are effectively reaching women and contributing toward sex-disaggregated beneficiary targets. This is particularly evident in delivery areas where women are central participants and primary users/beneficiaries, such as socio-community technical assistance and cookstove interventions. Of particular note is the very high participation of women in key activity streams (79% women in socio-community assistance and agroforestry technical assistance, and 89% women in efficient cookstove interventions) suggests that the project is not only meeting minimum gender participation thresholds but, in several streams, substantially exceeding them. Institutional capacity-building also reflected strong women's participation (71% women), reinforcing gender-responsive engagement among implementing and governance stakeholders.	
Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please include lessons learnt and how they are informing ongoing actions.	Yes ☐ No ☒
N/A	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☒ No ☐
Case studies showing rural women as agents of change in climate resilience and sustainable livelihoods. Two examples are Ylsa Ramona Vera and Justina Villalba, smallholder farmers in Capiibary, San Pedro, whose households adopted PROEZA-supported agroforestry systems to address drought, improve food security, and diversify income. Ylsa (42) joined PROEZA after prolonged drought affected crops and livestock. With project support, her family established a diversified system combining native trees, eucalyptus, and 15,000 pineapple plants for sale. Technical assistance improved plantation management and pest control. The trees provide wind protection, shade, and biodiversity benefits. She also received a Tata Piriri efficient cookstove, reducing smoke exposure, improving health, and easing domestic workloads. Justina Villalba and her family also faced climate and soil fertility challenges. On their five-hectare farm, they adopted an agroforestry model combining citrus, native tree species, and eucalyptus, while continuing traditional crops and small livestock production. She also received a Tata Piriri cookstove. These cases show how agroforestry, technical assistance, and clean cooking can strengthen resilience, livelihoods, health, and women's participation in adaptation.	
Provide planned activities on gender elements for the next reporting period	
For the next reporting period, gender-related activities will be guided by the updated GAP submitted in December 2025. Planned actions focus on strengthening women's meaningful participation and leadership (including Indigenous women), reinforcing safeguards and accountability (including PSEA), and addressing barriers to participation. Planned activities include: • Strengthening governance and coordination mechanisms with women's representation targets, including continued Gender Commission meetings. • Delivering gender-responsive capacity development for project teams and institutional partners, including training that integrates gender perspectives and PSEA awareness. • Continuing socio-community and technical assistance activities with participation targets for women, including the use of culturally adapted tools and provision of childcare support spaces ("Casas Pedagógicas") during key workshops. • Collecting and analyzing sex-disaggregated participation data to support inclusive monitoring. • Promoting actions to address women's time poverty, including encouraging men's participation in co-responsibility activities. • Continuing gender-responsive implementation of efficient cookstove activities, including reduced smoke exposure benefits. • Conducting biannual monitoring of GAP implementation to track progress and support adaptive management. These activities aim to strengthen inclusive participation, women's leadership, and gender-responsive programme delivery.	

G. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: APR2025_SummaryResults_and_Respaldatorio de calculos.xlsx
Annex 2: Communication and visibility material
File Name: Informe de publicaciones_Comunicación 2025.pdf
Annex 3: List of grievances received
File Name: FP062_List of Grievance Received Tracker.xlsx
Annex 4: Procurement information
No annexes provided.
Annex 5: Updated implementation timetable for the Funded Activity for the following year
File Name: 05 PROEZA-Implementation Plan.xlsx
Annex 6: Updated Gender Assessment and/or Action Plan
File Name: FP062_APR CY2025_GAP activities_vf.docx
Additional Annexes (if applicable)
File Name: PROEZA_ESMP 2025_Rev02_Clean.pdf

