
Annual Performance Report

Project/Programme title:	Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic (FP174)
Accredited Entity:	Central American Bank for Economic Integration (CABEI)
Date of Report submission:	14 April 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		14 April 2026		
A.2. Project or programme	Project	A.3. Sector	Public	
A.4. Total Financing (GCF + Cofinance)	GCF Financing		Mill. USD 174.3	
	Grants		Mill. USD 84.3	
	SeniorLoans		Mill. USD 60.0	
	Guarantees		Mill. USD 30.0	
	Co-Financing		Mill. USD 94.0	
	SeniorLoans		Mill. USD 42.8	
	InKind		Mill. USD 51.2	
	Total Financing		Mill. USD 268.3	
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.)			Category B	
A.8. Executing Entity Information				
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)
Food and Agriculture Organization of the United Nations	Italy	UN System Entity – a specialized agency, subsidiary organ or other part of the UN system	Executing Entity	Adoniram Sanches Coordinador Subregional de la FAO para Mesoamérica adoniram.sanches@fao.org
Central-American Commission for Environment and Development	Honduras	Private sector – Registered legal entities which are not government-controlled (e.g. forprofit entities, financial institutions)	Accredited and Executing Entity	Mr. Manfred Kopper Primary Chief Sustainability Officer / Environmental and Social Sustainability Office Phone +504 2240 2243 mkopper@bcie.org // Mr. Rubén Avila Secondary Sustainable Finance and Partnerships Specialist Phone +504 2240 2243 avilar@bcie.org
Central American Commission for Environment and Development (CCAD)	El Salvador	Public sector – Government-controlled subnational, national or regional entity (including	Executing Entity	Marisol Castillo Collado - Executive Secretariat of the Central American Commission on Environment and Development (CCAD), Central American Integration System (SICA) / Tel.: (503) 2248 8843 / Email: mcastillo@sica.int / web: www.sica.int/ccad

A.9. Co-Financier information				
Full legal name	Country of registration <i>(or, for intl orgs, country of HQ)</i>	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
Central American Bank for Economic Integration (CABEI)	Honduras	Mr. Manfred Kopper Primary Chief Sustainability Officer / Environmental and Social Sustainability Office Phone +504 2240 2243 mkopper@bcie.org // Mr. Rubén Avila Secondary Sustainable Finance and Partnerships Specialist Phone +504 2240 2243 avilar@bcie.org	Multilateral Development Bank	Member states (shareholder governments)
Ministry of Environment and Natural Resources.	Guatemala	Ana Patricia Orantes - hmhernandez@marn.gob.gt - Minister of Environment and Natural Resources of Guatemala 7 Avenida 03-67 Zona 13, Guatemala City, Guatemala - (502)2423-0506 / Andrea Domenika Fernandez - adfernandez@marn.gob.gt - Head of International Cooperation - (502)2423-0500	Government institution	Government of Guatemala
Secretary of Energy, Natural Resources, Environment and Mines	Honduras	Juan Carlos Ramos Ramírez, Secretary of State for Natural and Environmental Resources Santa Fe Building, Castaño Sur Neighborhood, Virgilio Zelaya Rubí Avenue, Block C, Tegucigalpa, Honduras // Phone +504 2232-9200 / +504 9748-0132 // despacho@serna.gob.hn / cooperacion@serna.gob.hn	Government institution	Government of Honduras
Ministry of Environment and Natural Resources.	El Salvador	Fernando Andrés López Larreynaga - fernandolopez@marn.gob.sv / ministro@ambiente.gov.sv - +(503) 2132-9418 - Minister of Environment and Natural Resources Kilómetro 5 ½ Carretera a Santa Tecla, Col. Las Mercedes, Frente a Círculo Miliar, Edificios MARN, San Salvador, El Salvador /// Jessica Margarita Laguardia de Portillo - Head of the Technical Unit of the Ministerial Office Kilómetro 5 ½ Carretera a Santa Tecla, Col. Las Mercedes, Frente a Círculo Miliar, Edificios MARN, San Salvador, El Salvador - phone: (503) 2132-9468 / (503) 7856-3457 - jlagueardia@ambiente.gob.sv	Government institution	Government of El Salvador
Ministry of Environment and Natural Resources.	Nicaragua	Heyddy Calderón Palma - Minister of Environment and Natural Resources - Avenida de Bolívar a Chávez, Costado sur de la Asamblea Nacional, Managua, Nicaragua - phone +505 8510-7366 - hcalderon@marena.gob.ni // Javier Gutiérrez Ramírez - Viceminister of Environment and Natural Resources and Secretary of Climate Change of the Presidency of the Republic of Nicaragua Kilómetro 12 ½ Carretera Norte frente a Corporaciones Zona Franca las Mercedes, Managua, Nicaragua - phone +505 2298-0225 - xaviergut@gmail.com	Government institution	Government of Nicaragua
Ministry of Environment and Energy	Costa Rica	Carlos Isaac Pérez Mejía - Vice-minister of Strategic Affairs Calle 25. Av. 8-10, San Jose, Costa Rica - phone (506) 2106 - 8527 - cperez@minae.go.cr / vicegestionestrategica@minae.go.cr // Patricia Campos Mesén - International Cooperation Officer Calle 25. Av. 8-10, San José, Costa Rica - phone	Government institution	Government of Costa Rica

Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
		(506) 8346-1513 - pcampos@minae.go.cr // Adriana Bonilla - Director of Climate Change Calle 25. Av. 8-10, San Jose, Costa Rica - phone (506) 2106-8530 - abonilla@minae.go.cr		
Ministry of Environment	Panama	Juan Carlos Monterrey - Climate Change Director Diego Dominguez Street, Building 804 Albrook, Ancón, Panama City, Panama - phone (507) 500-0802 - jmonterrey@miambiente.gob.pa // Ms. Debra Stephany Cisneros Cañarte - Chief of Staff for International Affairs - Climate Change - Diego Dominguez Street, Bulding 804 Albrook, Ancón, Panama City, Panama - phone (+507) 500-0802 - dcisneros@miambiente.gob.pa	Government institution	Government of Panama
Ministry of Environment and Natural Resources.	Dominican Republic (the)	Ana Emilia Pimentel - Viceminister of Climate Change and Sustainability Ave. Cayetano Germosén esq. Ave. Gregorio Luperón. Ensanche El Pedregal, Santo Domingo, Dominican Republic (the) - phone 809-567-4300 - ana.pimentel@ambiente.gob.do	Government institution	Government of the Dominican Republic

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)
Honduras	13 April 2026	N/A	N/A	0%

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

B. EXECUTIVE SUMMARY

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

B.1. Summary

The Programme aims to enhance the adaptive capacity and climate resilience of vulnerable rural communities in the Central American Dry Corridor and the arid regions of the Dominican Republic, where increasing temperatures and reduced rainfall continue to exacerbate climate vulnerability, affecting livelihoods and food security.

During 2025, the Programme focused on consolidating its enabling environment and operational readiness, achieving key milestones that lay the foundation for effective and scalable ecosystem-based adaptation (EbA) investments. Governance structures were strengthened through the establishment of National Advisory Committees in Honduras, the Dominican Republic, Panama, and Costa Rica, ensuring country ownership, inter-institutional coordination, and alignment with national priorities. Guatemala advanced strategic agreements with FAO and CABI, further reinforcing implementation arrangements.

Technical progress was significant, with territorial diagnostics in priority watersheds across five countries reaching 78.1% completion. These diagnostics provide a robust climate rationale and evidence base to inform EbA plans. Inclusive governance was reinforced through the establishment of local monitoring and evaluation committees, with women’s participation ranging between 24% and 36%, supporting gender-responsive decision-making processes.

Under the financial component, progress was made in structuring a technical assistance facility to strengthen the capacities of financial intermediaries to access, manage, and channel resources towards EbA investments, facilitating future scaling.

Environmental, social, and gender safeguards advanced in line with the Programme’s frameworks, including stakeholder engagement processes, Free, Prior and Informed Consent with Indigenous Peoples, updated baselines, and the establishment of a grievance redress mechanism. The conceptual design of the Integrated Monitoring and Evaluation System was also completed.

Key challenges related to multi-country coordination and institutional alignment were addressed through adaptive planning. A key lesson learned highlights the importance of early investments in governance, data systems, and inclusive processes to ensure impact, sustainability, and scalability.

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)

Summary of Programme Progress

During 2025, the Programme advanced in establishing the enabling conditions required to achieve its logical framework outcomes, focusing on institutional strengthening, technical groundwork, and the operationalization of key instruments to support ecosystem-based adaptation (EbA) at scale.

Component 1 – EbA Planning and Knowledge

Under Output 1, significant progress was achieved in laying the technical, institutional, and participatory foundations for EbA planning across five priority watersheds in Costa Rica, the Dominican Republic, Guatemala, Honduras, and Panama. The EbA planning methodology was formally endorsed by the GCF in June 2025, enabling a harmonized and science-based approach across countries. Territorial diagnostics integrating climate, environmental, socio-economic, and governance data reached 78.1% completion, providing a robust evidence base to inform adaptation planning and investment prioritization.

Inclusive governance mechanisms were strengthened through the establishment of Local Monitoring and Evaluation Committees, with women's participation ranging from 24% to 36%, supporting gender-responsive planning processes. In parallel, livelihoods analyses were initiated, and 187 stakeholders (38.5% women) participated in consultations, enhancing the understanding of climate vulnerability, water dependency, and local adaptive capacity.

No technical progress was recorded under Activity 1.2, as the development of EbA implementation protocols was rescheduled to 2026 to align with the maturity of EbA plans. Output 2 did not register technical progress during the reporting period, in line with the Programme's phased implementation approach.

Under Output 3, initial steps were taken to establish the regional knowledge hub. Physical space was secured, complementary resources mobilized, and recruitment processes for key personnel—including the Hub Director, researchers, and communication specialists—were launched. This will underpin future knowledge generation, capacity building, and regional dissemination efforts.

Component 2 – Financial Mechanisms for EbA

Progress under Output 4 focused on structuring the technical assistance facility to strengthen financial institutions' capacities to access and channel EbA finance. A preliminary mapping and characterization of the financial ecosystem was conducted across five countries, identifying both financial and non-bank financial institutions. Following limitations in UNEP's support capacity, a new procurement process was initiated, and terms of reference were developed to assess institutional capacities, establish baselines, and identify demand for EbA financial products.

The preparation of the Programme's Operations Manual advanced during the last quarter of 2025, with CABEL leading negotiations and technical inputs. The first draft is expected by June 2026 and will define the structure of credit, guarantee, and grant facilities. Subsequent structuring of financial instruments is expected to begin thereafter.

Environmental, Social and Gender Performance

The Programme made substantial progress in operationalizing its Environmental and Social Management System. Environmental and social baselines were updated and integrated into EbA planning processes. Stakeholder engagement activities were implemented in three countries, and methodological guidelines for Free, Prior and Informed Consent were developed and initiated. A grievance redress mechanism was established and disseminated widely, reaching over 400 stakeholders. In addition, 33 technical staff were trained on GCF and FAO safeguards, strengthening institutional capacities.

Constraints and Adaptive Management

Implementation faced delays related to the timing of in-kind contribution agreements, procurement processes, and data availability constraints. These challenges were addressed through adaptive planning, increased reliance on secondary and satellite data, and strengthened coordination among implementing partners. The Programme maintained progress by prioritizing foundational activities, ensuring readiness for accelerated implementation in subsequent phases.

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/IRMF Results Management Framework

No indicators/questions defined.

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by result area.						
Unit						No. of Beneficiaries
Disaggregation by: Result Areas (Adaptation)	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Ecosystem and ecosystem services	0	325,332	108,444	0	0	0

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	227,732	759,109	0	0	0
Female	0	97,600	325,332	0	0	0

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of direct beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Country.						
Unit						No. of Beneficiaries
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Costa Rica	0	20,747	69,155	0	0	0
Dominican Republic (the)	0	13,321	44,403	0	0	0
El Salvador	0	74,948	249,825	0	0	0
Guatemala	0	95,411	318,035	0	0	0
Honduras	0	52,631	175,438	0	0	0

Nicaragua	0	60,749	202,496	0	0	0
Panama	0	7,527	25,089	0	0	0

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	245,528	818,426	0	0	0
Female	0	163,685	545,618	0	0	0

(PMF) A1 and A2 Total number of direct and indirect beneficiaries (IRMF) Core 2 Direct and indirect beneficiaries reached						
Provide the total number of indirect beneficiaries (female/male) cumulatively receiving adaptation benefits from GCF-supported interventions, disaggregated by Country.						
Unit						No. of Beneficiaries
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Costa Rica	0	39,044	130,148	0	0	0
Dominican Republic (the)	0	18,941	63,137	0	0	0
El Salvador	0	94,670	315,568	0	0	0
Guatemala	0	107,072	356,906	0	0	0
Honduras	0	70,237	234,124	0	0	0
Nicaragua	0	68,914	229,714	0	0	0
Panama	0	10,334	34,447	0	0	0

Livelihoods of people and communities

No indicators/questions defined.

(PMF) A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.) (IRMF) Supplementary 2.1 Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options						
Provide the total number of direct beneficiaries (female/male) adopting diversified or strengthened climate-resilient livelihood strategies (including agriculture, fisheries, natural resource-based, and informal livelihoods), disaggregated by gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	14,300	117,000	0	0	0
Female	0	7,700	63,000	0	0	0

(PMF) A8.1 Number of males and females made aware of climate threats and related appropriate responses						
Provide the total number of direct beneficiaries (female/male) made aware of climate threats and related appropriate responses, disaggregated by Gender.						
Unit						No. of Beneficiaries
Disaggregation by: Gender	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Male	0	104,000	227,500	0	0	0
Female	0	56,000	122,500	0	0	0

Ecosystems and ecosystem services

No indicators/questions defined.

(PMF) A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change						
Provide the total hectares of natural ecosystems protected, restored, conserved, or managed to reduce climate risks to ecosystem services and dependent people and communities.						
Baseline	Target		Unit		Hectares	
	Mid-term	Final target	Previous Year Cumulative Value		Annual value	Cumulative Value (automatically calculated)
0	6,700	13,862	0		0	0

(PMF) A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change						
Provide the total hectares of natural ecosystems protected, restored, conserved, or managed to reduce climate risks to ecosystem services and dependent people and communities, disaggregated by country.						
Unit						Hectares
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Costa Rica	0	929	1,933	0	0	0
Dominican Republic (the)	0	909	1,893	0	0	0
El Salvador	0	936	1,950	0	0	0
Guatemala	0	964	2,008	0	0	0
Honduras	0	1,002	2,088	0	0	0
Nicaragua	0	1,034	2,155	0	0	0
Panama	0	881	1,835	0	0	0

(PMF) A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change						
Provide the total hectares of natural ecosystems protected, restored, conserved, or managed to reduce climate risks to ecosystem services and dependent people and communities, disaggregated by ecosystem type.						
Unit						Hectares
Disaggregation by: Ecosystem types	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Forest	0	3,216	6,700	0	0	0

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
			Mid-term	Final target			
Level of integration of climate change adaptation in municipal-level political and technical decision making for climate resilience	No. of Entities	0	36	36	0	0	0

Number of males and females implementing EbA, water/resource efficient technologies, and/or climate-resilient livelihood options as a result of improved knowledge on how to do so.	No. of Knowledge Products/Resources	0	160,000	350,000	0	0	0
Technical capacity of local government institutions to plan for and implement EbA and other adaptation measures, as measured by the capacity scorecard.	Plans	0	15	36	0	0	0
Cumulative investments (US\$) into EbA through the lending facility and expected average interest rates	United States dollars	10,000,000	159,643,000	391,880,000	0	0	0
EbA investments financed by leveraged finance only and covered by the EbA guarantee facility.	No. of Items	0	0	80,000	0	0	0
Institutional capacity of financial institutions to channel funds for small-and large-scale EbA investments	No. of Institutions	0	12	28	0	0	0
Rainwater harvesting capacity	Cubic metres	0	1,250	2,725	0	0	0

Rainwater storage capacity	Cubic metres	0	35,000	78,000	0	0	0
Tons of fuelwood produced through plantations to reduce impacts of fuelwood collection on natural forests	Metric tonnes	0	13,000	212,200	0	0	0
Use of resource-efficient technologies	No. of Knowledge Products/Resources	0	20	43	0	0	0

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 ☒			

The execution of in-kind co-financing agreements with participating countries has experienced partial delays. To date, agreements have been successfully signed with Honduras, Panama, the Dominican Republic, Costa Rica, and Guatemala, ensuring alignment with Programme implementation requirements. In the case of El Salvador, the agreement is currently under final government review, with signature expected by May 2026. Regarding Nicaragua, despite continuous engagement efforts by CABEL's country office, no formal confirmation has been received from the Government on its participation in the Programme. A deadline has been set for June 2026 to obtain an official response. These delays are primarily related to internal governmental processes and coordination timelines. CABEL, in coordination with implementing partners, continues proactive engagement to facilitate completion, while Programme implementation has been adjusted to prioritize countries with signed agreements and maintain overall progress.	
C.4. Funded Activity Implementation Arrangements in the Following Year	Yes ☒ No ☐
The Programme considers a set of adaptive, efficiency-oriented adjustments to further optimize implementation while maintaining full alignment with the FAA provisions and technical standards. These include: (i) the adoption of a progressive validation approach for EbA plans, supported by CIAT–CGIAR technical expertise to ensure methodological rigor throughout the formulation process; (ii) the potential initiation of early, small-scale demonstration activities (e.g., reforestation and restoration) to sustain stakeholder engagement, ownership, and visibility at the territorial level; (iii) the inclusion of additional municipalities within the area of influence where this may enhance watershed-level impact; and (iv) the preparation of implementation adjustment scenarios in the event of Nicaragua's non-participation, pending official confirmation. These measures are intended to enhance operational efficiency, accelerate readiness for implementation, and strengthen impact delivery, and will be submitted to the GCF for guidance and, if required, formal approval.	

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

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

Risk Management Matrix

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

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

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

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

Risk scoring:

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

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

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

Risk 1	Limited sustainability of EbA		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	This risk refers to the potential limited sustainability of EbA measures after Programme closure, particularly in highly vulnerable contexts where poverty, food insecurity and low access to finance constrain long-term adoption. Evidence from 2025, especially in Guatemala, indicates that where subsistence economies predominate, short-term livelihood needs tend to prevail over medium-term resilience investments. In such contexts, EbA benefits may not be immediately perceived, and demand for EbA financing remains low. Without sustained technical accompaniment and accessible financial mechanisms, there is a higher likelihood that communities may not maintain implemented practices.		
Consequences	If EbA measures are not sustained, expected climate resilience and livelihood benefits may not be maintained over time, reducing the Programme's long-term impact. It may also limit the generation of replicable evidence on EbA effectiveness in high-vulnerability settings and affect the credibility of the intervention model. At the current stage, the risk remains low as implementation has not yet started.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	3 - Medium	9 - Medium High
Mitigation Measure(s)	Mitigation combines financial, technical and institutional measures, including: (i) accessible financial instruments; (ii) strengthening enabling environments; (iii) targeted capacity building; (iv) development of EbA protocols; and (v) generation of evidence on economic benefits. Additional measures include strengthening communication on tangible benefits, linking EbA to food security, and providing post-investment technical support. These measures reduce both probability and impact.		
Residual Risk	Likelihood	Impact	Severity

	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	Evidence from 2025 confirms the relevance of this risk, particularly in high-vulnerability contexts, but does not warrant reclassification. Effective mitigation requires strong coordination among CABEL, FAO and SE-CCAD to ensure coherent delivery of financial, technical and communication interventions.		
Risk 2	Staff turnover in government institutions		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		
Description	This risk relates to frequent changes in technical and managerial staff in government institutions, observed in 2025 due to electoral cycles and institutional transitions. This has required re-establishing coordination and technical induction processes across countries.		
Consequences	Turnover may delay validations, disrupt planning and reporting, and weaken institutional memory. It can also reduce implementation quality and affect sustainability if knowledge transfer is insufficient.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	2 - Low	6 - Medium
Mitigation Measure(s)	Measures include systematic documentation, development of EbA protocols, and strengthening capacities of institutions and communities. Additional mitigation includes reinforcing governance structures to reduce dependence on individuals. These measures reduce impact.		
Residual Risk	Likelihood	Impact	Severity
	3 - Likely	1 - None	3 - Low
Current Residual Risk	Likelihood	Impact	Severity
	3 - Likely	1 - None	3 - Low
Comments	The risk remains relevant but manageable; classification remains low inherent risk and very low residual risk.		
Risk 3	Programmatic misalignment		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	This risk refers to potential overlap or lack of coherence between Programme interventions and other initiatives in the same territories, due to differing mandates, financing cycles and coordination mechanisms.		
Consequences	It may lead to duplication, inefficient resource use, reduced impact, and missed opportunities for synergies and learning.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	2 - Low	6 - Medium
Mitigation Measure(s)	Measures include participatory planning, continuous stakeholder engagement, and establishment of coordination platforms. Additional actions include operationalizing coordination committees and updating alignment strategies. These reduce probability and impact.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	Maintaining strong coordination mechanisms will be critical as implementation scales.		
Risk 4	Low commitment of stakeholders		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	This risk relates to reduced engagement of key stakeholders due to delays between planning and visible results, potentially leading to frustration or disengagement.		

Consequences	Low engagement may delay validation processes, reduce adoption of EbA practices and weaken ownership, affecting sustainability and effectiveness.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	3 - Medium	9 - Medium High
Mitigation Measure(s)	Measures include stakeholder participation, use of local knowledge, and inclusive planning. Additional actions include demonstration activities and adaptive implementation approaches. These reduce probability.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	Early-stage delays influenced engagement levels; adaptive measures are expected to improve participation.		
Risk 5	Limited technical capacity of financial institutions and stakeholders		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		
Description	This risk refers to limited technical capacity among financial institutions, public entities and local stakeholders to design, implement and monitor EbA-aligned financial products. It stems from low familiarity with EbA concepts, difficulties in translating ecosystem benefits into financial returns, and limited experience in climate adaptation financing. EbA investments are often perceived as high-risk, involving dispersed beneficiaries and higher transaction costs, further constraining engagement from financial actors.		
Consequences	This may delay the operationalization of financial mechanisms and reduce the volume and diversity of EbA investments. It could also limit access to appropriate financial products for beneficiaries and affect the quality and consistency of implementation, including monitoring and reporting.		
Inherent Risk	Likelihood	Impact	Severity
	3 - Likely	4 - High	12 - Medium High
Mitigation Measure(s)	Mitigation includes targeted technical assistance, capacity building for financial institutions and stakeholders, and the establishment of a dedicated support facility. These measures reduce both probability and impact.		
	Effective mitigation requires strong coordination among implementing entities to align technical, financial and policy support.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	Effective mitigation requires strong coordination among implementing entities to align technical, financial and policy support.		
Risk 6	Exposure of EbA interventions to hydrometeorological hazards		
Risk Origin	External Factors		
Risk Area	Natural hazard		
Risk Sub-area	N/A		
Description	This risk relates to potential damage to EbA interventions due to extreme weather events such as droughts, floods or storms. Climate projections for 2026 indicate neutral ENSO conditions, with no significant deviation from historical risk levels.		
Consequences	Impacts may include delays, infrastructure damage, increased costs and temporary disruption of activities, affecting efficiency and timelines.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Mitigation is embedded in Programme design, including climate-informed planning, resilient technologies and integration of forecasts into decision-making. These reduce impact.		
	Likelihood	Impact	Severity
Residual Risk	2 - Possible	3 - Medium	6 - Medium
	Likelihood	Impact	Severity

	2 - Possible	3 - Medium	6 - Medium
Comments	No significant impacts were recorded in 2025 despite regional events, confirming adequacy of current measures.		
Risk 7	Social tensions due to inequitable benefit-sharing		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	This risk refers to potential social tensions arising from unequal access to Programme benefits, influenced by existing power dynamics that may marginalize vulnerable groups.		
Consequences	It may lead to conflicts, reduced trust, delays in implementation and weakened social cohesion, affecting Programme effectiveness and sustainability.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	Measures include transparent selection criteria, inclusive participation, public access to benefits and grievance mechanisms. Additional actions prioritize vulnerable groups. These reduce probability and impact.		
Residual Risk	Likelihood 2 - Possible	Impact 2 - Low	Severity 4 - Medium
Current Residual Risk	Likelihood 2 - Possible	Impact 2 - Low	Severity 4 - Medium
Comments	No tensions were observed in 2025; safeguards and engagement mechanisms are in place for scaling phase.		
Risk 8	Changes in political leadership affecting Programme continuity		
Risk Origin	External Factors		
Risk Area	Political		
Risk Sub-area	N/A		
Description	This risk relates to political and institutional changes affecting decision-making, approvals and continuity. In 2025, it materialized through delays in agreement signing and institutional transitions.		
Consequences	It may delay implementation, reduce execution rates, affect alignment with national priorities and increase administrative burden.		
Inherent Risk	Likelihood 3 - Likely	Impact 3 - Medium	Severity 9 - Medium High
Mitigation Measure(s)	Measures include engagement with technical actors, integration into local systems and regional institutional support. Additional measures include decoupling key processes from political cycles. These reduce impact.		
Residual Risk	Likelihood 3 - Likely	Impact 2 - Low	Severity 6 - Medium
Current Residual Risk	Likelihood 3 - Likely	Impact 2 - Low	Severity 6 - Medium
Comments	Given 2025 evidence, inherent risk increased to medium and residual risk to low, requiring close monitoring.		
Risk 9	Insufficient regional coordination among key Programme actors		
Risk Origin	Partner Related		
Risk Area	Partner capacity and suitability		
Risk Sub-area	N/A		
Description	This risk refers to weak coordination and information-sharing among countries and implementing partners, due to unclear mandates and fragmented communication.		
Consequences	It may lead to delays, inconsistent approaches and reduced opportunities for regional learning and synergies.		
Inherent Risk	Likelihood 3 - Likely	Impact 3 - Medium	Severity 9 - Medium High
Mitigation Measure(s)	Measures include formal coordination mechanisms, regular engagement and establishment of a regional knowledge hub. Additional actions clarify roles and mandates. These reduce probability.		
Residual Risk	Likelihood	Impact	Severity

	2 - Possible	3 - Medium	6 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Comments	Further clarification of roles will be critical for the next implementation phase.		
Risk 10	Limited or inadequate integration of gender and ESS		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Gender & SEAH		
Description	This risk relates to insufficient integration of gender and environmental and social safeguards due to capacity gaps and delays in operationalizing key instruments.		
Consequences	It may result in inequitable outcomes, compliance risks and reduced sustainability, as well as potential delays due to corrective actions.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	4 - High	8 - Medium High
Mitigation Measure(s)	Measures include implementation of GAP, ESMP and ESMS frameworks. These reduce both probability and impact.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	2 - Low	2 - Low
Comments	2025 progress was partial; strengthening implementation of safeguards is a priority for 2026.		
Risk 11	Economic deterioration and weak financial management		
Risk Origin	External Factors		
Risk Area	Macro-economics		
Risk Sub-area	N/A		
Description	This risk refers to potential deterioration in beneficiaries' economic conditions and weaknesses in financial management by intermediary institutions, affecting repayment capacity and portfolio performance.		
Consequences	It may increase default rates, reduce fund rotation and limit Programme scale and financial sustainability.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	Mitigation includes robust financial structuring, capacity building for financial institutions, and prudent portfolio management practices. These reduce probability and impact.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	The risk remains low but requires ongoing monitoring as financial mechanisms become operational.		
Risk 12	Programme performance measured with low reliability (newly identified risk)		
Risk Origin	Project Related		
Risk Area	Design and Implementation		
Risk Sub-area	N/A		
Description	This risk relates to limitations in the original design of the Monitoring and Evaluation (M&E) system, including overstated or inconsistent indicator targets and the absence of integrated, reliable data systems. Targets in the logical framework present issues such as double counting, use of arbitrary assumptions and inconsistencies across indicators, reducing their alignment with Programme scope and resources. In parallel, data collection relies on dispersed and predominantly qualitative sources without a unified digital platform to ensure standardization, traceability and real-time consolidation. Additionally, key household surveys initially planned for several indicators were not budgeted, limiting their operational feasibility.		
Consequences	These limitations may affect the reliability and comparability of reported results, reducing their usefulness for decision-making and adaptive management. Unrealistic targets may distort performance assessment, while fragmented data systems may hinder		

	verification, consistency and the construction of robust evidence on Programme outcomes and impacts.		
Inherent Risk	Likelihood	Impact	Severity
	4 - Almost certain	3 - Medium	12 - Medium High
Mitigation Measure(s)	Mitigation measures include: (i) revision and alignment of indicator targets with Programme scope and resources, to be formally submitted to the GCF; (ii) development and implementation of a cloud-based digital M&E system (SIME/SRAD) with standardized tools and automated validation; (iii) adoption of alternative methodologies for key indicators; and (iv) allocation of dedicated resources and capacity building. These measures reduce both probability and impact.		
Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Current Residual Risk	Likelihood	Impact	Severity
	2 - Possible	2 - Low	4 - Medium
Comments	In 2025, substantial progress was achieved through the design of the SIME, including indicator sheets, methodological guidelines and IT architecture for the SRAD. These advances strengthen the robustness, traceability and consistency of Programme monitoring and provide a solid basis for full operationalization in 2026.		
Risk 13	Engagement with sanctioned or ineligible counterparties		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	This risk refers to the potential engagement, directly or indirectly, with individuals or entities subject to international or national sanctions, debarment lists or other exclusion frameworks. While the Programme applies due diligence procedures, residual exposure may arise from complex beneficiary chains, limited transparency in local markets or gaps in publicly available information.		
Consequences	Materialisation of this risk could lead to immediate suspension of disbursements, reputational damage, and potential non-compliance with GCF and CABI integrity standards. It may also trigger contractual remedies and affect relationships with financial intermediaries.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	CABI applies a zero-tolerance policy through systematic screening against international sanctions and debarment lists, enhanced due diligence procedures, and contractual clauses requiring compliance. These measures reduce both likelihood and impact.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	Continuous updating of screening tools and coordination with financial intermediaries remain critical to ensure full alignment with evolving sanctions regimes.		
Risk 14	Misuse of programme funds for illicit financial flows		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	This risk relates to the potential use of Programme resources to conceal or channel illicit funds through financial mechanisms supported by the Programme, particularly in contexts with limited financial oversight or weak AML/CFT capacities.		
Consequences	Potential impacts include regulatory breaches, financial losses, reputational risks and restrictions on Programme implementation, including suspension of financial mechanisms.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	CABI enforces AML/CFT compliance aligned with international standards, including KYC procedures, transaction monitoring and reporting obligations. Partner institutions		

	are required to meet equivalent standards. These measures reduce likelihood and impact.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	Capacity-building of participating financial institutions is essential to ensure consistent application of AML/CFT controls across countries.		
Risk 15	Fraud, bribery, corruption or collusion in programme implementation		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	This risk refers to the possibility of fraudulent practices, bribery, corruption or collusion affecting procurement, allocation of resources or decision-making processes at different levels of Programme implementation.		
Consequences	Such practices could undermine transparency and efficiency, distort beneficiary selection, and lead to financial losses and reputational damage, as well as potential legal consequences.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	CABEI applies a zero-tolerance approach supported by robust procurement guidelines, internal controls, audit mechanisms and whistleblowing channels. Training and oversight further reduce risks.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	Strengthening transparency at local level and ensuring awareness of reporting mechanisms are key to early detection and prevention.		
Risk 16	Non-compliance with GCF and CABEI integrity standards		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	This risk refers to the occurrence of any other prohibited practices, including coercion, obstruction or unethical conduct, that may not fall strictly under fraud or corruption but still breach GCF and CABEI integrity frameworks.		
Consequences	This may result in contractual sanctions, suspension of activities, reduced stakeholder trust and potential ineligibility of involved parties.		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	The Programme enforces codes of conduct, contractual compliance clauses, grievance redress mechanisms and independent oversight. These measures reduce likelihood and impact.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	Ongoing dissemination of integrity standards and strengthening of grievance mechanisms will support early identification and resolution.		

D.2. Report risk incidents

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

(this section is confidential)

E. FINANCIAL INFORMATION

E.1. GCF financing

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

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Panama	Grants	USD	12,036,086.14	1,033,557.76	233,720	400,170	0%	100%
Costa Rica	Grants	USD	12,036,086.14	1,034,947.76	275,390	464,980	0%	100%
Honduras	Grants	USD	12,036,086.14	1,039,947.76	348,680	633,140	0%	100%
El Salvador	Grants	USD	12,036,086.14	1,034,947.76	102,980	220,170	0%	100%
Nicaragua	Grants	USD	12,036,086.14	1,034,947.76	114,000	231,190	0%	100%
Guatemala	Grants	USD	12,036,086.14	1,034,947.76	123,800	374,180	0%	100%
Dominican Republic (the)	Grants	USD	12,036,086.14	1,034,947.76	123,800	374,180	0%	100%
Total		USD	84,252,602.98	7,248,244.32	1,322,370	2,698,010	N/A	N/A

E.2. Co-financing

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

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Panama	In-kind	USD	4,000,000	0	550,981.11	550,981.11	0%	100%
Costa Rica	In-kind	USD	8,388,920	0	0	0	0%	100%
Honduras	In-kind	USD	7,000,000	0	493,103.09	493,103.09	0%	100%
Dominican Republic	In-kind	USD	5,200,000	0	1,581,415.32	1,581,415.32	0%	100%

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Guatemala	In-kind	USD	9,310,130	0	0	0	0%	100%
El Salvador	In-kind	USD	7,073,740	0	0	0	0%	100%
Nicaragua	In-kind	USD	10,289,260	0	0	0	0%	100%
Total		USD	51,262,050	0	2,625,499.52	2,625,499.52	N/A	N/A

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

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

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

No additional finance mobilized information provided.

File Name: grant-financial-progress-detail-template_VF.xlsx

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

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

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

Key Environmental and Social Changes

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

Yes ☐ No ☒

Environmental and Social Safeguarding Updates

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

Yes ☐ No ☒

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 ☒

In 2025, no changes or updates were identified regarding compliance with applicable national laws and regulations, as defined in the Environmental and Social Management Framework (ESMF). Likewise, no deviations were recorded in relation to the relevant conditions and covenants established in the FAA, particularly those set out in Clause 11.02 (cc), (dd), (ee), (gg), and related provisions.

F.3. ESS standards implementation progress

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

Yes ☒ No ☐

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

Activities implemented during the reporting period, including monitoring

During 2025, progress focused on the preparation and initial operationalisation of environmental and social management instruments under the Programme's ESMF. Environmental and Social Management Plans (ESMPs): A standardized methodology for ESMP formulation was developed. Environmental and social baseline data for prioritised watersheds in Honduras, the Dominican Republic, Panama, Costa Rica, and Guatemala were updated and integrated into the EbA planning baseline. Stakeholder Engagement Plan (SEP): Methodological guidelines were developed to design watershed-level engagement strategies. Regulatory frameworks were updated, and stakeholder mapping and preliminary characterisation were conducted in Honduras, the Dominican Republic, and Panama. Seven workshops were held, engaging 187 participants (87 women, 100 men) from communities, public institutions, NGOs, and the private sector. Free, Prior and Informed Consent (FPIC): Terms of Reference for FPIC implementation were developed for Guatemala. In Honduras, Indigenous Peoples (Chorotega) were identified in Orocuina (Choluteca), informing the activation of FPIC processes. Grievance Redress Mechanism (GRM): The Programme-level GRM was designed, aligned with GCF, CABEL, and FAO systems, and disseminated through 40 events reaching over 400 stakeholders. Capacity Development: Twelve training sessions were conducted for 33 participants (14 women, 19 men) from regional and national teams, strengthening capacities on GCF and FAO ESS requirements.

Outputs during the reporting period

- The GRM was operationalised and disseminated in Honduras, the Dominican Republic, and Panama. - Regulatory frameworks, stakeholder mapping, and preliminary characterisation were updated in three countries. - Methodological guidelines for FPIC and Indigenous Peoples characterisation were developed for Guatemala and Honduras; preliminary agreements were reached with Chorotega communities in Honduras. - ESMP methodology was developed, and environmental and social baselines for five countries were updated and integrated into EbA planning processes. - Capacity building on ESS was delivered to 33 Programme staff across regional and national levels.

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

No significant environmental, social, or gender issues requiring escalation to the Accredited Entity or the GCF were identified during the reporting period. Activities were focused on establishing the Programme's safeguards framework and ensuring readiness for implementation. The main risks identified at this stage relate to ensuring full, inclusive, and effective stakeholder participation, as well as the recognition and integration of community governance structures. To mitigate these risks, the Stakeholder Engagement Plan was operationalised, promoting inclusive participation of all relevant actors, including vulnerable groups and Indigenous Peoples. Additionally, the Indigenous Peoples Policy was activated in Honduras following the identification of Chorotega communities in the prioritised watershed. This ensures that Programme activities are implemented in a culturally appropriate manner, consistent with GCF requirements.

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

There is no attention required from the GCF.

Remarks/Notes

NA

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, the Programme advanced the implementation of stakeholder engagement processes in line with the Stakeholder Engagement Plan (SEP), focusing on strengthening inclusiveness, representation, and early-stage participation in environmental, social, and gender aspects. Progress was made in updating the applicable regulatory framework and in conducting preliminary stakeholder mapping and characterisation in Honduras, the Dominican Republic, and Panama. A total of seven (7) workshops were held, engaging 187 participants (87 women and 100 men) representing communities, farmers, civil society organisations, national and local government institutions, financial institutions, and private sector actors. Stakeholder participation was further strengthened through their involvement in Programme governance structures, including National Advisory Committees, Territorial Advisory Committees, and Local Monitoring and Evaluation Committees. Women's participation in these spaces reached meaningful levels (Honduras: five committees with an average of 36%; Dominican Republic: two sub-basins with 33% and 24%, respectively), contributing to more inclusive decision-making processes. These activities supported the identification of key stakeholders, validation of institutional and community actors, and the incorporation of local knowledge into Programme design, particularly regarding climate risks, livelihoods, and gender dynamics. Overall, the engagement processes enhanced ownership, transparency, and alignment with local priorities, laying a solid foundation for the finalisation and implementation of the SEP in 2026.
Dates and venues of engagement activities
Stakeholder engagement activities were conducted in 2025 across three countries. In Honduras, activities took place in May in the municipalities of Morolica, Duyure, Apacilagua, and Orocuina (Choluteca River Basin). In the Dominican Republic, consultations were held in October in communities within the Mao and Guayubín sub-basins (Santiago Rodríguez and Dajabón). In Panama, activities were carried out in November and December in the municipalities of Guararé, Pedasí, and Las Tablas (Basin 126, Los Santos Province).
Sex-disaggregated data on stakeholder engagement participants (male + female = total)
A total of 187 participants were engaged during the reporting period: 100 men + 87 women = 187 participants - Dominican Republic (4 workshops): 61 men and 32 women (93 participants), including agricultural and livestock producers, community leaders, and households. - Honduras (1 workshop): 17 men and 7 women (24 participants), including municipal environmental units, water boards, and community organizations. - Panama (2 workshops): 37 men and 33 women (70 participants), including basin committees, cooperatives, and women's groups. Stakeholders consulted included community organizations, water committees, producer associations, cooperatives, women's groups, NGOs, local governments, financial institutions, and private sector representatives.
Information shared with stakeholders
During consultations, the Programme's objectives, components, EbA approach, and geographic scope were presented, including the selection criteria for priority sub-basins and the indicative implementation timeline. Key climate risks (droughts, floods, heatwaves, soil degradation, and sea-level rise) and their impacts on local livelihoods were discussed, including differentiated effects on women and men. Information on environmental and social safeguards (ESMP), the Gender Action Plan (GAP), and measures to ensure inclusion of vulnerable groups was shared. Grievance mechanisms from GCF, CABI, and FAO were presented as available channels, while the Programme-specific GRM is being finalized. Stakeholder lists were validated and expanded with locally identified actors.
Outputs including issues raised and addressed during the reporting period

Stakeholders highlighted the need to broaden participation by incorporating additional local actors, which has been addressed through expanded stakeholder mapping. They emphasized that EbA interventions must respond to local livelihoods and climate risks; accordingly, workshop outputs are being used as direct inputs for territorial planning. Gender-related barriers were identified, particularly in Panama, where care responsibilities limit women's participation. Mitigation measures, including adjusted schedules and childcare support, were piloted and will be maintained. Across all countries, stakeholders underscored the importance of accessible grievance mechanisms. These were presented and reinforced as key tools to ensure transparency and accountability throughout Programme implementation.
Remarks/Notes
NA

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	
- Environmental and Social Management Plan (ESMP): to be completed in the second half of 2026, based on the development of the EbA plans and the update of the environmental and social risks of the approved practices and technologies, as well as their mitigation measures. - Stakeholder Engagement Plan (SEP): validation workshops to be carried out in the Dominican Republic, Honduras and Panama in the first quarter of 2026, to confirm communication channels and participation mechanisms. In Costa Rica and Guatemala, the full SEP process will be developed by June 2026, from stakeholder mapping and territorial validation to the definition of participation mechanisms in the programme activities. - Indigenous Peoples Plan (IPP): in the first quarter of 2026, the conduct of the Free, Prior and Informed Consent (FPIC) process with indigenous peoples in Guatemala and the signing of the consent with Chorotega indigenous peoples in Honduras; subsequently, the preparation of the Indigenous Peoples Plans for each country. - Grievance Redress Mechanism (GRM): implementation and dissemination throughout 2026.	
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 Honduras, the FPIC process presented challenges related to trust and coordination with local authorities. To ensure effective participation, a communication mechanism was implemented, and minutes of preliminary agreement were signed, which strengthened transparency. A conflict between indigenous communities and municipal authorities was resolved by carrying out FPIC only with indigenous peoples, while holding informational meetings with the mayor to avoid tensions. It was clarified that FAO does not recognize or declare indigenous groups and that the benefits of the Programme are equal for all populations.	
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 ☒

NA																										
F.8. Implementation of activities and actions agreed in the Gender Action Plan																										
During 2025, the Programme made initial progress in implementing the Gender Action Plan (GAP), primarily through preparatory and capacity-building actions. Baseline updates were initiated to complete gender assessments in prioritised basins across Honduras, the Dominican Republic, Panama and Costa Rica. In parallel, 25 women's organisations and key actors were identified, strengthening the foundation for gender-responsive engagement. Capacity development was advanced through twelve training sessions on GCF and FAO gender policies, reaching 33 programme staff. Gender considerations were also integrated into the GRM, incorporating national protocols on gender-based violence, harassment, sexual abuse and exploitation. Progress was also observed in governance structures, where women's participation targets were met in Local Monitoring and Evaluation Committees. Overall, implementation remains on track, with further consolidation expected in 2026 through the completion of gender assessments and the integration of gender-responsive measures into EbA plans.																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">Are there GAP implementation activities or progress to report for this period?</td> <td style="width: 40%; padding: 5px;">Yes ☒ No ☐</td> </tr> </table>	Are there GAP implementation activities or progress to report for this period?	Yes ☒ No ☐																								
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<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 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.</i>																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #f2f2f2; padding: 5px;">GAP Activity</th> </tr> <tr> <td colspan="2" style="padding: 5px;">See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX</td> </tr> <tr> <th colspan="2" style="background-color: #f2f2f2; padding: 5px;">Indicator</th> </tr> <tr> <td colspan="2" style="padding: 5px;">See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX</td> </tr> <tr> <td style="width: 50%; background-color: #f2f2f2; padding: 5px;">Rating of Indicator</td> <td style="padding: 5px;">GREEN (on track to be met)</td> </tr> <tr> <td style="background-color: #f2f2f2; padding: 5px;">Baseline</td> <td style="text-align: center; padding: 5px;">0</td> </tr> <tr> <td style="background-color: #f2f2f2; padding: 5px;">Target, including sex-disaggregation where applicable</td> <td style="text-align: center; padding: 5px;">6</td> </tr> <tr> <th colspan="2" style="background-color: #f2f2f2; padding: 5px;">Annual progress update (Reporting Period)</th> </tr> <tr> <td colspan="2" style="padding: 5px;">See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX</td> </tr> <tr> <th colspan="2" style="background-color: #f2f2f2; padding: 5px;">Cumulative progress update (Entire period)</th> </tr> <tr> <td colspan="2" style="padding: 5px;">See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX</td> </tr> <tr> <td style="background-color: #f2f2f2; padding: 5px;">Budget</td> <td style="text-align: center; padding: 5px;">0</td> </tr> <tr> <td style="background-color: #f2f2f2; padding: 5px;">Currency</td> <td style="text-align: center; padding: 5px;">USD</td> </tr> </table>	GAP Activity		See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX		Indicator		See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX		Rating of Indicator	GREEN (on track to be met)	Baseline	0	Target, including sex-disaggregation where applicable	6	Annual progress update (Reporting Period)		See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX		Cumulative progress update (Entire period)		See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX		Budget	0	Currency	USD
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Budget	0																									
Currency	USD																									

Timeline (Planned completion of activity)	5 February 2031
Responsibility	
See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX	
Remarks/Notes	
See Annex 6: GAP ACTION PLAN - ACTIVITIES MATRIX	
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 ☐
A full-time gender specialist has been engaged within the Programme's Regional Unit to lead the implementation of the GAP. Additionally, gender, social participation and safeguards specialists have been progressively recruited at national level in Honduras, the Dominican Republic, Costa Rica and Guatemala, strengthening in-country capacity. Recruitment processes in Panama and El Salvador are ongoing and expected to be completed in early 2026. This staggered approach has enabled a gradual but consistent integration of gender considerations across programme activities.	
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 ☐
The Programme confirms that adequate financial, human and technical resources have been allocated and are being implemented in accordance with the FAA and the GCF Updated Gender Policy. Budget provisions included in the approved proposal are being operationalized, supporting both regional and national gender expertise and ensuring compliance with gender-related commitments.	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☒ No ☐
Implementation of GAP activities during 2025 remained aligned with planned timelines, focusing on preparatory actions. Sex-disaggregated data collection was integrated into baseline development processes, contributing to the update of the gender needs assessment and GAP. Full completion of these processes is expected in 2026, including the integration of gender perspectives into livelihood analyses, vulnerability assessments and EbA planning. This will ensure that interventions are responsive to differentiated needs of women and men.	
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 ☒
Implementation of GAP activities during 2025 remained aligned with planned timelines, focusing on preparatory actions. Sex-disaggregated data collection was integrated into baseline development processes, contributing to the update of the gender needs assessment and GAP. Full completion of these processes is expected in 2026, including the integration of gender perspectives into livelihood analyses, vulnerability assessments and EbA planning. This will ensure that interventions are responsive to differentiated needs of women and men.	
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 ☐

Initial progress indicates that the Programme is on track to contribute to sex-disaggregated beneficiary targets. Women's participation has been actively promoted in governance structures and stakeholder engagement processes, while gender criteria have been incorporated into key Terms of Reference (Activities 1.3 and 4.3). These measures are expected to enhance women's access to programme benefits, including participation in EbA implementation and financial mechanisms.

Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please include lessons learnt and how they are informing ongoing actions.

Yes ☐ No ☒

NA

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 ☒

NA

Provide planned activities on gender elements for the next reporting period

Planned actions include: (i) completion and validation of gender assessments and updated GAPs at basin level; (ii) integration of gender equality considerations into EbA plans through community consultations; (iii) finalisation of livelihood and climate vulnerability analyses with a gender perspective; and (iv) identification and engagement of IFIs and NBFIs capable of promoting women's access to financial services linked to EbA interventions. These actions will consolidate the transition from preparatory work to implementation, ensuring that gender equality is systematically embedded in Programme results.

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.
No annexes provided.
Annex 2: Communication and visibility material
File Name: Proposal for the Programme's Short Name, Logo, and Visual Branding for Ecosystem-based Adaptation_Draft Version 2.pdf
Annex 3: List of grievances received
No annexes provided.
Annex 4: Procurement information
File Name: Procurement template.xlsx
Annex 5: Updated implementation timetable for the Funded Activity for the following year
File Name: Annual Operational Plan 2026_Ecosystem-based Adaptation Programme.pdf File Name: Annual Operational Plan 2026_Ecosystem-based Adaptation Programme_Spanish Version.pdf
Annex 6: Updated Gender Assessment and/or Action Plan
File Name: Gender Action Plan - Activities Matrix.docx
Additional Annexes (if applicable)
No annexes provided.

