
Annual Performance Report

Project/Programme title: Arbaro Fund – Sustainable Forestry Fund
Accredited Entity: [MUFG]
Date of Report submission: 2026/03/05
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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		Click or tap to enter a date.		
A.2. Project or programme	Programme	A.3. Sector	Private	
A.4. Total Financing (GCF + Cofinance)	GCF financing		million USD (\$) 22.2	
	Grant		Options Enter amount	
	Co-financing		million USD (\$) 89.0	
	Grant		Options Enter amount	
	Grant		Options Enter amount	
	In-kind		Options Enter amount	
	Total Financing		million USD (\$) 111.2	
A.5. Total GCF funding disbursed to this date	22.2 million USD (\$)			
A.6. Implementation period	From 10/30/2020 to 10/30/2035			
A.7. ESS Category (Refers to GCF revised Environmental and Social Policy and GCF ESS Standards to assess your FP category.)			e.g. I-2	
A.8. Executing Entity Information				
Full legal name	Country of registration	Entity type	Role in project	Focal point(s) and email(s)
e.g. National Climate Action Agency	e.g. Kenya	Choose an item.	e.g. Lead Executing Entity	e.g. Sarah Kimani, s.kimani@ncaa.go.ke
Finance in Motion Asset Management S.à r.l. – AIFM ("AIFM" or the "Manager")	Luxembourg	Private sector – Registered legal entities which are not government-controlled (e.g. forprofit entities, financial institutions)	The Fund Manager	arbaro1@finance-in-motion.com
Arbaro Fund SLP, registered in Luxembourg as a special limited partnership ("Arbaro Fund" or "Arbaro")	Luxembourg	Private sector – Registered legal entities which are not government-controlled (e.g. forprofit entities, financial institutions)	The Fund	arbaro1@finance-in-motion.com
Arbaro I GP S.à r.l ("General Partner")	Luxembourg	Private sector – Registered legal entities which are not government-controlled (e.g. forprofit entities, financial institutions)	General Partner of Arbaro Fund	arbaro1@finance-in-motion.com
A.9. Co-Financier information				

Full legal name	Country of registration	Focal point(s) and email(s)	Ownership entity type	Beneficial owner(s)
Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed

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	10/1/2021	- Forest conservation and restoration - AFOLU-sector emission reductions - Climate-resilient land management	The Fund investments support sustainable plantation forestry, increasing carbon sinks while reducing pressure on natural forests, directly contributing to Paraguay's AFOLU mitigation and ecosystem resilience goal	
Colombia	December 2020	- Zero deforestation - Net emissions reduction by 2030 - Ecosystem-based adaptation	The Fund enhances forest cover and promotes sustainable land use, supporting Colombia's mitigation targets and adaptation objectives related to biodiversity protection and rural resilience	
Peru	July 2021	- Forest landscape restoration - Climate-resilient rural livelihoods - Reduced land degradation	The Fund contributes to Peru's NDC and NAP through sustainable forestry investments that sequester carbon and support climate-resilient employment in rural areas	
Ecuador	May 2021	- Ecosystem conservation - Forest-based mitigation - Adaptation through sustainable land management	The Fund aligns with Ecuador's NDC by enhancing carbon sequestration through sustainable plantations while supporting adaptation objectives linked to ecosystem protection.	
Guatemala	June 2021	- Reduced deforestation - Climate resilience in rural and forest-dependent communities	The Fund's investments promote sustainable forestry and alternative timber supply, reducing deforestation drivers and strengthening local adaptive capacity.	
A.12 Report to be shared with NDA			No ☐ (Justification, max. 100 words)	

The report can be shared with the NDAs upon completion with the Secretariat if requested.

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

Please provide a BRIEF summary of the overall objectives, Outcomes and Climate Impact of the project/programme. (300 words maximum)

The Arbaro Fund (“the Fund”) will identify and execute projects focused on sustainable timber production, based on the establishment of Greenfield projects and the expansion, upscaling, and technical improvement of Brownfield projects. The Fund targets a mitigation impact of 11.1 million tCO₂ through carbon sequestration.

The Fund reached the end of its investment period in 2022, with the final investment in Guatemala completed in early 2023 as a follow-on investment.

The investment programme now includes six projects as follows:

(1) Paraguay 1, (2) Paraguay 2, (3) Colombia, (4) Peru, (5) Ecuador, and (6) Guatemala.

In 2025, the Fund exited from the Ghana and Sierra Leone projects (one project operating in two countries) due to their performance not meeting the Fund’s hurdle requirements.

At the Fund level, monitoring activities continued as normal during the reporting period.

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)

Throughout the reporting period, the Fund achieved a total greenhouse gas (GHG) emission reduction of 137,202 tons of carbon dioxide equivalent (tCO₂e). On a cumulative basis, emissions reductions attributable to GCF-funded activities have now reached 1,720,923 tCO₂e. This represents approximately 15% of the Fund's overall target of 11,120,000 tCO₂e, primarily delivered through forestry and plantation-related investments. The pace of emissions reductions during the reporting period has moderated, reflecting the fact that the Fund concluded its investment period with the final follow-on investment completed in early 2023. Nevertheless, total emissions reductions are expected to increase over time, as the trees already planted continue to mature and deliver their full sequestration potential over the coming years.

At the sub-project level, GHG reduction performance varied by geography. Paraguay 1 & 2 contributed 46,250 tCO₂e, while Ecuador also delivered 46,250 tCO₂e in emissions reductions. The Ghana & Sierra Leone project remains the largest contributor, generating cumulative emissions reductions of 1,245,508 tCO₂e. During the reporting period, no emissions reductions were recorded for Colombia, Peru, and Guatemala, reflecting project-specific implementation timelines and operational dynamics rather than underperformance.

No specific milestones were scheduled for the reporting period, and accordingly, no exceptional milestones were achieved. However, the Fund continued to make progress against project-specific indicators. It should be noted that some indicator results declined year-on-year due to the Fund's exit from the Ghana & Sierra Leone project during the reporting period, which affected the aggregation of portfolio-level outcomes.

Overall, the Fund remains fully compliant with all covenants set out in the implementation agreements. No material changes or compliance issues are anticipated in the next reporting period, and the Fund remains well positioned to continue delivering long-term climate mitigation impacts as its existing investments mature.

C.2. Performance against the Funding Proposal Logical Framework Indicators

n.a.

GCF Outcome Level: Standardized Indicators

(IRMF) Core Indicator 1 Greenhouse gas (GHG) emissions reduced, avoided, or removed/sequestered. (PMF) M1 Tonnes of carbon dioxide equivalent (t CO₂eq) reduced because of GCF-funded projects/programmes

Total GHG emission reduced, avoided, or removed/sequestered (tCO₂eq) because of GCF support, disaggregated by result area.

Report on the GHG emissions reduction achieved during this reporting year only. This should include reduced, avoided, or sequestered through project activities such as renewable energy deployment, energy efficiency improvements, or carbon sequestration initiatives. You must also disaggregate this value by country and result area.

Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
<i>The starting value before the project began.</i>	<i>The target value expected at the midpoint of the project.</i>	<i>The target value expected at project completion.</i>	<i>The total target value over the entire lifetime of the project.</i>		<i>Provide the value achieved in the reporting year only.</i>	<i>Total value achieved from project start to the end of this reporting year (previous + current year)</i>

(Will be prefilled from previous APR)	(Will be prefilled from previous APR)	(Will be prefilled from previous APR)	(Will be prefilled from previous APR)			
0	3 892 999	11 120 000	11 120 000	<u>1 583 721</u>	<u>137 202</u>	<u>1 720 923</u>
Disaggregation by: Result Area				Cumulative Value (tCO2eq)		
MRA 1: Energy Generation and Access				<u>Enter number</u>		
MRA 2: Low-emission Transport				<u>Enter number</u>		
MRA 3: Buildings, Cities, Industries and Appliances				<u>Enter number</u>		
MRA 4: Forestry and Land Use				<u>1 720 923</u>		
Total				<u>1 720 923</u>		
Disaggregation by: Country				Cumulative Value (tCO2eq)		
<i>Ghana</i>				<u>746 138</u>		
<i>Sierra Leone</i>				<u>746 137</u>		
<i>Paraguay</i>				<u>262 363</u>		
<i>Ecuador</i>				<u>9 421</u>		
<i>Colombia</i>				<u>-43 136</u>		
<i>Guatemala</i>				<u>0</u>		
Total				<u>1 720 923</u>		
Checkbox Selection						
☐ Reduction of current emissions ☒ Removal and sequestration ☐ Avoidance and substitution						

(IRMF) Supplementary Indicator 1.2 Installed energy storage capacity (MWh)

Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
The starting value before the project began. (Will be prefilled from previous APR)	The target value expected at the midpoint of the project. (Will be prefilled from previous APR)	The target value expected at project completion. (Will be prefilled from previous APR)	The total target value over the entire lifetime of the project (Will be prefilled from previous APR)		Provide a value achieved in the reporting year only	Total value achieved from project start to the end of this reporting year (previous + current year)
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
Disaggregation by: Country				Cumulative Value (MWh)		
Country A				<u>Enter number</u>		
Country B				<u>Enter number</u>		
Country C				<u>Enter number</u>		
Total				<u>Automatically calculated</u>		
Checkbox Selection						
☐ Battery ☐ Thermal ☐ Mechanical ☐ Hydrogen ☐ Other (<u>Enter category</u>)						

(IRMF) Supplementary Indicator 1.3 Installed renewable energy capacity (MW)

(PMF) M6.3 MWs of low-emission energy capacity installed, generated, and/or rehabilitated because of GCF support (MW)

Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
The starting value before the project began. (Will be prefilled from previous APR)	The target value expected at the midpoint of the project. (Will be prefilled from previous APR)	The target value expected at project completion. (Will be prefilled from previous APR)	The total target value over the entire lifetime of the project (Will be prefilled from previous APR)		Provide a value achieved in the reporting year only	Total value achieved from project start to the end of this reporting year (previous + current year)
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>

Disaggregation by: Country	Cumulative Value (MW)
Country A	<u>Enter number</u>
Country B	<u>Enter number</u>
Country C	<u>Enter number</u>
Total	<u>Automatically calculated</u>
Checkbox Selection	
☐ Direct solar ☐ Rooftop solar ☐ Utility solar (> 100 MW) ☐ Mini grid solar ☐ Bio energy ☐ Geothermal ☐ Hydro ☐ Wind	

(IRMF) Supplementary Indicator 1.4 Renewable energy generated (MWh)						
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
<i>The starting value before the project began. (Will be prefilled from previous APR)</i>	<i>The target value expected at the midpoint of the project. (Will be prefilled from previous APR)</i>	<i>The target value expected at project completion. (Will be prefilled from previous APR)</i>	<i>The total target value over the entire lifetime of the project (Will be prefilled from previous APR)</i>		<i>Provide a value achieved in the reporting year only</i>	<i>Total value achieved from project start to the end of this reporting year (previous + current year)</i>
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>

(PMF) M6.2 Number of households with improved access to low-emission energy sources						Unit: # of households # of beneficiaries
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
<i>The starting value before the project began. (Will be prefilled from previous APR)</i>	<i>The target value expected at the midpoint of the project. (Will be prefilled from previous APR)</i>	<i>The target value expected at project completion. (Will be prefilled from previous APR)</i>	<i>The total target value over the entire lifetime of the project (Will be prefilled from previous APR)</i>		<i>Provide a value achieved in the reporting year only</i>	<i>Total value achieved from project start to the end of this reporting year (previous + current year)</i>
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>

(IRMF) Supplementary Indicator 1.5 Improved low-emission vehicle fuel economy (PMF) M8.2 Vehicle fuel economy and energy because of Fund support						
Unit				Enter unit		
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
<i>The starting value before the project began. (Will be prefilled from previous APR)</i>	<i>The target value expected at the midpoint of the project. (Will be prefilled from previous APR)</i>	<i>The target value expected at project completion. (Will be prefilled from previous APR)</i>	<i>The total target value over the entire lifetime of the project (Will be prefilled from previous APR)</i>		<i>Provide a value achieved in the reporting year only</i>	<i>Total value achieved from project start to the end of this reporting year (previous + current year)</i>
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
Disaggregation by: Country				Cumulative Value		
Country A				<u>Enter number</u>		
Country B				<u>Enter number</u>		
Country C				<u>Enter number</u>		
Total				<u>Automatically calculated</u>		
Checkbox Selection						
☐ Fuel switch ☐ Vehicle replacement ☐ Modal shift						

(IRMF) Supplementary Indicator 1.1 Annual energy savings (MWh) (PMF) M7.1 Energy intensity/improved efficiency of buildings, cities, industries, and appliances because of Fund support						
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final	Lifetime			
<i>The starting value before the project began. (Will be prefilled from previous APR)</i>	<i>The target value expected at the midpoint of the project. (Will be prefilled from previous APR)</i>	<i>The target value expected at project completion. (Will be prefilled from previous APR)</i>	<i>The total target value over the entire lifetime of the project (Will be prefilled from previous APR)</i>		<i>Provide a value achieved in the reporting year only</i>	<i>Total value achieved from project start to the end of this reporting year (previous + current year)</i>
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
Disaggregation by: Country				Cumulative Value (MWh)		
Country A				<u>Enter number</u>		

Country B	<u>Enter number</u>				
Country C	<u>Enter number</u>				
Total	<u>Automatically calculated</u>				
Checkbox Selection					
☐ Efficient appliances ☐ Industrial processes & manufacturing efficiency ☐ Building efficiency ☐ Public infrastructure and services					
(IRMF) CORE Indicator 2: Direct and indirect beneficiaries reached. (PMF) A1 Direct Beneficiaries of GCF funded project/programme (disaggregated by sex) (PMF) A2 Indirect Beneficiaries of GCF funded project/programme (disaggregated by sex)					
<i>Total number of direct and indirect beneficiaries (female/male) receiving adaptation benefits from GCF-supported interventions.</i> <i>Report the total number of direct and indirect beneficiaries receiving adaptation benefits during this reporting year. Beneficiaries are individuals who directly benefit from climate adaptation interventions supported by your project. You must disaggregate this value by country and gender.</i>					
Direct Beneficiaries Reached					
Baseline	Target		Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value (Automatically calculated)
	Mid-term	Final			
The starting value before the project began. (Will be prefilled from previous APR)	The target value expected at the midpoint of the project. (Will be prefilled from previous APR)	The target value expected at project completion. (Will be prefilled from previous APR)	Provide the cumulative value from the previous year	Provide a value achieved in the reporting year only	Total value achieved from project start to the end of this reporting year (previous + current year)
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
Indirect Beneficiaries Reached					
Baseline	Target		Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value
	Mid-term	Final			
The starting value before the project began. (Will be prefilled from previous APR)	The target value expected at the midpoint of the project. (Will be prefilled from previous APR)	The target value expected at project completion. (Will be prefilled from previous APR)	Provide the cumulative value from the previous year	Provide a value achieved in the reporting year only	Total value achieved from project starts to the end of this reporting year (previous + current year)
<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
Disaggregation by: Gender			Cumulative Value (People)		

Male	<u>Enter number</u>						
Female	<u>Enter number</u>						
Total	<u>Automatically calculated</u>						
Disaggregation by: Country	Cumulative Value (People)						
Country A	<u>Enter number</u>						
Country B	<u>Enter number</u>						
Country C	<u>Enter number</u>						
Total	<u>Automatically calculated</u> <u>Enter number</u>						

Project/Programme Specific Indicators							
Indicator Name	Unit	Baseline	Mid-term Target	Final Target	Previous Year	Annual Value	Cumulative
Number of technologies and innovative solutions transferred or licenced to promote low-emission development as a result of Arbaro Fund support	#	0	1	1	0	0	0
Indicator 2.1 Institutional and regulatory systems that improve incentives for low-emission planning and development and their effective implementation.	n/a	Regulation exists but is outdated, enforcement is lacking. No sectoral associations	Changes in regulation, enforcement is improved but not consistent	New regulation is in place, enforcement is consistent	The implementation of the programme is in early stage and these kinds of changes take time. However, e.g. in Paraguay Arbaro works very closely with local authorities to drive positive changes in both regulatory side but also in implementation of existing (good) regulation. In Guatemala Arbaro has	Arbaro coordinated a national event with local institutions in Colombia to promote sustainable, low-emission development in the forestry sector, strengthening institutional capacity and alignment around responsible investments.	n/a

					also approached the local authorities on the enforcement of the existing regulation with some tangible results in the case of illegal logging.		
Indicator 3.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions. (Plantation)	Hectares	<u>0</u>	<u>13 875</u>	<u>41 625</u>	<u>33 482</u>	<u>157</u>	<u>33 639</u>
Indicator 3.1 Hectares of land or forests under improved and effective management s that contributes to CO2 emission reductions. (Conservation)	Hectares	<u>0</u>	<u>2 775</u>	<u>8 325</u>	<u>13 132</u>	<u>0</u>	<u>13 132</u>
Indicator 4.1 Volume in m3 of sustainably produced wood products entering the market or in forest stock	Million m ³	<u>0</u>	<u>2.775</u>	<u>11.1</u>	<u>0.65</u>	<u>0.14</u>	<u>0.79</u>
Indicator 5.1 Number of hectares planted and sustainably managed	Hectares	<u>0</u>	<u>13 875</u>	<u>41 625</u>	<u>33 482</u>	<u>157</u>	<u>33 639</u>
Indicator 6.1 Number of hectares conserved	Hectares	<u>0</u>	<u>2 775</u>	<u>8 325</u>	<u>13 132</u>	<u>0</u>	<u>13 132</u>
Indicator 7.1 Number of formal jobs	Full time equivalent (FTE)	<u>0</u>	<u>1 388</u>	<u>2 775</u>	<u>4 823</u>	<u>4 801</u>	<u>n/a</u>

Indicator 7.2 Number of people with improved livelihoods	#	<u>0</u>	<u>55 500</u>	<u>111 000</u>	<u>86 688</u>	<u>86,418</u>	<u>n/a</u>
Indicator 8.1 Number of new entities	#	<u>0</u>	<u>11</u>	<u>55</u>	<u>4</u>	<u>6</u>	<u>10</u>
Indicator 9.1 Number of community programmes (e.g. outgrower schemes)	#	<u>0</u>	<u>8</u>	<u>17</u>	<u>49</u>	<u>16</u>	<u>n/a</u>
Indicator 9.2 Number of people reached by these programmes	#	<u>0</u>	<u>833</u>	<u>2 775</u>	<u>5 949</u>	<u>5 604</u>	<u>n/a</u>

Activity-level Indicators				
Indicator Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
<u>Investments in portfolio companies</u> (Will be prefilled from previous APR)	<u>100%</u>	<u>USD 17 429 025</u>	<u>USD 17 429 025</u>	100%
<u>Fund fees and expenses</u> (Will be prefilled from previous APR)	<u>80%</u>	<u>USD 3,820,883</u>	<u>USD 4 770 975</u>	80%

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 allocated funds / and spent	Co-financing	Country	GHG	Direct Beneficiaries	Indirect Beneficiaries
Provide a title for the subproject	Select the currency for financial amounts	Total GCF funds allocated and spent to/on this subproject	Total co-financing amount for this subproject	Select the country where this subproject is implemented	Greenhouse gas emissions reduced (tCO ₂ eq)	Number of people directly benefiting from the subproject	Number of people indirectly benefiting from the subproject
	<u>Options</u>	<u>Enter number</u>	<u>Enter number</u>		<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>
	<u>Options</u>	<u>Enter number</u>	<u>Enter number</u>		<u>Enter number</u>	<u>Enter number</u>	<u>Enter number</u>

C.3. Compliance with FAA covenants	Yes ☒ No ☐ (Add details of non-compliance)
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The Fund has been compliant with the covenants set out in the FAA and the side letter. The Accredited Entity do not expect any breach to the FAA covenants in the foreseeable future.

C.4. Compliance with implementation arrangements for the Funded Activity for the following year

Yes ☒ (Description) No ☐ (

No changes to the implementation arrangements to be expected in the foreseeable future. We note that the FiM has obtained a full AIFM license in the reporting period.

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 name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Biotic risks	External factors	Natural hazard	<u>Choose an item.</u>	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

All forestry operations are subject to biotic risks such as fungi or disease, which are also constantly evolving and adapting to counter measures.

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

Consequences can range from negligible to devastating depending on how widely for example a disease would spread and what level of damage it causes.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

Plantation investments will be conducted according to best silvicultural practices. This starts in the planning phase, with proper selection of species for the given site conditions, definition of silvicultural operations for selected species and production targets, and acquisition of high-quality planting materials; and continues throughout the production cycle through the timely implementation of silvicultural operations, conducted by skilled staff under close supervision. Proper planning and implementation of operations will minimize deviations from the plan of plantation performance and will reduce the vulnerability of plantations against any pests and diseases. In addition, pest and disease management programs will be put in place, including preventive measures such as species diversification. Finally, plantation investments will be strictly monitored to ensure early detection of pests, diseases and performance deviations, making it possible to take prompt measures whenever necessary. The mitigation measures lower both the likelihood and impact of the risk. Residual risk is 2.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	3 - Likely	2 - Possible	2 - Possible
Impact	3 - Medium	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Abiotic risks	External factors	Natural hazard	<u>Choose an item.</u>	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

In addition to biotic factors described above, abiotic calamities, such as floods, storms, and fire events, can have a negative impact on the performance of plantations, and thereby on the financial performance of the investments.

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

The consequences related to the abiotic risk events can weaken plantations, making them more vulnerable against future events, pests and diseases, and even result in the loss of part of the planted area.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

Plantation investments are managed in a way that they improve landscape resilience. Management practices such as species diversification and high-quality silvicultural management will reduce the vulnerability of plantations against extreme climate events that might occur in the region, thus reducing any negative impacts on their performance.

Fire events need special consideration in plantation investments. Forest fires can cause the loss of significant planted areas and in some cases, they are the result of social conflicts and agricultural practices in surrounding areas, since fire a common practice used to prepare agricultural and pasture land. Proper fire management strategies will be put in place, focusing on preventive measures and contingency plans. The risk of fire events will be managed as well through proactive social strategies, targeting cooperation and aligning interests with local communities, through employment generation, enhancement of livelihoods and promotion of out-grower schemes.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	3 - Likely	2 - Possible	2 - Possible
Impact	3 - Medium	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Global market risks	External factors	Macro-economics	<u>Choose an item.</u>	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

The Global Market risk consists of unfavorable changes in forest product markets, namely a decrease in demand and product prices, can compromise the financial performance of plantation investments. Global trends indicate that the probability of such events is low. Population growth and economic development, together with increasing wood supply gaps, suggest that favorable market conditions will persist

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

The consequences are directly linked to the financial performance of the investment and can cause further financing needs for the projects. In worst case the market conditions can cause the project to become financially unsustainable and may cause the project to be stopped.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

The Fund has mainly targeted countries that face a significant gap in sustainably produced industrial roundwood. Forecasts on population growth and economic development in target regions anticipate increasing product demand. Along with this, deforestation pressures and insufficient reforestation efforts suggest that this situation will become more critical in the future, resulting in severe problems for domestic forest industries. Furthermore, forest investments have been developed in regions with good growing conditions, ensuring the cost competitiveness of the wood produced. Arbaro has achieved an adequate level of diversification in its portfolio in terms of species, forest products and domestic / export markets, as well as a balance between emerging / semi-mature forest markets. Residual risk is 2.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	3 - Likely	2 - Possible	2 - Possible
Impact	2 - Low	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Market risk at project level	Project related	Design and Implementation	<u>Choose an item.</u>	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

The risk is beyond global forest product market trends, the decrease in demand or wood prices in the target market of a specific plantation investment will directly damage its financial performance. Also, operational issues with service providers, on which the timely and proper implementation of operations depends, and with clients, that ensure successful marketing of products, will have an impact on the long-term viability of the investment.

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

The consequences of the risk are directly linked to the financial performance of the investment and can cause further financing needs for the projects. In worst case the market conditions can cause the project to become financially unsustainable and may cause the project to be stopped.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

Plantation investments will be planned and implemented following a strict site-species-market approach. Market intelligence will be an essential part of the planning process, through species selection according to target products and markets, assessment of market access and deep understanding of forest industries and competitive landscape.

Market development will be strictly monitored. Alternative market options will be assessed in all investments, ensuring a certain level of flexibility in case of unexpected market changes.

The Fund pursues long-term sustainable business, for which a high level of satisfaction among employees and customers is crucial. For this, investments will be managed by highly professional teams, will generate formal employment and will create high-standard working conditions. Residual risk is 2.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	3 - Likely	2 - Possible	2 - Possible
Impact	3 - Medium	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
E&S risks	Project related	Environmental and Social (ESS)	Environmental & Social Safeguards	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

The risk consists of poor stakeholder relations often develop from misinterpreting who the stakeholder groups are, poor communication and practises that are not transparent.

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

Poor relations with local communities or stakeholders can have serious operational, financial, and reputational consequences. In the most severe cases, tensions may result in intentional damage to assets, including increased fire risk in plantations due to arson, leading to loss of timber, higher insurance costs, and threats to employee safety. Persistent conflict can disrupt operations through protests, access restrictions, or legal challenges, causing delays and increased costs. Over time, unresolved grievances may undermine the project's social license to operate, attracting negative public scrutiny and reducing support from regulators, investors, and partners. This erosion of trust can limit future expansion opportunities, weaken long-term viability, and ultimately jeopardize the sustainability and profitability of the project.

Mitigation measures					
Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit The Fund will select and manage investments according to its ESG policy and guidelines. IFC performance standards will be strictly applied in all projects to assess and effectively address potential social and environmental risks. All investments will be FSC certified. Arbaro will apply a rigorous internal red flag system and will involve communities to support development and reduce risks. The Fund's projects will apply participatory approach to make sure that the local communities are well informed and involved in the project development. In identifying relevant stakeholders and assessing various approaches to be taken, Arbaro will follow the guidelines of the IFC Performance Standards, IFC's Stakeholder Consultations -Good Practises Handbook as well as the recommendations of the FSC. Residual risk is 2.					
Comments					
The company in Ecuador is facing increasing security concerns due to gang activity in areas surrounding its operations. In response, the Arbaro Fund has established employee safety guidelines and has mandated a temporary evacuation of personnel until the situation stabilizes. The guideline set out is by the accordance of ICF standards.					
	Inherent risk	Residual risk	Current residual risk		
	Please rate the risk's likelihood and impact before any mitigation measures are applied.	Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.	Please rate the current risk's likelihood and impact.		
Likelihood	3 - Likely	2 - Possible	2 - Possible		
Impact	3 - Medium	2 - Low	2 - Low		
Severity	Likelihood x Impact, auto populated by the system	Likelihood x Impact, auto populated by the system	Likelihood x Impact, auto populated by the system		
D.2. Report risk incidents					
If any risk (previously identified or not) has materialized, please capture it here as a risk incident.					
Incident Name	Date of Occurrence	Date of Discovery	Incident Severity	Risk Type	Related Risk
Provide descriptive name for the incident.	When did the incident actually happen?	When was the incident first identified or reported?	Select severity.	For new incidents, leave the related risk field blank.	If it is an existing risk, please select a related risk.
Undisclosed					
Description					
Provide a detailed description of what happened, including context, impact, and circumstances surrounding the incident. 300-word limit Undisclosed					

Root cause analysis
Analyze the underlying causes that led to this incident. (max 300 words)
Undisclosed

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Expropriation, Corruption and FX risks	Project related	Integrity	<u>Choose an item.</u>	2	2	2

Description
Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit There are 4 specific risks: <u>Expropriation:</u> Expropriation or other such political risk event is considered extremely unlikely. <u>Corruption</u> Arbaro will implement an absolute zero tolerance to corruption. This may mean in the short term that e.g. licencing or approvals are delayed or other such administrative stumbling blocks will appear, however previous experience has evidenced that over medium term, zero tolerance policy will gradually remove these practises from the vicinity of zero-tolerance projects / companies. <u>Transfer restrictions / currency inconvertibility</u> Due to long term nature of forestry investments these risks could materialize <u>Legal risks</u> Inadequacy of local regulatory environmental.
Consequences
Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit Consequences can range from mild inconvenience to complete undermining of the project's ability to keep operating its business as usual.
Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

Corruption risks can to an extent be mitigated by making sure that the projects are implemented in a transparent manner and making sure that the local stakeholders (from grassroots level to local and national government level) are appropriately informed and heard of throughout the implementation process. In addition, the mitigation measures include local participation schemes, integration of neighbouring communities as well as good cooperation with the local administration.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk		Residual risk		Current residual risk	
	Please rate the risk's likelihood and impact before any mitigation measures are applied.		Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.		Please rate the current risk's likelihood and impact.	
Likelihood	3 - Likely		2 - Possible		2 - Possible	
Impact	3 - Medium		2 - Low		2 - Low	
Severity	Likelihood x Impact, auto populated by the system		Likelihood x Impact, auto populated by the system		Likelihood x Impact, auto populated by the system	
Risk name	Origin	Area	Sub-area <i>(The drop-down list is only applicable for Integrity, Legal and E&S risks)</i>	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Money Laundering (ML) & Terrorist Financing (TF)	Project related	Integrity	<u>Choose an item.</u>	2	2	2

Description

Please briefly describe the risk and its root causes to the best of your knowledge. - 150-word limit

There are 4 specific risks:

Expropriation: Expropriation or other such political risk event is considered extremely unlikely.

Transfer restrictions / currency inconvertibility

Due to long term nature of forestry investments these risks could materialize

Legal risks

Inadequacy of local regulatory environmental.

Consequences

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

Consequences can range from mild inconvenience to complete undermining of the project's ability to keep operating its business as usual.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

Risk related to transfer restrictions can be mitigated by timber sales in hard currency, possibility to speed up/reduce harvesting during challenging times as well as structuring investment via politically stable jurisdictions.

The Fund's projects are implemented following the highest industry standards. Arbaro works closely and transparently with local stakeholders including the local administration to communicate the benefits of the high standards followed.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	2 - Possible	1 - Unlikely	1 - Unlikely
Impact	2 - Low	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Sanctions Risk	Project related	Integrity	<u>Choose an item.</u>	2	2	2
Description						
Project companies may face sanctions risk due to evolving international sanctions regimes, geopolitical developments, or changes in regulatory frameworks. The imposition of sanctions could restrict access to banking and financial services, limit trade in equipment, inputs, or timber products, and prohibit transactions with certain counterparties. These restrictions may result in the suspension or disruption of forestry operations, delays in project execution, increased compliance costs, and potential revenue losses. In severe cases, sanctions could force a temporary or permanent halt to operations and adversely affect contractual obligations and asset values. Ongoing monitoring of sanctions developments and robust compliance controls are essential to mitigate potential operational, financial, and reputational impacts.						
Consequences						

Please briefly describe the consequences of the risk to the best of your knowledge. 150-word limit

Consequences can range from mild inconvenience to complete undermining of the project's ability to keep operating its business as usual.

Mitigation measures

Please describe how the identified risk will be mitigated or managed. Do mitigation measures lower the likelihood and/or impact of risk occurring? If so, evaluate the residual risk using a score of 1 to 5. 150-word limit

The projects in which the Fund has invested are not located in sanctioned jurisdictions. In addition, the Fund Investment Manager (FiM) has implemented an extensive Know Your Customer (KYC) and due-diligence framework to identify and mitigate sanctions-related risks. This includes thorough screening of counterparties, investors, and key stakeholders against applicable sanctions lists, as well as ongoing monitoring to ensure continued compliance. These measures significantly reduce the likelihood of sanctions exposure and help safeguard the continuity of operations and the Fund's regulatory standing.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	2 - Possible	1 - Unlikely	1 - Unlikely
Impact	2 - Low	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

Risk name	Origin	Area	Sub-area (The drop-down list is only applicable for Integrity, Legal and E&S risks)	Residual Risk at entry	Current Residual Risk (previous update)	Current Residual Risk (latest update)
Conflict of Interest	Project related	Integrity	<u>Choose an item.</u>	2	2	2

Description

A conflict of interest may arise when personal, professional, or financial interests of individuals involved in project implementation, oversight, or evaluation could influence, or be perceived to influence, objective decision-making.

Consequences

If a conflict of interest is not properly identified and managed, it can undermine the integrity of decision-making of the Fund. Potential consequences include biased assessments, compromised objectivity, and decisions that do not fully align with the Fund's or GCF's best interests. This may result in reputational damage, reduced stakeholder trust, and heightened scrutiny from donors, regulators, and oversight bodies. In serious cases, unmanaged conflicts could lead to non-compliance with fiduciary and governance standards.

Mitigation measures

The Fund and the project's consultants, Unique, have implemented a Conflict of Interest Policy to identify, manage, and mitigate potential conflicts. The guideline clearly defines situations in which conflicts of interest may arise, including financial, professional, or personal relationships that could influence decision-making. It sets out roles, responsibilities, and disclosure requirements to ensure transparency and accountability. The policy also establishes procedures for actively managing identified conflicts through avoidance, mitigation measures, or ongoing monitoring, as appropriate. Regular reviews and updates help ensure continued effectiveness and compliance with best practice. By adopting this guideline, the Fund aims to protect the integrity of project governance, support objective decision-making, and maintain the confidence of stakeholders, investors, and partners.

Comments

If needed, please add additional comment and/or justification of the risk and its assessment. 150-word limit

	Inherent risk	Residual risk	Current residual risk
	<i>Please rate the risk's likelihood and impact before any mitigation measures are applied.</i>	<i>Please rate the risk's likelihood and impact after the proposed mitigation measures are applied.</i>	<i>Please rate the current risk's likelihood and impact.</i>
Likelihood	2 - Possible	1 - Unlikely	1 - Unlikely
Impact	2 - Low	2 - Low	2 - Low
Severity	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>	<i>Likelihood x Impact, auto populated by the system</i>

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)	Committ ed Amount	Disburse d Amount	Expendit ure (Reportin g year)	Current Residual Risk (latest update)	Mitigatio n	Adaptati on
Enter country name	Select instrument type		Amount committed to the country and instrument selected to date	Amount transferred from GCF to the Accredited Entity (Inflows)	Amount spent on the Funded Activity in the reporting (Outflows)	Total amount spent on the Funded Activity since project implement ation (Outflows)	Mitigation allocation of the amount spent in the reporting year	Adaptation allocation of the amount spent in the reporting year
Ghana	Equity	million USD (\$)	<u>2.0</u>	<u>2.0</u>	<u>0</u>	<u>2.0</u>	<u>100 %</u>	<u>0 %</u>
Sierra Leone	Equity	million USD (\$)	<u>2.0</u>	<u>2.0</u>	<u>0</u>	<u>2.0</u>	<u>100 %</u>	<u>0 %</u>
Paraguay	Equity	million USD (\$)	<u>8.3</u>	<u>8.3</u>	<u>0</u>	<u>8.3</u>	<u>100 %</u>	<u>0 %</u>
Colombia	Equity	million USD (\$)	<u>1.1</u>	<u>1.1</u>	<u>0</u>	<u>1.1</u>	<u>100 %</u>	<u>0 %</u>
Ecuador	Equity	million USD (\$)	<u>4.3</u>	<u>4.3</u>	<u>0</u>	<u>4.3</u>	<u>100 %</u>	<u>0 %</u>
Peru	Equity	million USD (\$)	<u>2.0</u>	<u>2.0</u>	<u>0</u>	<u>2.0</u>	<u>100 %</u>	<u>0 %</u>
Guatemala	Equity	million USD (\$)	<u>2.5</u>	<u>2.5</u>	<u>0</u>	<u>2.5</u>	<u>100 %</u>	<u>0 %</u>
Total	NA	million USD (\$)	<u>22.2</u>	<u>22.2</u>	<u>0</u>	<u>22.2</u>	NA	NA

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)	Committ ed Amount	Disburse d Amount	Expendit ure (Reportin g year)	Current Residual Risk (latest update)	Mitigatio n	Adaptati on
Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed	Undisclos ed
Total	NA	million USD (\$)	<u>89.0</u>	<u>106.4</u>	<u>3.8</u>	<u>106.4</u>	NA	NA

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 ☐ (Description) 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 ☐ (Description) No ☒

Provide any change/update with precise reference to FAA covenants on environmental and social safeguarding, compared to what was specified in the baseline assessment reflected in the ESS standards of the Board-Approved Funding Proposal. For programmes/FIs with subprojects, please fill out information in the "Sub-projects" section below (max. 300 words).

There are no changes in the environmental and social laws and regulations applicable to portfolio companies. E&S risk categorisation remains unchanged.

There are no changes in environmental and social safeguarding compared to the baseline assessment.

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 ☐ (Description) No ☒

If you tick 'Yes,' please provide further information to specify the applicable law or regulation that is not being met, along with the reasons for non-compliance (max. 100 words).

F.3. ESS standards implementation progress

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

Yes ☒ (Description) 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

Company 1: Ghana and Sierra Leone: N/A - Arbaro Fund exited the company in 2025

Company 2 Paraguay: ESAP implementation was concluded in 2023. Monthly monitoring of ESMS, and ES matters. On-site visits to the project.

Company 3 Paraguay: ESAP implementation was concluded in 2023. Monthly monitoring of ESMS and ES matters. On-site visits to the project.

Company 4 Ecuador: ESAP implementation concluded in 2025. Monthly monitoring of the ESMS, ESAP and ES matters. On-site visits to the project.

Company 5 Colombia: ESAP implementation continued. Monthly monitoring of ESMS, ESAP and ES matters. On-site visits to the project.

Company 6 Peru: ESAP implementation continued. Monthly monitoring of ESMS, ESAP and ES matters. On-site visits to the project.

Company 7 Guatemala: ESAP implementation continued. Monthly monitoring of ESMS, ESAP and ES matters. On-site visits to the project.

Fund Level: The fund is fully invested and there were no screening activities in 2025. The annual E&S report provides details of the monitoring activities. In addition, there are E&S committee meetings in companies that have such a governance body, and at least monthly liaison with the E&S management of each portfolio company. Regular reporting by the companies is in place (monthly/quarterly). There are monitoring on-site visits. Also, in some companies external E&S consultant engagements took place as part of fulfilling ESAP items.

Outputs during the reporting period

Company 1 Ghana and Sierra Leone: Arbaro Fund exited the company in 2025

Company 2 Paraguay: Progress towards ESMS and GAP implementation. Monthly report of ES matters. Compliance with local laws and regulations. Engaged local communities. Progress in training on ES matters.

Company 3 Paraguay: Progress towards ESMS and GAP implementation. Monthly report of ES matters. Compliance with local laws and regulations. Engaged local communities. Progress in training on ES matters.

Company 4 Ecuador Progress towards ESAP and ESMS implementation. Monthly report of ES matters. Compliance with local laws and regulations. Engaged local communities. Progress in training on ES matters.

Company 5 Colombia Progress towards ESMS and ESAP implementation. Monthly report of ES matters. Compliance with local laws and regulations. Stakeholder engagement. Progress in training on ES matters.

Company 6 Peru Progress towards achieving ESAP and ESMS implementation. Monthly reporting of ES matters. Compliance with local laws and regulations. Progress in training on ES matters.

Company 7 Guatemala Progress towards achieving ESAP and ESMS implementation. Monthly reporting of ES matters. Compliance with local laws and regulations. Engaged local communities. Progress in training on ES matters

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

Company 1 Ghana and Sierra Leone: Arbaro Fund exited the company in 2025

Company 2 Paraguay: The public ESIA describes the identified ES risks and impacts. ESAP implementation was finalised in 2023. The ESMS is updated and monitored by the internal team and monitored by the fund's ES staff. The gender assessment was carried out in 2022 and the Gender Action Plan implementation continued in 2024.

Company 3 Paraguay: The public ESIA describes the identified ES risks and impacts. ESAP implementation was finalised in 2023. The ESMS is updated and monitored by the internal team and monitored by the fund's ES staff. The gender assessment was carried out in 2023 and the Gender Action Plan continued implementation in 2025.

Company 4 Ecuador The public ESIA describes the identified ES risks and impacts. ESAP implementation finalised in 2025. The ESMS is updated and monitored by by internal team as well as the Fund ES staff. The GAP implementation started in 2025.

Company 5 Colombia The public ESIA describes the identified ES risks and impacts. ESAP implementation continued in 2025, and is being monitored by internal team as well as the Fund ES staff. Gender Assessment and action plan was developed in 2025 and implementation started.

Company 6 Peru The public ESIA describes the identified ES risks and impacts. ESAP implementation continued in 2025, and it is being monitored by the internal team as well as the fund ES staff. Gender Assessment and Action plan was started in 2025.

Company 7 Guatemala The public ESIA describes the identified ES risks and impacts. ESAP implementation continued in 2025 and it is being monitored by the internal team as well as the fund ES staff. The Gender Assessment and Action Plan was conducted in 2025, and it's implementation has started.

Fund Level The ESAP is the key operating tool for the monitoring and supervision of the E&S performance in portfolio companies. In addition, in some of the portfolio companies there is an Environmental and Social committee as part of the overall governance structure of the portfolio company, and in such cases AA E&S staff participates as member. Otherwise, the ongoing supervision is conducted by way of regular correspondence, reporting and on-site visits.	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
Company 1 Ghana and Sierra Leone: N/A - Arbaro Fund exited the company in 2025 Company 2 Paraguay: None Company 3 Paraguay: None Company 4 Ecuador: Political instability within the country and associated security concerns continued in 2025. Strategic measures to safeguard both assets and personnel continued. Company 5 Colombia: None Company 6 Peru: None Company 7 Guatemala: None Fund Level: None	
Remarks/Notes	
<i>Add any additional remarks or notes relevant to ESS standards implementation. (max. 100 words)</i>	
F.4. Sub-projects information	
Have any subprojects been implemented? Yes ☐ (Description) No ☐	
Title of the sub-project	Ghana and Sierra Leone - exited in 2025 Paraguay 1 Paraguay 2 Ecuador Colombia Peru Guatemala
ESS management plan/instrument in place	
ESAP and ESMS	
Stakeholder engagement plan in place	
Stakeholder engagement plan is in place and being implemented by the Managers and CLOs.	
Activities/engagement conducted with Indigenous peoples	

Included as part of the culturally appropriate stakeholder engagement plan.	
Key environmental, social and gender issues, risks and impacts addressed during this reporting period	
All risks identified in the ESIA were addressed as part of the ESMS during the reporting period.	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
Ecuador: Political instability within the country and associated security concerns continued in 2025. Strategic measures continued to safeguard both assets and personnel. Other subprojects: none	
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 ☐ (Description)
Yes, all actions and activities undertaken are part of the stakeholder engagement plan and its implementation, and the Gender Action Plans.	
Title of the sub-project	Ghana and Sierra Leone - exited in 2025 Paraguay Paraguay Ecuador Colombia Peru Guatemala
Activities implemented during the reporting period	
Company 1 Ghana and Sierra Leone: Arbaro exited the company in 2025 Company 2 Paraguay Support and training for outgrowers. Implementation and maintenance of school gardens. Community engagement with indigenous peoples, communities and local schools. Communities' capacity building. Support for contractors' formalisation. Fire prevention communication. Company 3 Paraguay Support and training for outgrowers. Communities' capacity building. Community engagement with indigenous peoples, communities and local schools. Support for contractors' formalisation. Fire prevention communication. Company 4 Ecuador Community engagement with neighbours, local schools and governmental institutions. Fire prevention communication. Donations for year-end festivities. Company 5 Colombia Community engagement with neighbours and local municipality. Community roads improvement. Participation in municipality environmental campaigns and meetings. Donation for community festivities Company 6 Peru Social engagement continued. Forest activities have not started. Company 7 Guatemala Community engagement with neighbours, local and indigenous communities, governmental institutions. Social projects on environmental awareness campaigns, support for local road improvements, and community donations.	
Dates and venues of engagement activities	

Company 1 Ghana and Sierra Leone: N/A. Company 2 & 3 Paraguay: Weekly visit to the communities by the CLOs and the indigenous peoples' expert. Frequent visit to the stakeholders participants of the outgrowers scheme. Company 4 Ecuador Project region. Frequent interaction with communities and governmental institutions by ES manager and farm managers. Formal meetings were carried out in Q4. Company 5 Colombia. Quarterly stakeholder engagement. Company 6 Peru Annual stakeholder engagement. Forest activities have not started. Company 7 Guatemala. Monthly interactions with community leaders and other members by the CLO and ES Manager. Meetings with governmental offices.
Sex-disaggregated data on stakeholder engagement participants (male + female =) Sex-disaggregated data on stakeholder engagement participants (male + female =)
Company 1 Ghana and Sierra Leone N/A - Arbaro exited the company in 2025 Company 2 Paraguay ca. 170 people engaged, 50% women. Stakeholders involved: Local communities (including indigenous peoples), women groups, neighbours and schools. Local institutions and other actors in the forestry sector Company 3 Paraguay Ca. 186 people engaged, 50% Women. Stakeholders involved: Indigenous and local communities, women groups, neighbours, schools. Local institutions and other actors in the forestry sector Company 4 Ecuador Ca. 300 people engaged, estimated ca. 50% women. Stakeholders involved: Neighbours and local schools. Other forestry and industry companies in the region. Local institutions: environmental ministry, police, firefighters. Company 5 Colombia. Estimated ca. 50 people engaged, ca 50% women. Stakeholders involved: Neighbours and local communities. Local government and environmental office. Company 6 Peru: Estimated ca. 5 people engaged. Stakeholders involved: Local stakeholders, including institutions such as Production Ministry and Environmental Service Company 7 Guatemala ca. 366 people engaged (ca. 50% women) Community leaders, other community members, women groups, elderly groups (all including indigenous peoples), neighbours and governmental offices, local environmental NGO.
Information shared with stakeholders
Company 1 Ghana and Sierra Leone N/A - Arbaro exited the company in 2025 Company 2 Paraguay All relevant information about the company development and plans. Activities allowed within the properties of the company. Capacity building for school gardens and local contractors. Fire prevention and control. Company 3 Paraguay All relevant information about the company development and plans. Capacity building for agricultural projects. Fire prevention and control. Company 4 Ecuador Fire prevention and management of control burnings. Relevant information about the company's operations. Company 5 Colombia Relevant information about the company operations. Road improvement. Fire prevention. Company 6 Peru Relevant information about the company plans. Company 7 Guatemala Relevant information about the company development and plans. Activities allowed within the properties of the company. Employment opportunities. Environmental awareness.
Outputs including issues raised and addressed during the reporting period
Company 1 Ghana and Sierra Leone N/A - Arbaro exited the company in 2025 Company 2 Paraguay Good relationship with the communities. Local contractors trained. Communities' capacity development. Company 3 Paraguay Good relationship with the communities. Local contractors trained. Communities' capacity development. Company 4 Ecuador Good relationship with the communities and other stakeholders. Reduced risk of uncontrolled fires. Company 5 Colombia Good relationship with the communities and other stakeholders. Company 6 Peru Good relationship with the stakeholders. Company 7 Guatemala Good relationship with the communities and other stakeholders.
Remarks/Notes
None

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 ☒ (Description) No ☐
Provide planned activities on environmental and social safeguards for the next reporting period	
For all portfolio companies: Continue implementation of the SEP and GAP. Continue maintaining a good stakeholder engagement with indigenous peoples, other local communities, local institutions and other actors. Continue ESMS monitoring by fund ES staff.	
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	
Companies 2, 3 & 4 – Paraguay and Ecuador: These companies have focused on strengthening local contractors by promoting knowledge transfer and community development. They provide training in administration, legal compliance, social security registration, occupational health and safety, and environmental management. This support has significantly improved contractors' capabilities, enabling them to better meet compliance and operational requirements. Company 5 – Colombia: Active engagement with municipalities and community members has been central to addressing neighborhood-level issues. The company collaborates on local initiatives such as community celebrations and environmental campaigns, fostering strong relationships and advancing shared community goals. Company 6 – Peru: The company maintains close communication with local institutions to manage authorization and permitting requirements. Active engagement with relevant authorities ensures regulatory compliance, supports smooth operations, and builds positive institutional relationships. Company 7 – Guatemala: Under its Gender Action Plan, the company launched an initiative to increase women's participation in forestry work. After community outreach and a two-month training program for around 20 candidates, a women-led forestry team of seven members was formed and has since participated in pruning operations.	
F.7. Grievance Redress Mechanism - confirmation & grievances	
<i>Please indicate whether the project can confirm the following statement:</i>	
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	
Each of the entities have their own grievance mechanisms and easy access to Arbaro grievance mechanism (on the website) too. GCF investment in Arbaro is public and we encourage stakeholders to utilize any channels of their choice, including the GCF channels which some CSOs did at the outset of the investment. When it comes to the local communities, it is very clear from the feedback that the community members prefer to communicate via the community liaison officers and in the community meetings, and have specifically communicated that they do not wish to use other channels. However, other channels are open to them and they are reminded of the existence of such regularly.	
Have there been any grievances received during the reporting period?	Yes ☒ (Description) No ☐
Please refer to Annex 3 for details.	
F.8. Implementation of activities and actions agreed in the Gender Action Plan	
<i>This section includes an update on the activities and actions agreed in the Gender Action Plan (GAP).</i> <i>Please review your GAP and include all GAP activities in the table below with an update of progress made during the reporting period as well as cumulatively. Each activity should be aligned with its own indicator, target, budget, and</i>	

updates. If no progress was made on an activity during the reporting period, please include an explanation in the remarks section of the activity.

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

Country	Investment Year	Gender Assessment and GAP target timeline	Gender assessment conducted	GAP conducted	Implementation of GAP starting
Ghana and Sierra Leone	2018	2021	2022	2022	2023
Paraguay	2019	2022	2022	2022	2023
Paraguay	2021	2024	2023	2023	2023
Ecuador	2022	2025	2025	2025	2026
Colombia	2022	2025	2025	2025	2026
Peru	2022	2025	2025	2025	2026
Guatemala	2023	2026	2025	2025	2025

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

Yes ☒ (Description) No ☐

During this reporting period, the Fund has made solid progress across all Gender Action Plan (GAP) implementation activities, all of which are currently rated GREEN, indicating they are on track to be achieved. The Fund has successfully completed the implementation of both the Gender Assessment and the Gender Action Plan. Actions undertaken have been integrated into operational practices, ensuring alignment with GAP objectives and timelines. Implementation has focused on embedding gender considerations into project management, monitoring, and stakeholder engagement. Detailed progress and outcomes for each GAP activity are provided in Activities 1 through 5 below, demonstrating consistent advancement and effective execution

GAP Activity 1

Output: gender assessment and action plans

Indicator

Indicator 1: number of gender assessments

Indicator 2: number of gender action plans.

Rating of indicator

- ☒ GREEN (On track to be met)
☐ Amber (Needs attention to be met)
☐ RED (Off track and unlikely to be met)

Baseline

N/A

Target, including sex-disaggregation where applicable

Target: 8-12 gender assessment and action plans

Target timeline: 3 years after investment of the Arbaro Fund

Annual progress update (Reporting Period)

4 portfolio companies completed the Gender Assessments and Action Plans	
Cumulative progress update (Entire period)	
All portfolio companies have a Gender Assessment and Action Plan	
Budget	n/a
Currency	million USD (\$)
Timeline (<i>Planned completion of activity</i>)	Early 2026
Responsibility	
The responsibility lies with the Fund and portfolio companies.	
Remarks/Notes	
The target of the assessment were as below: Target: 8-12 gender assessment and action plans Target timeline: 3 years after investment of the Arbaro Fund The rating of the indicator is GREEN as the Fund has met the target.	
GAP Activity 2	
Output statement: suitable and fair livelihood options for local communities, including women	
Indicator	
Indicator 1: Number of people employed Indicator 2: Average salary of women and men by position in investee companies Indicator 3: Number of community programmes (e.g. outgrower schemes) / Number of people reached by these programmes	
Rating of indicator	☒ GREEN (On track to be met) ☐ Amber (Needs attention to be met) ☐ RED (Off track and unlikely to be met)
Baseline	N/A
Target, including sex-disaggregation where applicable	Refer to Remarks

Annual progress update (Reporting Period)	
Target 1: Portfolio company 1: N/A Portfolio company 2: 10% Portfolio company 3: 14% Portfolio company 4: 18% Portfolio company 5: 41% Portfolio company 6: 8% Portfolio company 7: 12% Target 2: Portfolio company 1: N/A Portfolio company 2: Not comparable Portfolio company 3: Not comparable Portfolio company 4: Not comparable Portfolio company 5: 2% Portfolio company 6: 0% (no difference) Portfolio company 7: 0% (no difference) Target 3: Portfolio company 1: N/A - Arbaro exited the company in 2025 Portfolio company 2: 100% of outgrowers women (co-signed contracts with their male counterparts) Portfolio company 3: 10% of outgrowers women (active participation in the project, although not signed contracts) Portfolio companies 4-7 don't yet have outgrowers' scheme	
Cumulative progress update (Entire period)	
N/A	
Budget	<u>n/a</u>
Currency	million USD (\$)
Timeline (<i>Planned completion of activity</i>)	2032
Responsibility	
The responsibility lies with the Fund and portfolio companies.	
Remarks/Notes	
Target 1: 15 % of staff of investee companies is female Target 2: no difference in average salary per position based on gender Target 3: 30 % of outgrowers are women Target timeline: 3 years after investment of the Arbaro Fund The rating indicator is GREEN as the Fund has progressed to the target without any hindrance.	
GAP Activity 3	

Output statement: improved access of all stakeholders, incl. women, to benefits derived from leased community land	
Indicator	
Indicator: Number of community members participating in consultations Qualitative indicator: Benefit sharing mechanisms effectively include measures to involve women	
Rating of indicator	☒ GREEN (On track to be met) ☐ Amber (Needs attention to be met) ☐ RED (Off track and unlikely to be met)
Baseline	N/A
Target, including sex-disaggregation where applicable	0 (Refer to Remarks)
Annual progress update (Reporting Period)	
Portfolio company 1: N/A Portfolio company 2: Ca. 50% Portfolio company 3: Ca. 50% Portfolio company 4: Estimated ca. 50% Portfolio company 5: Estimated ca. 50% Portfolio company 6: No information available yet, the project doesn't have yet forestry operations Portfolio company 7: Ca. 50%	
Cumulative progress update (Entire period)	
Portfolio company 1: N/A Portfolio company 2: Ca. 50% Portfolio company 3: Ca. 50% Portfolio company 4: Estimated ca. 50% Portfolio company 5: Estimated ca. 50% Portfolio company 6: No information available yet, the project doesn't have yet forestry operations Portfolio company 7: Ca. 50%	
Budget	<u>On Fund level this is part of the due diligence budget which varies across projects; otherwise included in the investee company budget</u>
Currency	million USD (\$)
Timeline (<i>Planned completion of activity</i>)	<u>Click or tap to enter a date.</u>
Responsibility	
Arbaro Fund and Portfolio companies	
Remarks/Notes	

Target: at least 30% of community members present at consultations are women

Target timeline: During the first half of the implementation period

The indicator is GREEN as the Fund has progressed to its' targets without any hinderance.

GAP Activity 4

Output statement: knowledge and skills of direct stakeholders, incl. women, fostered

Indicator

Indicator 1: Number of community development programmes

Indicator 2: Number of attendees at on-the-job trainings in investee companies

Rating of indicator

- ☒ GREEN (On track to be met)
☐ Amber (Needs attention to be met)
☐ RED (Off track and unlikely to be met)

Baseline

N/A

Target, including sex-disaggregation where applicable

0 (see below Remarks)

Annual progress update (Reporting Period)

Target 1:

Portfolio company 1: N/A - Arbaro fund exited the company in 2025

Portfolio companies 2, 3 and 7: yes, at least one community project targeting women (community women-focus groups)

Portfolio companies 4, 5 and 6: implementation of Gender Action Plan to start in 2026

Target 2:

Portfolio company 1: N/A

Portfolio company 2: 10%

Portfolio company 3: 14%

Portfolio company 4: 18%

Portfolio company 5: 41%

Portfolio company 6: 8%

Portfolio company 7: 12%

Cumulative progress update (Entire period)

Target 1:

Portfolio company 1: N/A - Arbaro fund exited the company in 2025

Portfolio companies 2, 3 and 7: yes, at least one community project targeting women (community women-focus groups)

Portfolio companies 4, 5 and 6: implementation of Gender Action Plan to start in 2026

Target 2:

Portfolio company 1: N/A

Portfolio company 2: 10%

Portfolio company 3: 14%

Portfolio company 4: 18%

Portfolio company 5: 41%

Portfolio company 6: 8%

Portfolio company 7: 12%	
Budget	<u>0</u>
Currency	million USD (\$)
Timeline (<i>Planned completion of activity</i>)	2036
Responsibility	
Arbaro Fund and Portfolio companies	
Remarks/Notes	
Target 1: at least one community development programme of each investee company is implemented in gender-responsive manner Target 2: at least 15 % of the overall share of attendees at on-the-job trainings in investee companies are female The indicator is GREEN as the Fund has progressed to its' targets without any hinderance.	
GAP Activity 5	
Output statement: increased awareness of gender issues among direct stakeholders of the Arbaro Fund and the investee companies	
Indicator	
Indicator: All relevant Arbaro fund reporting and investee company reporting includes gender disaggregated data	
Rating of indicator	☒ GREEN (On track to be met) ☐ Amber (Needs attention to be met) ☐ RED (Off track and unlikely to be met)
Baseline	N/A
Target, including sex-disaggregation where applicable	0 (see below)
Annual progress update (Reporting Period)	
Employment and salary data is disaggregated and confidential.	
Cumulative progress update (Entire period)	
Employment and salary data is disaggregated and confidential.	

Budget	<u>This is part of the Executing Agency's reporting budget and investee companies' budgets</u>	
Currency	<u>Options</u>	
Timeline (<i>Planned completion of activity</i>)	<u>Click or tap to enter a date.</u>	
Responsibility		
Arbaro Fund and Portfolio companies		
Remarks/Notes		
Target: All relevant Arbaro fund reporting and investee company reporting include gender disaggregated data Target timeline: 1 year after GCF investment into the Arbaro Fund		
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 ☒ (Description) No ☐
Different gender experts, preferable with local expertise, are engaged to support with the gender assessments and action plans for the portfolio companies. At the fund level, ES staff has been trained on gender matters and they support and monitor portfolio companies to ensure gender considerations are effectively integrated.		
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 ☒ (Description) No ☐
The budget is included in the investee company level, not the fund level		
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?		Yes ☒ (Description) No ☐
Yes, planned activities, targets and timelines are on track. Please see description of the Fund's targets in the F8.		

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 ☐ (Description) No ☒
Not changes at the Fund Level.	
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 ☒ (Description) No ☐
Yes, activities are on track to contribute to the targets. Please refer to description of the Fund's targets in the F8.	
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 ☒ (Description) No ☐
The forestry sector faces significant challenges to integrate female employees, including cultural barriers and traditional gender roles. The gender assessments and action plans are designed to help companies identify these obstacles and implement strategies to enhance women participation at all levels. Lessons learned highlight the importance of tailored interventions, such as hiring female CLOs, creating women groups and improving hiring practices for inclusion.	
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 ☒ (Description) No ☐
Please refer to the success stories as part of Company 7, in the section F6.	
Provide planned activities on gender elements for the next reporting period	
1 Ghana and Sierra Leone N/A - Arbaro Fund exited the company in 2025 2 Paraguay Continue implementation of GAP. Continue social projects that target female beneficiaries. Continue to promote female leadership. 3 Paraguay Continue implementation of Gender Action Plan. Continue social projects that target female beneficiaries. Continue building a strong relationship with women in the communities 4 Ecuador Start the implementation of the Gender Action Plan. Continue building a strong relationship with women in the company and in the communities. 5 Colombia Start the implementation of the Gender Action Plan. Continue building a strong relationship with women in the company and in the communities. 6 Peru Start the implementation of the Gender Action Plan. Continue building a strong relationship with women in the company. 7 Guatemala Continue implementation of Gender Action Plan. Continue creating work opportunities for women in the forestry sector and building a strong relationship with women in the communities	

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. <i>Please provide the mandatory ex-post emission reduction spreadsheet presenting the calculation steps for achieved annual and cumulative value in this reporting period.</i>
Annex 2: Communication and visibility material <i>Please provide relevant communication material such as media coverage, photos, infographics, and awareness raising posters used during project implementation.</i>
Annex 3: List of grievances received <i>Provide a list of the grievances received (as an appendix to the APR) in the reporting period that will include the description of the grievance, the date the grievance was received, the resolution of the grievance, etc. Please include any SEAH-related grievances. Identities of complainants, or factors that could identify a complainant should not be included in this document.</i> <i>Please ensure that the names of complainants are excluded for confidentiality.</i>
Annex 4: Procurement information <i>Please download the procurement information template available in Excel below.</i> <u>Download template.</u> <i>Please provide information on goods and services procured under GCF-funded projects/programmes. The information is being collected to increase transparency of activities undertaken with GCF resources. This exercise does not imply a request for information or change to the procurement processes already agreed with the GCF and is purely for information purposes. Please provide information on cumulative procurement activities undertaken in each project/programme funded by the GCF.</i>
Annex 5: Updated implementation timetable for the Funded Activity for the following year <i>Please submit the updated implementation timetable for the Funded Activity for the following year. For example, if you are reporting on results achieved in 2025, you are requested to submit the implementation timetable for 2026 with the expected activities and results.</i>