
Annual Performance Report

Project/Programme title:	Participation in Energy Access Relief Facility ("EARF") (FP148)
Accredited Entity:	Acumen
Date of Report submission:	08/06/2026
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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		(draft)														
A.2. Project or programme	Project	A.3. Sector	Private													
A.4. Total Financing (GCF + Cofinance)	<table border="1"> <tr> <td>GCF Financing</td> <td>Mill. USD 30.0</td> </tr> <tr> <td>Equity</td> <td>Mill. USD 30.0</td> </tr> <tr> <td>Co-Financing</td> <td>Mill. USD 30.0</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 3.7</td> </tr> <tr> <td>Senior Loans</td> <td>Mill. USD 26.3</td> </tr> <tr> <td>Total Financing</td> <td>Mill. USD 60.0</td> </tr> </table>				GCF Financing	Mill. USD 30.0	Equity	Mill. USD 30.0	Co-Financing	Mill. USD 30.0	Grants	Mill. USD 3.7	Senior Loans	Mill. USD 26.3	Total Financing	Mill. USD 60.0
	GCF Financing	Mill. USD 30.0														
	Equity	Mill. USD 30.0														
	Co-Financing	Mill. USD 30.0														
	Grants	Mill. USD 3.7														
	Senior Loans	Mill. USD 26.3														
	Total Financing	Mill. USD 60.0														
A.5. Total GCF funding disbursed to this date	NA (draft)															
A.6. Implementation period	From NA to NA															
A.7. ESS Category (Refers to GCF revised <i>Environmental and Social Policy</i> and GCF ESS Standards to assess your FP category.)			Intermediation 3													
A.10. Alignment with country NDCs & NAP (NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)																
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)												
Uganda	22 September 2022	Uganda's most recent NDC, submitted on 12 September 2022, outlines a target of reducing emissions by approximately 24.7% by 2030 relative to business-as-usual, while prioritizing adaptation across multiple sectors. The country's climate strategy emphasizes resilience in water systems, agriculture, and energy access, with a strong reliance on international finance to meet its goals.	Uganda's most recent NDC, submitted on 12 September 2022, outlines a target of reducing emissions by approximately 24.7% by 2030 relative to business-as-usual, while prioritizing adaptation across multiple sectors. The country's climate strategy emphasizes resilience in water systems, agriculture, and energy access, with a strong reliance on international finance to meet its goals.	0%												
Nigeria	21 May 2021	Nigeria's updated NDC, submitted on 27 May 2021, commits to reducing greenhouse gas emissions by 20% unconditionally and up to 45% with international support by 2030. A central challenge identified in the NDC is the country's heavy reliance on	EARF directly addresses this challenge by supporting distributed renewable energy companies that provide viable alternatives to diesel-based systems. By stabilizing these enterprises during periods of financial stress, EARF ensures continuity in the deployment of	0%												

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)
		diesel generators, particularly in off-grid and unreliable-grid contexts.	solar solutions, which are among the fastest-scaling mitigation pathways in Nigeria. Moreover, EARF helps unlock the private-sector financing gap highlighted in Nigeria's NDC, enabling sustained investment in decentralized energy systems that are critical for long-term emissions reductions.	
Democratic Republic of the Congo (the)	2 August 2021	The DRC submitted its updated NDC on 2 August 2021, placing a strong emphasis on forest conservation, renewable energy expansion, and climate resilience. As home to the Congo Basin, one of the world's largest carbon sinks, the country's mitigation strategy is closely linked to reducing deforestation while expanding access to clean energy.	EARF contributes to this strategy by supporting off-grid energy providers that reduce reliance on biomass and charcoal, which are major drivers of deforestation. By enabling households to transition to solar energy and clean cooking technologies, EARF indirectly delivers significant mitigation benefits through reduced forest degradation. At the same time, it addresses the country's severe energy access deficit, reinforcing both mitigation and adaptation objectives within the NDC.	0%
Kenya	30 December 2020	Kenya's updated NDC, submitted on 30 December 2020, commits to reducing emissions by 32% by 2030, supported by a strong focus on renewable energy and climate-resilient development. While Kenya already has a high share of renewable electricity generation, off-grid energy solutions remain critical for last-mile connectivity and clean cooking transitions.	EARF plays a vital role in sustaining Kenya's globally recognized off-grid solar market by ensuring that companies operating in this sector remain financially viable. This enables continued deployment of solar home systems and clean cooking technologies, both of which are central to Kenya's NDC. By preserving the private-sector delivery model that underpins its climate strategy, EARF ensures that Kenya's mitigation and adaptation trajectories remain on track.	0%
Senegal	29 December 2020	Senegal's updated NDC, submitted on 29 December 2020, includes conditional mitigation targets focused on energy, transport, and rural electrification. The country faces growing energy demand alongside dependence on	EARF supports Senegal's NDC by sustaining decentralized renewable energy companies that expand electricity access in rural areas. These solutions complement grid expansion efforts while reducing reliance on fossil fuels, thereby	0%

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)
		imported fossil fuels, making renewable energy expansion a key priority.	contributing to emissions reductions. Additionally, EARF strengthens the resilience of local energy SMEs, ensuring that they can continue to operate and serve vulnerable communities during economic disruptions.	
Mozambique	30 July 2021	Mozambique's updated NDC, submitted on 30 July 2021, is heavily focused on adaptation, reflecting the country's high vulnerability to climate shocks such as cyclones and floods. Mitigation actions are concentrated in sectors such as forestry, energy, and agriculture, with a significant need for international support.	EARF contributes to Mozambique's NDC by enhancing the resilience of its energy system. Decentralized renewable energy solutions supported by EARF are inherently more robust than centralized infrastructure, particularly in disaster-prone areas. At the same time, these solutions reduce reliance on charcoal and diesel, delivering important mitigation co-benefits. By maintaining access to clean energy during crises, EARF supports both adaptation and mitigation objectives.	0%
Sierra Leone	9 December 2025	Sierra Leone submitted its updated NDC on 31 July 2021, followed by an enhanced NDC 3.0 on 9 December 2025, reflecting increased ambition in renewable energy and resilience. The country operates in a fragile context, where climate interventions are closely linked to broader development challenges.	EARF is particularly relevant in this setting, as it ensures the survival of early-stage renewable energy companies that serve low-income populations. By maintaining access to clean energy, EARF prevents a reversion to biomass and diesel use, thereby safeguarding mitigation gains. It also supports essential services such as lighting, communication, and small-scale enterprise activities, contributing to both adaptation and development outcomes.	0%
Rwanda	8 December 2025	Rwanda submitted its updated NDC in May 2020 and its NDC 3.0 on 8 December 2025, reflecting a progression toward more ambitious emissions reduction targets. The country's climate strategy emphasizes green growth and strong private-sector participation.	EARF aligns closely with this approach by supporting renewable energy enterprises that are critical to Rwanda's low-carbon development pathway. By providing liquidity during periods of financial stress, EARF ensures that these companies can continue to expand access to energy services, particularly in rural areas. This reinforces	0%

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)
			Rwanda's NDC implementation model, which relies on private-sector innovation and investment.	
Zambia	15 December 2025	Zambia's updated NDC, submitted on 30 December 2020, and its NDC 3.0 submitted on 15 December 2025, outline a strategy focused on energy, agriculture, and forestry, alongside strong adaptation priorities. The country faces significant vulnerability to drought, which impacts its hydropower-dependent energy system.	EARF contributes to Zambia's NDC by supporting diversification of the energy mix through off-grid solar solutions. These systems reduce reliance on hydropower during drought periods and provide a reliable source of electricity for households and businesses. By maintaining the operational viability of renewable energy companies, EARF enhances both mitigation outcomes and climate resilience.	0%

A.11. Estimated duration of impact	
A.12 Report to be shared with NDA	Yes ☐ No ☒
It has not been completed and we are still revising elements. Once completed, we will submit to NDAs for their review.	

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

In 2025, the Energy Access Relief Facility (EARF) continued to deliver meaningful impact despite a challenging operating environment. EARF-supported companies contributed approximately 114,718 tonnes of CO₂ emissions reduced or avoided, reflecting ongoing deployment of clean energy technologies. The program reached approximately 274,879 households during the year, with around 1.51 million individuals gaining access to clean energy services, supporting improved livelihoods and energy inclusion. Additionally, EARF facilitated the installation of 4.4 MW of low-emission energy capacity, further strengthening decentralized energy systems.

Beyond access, EARF played a critical role in sustaining the clean energy ecosystem. Approximately 3,919 green jobs were maintained across the value chain, while 43 essential service centers, including schools and health facilities, were powered, enhancing community resilience and essential service delivery. Portfolio companies demonstrated strong recovery, with 76% reaching or exceeding pre-COVID-19 sales levels, and continued adoption of progressive workplace practices, including flexible work policies.

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

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

During the year, EARF-supported companies contributed approximately 114,718 tonnes of CO₂ emissions reduced or avoided. In terms of energy access, EARF reached approximately 274,879 households in 2025. Additionally, around 1.51 million individuals gained access to clean energy services during the year. The program also supported the installation of approximately 4.4 MW of low-emission energy capacity in 2025. Despite fluctuations in annual deployment figures, cumulative installed capacity continues to exceed program targets.

EARF played a crucial role in sustaining employment across the renewable energy value chain. In 2025, approximately 3,919 green jobs were maintained, supporting livelihoods. Furthermore, a high proportion of companies maintained progressive workplace practices, including flexible work policies. At the enterprise level, approximately 76% of companies reported reaching or exceeding pre-crisis (COVID-19) sales levels, demonstrating strong recovery and resilience supported by EARF financing. In 2025, 43 essential service centers, including schools and health facilities, were powered through supported companies.

Overall, 2025 outcomes demonstrate EARF's continued relevance in driving clean energy access and supporting enterprise resilience, while also highlighting sensitivities to market dynamics.

Disclaimers

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmesA

(IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered:

Reductions in reported CO₂ emissions in 2025 were driven by lower unit sales reported by borrowers, reduced EARF exposure due to repayments or additional funding from other sources, and early-year exposure adjustments that lowered proportionate attribution. In some cases, exposure changes were accompanied by non-reporting or incomplete data. Overall, the decline reflects a combination of reduced sales volumes, lower proportional attribution, and data gaps.

(PMF) A1 and A2 Total number of direct and indirect beneficiaries

(IRMF) Core 2 Direct and indirect beneficiaries reached:

Changes in households reached and individuals accessing clean energy are primarily driven by fluctuations in reported sales. Declines in 2025 reflect reduced sales volumes, including cases of significant drop-offs, as well as early facility settlements. Conversely, increases for some companies are directly linked to higher sales performance. Overall movements are fully explained by borrower-level sales trends and EARF exposure adjustments.

Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender:

The total number of indirect beneficiaries (female/male) is calculated using extrapolation methodologies based on direct beneficiaries and is therefore not fully disaggregated by gender.

Installed Capacity Reporting:

In some cases, installed renewable energy capacity is reported as zero due to system limitations that do not accept decimal values, even where small amounts of generation (e.g., 0.9 MW) exist. This system limitation also affects the indicator on the total installed renewable energy generation capacity (MW), disaggregated by technology - Mini grids.

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

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

Please ensure that targets are clearly defined and reported using the following categories:

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

Note that the baseline, midterm, final and lifetime targets will be prefilled based on your previous Annual Performance Report and/or Funding Proposal. It is imperative that you carefully review, verify and update where relevant.

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

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

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

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

GCF Outcome Level: Standardized Indicators

**(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes
(IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered**

Unit						Tonnes of CO ₂ -equivalent
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value <i>(automatically calculated)</i>
	Mid-term	Final	Lifetime			
0	147,806	885,791	1,330,258	3,867,191	114,718	3,981,909

**(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes
(IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered**

Unit							Tonnes of CO ₂ -equivalent
Disaggregation	Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value <i>(automatically calculated)</i>
		Mid-term	Final	Lifetime			
Result Areas (Mitigation): Energy Generation and Access	0	147,806	885,791	1,330,258	3,867,191	114,718	3,981,909

**(PMF) M1 Tonnes of carbon dioxide equivalent (tCO₂eq) reduced as a result of GCF-funded projects/programmes
(IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered**

Unit							Tonnes of CO ₂ -equivalent
Disaggregation	Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value <i>(automatically calculated)</i>
		Mid-term	Final	Lifetime			
Project Countries: Democratic Republic of the Congo (the)	0	0	0	0	25,979	125	26,104

Project Countries: Kenya	0	0	0	0	1,971,741	21,682	1,993,423
Project Countries: Mozambique	0	0	0	0	45,080	1,593	46,673
Project Countries: Nigeria	0	0	0	0	26,737	851	27,588
Project Countries: Rwanda	0	0	0	0	76,777	402	77,179
Project Countries: Senegal	0	0	0	0	34,126	1,479	35,605
Project Countries: Sierra Leone	0	0	0	0	72,924	806	73,730
Project Countries: Uganda	0	0	0	0	69,744	4,349	74,093
Project Countries: Zambia	0	0	0	0	183,606	1,441	185,047

(PMF) 6.3 MWs of low emission energy capacity installed, generated and/or rehabilitated as a result of GCF support (IRMF) Supplementary 1.3 Installed renewable energy capacity						
Unit						Megawatt
Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value <i>(automatically calculated)</i>
	Mid-term	Final	Lifetime			
0	9	24	N/A	92	4	96

(PMF) 6.3 MWs of low emission energy capacity installed, generated and/or rehabilitated as a result of GCF support (IRMF) Supplementary 1.3 Installed renewable energy capacity							
Unit							Megawatt
Disaggregation	Baseline	Target			Previous Year Cumulative Value	Annual Value (Reporting Year)	Cumulative Value <i>(automatically calculated)</i>
		Mid-term	Final	Lifetime			
Project Countries: Kenya	0	0	0	N/A	53	0	53
Project Countries: Nigeria	0	0	0	N/A	4	0	4

Project Countries: Uganda	0	0	0	N/A	1	0	1
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Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
N/A	N/A	N/A	N/A	N/A

C.2.1. Subprojects							
Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).							
Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C.3. Compliance with FAA covenants				Yes ☒ No ☐			
All the legal agreements have been complied with.							
C.4. Funded Activity Implementation Arrangements in the Following Year				Yes ☐ No ☒			
Funded activity implementation arrangements are not expected to change in the following year.							

EARF applies a robust anti-money laundering and counter-terrorist financing (AML/CFT) framework, including comprehensive due diligence and screening of investees and key stakeholders against international sanctions and watchlists. Ongoing monitoring is conducted throughout the investment lifecycle, with escalation procedures in place for suspicious activities. Investments linked to sanctioned or high-risk entities are strictly prohibited.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	2	N/A
Impact	5	3	N/A
Severity	10	6	N/A

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	Project Related	Integrity	Sanctions	N/A	N/A	N/A

Description

Operations in high-risk jurisdictions increase exposure to sanctions-related risks and money laundering or terrorist financing activities.

Consequences

Breaches could result in fund blockage, legal penalties, and reputational damage, affecting programme implementation and stakeholder relationships.

Mitigation Measures

EARF implements a robust AML/KYC framework, including comprehensive screening of investees and key individuals against international sanctions lists and continuous monitoring throughout the investment lifecycle.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	2	N/A
Impact	5	3	N/A
Severity	10	6	N/A

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 <i>(previous update)</i>	Current Residual Risk <i>(latest update)</i>
Fraud, Bribery, Corruption and Collusion Risk	Project Related	Integrity	Fraud / Bribery & Corruption / Collusion and any other prohibited practices	N/A	N/A	N/A
Description						
Risks of fraud, bribery, corruption, and collusion may arise in investment processes, procurement, and operational activities, particularly in challenging governance environments.						
Consequences						
Such practices could lead to misallocation of funds, financial losses, legal and regulatory sanctions, and significant reputational damage. They may also undermine programme integrity, reduce effectiveness, and erode stakeholder trust.						
Mitigation Measures						
EARF enforces strict anti-fraud and anti-corruption policies, including zero-tolerance provisions for bribery and collusion. Robust internal controls, transparent procurement procedures, and independent oversight mechanisms are applied. Due diligence processes assess integrity risks, while contractual agreements include compliance obligations and remedies for breaches. Regular monitoring, reporting channels, and whistleblowing mechanisms support early detection and response.						
Comments						
N/A						
	Inherent Risk	Residual Risk		Current 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	2	2		N/A		
Impact	3	3		N/A		
Severity	6	6		N/A		

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 <i>(previous update)</i>	Current Residual Risk <i>(latest update)</i>
Conflict of Interest	Project Related	Integrity	Conflict of Interest	N/A	N/A	N/A
Description						
Conflicts of interest may arise in investment decision-making, portfolio allocation, and procurement processes.						
Consequences						
Unmanaged conflicts could compromise governance integrity, lead to suboptimal decisions, and reduce stakeholder confidence.						
Mitigation Measures						
Strict conflict of interest policies are enforced, requiring disclosure and recusal where applicable. Transparent governance structures and procurement processes ensure accountability and fairness.						
Comments						
N/A						
	Inherent Risk		Residual Risk		Current 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	2		2		N/A	
Impact	3		3		N/A	
Severity	6		6		N/A	

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 <i>(previous update)</i>	Current Residual Risk <i>(latest update)</i>
Macroeconomic and Political Risk	External	Macro Economics		N/A	N/A	N/A
Description						
EARF operates in markets characterised by political instability, security risks, regulatory inconsistency, and legislative unpredictability. These risks are often regionally correlated, meaning shocks such as economic crises, conflict, or						

governance disruptions may affect multiple countries simultaneously. Broader macroeconomic pressures, including inflation, recessionary trends, and lingering post-pandemic impacts have further constrained household purchasing power and increased operational risks for energy access companies through supply chain disruptions and reduced demand.

Consequences

Macroeconomic deterioration and political instability may disrupt operations, constrain distribution, and weaken customer repayment capacity. This could increase portfolio at risk (PAR), lead to higher write-offs, and undermine financial sustainability. Correlated shocks across markets could amplify portfolio losses and delay programme delivery.

Mitigation Measures

Investment strategies are adapted to local contexts, and risk mitigation measures are reviewed by governance bodies. Portfolio diversification across geographies reduces exposure to single-country shocks.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	N/A
Impact	3	3	N/A
Severity	9	6	N/A

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 <i>(previous update)</i>	Current Residual Risk <i>(latest update)</i>
Market Distortion from Concessional Capital	External	Macro Economics		N/A	N/A	N/A

Description

The provision of concessional financing to selected companies may introduce risks of market distortion, including competitive imbalances and mispricing of risk.

Consequences

Companies not receiving concessional support may face disadvantages, while excessive concessional capital could crowd out private investment, limiting the development of sustainable commercial markets.

Mitigation Measures

EARF targets markets where access to commercial capital is limited, thereby supporting market creation rather than distortion. Concessionality is linked to clearly defined impact outcomes, ensuring benefits are transferred to end-users. The programme is designed to catalyse private sector participation over time.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	1	N/A
Impact	2	2	N/A
Severity	4	2	N/A

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)
Programme Continuity and Post-Programme Sustainability	Project Related	Design		N/A	N/A	N/A

Description

There is a risk that, after concessional support is withdrawn, investees may reduce or cease operations in markets.

Consequences

This could undermine long-term sustainability of energy access gains and weaken the programme's demonstration effect.

Mitigation Measures

EARF strengthens investee capacity, market systems, and enabling environments to ensure continued operations beyond the project lifecycle and to support long-term private sector engagement.

Comments

N/A

	Inherent Risk	Residual Risk	Current Risk
	Please rate the risk's likelihood and impact before any	Please rate the risk's likelihood and impact after the proposed	Please rate the current risk's likelihood and impact.

	mitigation measures are applied.	mitigation measures are applied.	
Likelihood	2	2	N/A
Impact	3	3	N/A
Severity	6	6	N/A

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 <i>(previous update)</i>	Current Residual Risk <i>(latest update)</i>
Foreign Exchange (FX) Risk	External	Macro Economics		N/A	N/A	N/A
Description						
Foreign exchange volatility presents a significant constraint, particularly where revenues are generated in local currency and financing is denominated in hard currency.						
Consequences						
Currency depreciation may impair investees' ability to service debt, leading to restructuring or default and resulting in financial losses. FX risk may also deter commercial co-investment.						
Mitigation Measures						
EARF integrates FX risk assessment into the investment lifecycle and explores solutions such as hedging mechanisms.						
Comments						
N/A						
	Inherent Risk	Residual Risk	Current 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	2	N/A			
Impact	3	3	N/A			
Severity	9	6	N/A			

Investments in early-stage markets may expose the programme to entities engaged in prohibited or excluded activities.

Consequences

Such exposure could lead to regulatory sanctions, financial losses, reputational damage, and potential recovery actions by funders.

Mitigation Measures

An exclusion list is applied during screening and embedded in legal agreements. Ongoing monitoring ensures compliance, with clear provisions for remedial action in the event of breaches.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	2	N/A
Impact	3	3	N/A
Severity	6	6	N/A

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)
Credit Risk	Project Related	Financial		N/A	N/A	N/A

Description

Investments in frontier markets carry elevated risks of default.

Consequences

Credit losses may reduce returns, affect capital recovery, and weaken the demonstration effect for concessional finance.

Mitigation Measures

Comprehensive due diligence and active portfolio management mitigate downside risk. Flexible investment terms allow for restructuring.

Comments

N/A

	Inherent Risk	Residual Risk	Current 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	2	2	N/A
Impact	3	3	N/A
Severity	6	6	N/A

D.2. Report risk incidents

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

(this section is confidential)

E. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES	
<i>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.</i>	
F.1. progress on key challenges and updates regarding Environmental and Social Safeguards	
Key Environmental and Social Changes <i>Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.</i>	Yes ☐ No ☒
Environmental and Social Safeguarding Updates <i>Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.</i>	Yes ☐ No ☒
F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.	
Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?	Yes ☒ No ☐
F.3. ESS standards implementation progress	
Does this reporting period include any ESS standards-related activities or updates?	Yes ☒ No ☐
<i>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.</i>	
Activities implemented during the reporting period, including monitoring	

<i>In 2025, EARF provided targeted ESG support to 12 portfolio companies to address compliance gaps and strengthen their environmental, social, and governance systems. The support was primarily focused on improving policy frameworks, enhancing documentation, and ensuring alignment with ESMS requirements through structured engagement, document reviews, and follow-up actions.</i>	
Outputs during the reporting period	
<i>In 2025, our strategy focused on proactively engaging with clients facing compliance challenges. As part of this effort, our ESMS team met with clients who had desired to improve and supported many clients this year, resolving issues on a one-on-one basis on policy side</i>	
Key environmental, social and gender issues, risks and impacts addressed during implementation	
<i>The most prominent issues were workplace safety issues and security issues. Across these incidents, companies generally responded appropriately through medical care, compensation, safety reinforcement, and operational adjustments. Road safety issues are largely a result of local infrastructure and local practices around road safety. Companies can and do put in sufficient road safety practices but that does not change the local environment.</i>	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
<i>EARF is maintaining close, continuous monitoring and active engagement with portfolio companies, to ensure that all corrective measures are fully implemented and sustained over time. This includes working directly with management to strengthen preventive systems, reinforce compliance, and embed lessons learned into day-to-day operations.</i>	
Remarks/Notes	
F.4. Sub-projects information	
Have any subprojects been implemented?	Yes ☐ No ☒
N/A	N/A

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	Yes ☒ No ☐
Activities implemented during the reporting period	
In 2025, SIMA and EARF continued their international participation: • 18th December 2025 - Gender-Based Violence in Energy Access by GOGLA (Virtual webinar). - o GBV is increasingly being recognized as a material ESG and operational risk in the energy sector. Women are central to energy access value chains, yet remain disproportionately exposed to risks. Investors and DFIs are increasing scrutiny on GBV risk management, and that Gender inclusion alone is not sufficient without safeguarding measures. The	

seminar drew at least 100 attendees. • 10th – 11th of June 2025 - GOGLA Annual General Meeting in Nairobi. - o The Annual General Meeting in Nairobi fostered collaboration among industry leaders to review sector achievements, define strategic priorities for 2025–2030, share insights from SIMA's work, and highlight key advocacy gaps in advancing the off-grid energy sector. • 21st – 22nd January 2025 - AFIFORUM - Asia Financial Institutions Forum in Thailand. - o The conference provided a valuable platform for engaging more diverse stakeholders across Asia, strengthening industry connections, showcasing SIMA Funds' offerings, gathering strategic feedback, and generating insights to support the expansion of its impact investing and financial inclusion initiatives. The 5th edition of AFIFORUM brought together 150+ impact investors and 350+ impact investees, with past editions attracting over 600 attendees representing leading lenders and borrowers in the impact finance space. • 13th – 15th of January 2025 - AFSIA (Africa Solar Industry Association) POWERELEC NIGERIA 2025. - o The event successfully convened over 150 solar industry stakeholders to exchange insights on financing, supply chain management, storage solutions, and mini-grid innovation, while strengthening partnerships and advancing collaboration for the growth of Nigeria's solar sector. • NDA Engagement - In 2025, NDA progress reports were drafted and submitted to all EARF NDAs. One Annual report was submitted to the NDAs.
Dates and venues of engagement activities
• 18th December 2025 - Gender-Based Violence in Energy Access by GOGLA (Virtual webinar). • 10th – 11th of June 2025 - GOGLA Annual General Meeting in Nairobi. • 21st – 22nd January 2025 - AFIFORUM - Asia Financial Institutions Forum in Thailand. • 13th – 15th of January 2025 - AFSIA (Africa Solar Industry Association) POWERELEC NIGERIA 2025. • NDA Engagement - Acumen held NDA engagement meetings in Kenya (15th July 2025, In-person at the NDA office), Ghana (25th July 2025, virtual) and Rwanda (31st October 2025, virtual)
Sex-disaggregated data on stakeholder engagement participants (male + female = total)
We do not collect sex disaggregated data of participants.
Information shared with stakeholders
• 18th December 2025 - Gender-Based Violence in Energy Access by GOGLA (Virtual webinar). - o GBV is increasingly being recognized as a material ESG and operational risk in the energy sector. Women are central to energy access value chains, yet remain disproportionately exposed to risks. Investors and DFIs are increasing scrutiny on GBV risk management, and that Gender inclusion alone is not sufficient without safeguarding measures. The seminar drew at least 100 attendees. • 10th – 11th of June 2025 - GOGLA Annual General Meeting in Nairobi. - o The Annual General Meeting in Nairobi fostered collaboration among industry leaders to review sector achievements, define strategic priorities for 2025–2030, share insights from SIMA's work, and highlight key advocacy gaps in advancing the off-grid energy sector. • 13th – 15th of January 2025 - AFSIA (Africa Solar Industry Association) POWERELEC NIGERIA 2025. - o The event successfully convened over 150 solar industry stakeholders to exchange insights on financing, supply chain management, storage solutions, and mini-grid innovation, while strengthening partnerships and advancing collaboration for the growth of Nigeria's solar sector.
Outputs including issues raised and addressed during the reporting period
In the reporting period, no issues were raised by stakeholders that needed direct addressing.
Remarks/Notes
No additional remarks.

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☒ No ☐

Provide planned activities on environmental and social safeguards for the next reporting period	
SIMA will continue to support borrowers to enhance their E&S capacities, mitigate E&S risks, and meet E&S conditions and covenants. SIMA will monitor borrowers for their compliance with the EARF ESMS. Finally, SIMA will continue to report on portfolio E&S activities to investors and other relevant stakeholders.	
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	
In 2025, there was no engagement with indigenous peoples.	
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	
Have there been any grievances received during the reporting period?	Yes ☐ No ☒
Not applicable.	
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 updates. If no progress was made on an activity during the reporting period, please include an explanation in the remarks section of the activity.</i> <i>Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)</i>	
Are there GAP implementation activities or progress to report for this period?	Yes ☐ (Description) No ☐
<i>Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)</i> <i>Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved because of completion of an activity. Further, it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include reporting on</i>	

any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative reports on the performance of such actions, and on progress on actions identified.

GAP Activity	
Prioritize eligible (flagged for IC) women owned/led (51% or more ownership/leadership) companies for funding	
Indicator	
# of women owned/led companies for funding	
Rating of Indicator	Green
Baseline	0
Target, including sex-disaggregation where applicable	6
Annual progress update (Reporting Period)	
The number of women businesses are going down due to companies exiting their loans.	
Cumulative progress update (Entire period)	
The team has far exceeded the target for this initiative.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen	
Remarks/Notes	
No additional remarks.	

GAP Activity	
Require 1-page summary of a company's demonstrated commitment and approach to retaining female full-time and contracted employees during the immediate crisis, and weighting that summary in the eligibility/investment criteria at IC level	
Indicator	
% Retention plans for female full-time and contracted employees included in proposal and score	
Rating of Indicator	Green

Baseline	0
Target, including sex-disaggregation where applicable	100
Annual progress update (Reporting Period)	
As this was made during the investment period, no changes during this year.	
Cumulative progress update (Entire period)	
All companies provided their retention plans as a part of each loan disbursement.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen	
Remarks/Notes	
No additional remarks.	
GAP Activity	
In same 1-page summary, require company to demonstrate its commitment and approach to increasing their share of female employees long-term, and weighting that summary in the eligibility/investment criteria at IC level	
Indicator	
# Recruitment plans for female full-time and contracted employees included in proposal and score	
Rating of Indicator	Green
Baseline	0
Target, including sex-disaggregation where applicable	100
Annual progress update (Reporting Period)	
As this was made during the investment period, no changes during this year.	
Cumulative progress update (Entire period)	
All companies provided their retention plans as a part of each loan disbursement.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028

Responsibility	
SIMA, Acumen	
Remarks/Notes	
No additional remarks.	

GAP Activity	
Support companies that do not have a gender empowerment plan to undertake a gender baseline assessment and develop a plan within 90 days of signing loan agreement	
Indicator	
Gender baseline assessment and gender action plan submitted to SIMA by each company	
Rating of Indicator	Green
Baseline	0
Target, including sex-disaggregation where applicable	100
Annual progress update (Reporting Period)	
There have been no updates this period.	
Cumulative progress update (Entire period)	
Acumen supported the development of over 40 GAPs with borrowers. Additionally, all borrowers submitted GAPs.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen, Acumen gender expert	
Remarks/Notes	
No additional remarks.	

GAP Activity	
Require companies to collect and report customer data disaggregated by sex to understand the number of female customers benefitting from off-grid energy services and products.	
Indicator	
# of male and female customers reported at baseline and end of loan agreement	

Rating of Indicator	Amber
Baseline	0
Target, including sex-disaggregation where applicable	8170122
Annual progress update (Reporting Period)	
Companies have been having challenges reporting on sex-disaggregated data. They have number of products sold, but many companies are sharing limited capacity to collect this data. As such, some companies have provided data based on demographic data of the markets they are serving. This has been especially challenging for small and medium sized enterprises. There was also difficulty in determining this information for B2B businesses. During this period in particular, companies restructuring their loans have also shared that they have even more challenges with data reporting.	
Cumulative progress update (Entire period)	
Companies have been having challenges reporting on sex-disaggregated data. They have number of products sold, but many companies are sharing limited capacity to collect this data. As such, some companies have provided data based on demographic data of the markets they are serving. This has been especially challenging for small and medium sized enterprises. There was also difficulty in determining this information for B2B businesses.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen	
Remarks/Notes	
No additional remarks.	
GAP Activity	
Develop anonymous employee engagement survey with a focus on gender-inclusion and have companies administer within 90 days of signing loan agreement and at end of loan term.	
Indicator	
Baseline summary findings of employee engagement survey and final summary findings of employee engagement survey	
Rating of Indicator	Red
Baseline	0
Target, including sex-disaggregation where applicable	97
Annual progress update (Reporting Period)	

Cumulative progress update (Entire period)	
Acumen provided surveys to all of the EARF borrowers receiving GCF funds. Over 50 companies responded initially. Acumen hopes to get responses from at least 20 borrowers as a next step over the next 2 years.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen	
Remarks/Notes	
No additional remarks.	
GAP Activity	
Synthesize gender-specific lessons learned and disseminate to wider sector and AE staff	
Indicator	
Publications or webinars with a dedicated focus or sub-focus on gender issues in energy access	
Rating of Indicator	Green
Baseline	0
Target, including sex-disaggregation where applicable	2
Annual progress update (Reporting Period)	
Acumen conducted an interim evaluation with valuable gender data.	
Cumulative progress update (Entire period)	
Acumen did an internal session on gender and climate results of EARF. They also did a session on EARF for NDAs two years ago. The goal is to have one more insights product.	
Budget	0
Currency	USD
Timeline (Planned completion of activity)	30 June 2028
Responsibility	
SIMA, Acumen	
Remarks/Notes	

Acumen intends to create another insights product in the next year or two.

F.9. Gender Action Plan implementation review

Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.

Yes ☒ No ☐

Acumen's ESG team has provided SIMA with support and expertise in implementing

Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.

Yes ☒ No ☐

While no budget has been allocated this year, we have spent resources on the interim evaluation covering gender topics and on the consultant to support borrowers with GAPs and Acumen with the survey.

Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?

Yes ☒ No ☐

We are closely tracking how to improve our survey engagement but have otherwise been on track for 6 of the 7 GAP activities. For several, we exceeded or met the activity requirements.

Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.

Yes ☐ No ☒

No additional remarks.

Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?

Yes ☒ No ☐

We are exceeding the impacts that we were seeking to achieve with the fund.

Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please

Yes ☒ No ☐

include lessons learnt and how they are informing ongoing actions.	
<i>The data collection has been a significant burden for borrowers. Many didn't have the necessary resources. This made SIMA have to do a lot more management. We should seek to right-size these expectations across borrowers.</i>	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☐ No ☒
<i>Not during this period, but we've shown many case studies from this project already.</i>	
Provide planned activities on gender elements for the next reporting period	
<i>We intend to conduct surveys with borrower employees where feasible and start working on insights pieces.</i>	

F. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: 2025 GHG Emission Reduction Calculation Methodology (Sectors).xlsx
Annex 2: Communication and visibility material
File Name: Success-EARF stories.xlsx
Annex 3: List of grievances received
No annexes provided.
Annex 4: Procurement information
No annexes provided.
Annex 5: Updated implementation timetable for the Funded Activity for the following year
No annexes provided.
Annex 6: Updated Gender Assessment and/or Action Plan
No annexes provided.
Additional Annexes (if applicable)
No annexes provided.

