



**GREEN
CLIMATE
FUND**

Meeting of the Board

25 – 28 March 2026

Songdo, Incheon, Republic of Korea

Provisional agenda item 10

GCF/B.44/02/Add.18

4 March 2026

Consideration of funding proposals – Addendum XVIII

Funding proposal package for FP302

Summary

This addendum contains the following seven parts:

- a) A funding proposal summary titled “EcoEnterprises Partners IV” by EcoEnterprises Impact Management, LLC;
- b) No-objection letter(s) issued by the national designated authority(ies) or focal point(s);
- c) Environmental and Social report(s) disclosure;
- d) Secretariat’s assessment of the project-specific assessment approach applicant;
- e) Independent Technical Advisory Panel’s assessment;
- f) Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel’s assessment; and
- g) Gender documentation of the funding proposal.

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Funding Proposal

Project/Programme title:	EcoEnterprises Partners IV
Country(ies):	Belize, Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, Peru
Accredited Entity:	EcoEnterprises Impact Management, LLC
Date of first submission:	<u>2025-02-12 [V.1]</u>
Date of current submission	<u>2026-01-30 [V.9]</u>
Version number	<u>[V.9]</u>



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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the [GCF Information Disclosure Policy](#), project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

A. PROJECT/PROGRAMME SUMMARY				
A.1. Project programme or	Programme	A.2. Public or private sector or	Private	
A.3. Request for Proposals (RFP)	If the funding proposal is being submitted in response to a specific GCF Request for Proposals, indicate which RFP it is targeted for. Please note that there is a separate template for the Simplified Approval Process and REDD+. <u>Not applicable</u>			
A.4. Result area(s)	Check the applicable GCF result area(s) that the <u>overall</u> proposed project/programme targets below. For each checked result area(s), indicate the estimated percentage of GCF and Co-financers' contribution devoted to it. The total of the percentages when summed should be 100% for GCF and Co-financers' contribution respectively.			
		GCF contribution	Co-financers' contribution ¹	
	Mitigation total	%	%	
	☐ Energy generation and access	%	%	
	☐ Low-emission transport	%	%	
	☐ Buildings, cities, industries and appliances	%	%	
	☒ Forestry and land use	50 %	50 %	
	Adaptation total	%	%	
	☒ Most vulnerable people and communities	18 %	18 %	
	☒ Health and well-being, and food and water security	16 %	16 %	
	☐ Infrastructure and built environment	%	%	
☒ Ecosystems and ecosystem services	16 %	16 %		
A.5. Expected mitigation outcome ² (Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)	55,468,302 tCO ₂ eq	A.6. Expected adaptation outcome (Core indicator 2: direct and indirect beneficiaries reached)	Indicate total number of direct and indirect beneficiaries 1,288,666	
			Indicate number of direct beneficiaries 297,563	Indicate number of indirect beneficiaries 991,103
			Indicate % of direct beneficiaries vis-à-vis total population 2.44%	Indicate % of indirect beneficiaries vis-à-vis total population 8.13%
A.7. Total financing (GCF + co-finance ³)	USD 156,000,000	A.9. Project size	Medium (Up to USD 250 million)	
A.8. Total GCF funding requested	USD 34,000,000			

¹ Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

² Outcome figures are only related to the portion of the fund that will be directed to GCF target countries.

³ Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	<i>Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.</i> ☒ Grant <u>US\$4,000,000</u> ☐ Equity <u>US\$30,000,000</u> ☐ Loan ☐ Results-based payment ☐ Guarantee		
A.11. Implementation period	10 years <i>Indicate the number of years and months the project/programme is expected to be implemented.</i>	A.12. Total lifespan	20 years a) disbursement period: investment period of five years with capital calls throughout; estimated from 2025 – 2030. b) repayment period: distributions begin with portfolio company fee, interest, and other payments in the first few years of duration, though repayments ramp up significantly in the five-year wind-down period, estimated from 2031 – 2035. c) Total project lifespan: 20 years for project outcomes to be effective (conservative estimate for regenerative agriculture and agroforestry projects interventions); estimated from 2025 – 2045. <i>Indicate the maximum number of years over which the outcomes of the investment are expected to be effective, i.e. to lead to adaptation and/or mitigation results.</i>
A.13. Expected date of AE internal approval	<i>This is the date that the Accredited Entity obtained/will obtain its own approval to implement the project/programme, if available.</i>	A.14. ESS category	<i>Refer to the AE's safeguard policy and GCF ESS Standards to assess your FP category.</i> I-2
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	A.16. Has Readiness or PPF support been used to prepare this FP?	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☐ No ☒	A.18. Is this FP included in the country programme?	Yes ☐ No ☒
A.19. Complementarity and coherence	<i>Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.</i> Yes ☒ No ☐		

A.20. Executing Entity information	EcoEnterprises Impact Management, LLC, is the PSAA applicant entity and the Fund Manager for EcoEnterprises Partners IV, LP. EcoEnterprises Partners IV, LP is a Limited Partnership incorporated in Dublin, Ireland. The General Partner is EcoEnterprises Impact Partners, LLC. EcoEnterprises Impact Management, LLC (Fund Manager) and EcoEnterprises Impact Partners, LLC (General Partner) – are recognized as Executing Entities for the purposes of this funding proposal. For purposes of this Funding Proposal, EcoEnterprises Partners IV, LP (“Original Fund IV”) and EcoEnterprises Partners IV–GCF, LP (“GCF Fund IV”) together may be referred to collectively as “Fund IV”, except where the distinction between the two vehicles is relevant to explain the ring-fencing arrangements required by GCF. Accordingly, all references to EcoEnterprises Partners IV, LP in the broader document should be understood as applying to Fund IV as a whole, unless otherwise specified.
A.21. Executive summary (max. 750 words, approximately 1.5 pages)	

I. Climate Change Problem

Climate change exacerbates global risks by degrading biodiversity and ecosystems, endangering livelihoods and food systems, deepening inequalities and geopolitical conflicts, and damaging crucial infrastructure. In Latin America, a region rich in biodiversity, already vulnerable rural and resource-dependent communities face severe consequences. The Latin American and the Caribbean (LAC) region is particularly vulnerable to the negative effects of climate change. Some 14 million Latin Americans live in areas considered to be at high risk from climate change. Climate change adds urgency to Latin America's interconnected social and environmental challenges, especially for natural resource dependent rural communities and primary economic sectors such as agriculture, forestry, fisheries, or tourism which drive local peoples' livelihoods and well-being.

Land degradation, biodiversity loss, and climate change are deeply interlinked challenges—each reinforcing the other in a downward spiral that threatens both livelihoods and ecosystems. According to the IPCC and FAO, land degradation is both a driver and a consequence of climate change—exacerbated by increasing droughts, extreme rainfall, and heatwaves, which accelerate soil erosion, desertification, and biodiversity decline. Across the LAC region, deforestation, forest degradation, unsustainable forest management, and land use change fuel greenhouse gas emissions, further accelerating climate change, while simultaneously reducing the land's capacity to sequester carbon and regulate the climate. These changes undermine food production systems and reduce ecosystem services critical for local communities.

The [ND-GAIN Country Index Scores](#)^{*} indicates that Latin American countries are among the most vulnerable to climate change and, in many cases, the least prepared to implement adaptation solutions. While the Andean region, highly vulnerable to climate change, faces intensifying floods, droughts, and landslides, Central America and the Caribbean Island states are exposed to hurricanes, floods, droughts, and coastal erosion intensified by rising global temperatures and sea levels. Transitioning to a greener and climate-resilient economy is therefore crucial to ensure that the LAC region can reduce its CO₂ emissions, better protect itself against climate risks, and thrive in the long term.

^{*}The Country Index uses 20 years of data across 45 indicators to rank over 180 countries annually based on their level of vulnerability, and their readiness to successfully implement adaptation solutions.

II. Proposed intervention

- EcoEnterprises Partners IV

EcoEnterprises Fund (“the Fund”) aims to contribute to the transition to low-carbon and resilient economies in the LAC region by **investing in innovative small and medium sized businesses (iSMEs)** that drive climate action while conserving and restoring natural ecosystems which are essential to reduce GHG emissions and to contribute to climate change adaptation, building climate resilience and empowering local communities through enhanced socioeconomic health and welfare. Prioritizing **local and women-led business solutions**, EcoEnterprises Fund fosters a just transition to a low-carbon, climate-resilient economy. EcoEnterprises Fund's investment focuses on the following sectors in varying stages of market development:

- Sustainable or Regenerative Agriculture
- Agroforestry/Forestry
- Aquaculture
- Circular Economy and Climate Tech
- Ecotourism

Building upon previous funds' legacy, **EcoEnterprises Partners IV, LP (“Original Fund IV”)** and **EcoEnterprises Partners IV–GCF, LP (“GCF Fund IV”)**, collectively referred to as **“Fund IV”** or **“EcoEnterprises Fund IV”**, plan to continue strengthening EcoEnterprises Fund's presence in the LAC region, with the goal of reaching its first closing during 2025 and target AUM at US\$150 million, with a Technical Assistance Facility (TAF) and additional grant funding expected at US\$6 million. With strong activity in several countries in the LAC region, EcoEnterprises Fund recognizes new opportunities to enhance, broaden, and deepen its geographic presence in Central America and the Caribbean, a particularly

vulnerable region to the impacts of climate change. Therefore, Fund IV, will leverage GCF's support to further explore new countries to develop portfolios in the Fund's priority sectors, promoting knowledge exchange, and supporting the region's transition to a low-carbon economy. EcoEnterprises Fund's target sectors are key economic sectors of the selected countries but are oftentimes associated to unsustainable practices; thus, EcoEnterprises Fund will contribute to addressing important environmental and socioeconomic challenges in the region.

With GCF's support, Fund IV will drive investments in eight target LAC countries: **Ecuador and Peru in the Fund's traditional target region – the Andean region**, and **Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, and Panama in the new focus region - Central America and the Caribbean** (hereafter to be referred to as target or selected countries). This Funding Proposal has been designed to use Fund IV as a platform to deepen the investment activity in these eight countries. The objective is to target 60% of the capital deployed over the Fund's 10-year life into these countries. The US\$2million contribution from GCF to the TAF will be designated in these target countries. An additional US\$2 million is requested from GCF dedicated to communication, evaluative data collection, reporting and verification of changes in GHG, and resilience and social inclusion indicators. This additional GCF support will help EcoEnterprises Fund share lessons, tools, and methodologies related to Fund IV's impact measurement resulting in enhanced country project ownership and replication.

- EcoEnterprises Fund's track-record

EcoEnterprises Fund, with over 25 years of experience, has financed 48 pioneering companies across 11 Latin American countries through its three funds (I, II, and III), with portfolio operations extending to Europe and the U.S. Its investments have delivered significant impact, including the protection of over **16.9 million acres of land**, support for **1,400+ communities**, **50,000+ suppliers**, and benefits to **397,000+ local people**. The Fund has also driven **US\$2.5 billion in sales** and leveraged over **US\$600 million** in additional capital.

Founded in 2000 as a proof-of-concept under The Nature Conservancy with **US\$5.3 million AUM**, EcoEnterprises Fund became independent in 2011 with **US\$35.3 million**, expanded to **US\$111 million** in its third fund by 2018, and is currently raising **US\$150 million** for its fourth fund, Fund IV. As a pioneer in natural capital investing, it has supported innovative companies, such as the first organic shrimp exporter, a producer of Amazonian guayusa beverages, a pioneer purveyor of healthy beverages and snacks in Latin America, and the producer of one of only two currently available natural blue colorants – the colorant company was also the first in Colombia to include access and benefit sharing for sourcing communities into its product patent.

Using a high-touch, venture-inspired approach, the Fund helps companies strengthen governance, manage risk, and enhance impact—contributing to long-term sustainability and investment readiness. To ensure a true paradigm shift, EcoEnterprises Fund continuously shares lessons learned, develops case studies highlighting key investment experiences, and participates in knowledge sharing events to contribute to support the creation of enabling conditions and environments that can facilitate steps towards low-emission, climate resilient pathways. Also, EcoEnterprises Fund has published two books⁴ that draw from its journey as an impact investment fund, sharing lessons learned and offering recommendations to strengthen the impact investment sector. Looking ahead, **ag tech** and **climate tech** are expected to play an increasing role in its upcoming portfolio, supporting scalable, nature-based, and community-driven climate solutions across the region. Although the starting point of Fund IV will be developing a strong portfolio of potential investments, examples of pipeline companies in the proposed selected countries are included in Annex 2 – *Feasibility and Market Study*.

III. Climate results/benefits

By promoting sustainable land management practices, such as regenerative agriculture and agroforestry, EcoEnterprises Fund's portfolio enhances soil health, water retention, and biodiversity, thus increasing resilience to extreme weather events and ensuring food security, while contributing to GHG emissions reduction from the AFOLU sector. Investments in forestry and aquaculture support natural habitat conservation and coastal resilience, increasing carbon stocks, while ecotourism initiatives generate income for communities, preserve natural ecosystems and promote conservation awareness. Lastly, emerging opportunities like circular economy and climate tech empower communities with clean energy alternatives

and climate information systems, aiding in disaster preparedness and adaptive capacity building. By working with entrepreneurs that partner with and give a voice to the most vulnerable and underserved groups in the region, including Indigenous Peoples and women, e.g. through stakeholder ownership, EcoEnterprises Fund catalyzes holistic approaches to **climate mitigation and adaptation**, that benefit both people and nature. In doing so, EcoEnterprises Fund facilitates economic advancements concurrent with strengthening community cohesiveness and social impact in the region.

Mitigation Impact:

The project contributes to GCF's mitigation objectives by reducing GHG emissions, **preventing deforestation, and promoting sustainable land-use practices across key agricultural and forestry value chains**. The project is expected to achieve a total mitigation impact of over 55 million tCO₂e over its 20-year lifespan by avoiding emissions from land-use change, improving soil carbon sequestration, and reducing reliance on high-emission farming practices. A significant portion of the mitigation impact comes from avoided deforestation (30.9 million tCO₂e), particularly in regions where forest conversion for agriculture is a major emissions source. Additionally, sustainable farming interventions—including no-tillage, organic soil inputs, and agroforestry systems—are projected to reduce emissions by 22.7 million tCO₂e in maize production, 0.6 million tCO₂e in coffee and plantain agroforestry systems, and 1.1 million tCO₂e from land use changes (degraded land to plantation and livestock). These measures align with a low-emission sustainable development pathway by ensuring that economic growth in agricultural and forestry sectors is decoupled from carbon-intensive practices, thus fostering climate-friendly production systems.

Adaptation impact:

Fund IV aims to enhance climate resilience by **strengthening the ability of smallholder farmers, SMEs, and local communities to adapt** to the increasing risks of erratic rainfall, prolonged droughts, soil degradation, and extreme weather events. By fostering sustainable economic activities, the project seeks to stabilize livelihoods, improve food and water security, and reduce communities' vulnerability to climate shocks. Expected outcomes include more stable crop yields, greater water availability, and healthier soils, ensuring that agricultural productivity can be sustained despite changing climate conditions. Additionally, the project seeks to strengthen economic resilience by providing more predictable income streams, reducing the exposure of farmers and iSMEs to market and climate volatility, and creating opportunities for women-led businesses and rural enterprises. By achieving these outcomes, the project will support a climate-resilient sustainable development pathway, ensuring long-term social, economic, and environmental benefits for vulnerable communities across the region. The project is expected to yield the following adaptation metrics:

- Fund IV estimates to benefit **297,563 local people in GCF countries** and **an estimated 991,103** indirect beneficiaries with enhanced resilience to climate change impacts. See Annex 17 for country breakdown and Annex 23 for further details on assumptions and calculations.
- **Over one million hectares** of forests and agricultural landscapes brought under improved low-emission and/or climate-resilient practices, which contribute to preserve biodiversity and protect ecosystem services, as well as to climate regulation, soil stabilization, and natural disaster mitigation.

⁴ *Portfolio for the Planet: Lessons from 10 Years of Impact Investing*. 2013. *Impact Investing for a Sustainable Planet: Insights from EcoEnterprises Fund*. 2023.

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

Nature-based solutions (NbS) to address the critical adaptation needs of at-risk populations and mitigation goals.

I. Climate change impacts

Importance of land and forest resources for human well-being

In LAC, land and forest resources form the foundation of livelihoods for hundreds of millions of people. More than 50% of the rural population directly depends on agricultural and forest ecosystems for their subsistence (FAO, 2021), while strategic sectors such as regenerative agriculture, agroforestry, sustainable forest management, and ecotourism represent key opportunities to connect conservation, inclusion, and economic development.

The region faces a silent crisis of land degradation, forest loss, and declining biodiversity. LAC is home to 23% of the world's forests. Between 1990 and 2020, forest cover across the region declined steadily from [53% to 46%](#) of total land area (CEPAL, 2021). The total forest loss during this period amounted to [138 million hectares](#)—an area slightly larger than Peru or about half the size of Argentina.

Land degradation directly affects human well-being. It is estimated that [75% of soils in LAC are degraded](#), reducing productivity, increasing food insecurity, and forcing rural populations to migrate to vulnerable urban areas (IPBES, 2018). In 2021, about [40.6%](#) of the population in LAC experienced moderate or severe food insecurity (FAO, 2023), as a direct consequence of soil degradation, deforestation, and weakened climate resilience.

The sectors targeted by EcoEnterprises Fund—such as regenerative agriculture and agroforestry—offer viable solutions to reverse these trends. These systems restore soil fertility, improve productivity, and strengthen smallholder farmers' adaptive capacity. The restoration of degraded ecosystems in LAC is key to building climate resilience and improving livelihoods. Evidence shows that such actions can increase biodiversity by [44% and ecosystem services by 25%](#).

Likewise, sustainable forest management and community-based ecotourism help conserve biodiversity while generating local income. The region harbors around [60%](#) of the planet's terrestrial life, and supports diverse marine and freshwater species. Tourism and related sectors accounted for [26%](#) of total GDP in the Caribbean and [10%](#) in Latin America. However, many of these models require flexible financing, technical assistance, and stable markets in order to scale.

In the area of sustainable fisheries and aquaculture—another priority sector for EcoEnterprises Fund—coastal and marine ecosystems face overexploitation and pollution. Over [35%](#) of global fish stocks are overfished (FAO, 2022), affecting food security in coastal communities and reducing natural regeneration capacity. Regenerative aquaculture and sustainable artisanal fishing models can restore marine ecosystems and strengthen the economic resilience of communities.

In LAC, soils support most economic activities, highlighting the immense pressure on this strategic resource for sustainable development. Globally, land degradation causes the annual loss of approximately 75 billion tons of fertile land, generating costs close to USD 400 billion due to reduced agricultural productivity. In LAC alone, soil degradation and vegetation loss are estimated to cause up to USD [60 billion](#) in annual agricultural production losses.

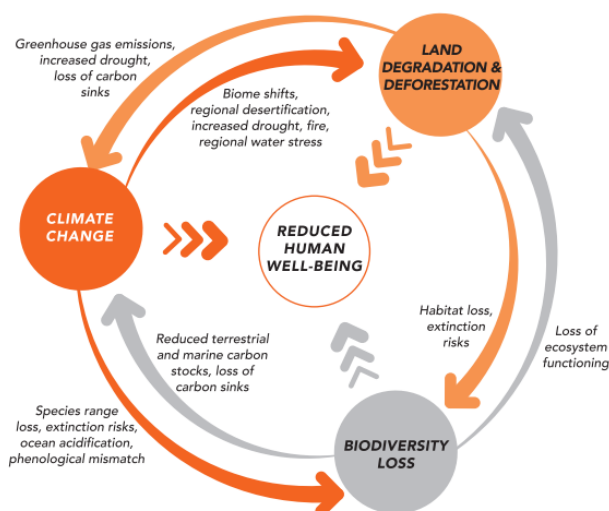
- **GHG Emissions:** Soil degradation not only reduces productivity but is also closely linked to climate change. Agriculture accounts for more than one-quarter of global greenhouse gas (GHG) emissions, and by 2032, LAC is projected to account for nearly [18 %](#) of global agricultural emissions.

- **Food Security:** In the region, 59 million women live in rural areas, of whom 4.5 million are agricultural producers. Moreover, 80% of farms are family-run and highly exposed to climate risks. Climate variability compromises the stability of food supply and access to nutritious food. In 2023, 38% of the regional population (around 247.8 million people) suffered from food insecurity, and 7% ([about 43 million people](#)) faced hunger ([FAO, 2023](#)).
- **Poverty:** Climate crises disproportionately affect the most vulnerable populations. By 2030, incomes of the poorest [40%](#) in the region could fall more than twice the regional average, pushing an estimated [2 to 6](#) million people into extreme poverty. The most severe impacts will occur in agriculture-dependent livelihoods and coastal communities, where exposure and vulnerability are highest.

Link between climate change and land management/forest resources

Land degradation, biodiversity loss, and climate change are deeply interlinked challenges—each reinforcing the other in a downward spiral that threatens both livelihoods and ecosystems. In LAC, unsustainable land use, deforestation, and the expansion of agriculture are major contributors to greenhouse gas emissions, while simultaneously reducing the land's capacity to sequester carbon and regulate the climate. According to the IPCC and FAO, land degradation is both a driver and a consequence of climate change—exacerbated by increasing droughts, extreme rainfall, and heatwaves, which accelerate soil erosion, desertification, and biodiversity decline (**Figure 1**). These changes undermine food production systems and reduce ecosystem services critical for local communities. Conversely, restoring degraded ecosystems through regenerative models—such as agroforestry, silvopastoral systems, and regenerative aquaculture—can simultaneously increase carbon sequestration, protect biodiversity, and improve resilience to climate shocks. EcoEnterprises Fund's strategy aligns with these synergies, investing in business models that regenerate landscapes while generating economic returns and climate benefits.

Figure 1. Interactions between biodiversity, climate change and land use



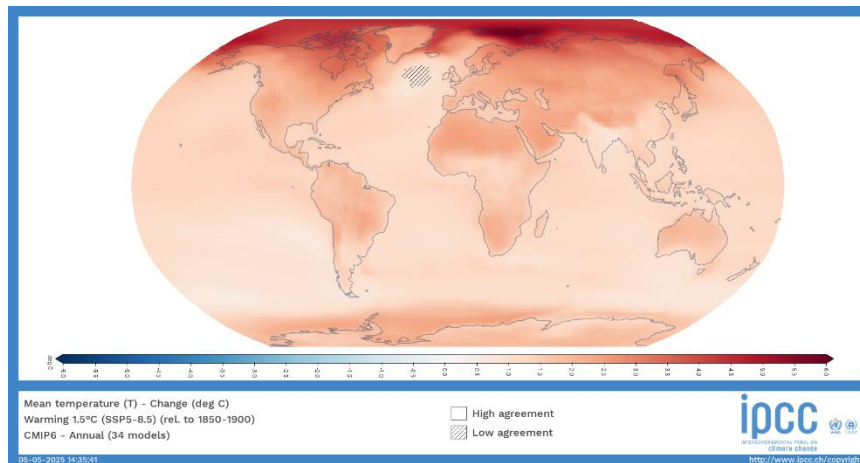
Source: <https://weadapt.org/wp-content/uploads/2023/05/09nexusbrief-biodiversity-sp.pdf>

Climate Trends and Impacts

Under a 1.5°C global warming scenario, the IPCC projects that Latin America and the Caribbean (LAC) will experience a mean maximum temperature increase of approximately 1.2°C to 1.8°C by mid-century, with Central America and the Caribbean facing up to 1.7°C and Andean regions slightly higher due to altitude effects ([IPCC, 2021](#)) (*Figure 2*). This warming will intensify heatwaves, reduce agricultural yields, and exacerbate water scarcity, particularly in vulnerable Amazonian, Andean, and small island communities. While ambitious mitigation could limit these impacts, ongoing deforestation and socio-economic vulnerabilities heighten risks, underscoring the urgent need for climate-smart adaptation and low-carbon

solutions in LAC to align with Nationally Determined Contributions and safeguard sustainable development ([IPCC, 2022](#)).

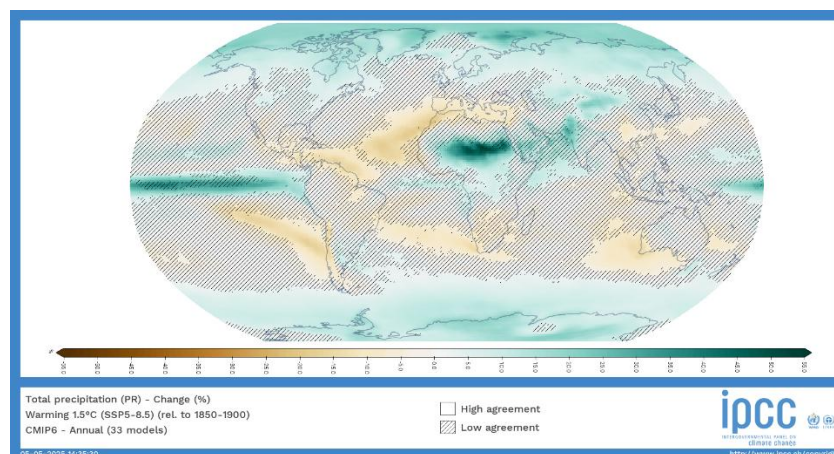
Figure 2. Mean temperature (T) Change deg C - Warming 1.5°C SSP5-8.5



Source: IPCC Interactive Atlas

Likewise, under a 1.5°C global warming scenario, CMIP6 (SSP5-8.5) models project a reduction in annual rainfall in LAC of between –5% and –15%, particularly affecting Central America, the Caribbean and the Amazon (**Figure 3**), while southeastern South America could experience increases of up to +10% ([IPCC, 2021](#)).

Figure 3. Total precipitation (PR) Change % - Warming 1.5°C SSP5-8.5



Source: IPCC Interactive Atlas

The [ND-GAIN Country Index Scores](#)⁵ indicates that Latin American countries are among the most vulnerable to climate change and, in many cases, the least prepared to implement adaptation solutions.

The Andean region, highly vulnerable to climate change, faces intensifying floods, droughts, and landslides, as per the [Global Climate Risk Index 2021](#) (CRI)⁶ ([Germanwatch, 2021](#)). Rising temperatures and declining rainfall threaten water security, agriculture, and biodiversity in highland and Amazonian ecosystems. These

⁵ The Country Index uses 20 years of data across 45 indicators to rank over 180 countries annually based on their level of vulnerability, and their readiness to successfully implement adaptation solutions.

⁶ The CRI uses data from 2019 and trends from the past two decades (2000-2019). The index ranks countries according to their vulnerability to events such as storms, floods, and heatwaves.

risks demand urgent climate-smart adaptation and mitigation to protect vulnerable communities and ensure sustainable development across the region.

Central America faces high vulnerability to climate change, as per the CRI, due to exposure to hurricanes, floods, and droughts, intensified by rising global temperatures and sea levels ([Germanwatch, 2021](#)). Its geographic location places it in the path of increasingly severe tropical storms, such as hurricanes Eta and Iota in 2020, which impacted over 8 million people. Dependence on natural resource-based economies and tourism, coupled with weak infrastructure and limited risk management capacity, exacerbates these threats, highlighting the urgent need for resilient adaptation and mitigation solutions in the region.

The Caribbean insular islands, classified as Small Island Developing States, face acute climate change risks from sea level rise (3.6 mm/year), intensifying hurricanes, and ocean acidification, threatening coastal ecosystems and livelihoods (UNDP, 2023). Limited adaptive capacity and economic constraints necessitate nature-based solutions, such as blue carbon conservation, and climate financing to enhance resilience across the region.

Regional Climate Analyses and national meteorological services highlight the accelerating pace of climate change in LAC, as evidenced by rising average temperatures and increasingly irregular precipitation patterns ([CEPAL, 2023](#); [CCAFS, 2021](#)). In the Andean countries, El Niño–Southern Oscillation (ENSO) events are expected to become more frequent and intense, disrupting agricultural cycles and water availability. Meanwhile, Caribbean and Central American countries face growing exposure to increasingly stronger and more destructive hurricanes, as exemplified by Eta and Iota, which caused severe socio-economic impacts ([IPCC, 2021](#); [UN, 2021](#)).

Table 1. Climate trends

Climate Variable	Observed Trends (2020-2023)	Projected Trends (2050-2100)
Annual Precipitation	Decreasing, especially in the Dry Corridor ⁷	Further decrease, with higher variability
Extreme Rainfall Events	Increasing frequency and intensity	Continued increase in frequency and intensity
Average Temperatures	Increasing, contributing to heatwaves and droughts	Significant further increase, exacerbating droughts
Hurricane Intensity	More intense storms, like Eta and Iota	Further increase in the intensity of hurricanes
Drought Frequency	More frequent and prolonged droughts	Increased frequency and severity of droughts

Table developed with IPCC information.

As shown in **Table 1**, projected climate impacts—such as reduced rainfall, stronger hurricanes, and rising temperatures—threaten LAC’s natural capital by degrading ecosystems like forests, farmland, and coasts. These pressures jeopardize essential services for communities and economies. Therefore, targeted investments in climate-smart adaptation and mitigation, aligned with the countries’ Nationally Determined Contributions (NDCs), REDD+, and ecosystem-based approaches, are crucial to ensure resilience and sustainable development.

⁷ The Central American Dry Corridor (CADC) is a geographical and climatic region in Central America characterized by recurring droughts and a semi-arid climate. It stretches along the Pacific side of the region, covering parts of Guatemala, Honduras, El Salvador, and Nicaragua, with smaller portions extending into Costa Rica and Panama. The Dry Corridor is defined more by its climatic and environmental conditions. The CADC is a critical area for understanding the intersection of climate change, agriculture, and human resilience.

Climate hazards increasingly disrupt critical systems that sustain livelihoods in the LAC region. Based on national vulnerability assessments (NDCs, NAPs, and IPCC reports), the following priority systems have been identified across the eight target countries:

Table 2. Climate hazards and systems at risk

Climate-sensitive system	Key countries affected	Climate hazards	Impacts
Dryland farming systems (Central American Dry Corridor)	El Salvador, Guatemala, Honduras (regional extension), Costa Rica, Panama	Rainfall variability, prolonged droughts, extreme heat	Reduced crop yields (maize, beans, coffee), soil degradation, food insecurity, rural out-migration (IPCC, 2022 ; CEPAL, 2023 ; NAP El Salvador, 2021)
Glacial watershed-dependent agriculture	Peru, Ecuador	Glacier retreat, declining snowpack, seasonal water scarcity	Loss of irrigation sources for highland crops, reduced hydropower generation, ecosystem stress (IPCC, 2022 ; SENAMHI Peru, 2023 ; MAATE Ecuador, 2022)
Coastal wetlands and mangrove ecosystems	Belize, Dominican Republic, Panama	Sea-level rise, storm surges, hurricanes	Coastal erosion, saline intrusion, biodiversity loss, fisheries decline, increased flooding risk (UNEP, 2023 ; World Bank, n.d.)
Small island coastal urban zones	Dominican Republic, Belize	Sea-level rise, hurricanes, heatwaves	Infrastructure damage, livelihood loss in tourism/fisheries, health impacts (IPCC, 2022 ; ND-GAIN, 2023)

The compounded impacts on these systems are expected to worsen under high-temperature scenarios, exacerbating vulnerabilities for millions dependent on climate-sensitive livelihoods.

Beyond climate hazards, multiple non-climatic stressors interact with projected climate risks to deepen vulnerabilities across the target countries. Persistent unsustainable land use practices—including agricultural expansion into fragile ecosystems, slash-and-burn cultivation, and illegal logging—continue to drive deforestation and land degradation. Between 1990 and 2020, Latin America lost 138 million hectares of forest ([FAO, 2024](#)), severely reducing natural buffers that previously absorbed climatic shocks such as floods and droughts. In Guatemala and El Salvador, rapid agricultural frontier expansion into degraded highlands has increased soil erosion and heightened landslide and drought risks ([CEPAL, 2023](#); [IUCN, 2025](#)). In coastal Belize and the Dominican Republic, mangrove deforestation undermines protection against storm surges, amplifying exposure to hurricanes and sea-level rise ([UNEP, 2023](#)).

Compounding these ecological pressures are persistent socio-economic vulnerabilities. High rural poverty levels (up to 60% in indigenous communities: [ECLAC, 2023](#)), limited access to financial resources, weak land tenure systems, and informal land occupation restrict adaptive capacities. In Peru and Ecuador, smallholders depending on shrinking glacial water sources face both climate-induced scarcity and conflicts over water rights ([SENAMHI, 2023](#); [MAATE, 2022](#)). Across Central America, precarious land tenure and weak governance exacerbate deforestation and unsustainable agricultural expansion, further exposing marginalized rural populations to food insecurity and climate shocks ([FAO, 2023](#); [World Bank, n.d.](#)). These intersecting factors demand integrated nature-based, inclusive, and governance-strengthening responses to address both environmental and social drivers of vulnerability.

II. EcoEnterprises Fund's Approach – Investing in Private Nature-Based Solutions (NbS) for Climate Action in Latin America and the Caribbean

EcoEnterprises Fund catalyzes climate action in Latin America and the Caribbean (LAC) by investing in innovative, locally led innovative small and medium-sized enterprises (iSMEs) that protect and restore ecosystems, enhance climate resilience, and improve community livelihoods. These enterprises implement nature-based solutions (NbS) across priority sectors—regenerative agriculture, agroforestry, sustainable forestry, aquaculture, ecotourism, circular economy, and climate tech—delivering measurable climate mitigation and adaptation benefits alongside socioeconomic gains.

By financing place-based, community-driven solutions, EcoEnterprises Fund addresses a critical capital gap faced by rural and early-stage businesses, often overlooked due to perceived risks associated with size, geographic location, or integration with smallholder value chains. Its inclusive investment lens prioritizes women-led enterprises and those applying gender-sensitive practices, recognizing the heightened vulnerability of rural women to climate impacts.

As a pioneer in impact investing since 1998, EcoEnterprises Fund combines flexible capital with hands-on technical assistance and local stakeholder engagement. This high-touch model reduces risk, strengthens business performance, and supports the long-term scaling of NbS. By enabling the growth of sustainable business models, the Fund advances ecosystem regeneration, resilient food systems, and low-emission development pathways across the region.

Causal pathways: how targeted investments reduce climate vulnerability

The Fund's nature-based solutions investment strategy addresses the identified climate hazards through integrated causal pathways that directly strengthen ecosystem services and community adaptive capacities. By channeling capital and technical assistance to iSMEs operating in climate-sensitive sectors, the Fund enables scalable actions that restore ecosystem functionality, diversify livelihoods, and reduce hazard exposure for vulnerable populations.

The table below summarizes how key climate hazards across the eight target countries may be addressed through targeted interventions and their expected adaptation outcomes:

Table 3. Climate Causal pathways

Climate Hazard	Target Intervention	Adaptation Outcome
Prolonged droughts and rainfall variability (Dry Corridor, Andes)	Regenerative agriculture (soil organic matter restoration, crop diversification, agroecological practices)	Increased soil moisture retention, improved drought tolerance, stabilized crop yields (FAO, 2021 ; IPCC, 2022)
Glacier retreat and water scarcity (Andes)	Agroforestry and watershed restoration through regenerative agriculture	Improved water infiltration, stabilized hydrological flows, sustained irrigation for highland communities (Government of Peru, 2023 , Government of Ecuador, 2022)
Coastal erosion and storm surge (Belize, Caribbean)	Mangrove reforestation, coastal ecosystem conservation	Reduced storm surge impacts, erosion control, protection of fisheries and tourism assets (UNEP, 2023 ; World Bank, 2022)
Extreme heatwaves affecting rural livelihoods	Shade-providing agroforestry systems, climate-smart aquaculture	Temperature buffering, reduced heat stress on crops and animals, diversified incomes (IUCN, 2022 ; FAO, 2023)

Intensified hurricanes and flooding	Strengthened value chain resilience through TA to iSMEs	Reduced financial vulnerability, business continuity post-disaster, enhanced market stability for smallholders (IDB, 2023 ; IFC, 2022)
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These integrated nature-based measures not only reduce immediate climate risks but also generate multiple co-benefits such as biodiversity conservation, improved soil health, and strengthened local governance—crucial for long-term resilience building.

Despite growing awareness of climate risks, current adaptation practices across the eight target countries remain insufficient to cope with the accelerating impacts on ecosystems, agriculture, and food security. Land degradation affects over 75% of soils in LAC ([FAO, 2023](#)), undermining food production, increasing rural poverty, and triggering forced migration. While some national programs promote soil conservation, agroforestry, or ecosystem restoration, their scale and financing remain limited. The IPCC Special Report on Climate Change and Land ([2019](#))⁸ emphasizes that scaling soil organic matter restoration, erosion control, crop diversification, improved grazing management, and integrated landscape approaches are essential for long-term adaptation — yet these remain underfinanced, especially for smallholder and community-based enterprises.

The Fund directly addresses this adaptation gap by channeling flexible capital and technical assistance into iSMEs that operationalize nature-based solutions aligned with national priorities. Through its eligibility criteria, the Fund screens and selects enterprises that: (i) restore degraded ecosystems; (ii) regenerate soil health; (iii) strengthen diversified, climate-resilient food systems; (iv) conserve high-value forest landscapes; and (v) promote inclusive, gender-responsive models. By enabling scalable, private-sector-led NbS, the Fund fills critical financing and capacity gaps, while delivering measurable adaptation outcomes in sectors highly vulnerable to climate change, including food security, forestry, water resources, and rural livelihoods.

Sector Focus and Impact Highlights:

- **Regenerative Agriculture:** Agricultural land covers approximately [35%](#)⁹ of total land area while agriculture contributes [5–18%](#)¹⁰ of GDP across LAC. With over [9.5 million hectares](#)¹¹ under organic management by 2022 in Latin America, EcoEnterprises Fund supports enterprises advancing beyond organic to regenerative practices, enhancing soil health, sequestering carbon, and improving rural livelihoods.
- **Agroforestry & Sustainable Forestry:** [Natural forests cover around 46% across LAC](#)¹². While forest ecosystems play a critical role in climate regulation, biodiversity conservation, and rural livelihoods, yet the region continues to experience significant deforestation—losing [over 4.5 million hectares](#)¹² of forest annually between 1990 and 2020, primarily due to agricultural expansion. EcoEnterprises Fund invests in enterprises that implement sustainable forestry and agroforestry models, particularly in high-biodiversity areas such as the Amazon Basin, the Atlantic Forest, and Mesoamerica. These models restore degraded lands, increase carbon sequestration, diversify income for smallholders, and build resilience to climate shocks through integrated land use.

⁸ IPCC. (2019). *Summary for Policymakers. In: Climate Change and Land: an IPCC Special Report.*

⁹ OECD/FAO (2023), *OECD-FAO Agricultural Outlook 2023-2032*, OECD Publishing, Paris, <https://doi.org/10.1787/08801ab7-en>.

¹⁰ World Bank. (2020). *Agriculture and Food Systems in LAC Must Transform.*

¹¹ Willer, Helga Jan Trávníček and Bernhard Schlatter (Eds.) (2024): *The World of Organic Agriculture. Statistics and Emerging Trends 2024.* Research Institute of Organic Agriculture FiBL, Frick, and IFOAM – Organics International, Bonn.

¹² ECLAC. (2021). *Forest loss in Latin America and the Caribbean from 1990 to 2020: the statistical evidence.* ECLAC Statistical Briefings No. 2.

- **Sustainable Aquaculture:** Aquaculture in LAC accounts for [4.5%](#)¹³ of global production. The Fund backs climate-smart aquaculture ventures that improve food security, reduce pressure on wild fisheries, and enhance ecosystem stewardship across the region's vast coastlines and inland waters.
- **Circular Economy & Climate Tech:** The region's climate tech sector is rapidly expanding, supported by growing policy momentum and urgent adaptation needs. EcoEnterprises Fund targets scalable solutions in renewable energy, sustainable materials, and circular production models to accelerate emissions reductions and build resilience.
- **Ecotourism:** Tourism contributes [5–15%](#)¹⁴ of GDP in many LAC countries. EcoEnterprises Fund invests in ecotourism businesses that generate income from natural capital while ensuring long-term conservation, avoiding greenwashing, and strengthening community governance and environmental education.

Through this integrated investment strategy, EcoEnterprises Fund positions nature as a cornerstone of climate action and inclusive green growth in Latin America and the Caribbean region.

III. Social, economic, and environmental context of target countries

With the support of the GCF, EcoEnterprises Fund will facilitate investments in eight countries: Belize, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Panama, and Peru. These countries were chosen based on the following criteria: I. The Fund's expertise, experience, and presence in various markets within the LAC region; II. The environmental relevance and/or climate vulnerability of the country; and III. The ease of conducting business within the country, as shown in **Table 4** (below).

Table 4. Targeted countries selection criteria

Country	Criteria I The Fund's expertise, experience, and presence ¹	Criteria II		Criteria III Ease of conducting business ⁴
		Environmental relevance ²	Climate vulnerability ³	
Belize	▲	High	High	Low
Costa Rica	▲	High	Medium	Medium
Dominican Republic	-	High	High	Medium
Ecuador	▲	High	High	Low
El Salvador	▲	Medium	High	Medium
Guatemala	▲	High	High	Medium
Panama	-	High	High	Medium
Peru	▲	High	High	Medium

1. Classification based on the Fund's experience and/or physical presence in the country, including prior investments in companies with operations there and/or the presence of an established office.
2. Classification based on the country's global environmental significance, including the presence of ecosystems critical for climate regulation, biodiversity conservation, and ecosystem services provision.
3. Classification based only on the vulnerability score of the ND-GAIN Index: Low (<0.30), Medium (0.31-0.40), High (>0.40).
4. Classification based on the World Bank's Ease of Doing Business Index (2020), which assesses how conducive the regulatory environment is to starting and operating a business: Low (<60), Medium (61-70), High (>70).

The figure below offers a comparative snapshot of key indicators at target countries, while the following **Table 5** includes country-briefs that highlight additional characteristics such as environmental and ecosystem relevance, gender inclusion, and economic resilience in relation to climate risks for each target country.

¹³ FAO. 2024. *The State of World Fisheries and Aquaculture 2024 – Blue Transformation in action*. Rome.

¹⁴ Statista. (2024). *Percentage of tourism contribution to GDP in Latin America, by country*.

Detailed country analyses are in the following annexes:

- Annex 2: *Feasibility and Market Study* – Economic and environmental context, NDCs, national climate plans/targets, international fund interventions, and potential portfolio companies.
- Annex 7: *Summary of Consultations and Stakeholder Engagement Plan* – Key stakeholders in each country.
- Annex 8: *Gender Assessment and Action Plan* – Individual gender assessments, barriers identification, and proposed action plans.
- Annex 22: *GHG emission explanatory note* – GHG reduction calculations and relevant country information.

Figure 4. Overview of Demographic, Economic, and Environmental Characteristics

Country	Population ¹	Surface area ²	Poverty rate ³	ND-GAIN ranking ⁴	EoDB ranking ⁵	Agriculture to GDP ⁶	Agricultural land use ⁷	Forest cover ⁸	Main economic sectors	Key crops
 Belize	0.4 M	22,966 km ²	43.4%	120/187	135/190	8.1%	8.0%	55.0%	Agriculture, tourism, services	Sugarcane, citrus fruits, bananas, cacao
 Costa Rica	5.1 M	51,100 km ²	25.5%	64/187	74/190	3.8%	34.7%	60.1%	Agriculture, tourism, technology	Coffee, bananas, pineapples, sugarcane
 Dominican Republic	11.3 M	146,839 km ²	23.9%	106/187	115/190	6.4%	50.4%	44.8%	Agriculture, tourism, industry	Rice, bananas, tobacco
 Ecuador	17.9 M	256,370 km ²	25.2%	118/187	129/190	7.7%	21.5%	49.8%	Agriculture, aquaculture, extractive industries	Bananas, shrimp, flowers, cacao
 El Salvador	6.3 M	21,040 km ²	26.6%	107/187	91/190	4.6%	57.7%	27.7%	Remittances, services	Coffee, sugarcane, maize, beans
 Guatemala	18.1 M	108,890 km ²	59.3%	120/187	96/190	9.8%	43.0%	32.7%	Agriculture, manufacturing, services	Sugarcane, bananas, coffee, palm oil, cardamom
 Panama	4.5 M	75,320 km ²	21.8%	101/187	86/190	2.5%	29.4%	56.5%	Financial services, logistics, tourism, agriculture	Sugarcane, bananas, rice, maize, coffee
 Peru	33.8 M	1,285,220 km ²	27.5%	90/187	76/190	7.2%	19.1%	56.2%	Mining, agriculture, services	Coffee, quinoa, grapes, blueberries

Abbreviations: EoDB = Ease of Doing Business

Sources: [World Bank](#)^{1, 2, 3, 7, 8}, [ND-GAIN](#)⁴, [Ease of Doing Business](#)⁵, [Statista](#)⁶

The World Bank's [Climate Change Knowledge Portal](#) highlights environmental, social, and economic conditions that make countries particularly vulnerable to climate change. Even though vulnerability factors and climate risks vary from country to country, they also have common origins and effects depending on their geographic location and topographic characteristics within the LAC region. Vulnerability factors and climate risks for target countries are summarized in the following Table:

Table 5. Climate Vulnerability and Risks

Country	Vulnerability Factors	Climate Risks
Belize	Coastal exposure, barrier reef reliance, uneven rainfall, high storm path exposure	Sea level rise, intensified hurricanes, temperature rise, decreased rainfall, heat stress
Costa Rica	Coastal urban populations, mountainous terrain, biodiversity reliance, exposed infrastructure	Rising temperatures, changing rainfall (droughts/floods), biodiversity threats
Dominican Republic	Island exposure, location in hurricane belt, regional drought/flood vulnerability	Increased hurricane activity, flooding, droughts, temperature rise
Ecuador	Glacier retreat in Andes, coastal and Amazon vulnerabilities, dependence on agriculture and hydropower	Glacier loss, water shortages, floods and landslides, warming, El Niño-related variability

El Salvador	High urban density, deforestation, informal settlements in risky zones, dual-ocean exposure	Sea level rise, tropical storms, droughts/floods, rising temperatures, coastal erosion
Guatemala	Deforestation, degraded agricultural lands, weak infrastructure, water stress	Warming, variable rainfall, drought impacts on small-scale farming, food insecurity
Panama	Climate-sensitive agriculture and water, coastal exposure, marginalized communities	Warming, rainfall variability, droughts, storms, water scarcity
Peru	Andean glacier retreat, coastal desertification, urban vulnerability, rural poverty	Melting glaciers, droughts, heatwaves, water stress, floods, changing El Niño patterns

Land degradation across EcoEnterprises Fund's target countries is increasingly driven by climate-related hazards that are intensifying in frequency and severity. These hazards are closely intertwined with ecosystem decline, highlighting the region's growing vulnerability to climate change. Addressing this challenge requires integrated and cross-cutting strategies that align climate adaptation, ecosystem restoration, and sustainable resource management. These approaches are essential to building resilience and securing long-term benefits for communities and ecosystems in the LAC region. A summary of degradation levels and associated climate hazards is presented in **Table 6**.

Table 6. Land degradation and climate hazards, by country

Country	Climate related hazards					Contribution to land degradation					
	Drought	Changing Rainfall	Increased Temps	Storms Cyclones	Sea Level Rise	Soil Erosion/ Cross of Extraction	Landslides	Coastal Erosion	Salinization Saltwater	Intrusions Flooding	Wildfires
Belize	X	X		X	X	X		X			
Costa Rica	X	X		X	X	X	X	X		X	X
Dominican Republic	X	X		X	X	X		X	X		X
Ecuador	X	X	X			X	X				
El Salvador	X	X		X		X	X		X	X	
Guatemala	X	X	X	X		X	X	X	X	X	X
Panama	X	X			X	X					
Peru	X	X	X	X	X	X	X	X		X	X

Alignment with national adaptation frameworks

The Project's targeted interventions align directly with national adaptation goals articulated in the countries' National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), and sectoral climate strategies. For example, Peru's NAP ([MINAM, 2021](#))¹⁵ prioritizes "strengthening ecosystem-based adaptation for water security in Andean watersheds," fully aligned with the Fund's support to agroforestry and regenerative agriculture that derives in watershed restoration. Ecuador's NAP ([MAATE, 2022](#))¹⁶ emphasizes "building climate resilience in smallholder farming systems" and identifies regenerative agriculture and water management as central adaptation pathways. These priorities are further reinforced in

¹⁵ MINAM (2021). *Peru's National Adaptation Plan for Climate Change: An Input for Updating the National Climate Change Strategy*. Approved by Ministerial Resolution No. 096-2021-MINAM, Government of Peru, Ministry of Environment (MINAM).

¹⁶ Government of Ecuador (2023). *National Adaptation Plan (PNA) 2023–2027*. Ministerio del Ambiente, Agua y Transición Ecológica (MAATE).

the Plan de Desarrollo para el Nuevo Ecuador 2024–2025 ([Secretaría Nacional de Planeación, 2024](#))¹⁷, which calls for a just ecological transition, productive modernization, and rural development with a climate resilience lens—elements that are directly advanced through the Fund’s targeted investments in sustainable land use, bioeconomy, and nature-based solutions.

In Central America, El Salvador’s NAP ([MARN, 2021](#))¹⁸ prioritizes restoring degraded drylands, improving sustainable land management, and diversifying resilient agricultural practices in the Dry Corridor—core components of the Fund’s regenerative agriculture portfolio. Beyond the NAP, the project is also consistent with other key national frameworks such as the PREPP 2025 (MARN, 2017)¹⁹, which establishes ecosystem-based adaptation (EbA) baselines and restoration targets; the Environmental Incentives Program (MARN, 2012)²⁰, which promotes improved environmental performance in priority sectors like coffee and tourism; and the National Environmental Policy (NEP) (MARN, 2022)²¹, which provides overarching guidance on natural resource conservation, sustainable production, and climate adaptation. In the Caribbean, the Dominican Republic’s [NDC \(2021\)](#)²² explicitly promotes ecosystem-based adaptation (EbA) approaches to strengthen coastal protection, sustainable fisheries, and resilient ecotourism—all sectors directly supported by the Project’s investments. Across all target countries, the Project operationalizes national adaptation priorities by leveraging private sector investment into scalable, nature-based, and locally led solutions that strengthen vulnerable communities while contributing to the implementation of national climate frameworks.

Table 7. Project alignment with country adaptation priorities

Country	Regenerative agriculture	Agroforestry & sustainable forestry	Sustainable aquaculture	Ecotourism & ecosystem services	Circular economy & climate tech
Belize²³	NDC: Climate-resilient food systems	NDC: Forest-based adaptation	NDC: Coastal ecosystem-based adaptation	NDC: Sustainable tourism climate strategy	NDC: Sustainable production & waste reduction
Costa Rica²⁴	NAP: Sustainable agriculture & soil management	NAP: Integrated forest landscape restoration	NDC: Blue carbon & aquaculture resilience	NDC: Green tourism as adaptation measure	NAP: Circular economy adaptation pathways
Dominican Republic¹⁸	NDC: Resilient agriculture adaptation axis	NDC: Forest ecosystem restoration	NDC: Sustainable fisheries adaptation	NDC: Climate-resilient tourism sector	NDC: Climate tech for resilience

¹⁷ Secretaría Nacional de Planificación del Ecuador. (2024). *Plan de Desarrollo para el Nuevo Ecuador 2024–2025*. Gobierno del Ecuador.

¹⁸ MARN (2019). *National Adaptation Plan for Climate Change*. San Salvador: Ministry of Environment and Natural Resources.

¹⁹ MARN (2017). *National Program for the Restoration of Ecosystems and Rural Landscapes (PREPP 2025)*. San Salvador: Ministry of Environment and Natural Resources.

²⁰ MARN (2012). *Programa Nacional de Incentivos y Desincentivos Ambientales*. San Salvador: Ministry of Environment and Natural Resources.

²¹ MARN (2022). *National Environmental Policy*. San Salvador: Ministry of Environment and Natural Resources.

²² Government of the Dominican Republic. (2020). *Nationally Determined Contribution 2020 (Updated Submission to the UNFCCC)*. Ministry of Environment and Natural Resources.

²³ Government of Belize. (2025). *Belize’s Third Nationally Determined Contribution (NDC 3.0)*. Ministry of Sustainable Development, Climate Change, and Solid Waste Management.

²⁴ Government of Costa Rica. (2020). *Nationally Determined Contribution 2020 (Updated Submission to the UNFCCC)*. Ministry of Environment and Energy (MINAE), Directorate of Climate Change (DCC).

Ecuador²⁵	NAP: Smallholder resilience & soil health	NAP: Amazonian forest resilience	NDC: Marine EbA approaches	NDC: Biodiversity-based tourism	NAP: Innovation for climate resilience
El Salvador²⁶	NAP: Dryland restoration & sustainable farming NEP: Sustainable land management	NAP: Forest landscape restoration PREPP: Ecosystem-based adaptation baselines and restoration targets	NAP: Coastal livelihoods protection NEP: Integration of ecosystem services into tourism, agriculture, and fisheries.	NDC: Ecosystem services for rural livelihoods PREPP: Ecosystem-based adaptation baselines and restoration targets;	NAP: Resource-efficient value chains NEP: Sustainable production and climate adaptation pathways
Guatemala²⁷	NDC: Agroecological practices for adaptation	NDC: Agroforestry expansion	NDC: Aquaculture as adaptive livelihood	NDC: Community-based ecotourism	NDC: Low-carbon circular models
Panama²⁸	NAP: Climate-smart agriculture	NAP: Sustainable forest management	NAP: Marine-coastal adaptation	NAP: Nature-based tourism adaptation	NAP: Green tech scaling
Peru²⁹	NAP: Adaptation of highland agriculture	NAP: Forest-based EbA for Andean zones	NDC: Aquaculture diversification	NDC: Protected areas management	NAP: Bioeconomy & circular production

IV. Climate change problem

The climate crisis heightens Latin America's intertwined environmental and social issues, particularly in rural areas reliant on natural resources and key sectors like agriculture, forestry, fisheries, and tourism that underpin local livelihoods and well-being. Across Latin America, deforestation, forest degradation, unsustainable forest management, and land use change fuel greenhouse gas emissions, further accelerating climate change. Moreover, unsustainable management of natural resources contributes to environmental deterioration and the decline of biodiversity, thereby intensifying the pace of climate change and worsening its adverse effects.

- Mitigation impact.

Despite the unique characteristics of the Partner countries, the analysis based on their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), REDD+ strategy, and FCPF Programme Documents reveal **similarities in the sectors that contribute most to their GHG emissions**. These sectors are also the mainstays of their economic and social frameworks and present the greatest challenges

²⁵ Government of Ecuador. (2025). *Second Nationally Determined Contribution (NDC) 2026–2035*. Ministry of Environment, Water, and Ecological Transition (MAATE).

²⁶ Government of El Salvador. (2021). *Updated Nationally Determined Contribution (NDC)*. Ministry of Environment and Natural Resources (MARN).

²⁷ Government of Guatemala. (2021). *Updated Nationally Determined Contribution (NDC)*. Ministry of Environment and Natural Resources (MARN).

²⁸ Government of Panama. (2023). *Second Nationally Determined Contribution (NDC2)*. Ministry of Environment (MiAMBIENTE).

²⁹ Government of Peru. (2020). *Updated Nationally Determined Contribution (NDC) for the Period 2021–2030*. Ministry of Environment (MINAM).

for climate change mitigation. **In the eight targeted countries, the AFOLU (Agriculture, Forestry, and Other Land Use) sector plays a predominant role in terms of contribution to emissions, economic and social role, and climate risk and social vulnerability.** The climate risks associated with this sector, the drivers of deforestation, and the barriers to forest conservation, restoration, and sustainable forest management are essentially similar. Although forests in countries like Belize and Costa Rica are net carbon sinks, historical analysis, and future trends show that it is precisely the AFOLU sector that will be decisive in halting greenhouse gas emissions as part of their overall climate change mitigation strategy. This is also similar for the other selected countries.

The share of emissions from AFOLU sectors varies significantly across the targeted countries of intervention, reflecting differences in land-use practices and agricultural intensities. In Belize, agriculture contributes 11.9% of emissions, while FOLU acts as a significant carbon sink (-77.3%). Similarly, Costa Rica sees agriculture at 20.5% of emissions, with FOLU offsetting the same proportion (-20.5%), consistent with its strong reforestation and conservation policies. In the Dominican Republic, agriculture accounts for 13.4%, with FOLU offsetting a third (-30.5%) of emissions, emphasizing the role of forest conservation. Ecuador's emissions of agriculture represent a share of 18.8%, while FOLU sector additions 41.4%. In contrast, El Salvador has agriculture as its largest emissions source at 57.8%, with FOLU offsetting a quarter of those emissions (-24.4%), highlighting its reliance on agricultural activities. Guatemala has agriculture contributing 21.0% of emissions, while FOLU adds 49.6%, reflecting significant deforestation and land-use changes. Similarly, in Panama, agriculture accounts for just 20.3%, but FOLU contributes a substantial 57.1%, driven by deforestation and land conversion. Finally, Peru's agriculture sector represents 27% of the country emission, and the FOLU sector adding an additional 77% to the emissions to the total emissions of the other sectors

Table 8. Contribution of the Agriculture and AFOLU sector to total GHG emissions by country

Country	Year	Estimated Agriculture sector contribution to national emissions (%)	Estimated FOLU sector contribution to national emissions (%) ³⁰	Source
Belize	2024	11,9%	-77,3%	National Inventory Report 1994 – 2022 ³¹
Costa Rica	2021	20,5%	-20,5%	National Inventory of Greenhouse Gas Emissions 1997-2017-2021 ³²
Dominican Republic	2020	13,4%	-30,5%	First Biennial Update Report of the Dominican Republic-2020 ³³
Ecuador	2024	18,8%	41,4%	GHG Inventory 2022 ³⁴
El Salvador	2018	57,8%	-24,4%	Biennial Update Report El Salvador 2018 ³⁵
Guatemala	2023	21,0%	49,6%	GHG Inventory 2022 ³⁶
Panama	2024	20,3%	57,1%	GHG Inventory 2024 ³⁷
Peru	2025	27,0%	77,0%	GHG Inventory 2021 ³⁸

³⁰ These values normally correspond to absorption levels and are reported both positively and negatively.

³¹ MSDCC (2024). Belize's Fifth National Inventory Document (NID). Ministry of Sustainable Development and Climate Change.

³² MINAE-IMN (2024). Costa Rica National Greenhouse Gas Inventory 1990–2021. MINAE and Instituto Meteorológico Nacional.

³³ Ministry of Environment and Natural Resources & National Council for Climate Change and Clean Development Mechanism (CNCCMDL) (2020). *First Biennial Update Report of the Dominican Republic to the UNFCCC*. Santo Domingo, Dominican Republic.

³⁴ MAATE (2024). National Inventory Document (DIN) of Greenhouse Gas Emissions for 2022, Ecuador. Ministry of Environment, Water and Ecological Transition.

³⁵ MARN (2018). First Biennial Update Report of El Salvador to the UNFCCC. San Salvador, El Salvador.

³⁶ MARN (2023). National GHG Inventory 2022. Ministry of Environment and Natural Resources, Guatemala.

³⁷ MiAMBIENTE. (2024). National Inventory Document 2024 of Panama's First Biennial Transparency Report to the UNFCCC.

³⁸ MINAM (2024). National Greenhouse Gas Inventory of Peru 2000–2021. Ministry of Environment (MINAM), Peru.

The Project's emissions analysis and sectoral prioritization have been informed by a comprehensive review of the most recent official national submissions to the UNFCCC, including the Biennial Transparency Reports (BTRs) and National Inventory Documents (NIDs) from all eight target countries. These reports provide the most up-to-date national GHG inventories, sectoral contributions, and mitigation priorities, ensuring that the Fund's interventions are fully aligned with country-led climate strategies under the Paris Agreement.

The Project has systematically cross-referenced the sectoral GHG emissions profiles, national mitigation pathways, and sectoral priorities described in these official submissions. In all eight countries, AFOLU remains a dominant contributor to national emissions, with LULUCF and agriculture sectors jointly representing a significant proportion of the total GHG inventory, as documented in their BTRs and NIDs submitted between 2018 and 2024.

The countries' substantial contributions to GHG from the AFOLU sectors are reflected in their Nationally Determined Contributions (NDCs) and other climate-related frameworks, which include specific reduction commitments and targets for these sectors. Fund IV aligns closely with these national priorities by targeting investments that support sustainable practices and emissions reductions in these critical areas. This alignment is illustrated in Table 2 in Annex 22-b *GHG emission explanatory note v.2-1*, showcasing how Fund IV's focus on NbS and regenerative practices complements the goals outlined in the countries' climate strategies. Addressing these challenges through NbS, sustainable agricultural practices, and forest conservation and restoration efforts is essential for achieving mitigation targets. Additionally, tourism, a significant sector for these economies, is intertwined with climate mitigation and adaptation strategies, with policies focusing on reducing its environmental impact and increasing resilience to climate risk.

While the pillars of the NDC's and the national REDD+ strategies vary slightly among the selected countries (**Table 9**), they revolve around similar drivers related to forest loss, forest degradation, land use change, and agriculture & cattle ranching practices for their climate change mitigation efforts. Policies, programs, plans, and investments are focused on nature-based solutions, forest conservation and restoration efforts, and promoting sustainable agricultural and silvicultural practices to promote regenerative production systems. Tourism is also an important sector in climate change mitigation and adaptation for these countries, being prioritized in national mitigation and adaptation plans such as for the Dominican Republic, pinpointed as a deforestation driver for Belize, or highlighted as particularly vulnerable to climate risks in Costa Rica. As evidenced in national REDD+ strategies and FCPF ER documents, deforestation, forest degradation, unsustainable forest management, land use change, and agriculture practices are among the primary fuel of greenhouse gas emissions in all eight countries. Please also refer to Annex 2 – Feasibility and Market Study for further description of each country's analysis.

Table 9. Alignment with national climate plans and strategies

Country	Thematic alignment with NDCs	Thematic alignment with REDD+ Strategy
Belize	X	X
Costa Rica	X	X
Dominican Republic	X	X
Ecuador	X	X
El Salvador	X	NA
Guatemala	X	X
Panama	X	X
Peru	X	X

Building on the AFOLU sectoral analysis, the Fund's investment strategy deploys targeted nature-based interventions that directly contribute to emissions reductions, while delivering robust adaptation co-benefits. All investees are screened to ensure positive mitigation and adaptation impacts, ecosystem restoration, and alignment with NDC priorities. Aggregated metrics from EcoEnterprises Funds I, II, and III demonstrate

scalable models: for example, >16 million hectares under sustainable management and >125,000 smallholders supported. Fund IV will add to these results by scaling integrated NbS investments as summarized below:

Table 10. Proposed interventions' mitigation pathway

Intervention Type	GHG Mitigation Pathway	Adaptation Co-benefit
Regenerative agriculture	Increased soil carbon sequestration; reduced N ₂ O from improved nutrient management	Enhanced drought resilience, diversified rural livelihoods
Agroforestry & sustainable forestry	Carbon stock increase in trees & biomass; avoided deforestation	Stabilized water cycles; biodiversity conservation
Aquaculture & fisheries	Avoided overfishing pressures; carbon capture in mangroves	Coastal protection, food security
Circular economy & climate tech	Reduced industrial/process emissions; waste-to-resource conversion	Diversified economic resilience
Ecotourism & ecosystem conservation	Forest preservation; avoided land conversion	Community-led landscape stewardship

The Fund's approach maximizes land-based mitigation opportunities while directly strengthening the resilience of communities and ecosystems highly exposed to climate hazards.

- **Adaptation impact.**

The project addresses the significant adaptation challenges faced by rural communities in Latin America and the Caribbean, where extreme weather events such as prolonged droughts and erratic rainfall have led to declining agricultural yields, food insecurity, and forced migration. These impacts disproportionately affect vulnerable populations dependent on agriculture for food and income. To build resilience, communities have adopted strategies such as crop diversification, efficient irrigation systems, protective infrastructure, and agroecological practices, complemented by training and education. However, adaptation efforts are often limited by a lack of financial resources, outdated farming methods, insufficient access to technology, and gaps in knowledge dissemination.

The annual adaptation finance gap is currently estimated between [USD 194 billion and 366 billion](#), representing 10 to 18 times the current flows of international public finance and at least [50% more than previously estimated](#)³⁹. Most adaptation actions in developing countries depend on international financial aid. However, only 66% of public international finance for adaptation has been disbursed over the past five years, compared to a [98% disbursement rate](#) for general development finance. [The lack of adequate financing for adaptation reflects a structural issue within international climate support mechanisms](#). Beyond the total amount required, there are persistent barriers related to the accessibility, flexibility, and timeliness of resources—especially for the most vulnerable countries that lack the technical and institutional capacity to design and implement complex projects. These gaps not only delay urgent action but also deepen existing inequalities in the face of climate impacts.

³⁹ Programa de las Naciones Unidas para el Medio Ambiente (2023). Resumen ejecutivo. En: Informe sobre la Brecha de Adaptación 2023: Financiación y preparación deficientes. La falta de inversiones y planificación en materia de adaptación climática deja el mundo expuesto al peligro. Nairobi. <https://doi.org/10.59117/20.500.11822/43796>

EcoEnterprises Fund contributes to closing these gaps by financing nature-based iSMEs that deliver scalable, climate-resilient solutions, strengthen local adaptive capacity, and promote inclusive and sustainable development across the region.

V. Coherence with existing related projects/interventions

Fund IV is designed to complement ongoing climate initiatives in target countries by channeling private sector investment into nature-based and climate-resilient solutions. Across the selected countries numerous projects funded by GCF, GEF, the Adaptation Fund, and Climate Investment Funds are already addressing climate adaptation, sustainable agriculture, ecosystem restoration, and resilience-building. These efforts are largely led by public institutions and international development agencies. However, private sector engagement remains limited. EcoEnterprises Fund addresses this critical gap by mobilizing investment and technical support for innovative small and medium enterprises (iSMEs), thus complementing existing public-sector-driven projects. This approach enhances the scalability and sustainability of climate solutions while supporting vulnerable populations and promoting low-emission, climate-resilient development pathways. A detailed mapping of related interventions and synergies is provided in *Annex 2 – Feasibility and Market Study*:

- **Belize:** Projects funded by GEF, the Adaptation Fund, and GCF support rural resilience, climate-smart agriculture, and forest conservation.
- **Costa Rica:** Climate initiatives focus on food security, sustainable energy, agroforestry, and ecosystem-based adaptation, backed by GEF, the Adaptation Fund, and GCF.
- **Dominican Republic:** GCF-led projects promote climate-smart agriculture, ecosystem adaptation, and financing for resilient green solutions.
- **Ecuador:** Supported by GCF, GEF, and CIF, Ecuador advances sustainable land management, REDD+, and biodiversity-based businesses across diverse ecosystems.
- **El Salvador:** Efforts led by IDB, FAO, IUCN, and UNDP support soil and water restoration, climate adaptation in production systems, and sustainable energy, with GEF, GCF, and Adaptation Fund support. These interventions complement the government's National Ecosystems and Productive Landscapes Program (PREPP 2025), with which the Fund aligns by investing in SMEs that apply nationally validated practices in sustainable agriculture, agroforestry, and aquaculture.
- **Guatemala:** IDB and UNDP projects focus on climate-resilient agriculture, agroforestry, and emissions reductions for smallholder farmers and the forest sector.
- **Panama:** Climate actions emphasize sustainable energy, biodiversity conservation, and climate-smart production systems, with support from GEF, GCF, CIF, and the Adaptation Fund.
- **Peru:** With funding from GCF, GEF, and the Adaptation Fund, Peru supports forest management, resilient agriculture, and bioeconomy projects in Amazonian and Andean regions.

VI. Maladaptation prevention

The project explicitly integrates safeguards to avoid maladaptation, following the guidance of the IPCC AR6 WGII (SPM, Section C.4, page 27) and the five dimensions identified by Barnett and O'Neill (2010). These dimensions—ranging from increasing GHG emissions to constraining future adaptation options—have informed both the design of the Theory of Change and the screening criteria for investee enterprises. All interventions are assessed to ensure they enhance, rather than undermine, adaptive capacity and long-term resilience.

At the project level, the Fund avoids maladaptation by prioritizing nature-based, low-emission solutions; promoting inclusive governance models; and channeling resources to companies with strong rural value chains that positively impact the most vulnerable populations. Through inclusive business models, based on community partnerships, and technical assistance, the Fund prevents adaptation solutions that would exacerbate inequalities or displace vulnerable actors. Investments that could create lock-in effects, marginalize vulnerable groups, or present high opportunity costs are screened out through the Environmental

and Social Management System (ESMS). In addition, the Technical Assistance Facility supports investees in identifying and addressing potential maladaptation risks, particularly in agricultural and land use interventions where trade-offs are most acute.

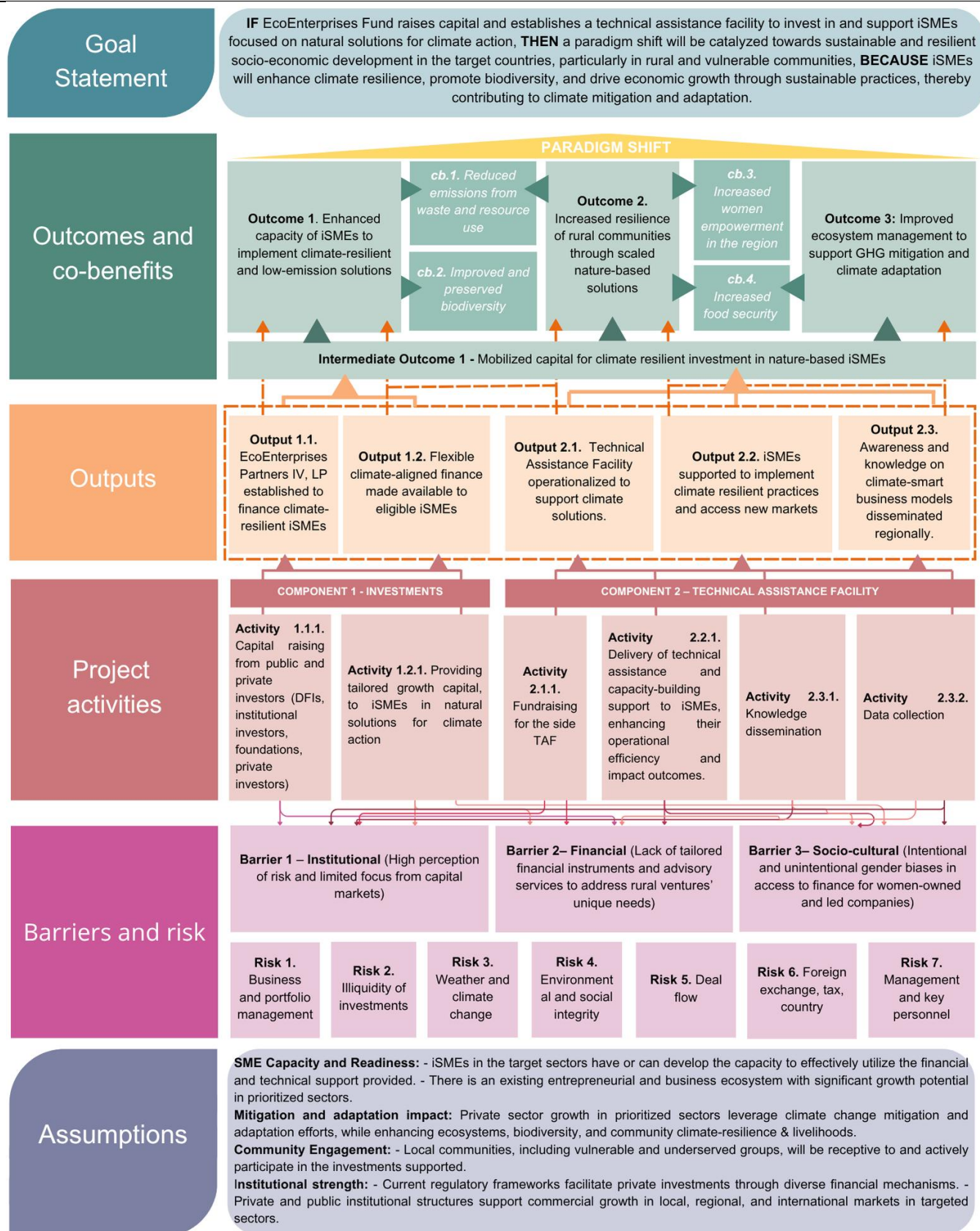
This approach ensures that adaptation responses remain flexible, locally appropriate, and responsive to future climate uncertainty, consistent with IPCC AR6 guidance and best practices for transformative, no-regrets climate action.

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B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)



EcoEnterprises Partners IV Theory of Change

The Theory of Change for EcoEnterprises Partners IV is designed to demonstrate how targeted investments in nature-based innovative small and medium enterprises (iSMEs) across LAC can deliver scalable climate, environmental, and social benefits. The goal statement for the project's Theory of Change reads as follows: **“IF EcoEnterprises Fund raises capital and establishes a technical assistance facility to invest in and support iSMEs focused on natural solutions for climate action, THEN a paradigm shift will be catalyzed towards sustainable and resilient socio-economic development in the target countries, particularly in rural and vulnerable communities, BECAUSE iSMEs will enhance climate resilience, promote biodiversity, and drive economic growth through sustainable practices, thereby contributing to climate mitigation and adaptation.”**

The ToC identifies key barriers limiting climate adaptation and mitigation, including restricted access to finance for nature-based solutions, weak enabling environments, limited technical and business capacity in iSMEs, and underrepresentation of women in accessing financing. The intervention logic assumes that if EcoEnterprises Fund provides tailored investment and technical assistance to iSMEs with high environmental and social impact potential, then these businesses will be able to scale climate-smart, inclusive business models, strengthen value chains, and contribute to climate resilience, biodiversity conservation, and sustainable livelihoods.

The expected long-term impact includes improved climate resilience and reduced GHG emissions, particularly in vulnerable ecosystems and rural communities. Outcomes are grouped into three pathways: (1) increased access to climate finance and business support for iSMEs, (2) strengthened capacity and governance for nature-based business models, and (3) expanded adoption of climate-resilient practices. Cross-cutting priorities include gender equality, social inclusion, and knowledge dissemination to foster replication and systems change.

In addition to climate adaptation and mitigation outcomes, the initiative generates multiple co-benefits. These include the protection and restoration of ecosystems, improved water and soil quality, enhanced food security, income diversification for rural communities, and empowerment of women groups through active participation and leadership in sustainable businesses. The promotion of circular economy models and nature-based solutions also helps increase market access and long-term viability of local enterprises.

The ToC incorporates monitoring and feedback loops to refine strategies over time and ensure adaptive management. This approach enables EcoEnterprises Fund to act as a catalytic force within the impact investment ecosystem, demonstrating that private sector engagement in climate solutions can generate measurable, lasting benefits for people and the planet.

The success of EcoEnterprises Partners IV is based on several key assumptions. It assumes that there is a growing pipeline of investible iSMEs in target countries with the potential to generate both financial returns and measurable climate and social impacts. It also assumes that these enterprises, when supported with tailored financing and technical assistance, can overcome barriers related to capacity, scale, and market access. A stable and enabling policy environment is presumed, where government frameworks continue to promote climate-smart agriculture, conservation, and nature-based solutions. The project assumes that there will be sustained interest from co-investors and aligned stakeholders in scaling private-sector contributions to climate adaptation and mitigation. Furthermore, it is assumed that rural and vulnerable communities are willing and able to participate in and benefit from inclusive business models, and that gender equity and social inclusion can be meaningfully embedded in enterprise operations. Finally, it assumes that monitoring systems can effectively capture and communicate impact, enabling continuous learning and adaptive management.

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	MRA 2 Low-emission transport	MRA 3 Building, cities, industries, appliances	MRA 4 Forestry and land use	ARA 1 Most vulnerable people and communities	ARA 2 Health, well-being, food and water security	ARA 3 Infrastructure and built environment	ARA 4 Ecosystems and ecosystem services
O1: Enhanced capacity of MSMEs to implement climate-resilient and low-emission solutions.	☐	☐	☐	☒	☒	☒	☐	☒
O2: Increased resilience of rural communities through scaled nature-based solutions.	☐	☐	☐	☒	☒	☒	☐	☒
O3: Improved ecosystem management to support GHG mitigation and climate adaptation.	☐	☐	☐	☒	☒	☒	☐	☒

If any co-benefits have been identified in section B.2(a), fill in the Co-benefit table below to map each co-benefit to the corresponding category as defined in the FP guidance note.

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
cb.1. Reduced emissions from waste and resource use	☐	☐	☐	☐	☐	☒
cb.2. Improved and preserved biodiversity	☒	☐	☐	☐	☐	☐
cb.3. Increased women empowerment in the region	☐	☐	☐	☒	☐	☐
cb.4. Increased food security	☐	☒	☐	☐	☐	☐

B.3. Project/programme description (max. 2500 words, approximately 5 pages)

I. Project focus

With GCF support, EcoEnterprises Partners IV will invest in innovative SMEs (iSMEs) across eight target countries -Belize, Costa Rica, Dominican Republic, Guatemala, Ecuador, El Salvador, Panama, and Peru-, contributing to sustainable economic growth and climate change adaptation and mitigation.

The initiative includes two components: (1) **an investment structure composed of two distinct but jointly managed limited partnerships (see Section B.4 for further details on the implementation arrangement of this structure) target AUM US\$150M; GCF US\$30M, US\$120M co-financing (Component 1); and (2) a US\$3.5M Technical Assistance Facility (TAF) GCF US\$2M, US\$1.5M co-financing (Component 2). An additional US\$2 million from GCF matched with US\$.5M co-financing** is requested for communications, impact monitoring, and knowledge sharing to enhance replication and ownership.

Investments in GCF Host Countries will represent 60% of the fund's portfolio. Aligned with the IRMF, the project will address one Mitigation⁴⁰ and three Adaptation⁴¹ Results Areas. All investment recipients under Component 1 will be eligible for TA under Component 2, though participation may vary depending on interest and capacity. GCF TA funds will be exclusively reserved for companies operating in countries where the Fund has secured a No Objection Letter (NOL). Only the US\$2M contribution from GCF is restricted for use in these NOL countries, while the additional US\$1.5M in co-financing may be used more broadly in line with the Fund's overall impact objectives. The TA Manager will work to ensure broad engagement.

The Fund and the Technical Assistance Facility (TAF) are managed under a unified structure, with the same Fund Manager overseeing both components. This governance arrangement ensures full alignment of investment and technical assistance strategies. Operational integration is embedded across all stages of the investment cycle: the Fund Manager's investment team jointly assess TA needs during pipeline screening, investment structuring, and post-investment monitoring, ensuring that TA support directly reinforces financial and impact performance.

Coordination is further enabled through shared tools, environmental and social policies, and performance metrics across both components. For instance, technical assistance priorities are often identified during due diligence and incorporated into investment agreements, while post-investment monitoring can trigger additional TA support if emerging challenges or opportunities arise. This integrated model allows for efficient resource allocation, responsive support, and consistent alignment between capital deployment and capacity building. For further detail on the TA process, including the identification of needs and preparation and approval of proposals, please see Annex 19. While all portfolio companies under Component 1 are eligible for TAF support, participation is guided by specific criteria. Mainly there needs to be a demonstrated need for technical strengthening in key areas such as ESG, adaptation, or inclusive business practices, a clear commitment from company leadership to the implementation of the project and the capacity to contribute the necessary counterpart contribution, whether in cash or in kind, depending on the specific arrangement and TA grant conditions. TA interventions are selected and prioritized jointly by the Fund Manager and the portfolio company, based on investment strategy, impact potential, and capacity. Further details on TA selection processes can be found in Annex 19.

⁴⁰ MRA 4 – Forestry and land use

⁴¹ ARA 1 – Most vulnerable people and communities; ARA 2 – Health, well-being, food and water security; and ARA 4 – Ecosystems and ecosystem services.

II. Rationale for the Approach: Private Capital, Technical Assistance, and Nature-Based Solutions

The proposed combination of private financing and technical assistance (TA), targeting nature-based solutions (NbS), has proven to be a particularly effective and cost-efficient strategy for building resilience in climate-vulnerable regions like Latin America and the Caribbean (LAC). Evidence shows that flexible debt and equity investments, especially in small and growing businesses, can unlock innovation, mobilize private capital, and foster long-term alignment with environmental and social outcomes. Compared to grants, flexible debt financing and equity allows for greater flexibility and catalytic impact, encouraging investees to adopt climate-resilient practices while scaling their business models ([GIIN, 2020](#); [OECD, 2022](#)). Meanwhile, TA ensures that enterprises overcome technical and operational barriers, enhancing their capacity to implement the highest environmental and social standards, gender-responsive and community-centered adaptation strategies.

NbS are widely recognized as among the most cost-effective means of addressing both climate mitigation and adaptation. According to the [UNEP \(2021\)](#), NbS can provide up to 37% of the mitigation needed by 2030 while enhancing resilience, livelihoods, and biodiversity. Compared to hard infrastructure or engineered alternatives, NbS combined with equity investments and technical assistance have proven to be more **cost-effective, adaptive, and socially inclusive** in building climate resilience. For instance, [UNEP's State of Finance for Nature \(2021\)](#) highlights that while conventional infrastructure such as levees and concrete barriers typically show benefit-cost ratios (BCRs) between 2:1 and 5:1, NbS deliver **high BCRs**—up to **28:1** in some cases—, while providing co-benefits for biodiversity, water security, and livelihoods, therefore, making them a more effective and cost-efficient strategy for building resilience.

Unlike rigid infrastructure, NbS are **flexible, self-sustaining, and can evolve with changing climate conditions**. Moreover, engineered solutions often fail to address systemic vulnerabilities, especially for marginalized rural and indigenous populations. In contrast, blended approaches that combine private capital with community-based NbS offer **long-term ecosystem stability** and **inclusive economic opportunities**, aligning with both adaptation and mitigation goals ([UNEP, 2021](#); [World Bank, 2023](#); [Global Commission on Adaptation, 2019](#)). For instance: **mangrove restoration for coastal protection** has BCRs over 10:1 ([World Bank, 2020](#)); **watershed protection upstream of urban areas** ranges from 6:1 to 20:1 ([UNEP, 2021](#)); and **agroforestry systems for smallholder resilience** exceed 12:1 ([FAO & GCF, 2020](#)). These benefits go beyond climate adaptation and include improved agricultural productivity, biodiversity conservation, local job creation, and carbon sequestration.

In rural LAC contexts, NbS such as agroforestry, regenerative agriculture, and sustainable landscapes have demonstrated high returns in terms of climate risk reduction, ecosystem service restoration, and community empowerment, especially when paired with inclusive finance and TA ([World Bank, 2020](#); [FAO, 2021](#)). Beyond adaptation, NbS generate co-benefits such as biodiversity conservation, increased agricultural productivity, carbon sequestration, and local job creation—making them a particularly suitable strategy in the targeted rural and natural landscapes of Latin America and the Caribbean. Mobilizing private capital toward NbS through impact investment vehicles is therefore essential, as public resources alone are insufficient to meet adaptation financing gaps. This integrated approach, leveraging private sector engagement and nature-positive pathways, has precedent in several successful models across the region and aligns with global best practices promoted by the GCF and other climate finance institutions.

III. Project Summary – Paradigm Shift and Strategy

Goal and Paradigm Shift

EcoEnterprises Fund aims to catalyze a paradigm shift toward climate-resilient, inclusive, and sustainable development by investing in and supporting innovative SMEs (iSMEs) delivering natural climate solutions

across Latin America and the Caribbean. This shift will enhance climate resilience, promote biodiversity, and drive socio-economic growth, particularly in rural and vulnerable communities.

Strategy

To achieve this, EcoEnterprises Fund will establish:

EcoEnterprises Partners IV – a US\$150 million fund providing flexible capital (equity, mezzanine, quasi-equity) to iSMEs in key climate-related sectors.

A Technical Assistance Facility (TAF) – a US\$3.5 million facility (US\$2 million from GCF) offering capacity building and tailored support to enhance business performance, climate impact, and investment readiness.

GCF support includes US\$30 million in equity to leverage 4x additional capital from private and development finance sources, a US\$2 million grant contribution to the TAF and US\$2 million in grant funding for monitoring, evaluation, and communication to foster knowledge-sharing and replication of successful models.

EcoEnterprises Partners IV will prioritize investments in local and women-led iSMEs across five key sectors, supporting a just transition to a low-carbon, climate-resilient economy. The following sector descriptions include some examples of past EcoEnterprises Fund portfolio companies in the LAC region:

1. **Sustainable or Regenerative Agriculture:** The Climate Policy Initiative estimates a [\\$87 billion annual](#) climate finance gap for agricultural adaptation in LAC, where sustainable practices can transform food systems and mitigate environmental impacts. Investments in regenerative models, like agroecology, are critical.
2. **Agroforestry/Forestry:** [Agroforestry systems in LAC cover an estimated 200 to 500 million hectares](#), encompassing silvopastoral systems and tree-shaded crops like coffee and cacao. Despite increasing interest, there remains a large investment gap for sustainable forestry and agroforestry initiatives that can generate climate, biodiversity, and community benefits.
3. **Aquaculture:** Strategic for food security and environmental sustainability. Investment will address sector challenges: habitat degradation, disease, and regulations. Focus on ecological stewardship and community engagement.
4. **Circular Economy and Climate Tech:** Targets scalable climate solutions with strong return potential. Growing market supported by policy and innovation trends. *Examples:* Biodigesters for clean energy. Wood waste-to-pellet energy producer. Insect-based alternative protein. Agronomic platform using data for resource optimization and biopesticide use.
5. **Ecotourism:** Emphasis on conservation and community benefit.

As outlined in

Table 11, the agriculture sectors that EcoEnterprises Partners IV will target are key to agricultural productivity in the target countries and are associated with high climate and environmental relevance. Some of these sectors are currently contributing to land degradation and forest loss under conventional production practices, are highly vulnerable to climate change impacts, and/or present strong potential to generate climate and environmental co-benefits. Specifically, they offer opportunities to regenerate ecosystems, enhance biodiversity, sustain ecosystem services, and strengthen the climate resilience of local communities. Many of these sectors—such as avocado, cardamom, coffee, cocoa, quinoa—also rely on smallholder participation within supply chains and are subject to international market demands for traceability and sustainable production, which is expected to further drive the shift toward low-emission, climate-resilient value chains.

Table 11. Examples of climate risks and benefits of sustainable land management in target sectors

Sector	Countries that are major producers	Climate risks and hazard projections	Adaptation and mitigation benefits of sustainable land management
Avocado	Dominican Republic	- Avocado farming requires substantial water, which can strain resources in drought-prone areas. Land conversion for avocado orchards may also lead to deforestation and habitat loss. - In the Caribbean, drought frequency and duration are projected to increase significantly by mid-century (IPCC AR6). Expansion of avocado farming has also led to deforestation and ecosystem degradation.	Avocado-based agroforestry models have been found to improve water retention, reduce deforestation, and stabilize yields under drought conditions. Tree components contribute to carbon sequestration (~2–3 t CO₂/ha/year) and habitat restoration.
Bananas	Belize, Dominican Republic, Guatemala, Ecuador, Costa Rica and Panama	- In Central America, climate models project increased rainfall variability, more frequent extreme storms, and flooding by 2040, which raise disease pressure on banana monocultures. These hazards threaten yields and increase chemical dependency.	Banana-based agroforestry systems offer both environmental and socioeconomic advantages, such as improved soil fertility and enhanced carbon sequestration. These systems can increase carbon storage and reduce reliance on synthetic inputs, thereby mitigating GHG emissions.
Cardamom	Guatemala	- Cardamom is sensitive to changes in rainfall and temperature. Climate variability can adversely affect yields and quality, impacting the livelihoods of smallholder farmers who depend on this crop. - Projections show increased irregularity in rainy seasons and more frequent dry spells in Central America.	- Agroforestry and shade systems help buffer extreme weather, improve soil moisture retention, and ensures long-term productivity. - These systems enhance carbon sequestration and reduce deforestation pressures in mountainous areas.
Citrus Fruits (Oranges and Grapefruits)	Belize and Peru	- Citrus cultivation can lead to deforestation and soil degradation, especially when forests are cleared for new groves. The use of agrochemicals poses risks to soil and water quality. - Projected warming during flowering and maturation phases threatens sugar-acid balance.	- Drip irrigation in citrus crops reduces water use by up to 30%, strengthening drought adaptation. - Integrated pest management cuts pesticide use by 20%, reducing greenhouse gas emissions. - Agroforestry with citrus sequesters 1–2 t/ha/year of carbon, contributing to climate mitigation.

	Coffee	Dominican Republic, Ecuador, El Salvador, Costa Rica, Panama and Peru	- Coffee production is highly sensitive to climate variability. Changes in temperature and precipitation patterns can affect yields and quality, posing challenges to farmers and the overall industry. Shortages in skilled labor also make it difficult for farmers to cultivate coffee of sufficient quality to serve the specialty coffee market. - Projections from IPCC and the Climate Knowledge Portal suggest that by 2050, suitable land for arabica coffee could shrink by 40–60% in Mesoamerica due to rising temperatures, erratic rainfall, and increased risk of coffee rust (<i>Hemileia vastatrix</i>).	- Sustainable practices such as shade-grown systems and agroforestry improve climate resilience by buffering temperature extremes, enhancing soil moisture retention, and reducing disease vulnerability. ResearchGate - These systems also contribute to climate mitigation through tree-based carbon sequestration (1–3 t CO₂/ha/year), while supporting biodiversity and income diversification.	
	Cocoa	Belize, Dominican Republic, Guatemala and Ecuador	- Cocoa cultivation has been associated with deforestation and biodiversity loss. - Smallholder cocoa producers in Latin America are particularly vulnerable to climate change due to limited access to resources and adaptive technologies, making it challenging to respond to climate-induced stresses - Irregular rainfall affects the reproductive stages of cacao, such as flowering and pollination, reducing yields. - Projections show that up to 50% of current cocoa-growing areas could become less suitable by 2050 due to climate stressors.	- Agroforestry systems in cocoa farming can sequester carbon and mitigate climate change effects. Wikipedia - Cocoa can be grown in ways that promote biodiversity and support healthy ecosystems - Agroforestry entails planting cocoa in and among diverse trees and crops - Environmental benefits of this practice include carbon sequestration, soil health, nitrogen fixation, water regulation, erosion control, microclimate control, and increased biodiversity. - Agroforestry cocoa systems can help farmers as well, by facilitating income diversification and improving food security.	
	Maize	Belize, Ecuador, El Salvador and Panama	- Maize cultivation is sensitive to climate change, with temperature fluctuations and altered precipitation patterns affecting yields. - Maize is highly susceptible to drought, which can lead to significant yield reductions. - Models project yield declines of up to 30% in Central America under high-emissions scenarios by 2050. Drought frequency is expected to intensify in regions like eastern El Salvador and northern Belize.	- Intercropping maize with legumes in Guatemala and El Salvador boosts soil fertility and sequesters carbon, with studies showing 0.5-1.5 t/ha/year carbon storage - Agroforestry systems with maize in Costa Rica and Panama enhance drought resilience, reducing yield losses during dry spells	

Pineapple	Dominican Republic and Costa Rica	- Pineapple cultivation can cause soil degradation and water pollution due to chemical inputs. Implementing sustainable farming practices can help reduce these effects. - Pineapple cultivation has been associated with deforestation, soil erosion, and chemical runoff due to intensive pesticide and fertilizer use, leading to water contamination and negatively affecting local ecosystems.	Adopting sustainable land management practices in pineapple cultivation, such as organic farming, vegetative buffer zones, and reduced agrochemical use, helps adapt to climate variability by improving soil structure, enhancing water retention, and reducing erosion and runoff. These interventions also contribute to mitigation by lowering nitrous oxide emissions from fertilizers and minimizing nutrient leaching, which reduces eutrophication and supports carbon sequestration in soils.
Potatoes	Peru	- Climate change has led to increased droughts, frosts, and hailstorms, threatening potato yields. - Potato cultivation in the Peruvian Andes is being pushed to higher altitudes due to climate change: by 2050, suitable growing zones are projected to shift upslope (by approximately 300–500 m), reducing available land and increasing vulnerability to frost and drought. - Farmers are responding by planting at higher elevations and preserving diverse potato varieties to enhance resilience. ThinkLandscape.	Integrating cover crops in potato farming improves soil structure, reduces erosion by up to 95%, which enhances resilience to extreme rainfall and drought. This sustainable land management approach also contributes to mitigation by increasing soil organic carbon and reducing emissions associated with fertilizer runoff and land degradation.
Quinoa	Peru	- Quinoa is relatively resilient to harsh climatic conditions, but changing weather patterns can affect yields. - Climate projections suggest that quinoa-growing areas in the Andes will face increased risks of irregular rainfall, with more prolonged dry spells and erratic wet seasons, as well as warmer temperatures and glacier retreat by mid-century. - Farmers are adapting by selecting more resilient varieties and adjusting planting schedules.	Sustainable land management practices in quinoa cultivation, including agroforestry, improve soil fertility, enhance water availability, and create favorable microclimates for crop development. These practices also reduce GHG emissions by increasing soil organic carbon, minimizing synthetic fertilizer use, and avoiding land degradation that would otherwise release stored carbon.
Rice	Belize, Dominican Republic, Ecuador, Costa Rica	Rice cultivation is highly dependent on rainfall patterns, making it vulnerable to climate variability. Practices such as continuous cropping without fallow periods can lead to soil	Incorporating trees in rice systems in Costa Rica and Panama sequesters 1–2 t/ha/year of carbon and improves soil moisture retention, supporting drought resilience

	and Panama	degradation and reduced long-term productivity. USDA Foreign Agricultural Service - Rice cultivation, particularly in flooded paddies, emits methane, a potent greenhouse gas. Additionally, water-intensive rice farming can strain local water resources, especially during periods of drought. - Rice cultivation in these countries is projected to face heightened climate variability, with models showing decreased annual precipitation and more frequent droughts, alongside irregular heavy rainfall that can cause flooding and nutrient runoff.	System of Rice Intensification (SRI) boosts yields and cuts water use enhancing drought adaptation - Biochar application sequesters 0.8–1.5 t/ha/year of carbon in rice soils, improving resilience to flooding
Sugarcane	Belize, Dominican Republic, Guatemala, Ecuador, El Salvador, Costa Rica, Panama and Peru	- Sugarcane farming harms soil, forests, and water due to intensive use of resources. - It has contributed to ecosystem loss, like Brazil's Atlantic Forest World Wildlife Fund. - Deforestation, erosion, and pollution result from extensive land clearing and irrigation Wikipedia. - These environmental impacts worsen climate change by reducing biodiversity and increasing emissions. - Sugarcane is highly water-dependent, making it vulnerable to drought and water shortages. - By the end of the century, sugarcane regions in Central and South America are expected to experience more frequent and intense mid-season droughts ('canícula'), temperature stress, and water scarcity.	- Sustainable land management in sugarcane systems, including riparian restoration, reduced tillage, and organic matter retention, enhances adaptation by stabilizing water flows, reducing erosion, and improving drought resilience. - In Guatemala and Costa Rica, sugarcane farming under conservation practices sequester soil carbon, similar to Brazil. - Sugarcane bioethanol in Ecuador and Peru reduces GHG emissions by up to 80% - Riparian restoration in Panama and Costa Rica improves water quality and reduces erosion.

Two-Component Strategy

Component 1 – Investments: Provide growth capital to iSMEs implementing nature-based solutions, enabling them to scale production, reach new markets, and increase their climate and socio-economic impact.

Component 2 – Technical Assistance (TAF): Deliver business strengthening and technical support to help iSMEs implement sustainable practices, manage environmental risks, and align with ESG best practices. Training will also enhance their capacity to attract further investment.

Expected Results

- Strengthened financial and technical capacity of iSMEs
- Scaled adoption of climate-smart practices
- Increased resilience and economic opportunity in rural communities
- Measurable contributions to climate change mitigation and adaptation
- Knowledge dissemination and replication of proven models through case studies, tools, and publications

Outcomes and Co-benefits

The project is built around one intermediate outcome and three key outcomes that collectively contribute to climate change mitigation, adaptation, and inclusive economic growth:

Intermediate Outcome

1. **Mobilized capital for climate resilient investment in nature-based iSMEs:** The Fund will achieve its capitalization target of US\$150 million by mobilizing a mix of public and private investors, including development finance institutions (DFIs), institutional investors, and private capital. This capital will enable iSMEs to access the financial and technical support necessary to scale nature-based climate solutions and enhance their business capabilities. The increased flow of private investment is essential to deliver the expected climate resilience and adaptation outcomes.

Key outcomes

1. **Enhanced capacity of iSMEs to implement climate-resilient and low-emission solutions :** iSMEs will benefit from tailored financial instruments (e.g., debt, equity, mezzanine, quasi-equity) and technical assistance to expand operations, improve sustainability, and adopt climate-smart technologies. This will enhance their competitiveness and ability to attract additional capital while strengthening their environmental, social, and governance (ESG) performance.
2. **Increased resilience of rural communities through scaled nature-based solutions :** By supporting iSMEs with strong rural value chains, the project will enhance environmental sustainability and improve community adaptation to climate risks. Rural producers will benefit from improved access to markets, technology, technical assistance and finance, leading to reduced climate vulnerability, increased biodiversity, and more resilient livelihoods.
3. **Improved ecosystem management to support GHG mitigation and climate adaptation :** Investments in reforestation, regenerative agriculture, and sustainable land use will restore degraded ecosystems, reduce carbon emissions, and protect biodiversity. These efforts will preserve ecosystem services, combat deforestation, and contribute to long-term environmental sustainability and local well-being.

The project outcomes will be measured using portfolio company metrics, which EcoEnterprises Fund has historically collected and monitored annually. A comparison between these impact metrics and GCF's Integrated Results Management Framework (IRMF) indicators shows strong alignment with GCF's goals. This comparison is detailed in Annex "12. GCF - EcoE indicators framework alignment" in the Concept Note v3 and further developed in Annex 6, which outlines EcoEnterprises Partners IV's Environmental and Social Management System (ESMS).

In addition to GHG emissions mitigation and climate change adaptation, the project will generate significant co-benefits, including:

- **cb.1. Reduced emissions from waste and resource use**
- **cb.2. Improved and preserved biodiversity**

- **cb.3. Increased women's empowerment in the region**
- **cb.4. Increased food security**

These co-benefits contribute to long-term impact goals such as the preservation of ecosystem services, reduced gender inequalities, strengthened community resilience, and the sustainability of natural assets for future generations.

In addition to the previously mentioned co-benefits, the proposed interventions contribute to national commitments under the Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD). By supporting iSMEs in regenerative agriculture, ecosystem restoration, and biodiversity-based value chains, the Fund helps advance the implementation of National Biodiversity Strategies and Action Plans (NBSAPs) and Land Degradation Neutrality (LDN) targets across the eight target countries. These investments support nature-based solutions that deliver integrated climate, biodiversity, and land-use benefits in line with these conventions. The table below summarizes how the Fund's interventions align with each country's national priorities under the CBD and UNCCD, as reflected in their respective Biodiversity Strategies (NBSAPs) and Land Degradation Neutrality (LDN) commitments. It also highlights selected public and private financing initiatives that support biodiversity conservation and land restoration in each country.

Table 12. Project's alignment with national priorities under the CBD and UNCCD

Country	CBD (NBSAP) Alignment	UNCCD (LDN/NAP) Alignment	Financing Schemes & Innovations
Belize	Supports NBSAP 2016–2020 through investments in biodiversity-friendly agroforestry and conservation.	Contributes to Belize's 2022–2030 landscape restoration strategy under its LDN commitment.	• Land Degradation and Biodiversity projects supported by GEF. • Protected Areas Conservation Trust (PACT) channels national and international funding for biodiversity and forest conservation.
Costa Rica	Aligned with efforts to update NBSAP by supporting biodiversity integration in agriculture and forestry.	Aligns with Costa Rica's NAP and LDN targets via regenerative land-use and soil rehabilitation.	• GEF project for marine conservation and sustainable financing. • National Payment for Ecosystem Services (PES) schemes and Blue Economy financing pilots.
Dominican Republic	Advances NBSAP 2011–2020 via support for protected areas, sustainable production, and biodiversity corridors.	Reinforces National Drought Plan through biodiversity-enhancing agroforestry and land restoration.	• GEF-supported biodiversity and drought projects. • Public-private reforestation programs under Ministry of Environment.
Ecuador	Supports modernization of NBSAP by strengthening ecosystem monitoring and institutional capacities.	Contributes to UNCCD planning through regenerative land-use models in degraded rural areas.	• Biofin and GEF-7 projects under MAATE. • National PES and REDD+ strategies promote private biodiversity investment.
El Salvador	Contributes to Biodiversity Strategy 2013 through investments in ecosystem restoration and climate-smart agriculture.	Supports national LDN goal to restore 1 million hectares via sustainable land use investments.	• CF-FAO project supports restoration and climate-resilient production in the Dry Corridor. • Incentives for agroecological farming and ecosystem service payments.
Guatemala	Supports National Biodiversity Policy 2011 by promoting restoration and sustainable ecosystem use.	Advances LDN action plans through soil restoration and reforestation in rural landscapes.	• PROBOSQUE and GEF/FAO LDN projects. • Public investment in agroforestry and REDD+ aligned with national NAP.

Panama	Aligns with national NBSAP via agroecological investments and biodiversity-friendly business models.	Contributes to agro-zoning and soil restoration in alignment with Panama's NAP under UNCCD.	• FIDECO and GEF-funded biodiversity corridors. • Private ecotourism investments aligned with SINAP and agro-zoning.
Peru	Advances 2021 NBSAP goals with investments in biodiversity-friendly agriculture and high-Andean ecosystem conservation.	Directly supports Peru's voluntary LDN targets through ecosystem and soil rehabilitation strategies.	• PROFONANPE manages GEF and bilateral funds. • MINAM+CAF supports biocommerce and restoration in Andean-Amazon regions.

Project Outputs and Activities

Output / Activity

Description

Output 1.1.

EcoEnterprises Partners IV established to finance climate-resilient iSMEs

Fund IV aims to reach US\$150 million by the first half of 2026 to provide growth capital for iSMEs delivering natural solutions to climate change, under a gender-smart and inclusive investment approach.

Activity 1.1.1. Capital raising from public and private investors

Ongoing fundraising process from development finance institutions, foundations, and private investors to reach target fund size, using the Fund's existing network and tailored outreach strategies.

Output 1.2. Flexible climate-aligned finance made available to eligible iSMEs

iSMEs will access flexible financial instruments (debt, equity, mezzanine/quasi-equity) tailored to their growth stage and business model to scale climate and biodiversity-positive solutions.

Activity 1.2.1. Providing tailored growth capital to iSMEs in natural solutions for climate action

The Fund will structure and deliver growth capital aligned with risk-adjusted return targets and impact goals, using its investment policies to evaluate and support innovative iSMEs in key natural climate solutions sectors.

Output 2.1. Technical Assistance Facility operationalized to support climate solutions

With a target of US\$3.5 million, the TAF will provide case-by-case support to portfolio companies in key impact areas such as gender-smart actions and climate solutions, as well as for operational and financial improvements. The facility has dedicated staff and procedures in place.

Activity 2.1.1. Fundraising for the side TAF

Additional fundraising efforts are underway to complement the initial TAF through mobilizing resources from philanthropic donors, technical assistance windows, and bilateral and multilateral agencies to ensure adequate support for iSMEs' needs across the portfolio.

Output 2.2. iSMEs supported to implement climate resilient practices and access new markets

iSMEs will have access to additional financial and technical support to implement high-impact practices that improve climate adaptation, biodiversity conservation, and rural livelihoods across their supply chains.

Activity 2.2.1. Delivery of technical assistance and capacity-building support to iSMEs

The Fund will manage the TAF to efficiently deliver targeted TA for the companies to implement climate-smart technologies, strengthen internal systems, and improve overall impact and financial performance.

Output 2.3. Awareness and knowledge on climate-smart business models disseminated regionally

Annual and quarterly reports, case studies, publications and participation in sector events facilitate knowledge exchange and transparency around fund activities and outcomes, encouraging replication and broader ownership of successful climate-smart models.

Activity 2.3.1. Knowledge dissemination

The Fund will share lessons learned through reports, publications, case studies, events, and technical dialogues.

Activity 2.3.2. Data collection

Systematic collection and analysis of impact data from portfolio companies, aligned with the Fund's Environmental and Social Management System (ESMS) and GCF's IRMF, to track and communicate results.

A detailed activity matrix linking activities to outputs and outcomes is included in the Table below, to improve the internal logic and implementation transparency:

Table 13. Activity Matrix: Linking Activities to Outputs and Outcomes

Component	Activity	Linked Output(s)	Linked Outcome(s)	Brief Description / Logic
1. Investments	1.1.1 Capital raising from public and private investors	Output 1.1 EcoEnterprises Partners IV established	Intermediate Outcome 1 Mobilized capital	Secures investment capital needed to finance climate-resilient iSMEs across target countries
	1.1.2 Providing tailored growth capital to iSMEs	Output 1.2 Flexible finance to iSMEs	Outcome 1 Enhanced iSME capacity Outcome 2 Increased community resilience	Capital investments enable iSMEs to adopt and scale resilient, low-emission solutions
2. Technical Assistance Facility	2.1.1 Fundraising for TAF	Output 2.1 TAF operationalized	Outcome 1 Enhanced iSME capacity	Secures capital to be able to establish the vehicle through which value add support is delivered
	2.2.1 TA and capacity-building to iSMEs	Output 2.2 iSMEs supported to implement resilient practices and access markets	Outcome 1 Enhanced iSME capacity Outcome 2 Increased community resilience	Builds iSMEs' business and technical capacity to implement nature-based solutions, improve market access and climate resilience
	2.3.1 Knowledge dissemination	Output 2.3 Awareness and	Outcome 2 Increased resilience	Regional learning and replication of climate-smart models enables scaling and policy uptake

		knowledge disseminated	Outcome Improved ecosystem management	3	
	2.3.2 Data collection	Output Awareness and knowledge disseminated	Outcome Improved ecosystem management	3	Enhances monitoring of GHG mitigation, biodiversity impact, and ecosystem health; feeds into adaptive management and learning

Project Barriers and Risks

Growing SMEs and communities in Latin America stand as pivotal contributors to climate solutions, wielding potential for significant positive impact. However, their potential for impact encounters formidable barriers, particularly in accessing the necessary financial resources. This challenge stems from a complex interplay of factors, including the scale of these businesses, perceptions of risk associated with rural ventures, limited focus from capital markets on specific sectors crucial for rural development and nature-based solutions, and a general lack of tailored financial instruments and advisory services to address their unique needs.

These businesses need solutions, financial support and capacity building, designed specifically to their realities. After more than two decades working in the region, EcoEnterprises Fund has experience developing instruments and interventions that align with the unique needs of these companies. Importantly, long-term engagement with companies over a 10-year fund enhances results, helping these businesses to grow and leverage additional capital, ensuring long-term success and positive results for local ecosystems and the climate.

Despite growing awareness of the climate crisis and its disproportionate impacts on vulnerable communities, a number of interrelated **barriers** continue to inhibit meaningful and timely action by key stakeholders—such as agricultural businesses, smallholder farmers and cooperatives, iSMEs, and government agencies—across Latin America and the Caribbean. These actors often lack enabling conditions, including access to information, technical capacity, adequate financing, and institutional support, which limits their ability to identify climate risks and scale up nature-based solutions and climate-resilient practices. Overcoming these constraints is essential to unlock proactive investment in low-carbon, climate-resilient production systems. These barriers fall into four categories:

1. **Financial barriers** include a lack of tailored, climate-aligned investment vehicles for iSMEs and insufficient access to concessional finance, particularly for enterprises in rural or degraded areas. Capital markets often perceive these ventures as high-risk, leading to underinvestment in high-impact solutions.
2. **Technical barriers** relate to the limited capacity of many iSMEs to design and implement scalable NbS. These include skills gaps in impact monitoring, business model innovation, and sustainable land and resource management. This constraint limits the operational viability of climate-resilient business strategies and the potential for replication.
3. **Socio-cultural barriers** disproportionately affect women-led and rural enterprises. Gender and cultural biases hinder equitable access to finance and technical assistance, particularly for Indigenous, Afro-descendant, and young rural women entrepreneurs. These biases, often unconscious, can persist within financial institutions and value chains.
4. **Institutional and policy barriers** may also manifest as fragmented regulatory frameworks, limited national incentives for nature-based or resilience-oriented entrepreneurship, and underdeveloped policy environments fail to reward ecosystem-based adaptation and mitigation efforts.

The Project's design directly addresses these barriers:

- Through **Component 1 (Investments)**, the Fund mobilizes blended capital to de-risk private investment and deliver flexible, growth-oriented finance tailored to nature-based iSMEs. This approach supports the financial viability of enterprises otherwise excluded from mainstream investment.
- **Component 2 (Technical Assistance Facility)** builds the capacity of iSMEs to deliver climate solutions. Activities under Outputs 2.1 and 2.2 provide targeted business and technical support, facilitating market access, increasing capacity to tackle technical barriers, and gender-inclusive practices. Capacity-building modules are also designed to reduce uptake risks by being context-responsive and culturally appropriate.
- Knowledge-sharing activities (Output 2.3) engage policymakers, financial actors, and local stakeholders to improve enabling conditions and policy alignment, especially in countries with fragmented governance systems.

The following Activity–Barrier–Output Causal Logic Matrix illustrates how each proposed activity is directly designed to address one or more of the key barriers identified in the project context. By clearly linking activities to specific outputs through the lens of these barriers, the matrix demonstrates a coherent and strategic results chain. This structure reinforces the Project's Theory of Change and enhances the likelihood of delivering transformative and sustainable climate outcomes across the target countries.

Table 14. Activity–Barrier–Output Causal Logic Matrix

Activity	Addressed Barrier(s)	Linked Output(s)
1.1.1 Capital raising	Barrier 1 – Institutional (perceived risk in green sectors) Barrier 2 – Financial (lack of tailored climate finance)	Output 1.1 – Fund established to finance iSMEs
1.1.2 Growth capital to iSMEs	Barrier 2 – Financial (limited instruments for rural ventures) Barrier 3 – Socio-cultural (limited access to finance for women-led businesses)	Output 1.2 – Climate-aligned finance available
2.1.1 TAF fundraising	Barrier 2 – Financial (absence of advisory and support services)	Output 2.1 – TA Facility operationalized
2.2.1 Technical assistance delivery	Barrier 2 – Financial Barrier 3 – Socio-cultural (capacity gaps for women-led businesses) Barrier 1 – Institutional (limited enabling environment)	Output 2.2 – iSMEs supported to implement climate-resilient practices
2.3.1 Knowledge dissemination	Barrier 1 – Institutional (low awareness among stakeholders) Barrier 3 – Socio-cultural (limited role models and visibility of inclusive businesses)	Output 2.3 – Knowledge on climate-smart models disseminated
2.3.2 Data collection	Barrier 1 – Institutional (lack of evidence base) Barrier 3 – Socio-cultural (limited sex-disaggregated data)	Output 2.3 – Knowledge on climate-smart models disseminated (evidence-informed)

The following tables describe three key barriers—two financial and one sociocultural—that EcoEnterprises Fund identifies as the primary challenges this Project seeks to address. Each table outlines the proposed interventions to overcome these barriers and highlights how EcoEnterprises Fund has adapted its investment approach over the years based on its lessons learned

Table 15. FINANCIAL BARRIER - High perception of risk and limited focus from capital markets.

1. FINANCIAL BARRIER- High perception of risk and limited focus from capital markets.	
Barrier	Intervention to overcome barrier
➤ High perception of risk: Climate solutions and rural development sectors are seen as high-risk due to factors such as fluctuating currency values and political instability in target countries, which can impact investment performance. ➤ Lack of capital market focus: Capital markets have limited attention on these sectors, deterring investor participation. ➤ Illiquidity of investments: Developing capital markets contribute to the illiquidity of investments, further discouraging private investors. ➤ Difficulty in generating investment flow: These factors make it challenging to create a steady stream of investment opportunities for small and medium-sized innovative enterprises (iSMEs) focused on nature-based solutions for climate action.	✓ Leverage 25 years of experience: EcoEnterprises Fund has extensive experience in the region with in-person presence in Costa Rica and Colombia, as well as a network of partner organizations, co-financiers, NGOs, advisors, foundations, accelerators, and ecosystem builders. ✓ Expand regional investments: The project will invest in multiple countries, building on EcoEnterprises Fund's experience and networks, which have successfully identified and supported natural solutions for climate action. ✓ Utilize GCF resources: GCF support will enable EcoEnterprises Fund to expand into countries that are crucial for climate adaptation but have historically received limited investor attention due to high perceived risk. ✓ Work with local legal counsel: Collaborating with local legal experts ensures that investments align with national regulations, addressing the complexities of different legal and regulatory frameworks across countries. ✓ Develop effective investment structures: Based on years of experience, EcoEnterprises Fund employs investment structures tailored to specific country contexts, such as put options on equity positions, providing effective exit mechanisms. ✓ Mitigate regulatory risks: While regulatory delays (e.g., permitting, approval) have limited impact on EcoEnterprises Fund's portfolio, its work with local counsel and advisors ensures efficient investment execution and risk mitigation.
EcoEnterprises Fund's previous experience & proposed changes based on lessons learned	
➤ Over 25 years, EcoEnterprises Fund has developed a rigorous risk assessment and management approach to address the high perception of risk associated with rural climate investments. This includes company-level mitigation planning and tools such as a climate risk assessment recently conducted across its portfolio to guide tailored adaptation strategies. Additionally, the Fund prioritizes companies with export revenue or export potential to mitigate currency volatility. ➤ EcoEnterprises Fund's track record of four successfully managed funds demonstrates its ongoing efforts to attract capital market interest in climate solutions for Latin America. Fund IV will deepen this work by expanding to underserved countries in Central America, where financing gaps remain critical. GCF's capital will help build strong, climate-aligned portfolios that can leverage follow-on investment from global capital markets. ➤ Drawing on its experience structuring long-term investments with development finance institutions, EcoEnterprises has learned how to unlock private capital flows by demonstrating portfolio performance and liquidity. Fund IV integrates lessons from previous funds and will incorporate structures that improve early liquidity—such as repayment schedules with regular interest payments and evenly distributed amortization—to build investor confidence and reduce perceived illiquidity.	

Table 16. FINANCIAL BARRIER - Lack of tailored financial instruments and advisory services to address rural ventures' unique needs.

2. FINANCIAL BARRIER- Lack of tailored financial instruments and advisory services to address rural ventures' unique needs.	
Barrier	Intervention to overcome barrier

➤ Absence of tailored business models: Financial intermediaries lack business models that are designed to serve iSMEs in rural development sectors, limiting access to credit and financing for these businesses. ➤ Vulnerability to climate risks: Many rural ventures face significant climate risks, as they are highly vulnerable to extreme weather events that can disrupt operations and supply chains. ➤ Lack of risk-mitigating financial products: The absence of financial products specifically designed to address climate risks further reduces the resilience of these ventures. ➤ Hindered growth and sustainability: Without these tailored instruments and advisory services, the growth and long-term sustainability of rural ventures is compromised.	✓ Development of customized financial instruments: EcoEnterprises Fund leverages 25 years of experience to design and deploy financial tools that are adapted to the specific operational and risk profiles of rural iSMEs. ✓ Long-term investment horizon: Through a 10-year fund lifecycle, EcoEnterprises Fund maintains sustained engagement with portfolio companies, enabling gradual growth and consolidation of their business models. ✓ Support for capital mobilization: Continued partnership helps iSMEs improve performance and attract additional financing, enhancing their financial sustainability. ✓ Focus on environmental and climate outcomes: Tailored support and availability of technical assistance strengthens the long-term environmental impact of rural ventures, including benefits to local ecosystems and climate resilience.
EcoEnterprises Fund's previous experience & proposed changes based on lessons learned ➤ EcoEnterprises Fund has consistently applied the four listed interventions in past funds, based on firsthand experience with the financing challenges faced by rural iSMEs. ➤ The development of tailored financial instruments, long-term engagement, support for capital mobilization, and focus on environmental and climate outcomes have all emerged as effective strategies to strengthen the performance and resilience of rural ventures. ➤ These approaches have proven successful and are therefore being scaled further in Fund IV, as the need for such instruments and services has only increased with growing climate-related and economic pressures in target geographies.	

Table 17. SOCIO-CULTURAL BARRIER - Intentional and unintentional gender biases in access to finance for women-owned and led companies.

3. SOCIO-CULTURAL BARRIER - Intentional and unintentional gender biases in access to finance for women-owned and led companies.	
Barrier	Intervention to overcome barrier
➤ Systemic gender bias in financial institutions restricts women entrepreneurs' access to capital, especially in rural areas. ➤ Eligibility criteria often fail to reflect the economic realities and business models of women-led enterprises. ➤ Physical barriers, such as geographic distance from financial services, further exclude women from financial systems. ➤ Limited financial inclusion with a gender lens reduces economic opportunities for women and stifles innovation in sustainable and climate-adaptive solutions. ➤ Underinvestment in women-led iSMEs hinders their contributions to sustainable development and climate resilience.	✓ Promote equitable access to financing and capacity building to ensure the full participation of women in climate-smart economic activities. ✓ Invest in businesses that prioritize women's roles as owners, leaders, employees, or key actors in the supply chain. ✓ Align investments with the 2X Challenge criteria to systematically support women's economic empowerment. ✓ Recognize women-led climate ventures as key actors and intentionally prioritize them in funding strategies. ✓ Address systemic neglect and bias by creating financial solutions tailored to the specific needs of women entrepreneurs. ✓ Leverage research findings (e.g., from FAIR Center and Pro Mujer) to design interventions that confront gender-based barriers in financial access. ✓ Bridge the gap in investment for women-led iSMEs to unlock their potential in contributing to sustainable development and climate resilience.
EcoEnterprises Fund's previous experience & proposed changes based on lessons learned	

- In Fund III, EcoEnterprises Fund began to formally explore investments at the intersection of gender and climate, recognizing this as a natural focus area aligned with its mission and portfolio composition. This experience has highlighted the value of integrating gender-lens considerations into broader impact themes such as climate adaptation, biodiversity, and sustainable land use.
- With Fund IV, the Fund will deepen its engagement with portfolio companies to promote awareness of the gender–climate nexus and to co-develop strategies that enhance both gender equity and climate resilience.
- EcoEnterprises Fund will continue aligning with frameworks such as the 2X Challenge and will use its TA Facility to offer support that helps companies to implement concrete measures that reflect the link between gender equity and climate resilience.

The project also faces several **risks**, which have been summarized in the ToC diagram and are described below. A description of how EcoEnterprises Fund has addressed these risks over time—drawing on its experience and lessons learned—as well as the proposed mitigation strategy and the linkage of each risk to key components, outputs, and outcomes, is included in Section F.1: Risk Factors and Mitigation Measures.

1. Business and Portfolio Management Risks

Across Latin America and the Caribbean, sustainable investment strategies often face business and portfolio company management challenges due to institutional fragility, informality, and weak governance structures. In countries like El Salvador and Guatemala, small and medium enterprises (SMEs) commonly lack robust financial and operational systems, hindering effective risk assessment and portfolio company monitoring. According to the Inter-American Development Bank (IDB), these weaknesses limit SMEs' ability to scale and deliver long-term impact.

2. Illiquidity of Investments

Equity investments in green and resilient businesses often face illiquidity risks, particularly in countries with underdeveloped capital markets. In Panama and the Dominican Republic, for example, impact investors face a scarcity of exit opportunities and few secondary financial instruments. The OECD notes that the limited depth of capital markets in the region hampers the ability to recover investments in the medium term, especially in climate-sensitive sectors like agriculture.

3. Weather and Climate Change Risks

The region is highly exposed to climate-related hazards. Countries like Belize and the Dominican Republic are increasingly vulnerable to hurricanes and tropical storms, while Peru and Ecuador are subject to recurrent El Niño and La Niña events, which cause flooding, droughts, and temperature variability. According to the Economic Commission for Latin America and the Caribbean (ECLAC), these events have caused severe economic disruptions and damage to rural livelihoods in recent years, threatening the sustainability of climate-resilient enterprises.

4. Environmental and Social Integrity Risks

Projects operating in or near Indigenous territories, protected areas, or socially sensitive landscapes can face substantial environmental and social integrity risks. In Ecuador and Panama, there have been documented land conflicts involving Afro-descendant and Indigenous communities, particularly in regions where overlapping land claims exist. The United Nations Development Programme (UNDP) emphasizes the importance of applying inclusive stakeholder engagement processes and robust safeguards to prevent and mitigate social conflict.

5. Deal Flow Risks

Despite growing interest in green business models, the number of investment-ready, nature-based or climate-resilient SMEs remains limited across target countries. In Guatemala and the Dominican Republic, for instance, early-stage businesses often lack the technical, financial, and operational readiness required

to attract investment. As highlighted by IDB, technical assistance is critical to developing a strong pipeline of investable projects in these markets.

6. Foreign Exchange, Tax, and Country Risks

Macroeconomic instability and foreign exchange fluctuations remain relevant risks in some target countries. In El Salvador and Peru, the volatility of commodity prices and reliance on foreign currency inflows create exposure to exchange rate shocks. In Belize and Panama, evolving tax regimes and political transitions may impact investor confidence and increase compliance risks, especially for cross-border investments.

7. Management and Key Personnel Risks

One of the most common risks faced by investee companies in the region is the limited availability and retention of skilled personnel, particularly in rural and underserved areas. In countries such as Guatemala, Peru, and the Dominican Republic, iSMEs often struggle to recruit professionals with the necessary technical, managerial, or field experience to scale resilient and nature-based business models. According to the IDB, high staff turnover and lack of local expertise in climate-resilient agriculture and sustainable supply chains can hinder operational continuity and innovation. Moreover, gender and cultural barriers may further limit access to qualified local talent, especially in Indigenous and Afro-descendant territories. Addressing this risk requires long-term investment in local capacity building, inclusive hiring practices, and staff retention strategies tailored to rural contexts.

While the project addresses a broad set of barriers and risks to climate resilience and nature-based enterprise development, a more strategic impact pathway demands prioritization based on the **relevance, severity, and likelihood** of these across the eight partner countries. This approach to risk and barrier prioritization demonstrates the Project's adaptive management plan and safeguards framework. It allows for **tailored mitigation measures** that are context-appropriate and embedded from the design stage—improving delivery efficiency, promoting inclusive resilience, and enhancing the project's overall impact.

The following tables present a prioritization of the key barriers and risks identified in the GCF proposal, based on EcoEnterprises Fund's 25 years of experience investing in climate-resilient, biodiversity-focused iSMEs across Latin America and the Caribbean. Prioritization highlights the most critical barriers that the Fund's strategy—and the proposed Project—aim to address. Each barrier and risk is, therefore, rated according to its relevance, severity, likelihood of occurrence, and the Fund's capacity to mitigate it.

Table 18. Barrier Prioritization.

Barrier	Priority Level	Justification based on EcoEnterprises' experience
Financial	● High	Lack of flexible, long-term climate finance is the top constraint for iSMEs. NbS are often excluded from conventional finance systems.
Socio-cultural	● High	Structural exclusion of rural women, Indigenous Peoples, and Afro-descendant communities limits their participation unless targeted, inclusive mechanisms are in place.
Technical	● Medium	Capacity gaps are real but can be addressed through TA, where EcoEnterprises has strong experience.
Institutional and Policy	● Low	While institutional weakness may exist, it can be mitigated via knowledge sharing, communication strategies, and stakeholder engagement—approaches the Fund has used effectively.

Table 19. Risks Prioritization.

Risk	Priority Level	Justification
Business and Portfolio Management	● High	Weak management systems among iSMEs can affect Fund's performance. This has been one of the most recurrent challenges across EcoEnterprises' three funds.
Illiquidity of Investments	● Medium	It is still a challenge in LAC markets, though mitigated through flexible financial instruments and revenue-based models.
Weather and Climate Change	● High	High likelihood and impact. Events such as El Niño, droughts, flooding, hurricanes, and other severe climate events, have historically disrupted rural SMEs in targeted countries.
Environmental and Social Integrity	● Medium	Potentially high impact, but mitigated through strong ESMS, safeguard training, and community engagement, which the Fund already applies.
Deal Flow	● Low	EcoEnterprises already has an active and growing pipeline; deal flow is not a limiting factor at present.
Foreign Exchange, Tax, and Country Risks	● Medium	Macroeconomic volatility remains, but the Fund is diversified across eight countries and structures deals accordingly.
Management and Key Personnel (iSMEs)	● High	Rural iSMEs often struggle to attract/retain talent, directly impacting resilience, innovation, and governance. This is a known and recurring risk.

By categorizing and prioritizing barriers and risks based on severity according to regional context, the Project demonstrates a coherent, evidence-based, and adaptive strategy. This alignment between barriers, activities, and outputs ensures a strong causal logic across the results chain, improving the likelihood of delivering transformative and sustainable climate outcomes.

The following table presents an integrated summary of the key financial, technical, and socio-cultural barriers, along with prioritized risks, contextualized with country-specific evidence. The information is based on official sources and regional diagnostics relevant to the Fund's operations across the eight partner countries in Latin America and the Caribbean.

Table 20. Barriers and Risks prioritized as High or Medium.

Barrier / Risk	Description	Country-Specific Evidence
B1: Financial Barrier	Lack of tailored, climate-aligned finance for rural, biodiversity-based businesses.	Guatemala, El Salvador, Dominican Republic: High risk perception limits lending (IDB). Ecuador & Peru: Absence of long-term finance tools (OECD 2022). Belize: SMEs underserved despite high climate exposure (ECLAC 2021).
B2: Technical Barrier	Skills gaps in climate-smart agriculture, NbS, monitoring, and financial management.	Dominican Republic & Guatemala: Limited extension services (IDB 2023). Peru & Ecuador: Weak rural technical capacity (UNDP 2022). El Salvador: National climate plan highlights critical TA needs.
B3: Socio-Cultural Barrier	Gender and ethnic exclusion from value chains and financial services.	Panama & Ecuador: Afro-descendant and Indigenous women underrepresented (UN Women 2022). Peru & Guatemala: High financial exclusion among Indigenous women (INEI, 2021). Costa Rica & DR: Norms and tenure limit women's agency (FAO 2022).
R1: Business and Portfolio Management	Weak internal systems in iSMEs affecting operational and impact performance.	El Salvador & Guatemala: SMEs informality and fragility (IDB 2021). Panama: Limited investment-readiness among rural enterprises.

R2: Illiquidity of Investments	Underdeveloped financial markets hinder exit opportunities.	Panama & DR: Lack of secondary markets (OECD 2022). Costa Rica & Belize: Limited financial platforms for green exits.
R3: Weather and Climate Change	Exposure to droughts, floods, hurricanes, and El Niño/La Niña events.	Belize & DR: High hurricane exposure (World Bank). Peru & Ecuador: Disruptions from El Niño/La Niña (WMO 2023).
R4: Environmental and Social Integrity	Risk of overlap with sensitive ecosystems or territories without clear tenure.	Ecuador & Panama: Land-use conflicts in Indigenous areas (UNDP 2021). Guatemala: Overlapping tenure in biodiversity hotspots (FAO 2020).
R5: FX, Tax, and Country	Macroeconomic and regulatory volatility affecting investment environment.	El Salvador & Peru: Exchange rate and commodity volatility (ECLAC 2023). Belize & Panama: Tax and cross-border uncertainty (OECD 2022).
R6: Management and Key Personnel (iSMEs)	Lack of skilled and stable leadership in rural areas.	Guatemala, DR & Peru: Gaps in technical/leadership talent (IDB 2023). Ecuador: Underrepresentation of Indigenous/women leaders.

Project assumptions

The assumptions that underpin the theory of change include the following:

SME Capacity and Readiness: innovative small and medium-sized enterprises (iSMEs) operating in the targeted sectors either already possess or can build the necessary capacity to effectively use the financial and technical assistance provided through the project. Additionally, it is expected that there is a robust and active entrepreneurial ecosystem with significant growth potential in sectors prioritized for nature-based solutions.

Mitigation and Adaptation Impact: fostering private sector growth in key sectors will contribute meaningfully to climate change mitigation and adaptation. This includes enhancing ecosystem health, biodiversity conservation, and the climate resilience and livelihoods of local communities.

Community Engagement: local communities—including vulnerable and underserved groups—will be open to participating in and benefiting from the interventions supported by EcoEnterprises Fund. Their engagement is considered critical for the success and sustainability of the project's impacts.

Institutional Strength: current regulatory frameworks in target countries are conducive to private investment through a variety of financial instruments. Furthermore, it is expected that both public and private institutional environments will continue to support the commercial expansion of businesses in local, regional, and international markets within the project's focus sectors.

IV. Project approach

EcoEnterprises Partners IV will invest in innovative small and medium enterprises (iSMEs) that integrate rural value chains to drive climate action, strengthen local resilience, and support the conservation and restoration of nature. Building on the legacy of EcoEnterprises Fund, the Fund will apply a **three-step proven approach** to identify 1) innovative businesses (iSMEs), 2) elevate their impact, and 3) scale their business impact.

Investments will focus on three key verticals: i) climate solutions, ii) biodiversity and natural ecosystems, and iii) social impact. By integrating these pillars into each portfolio company's operations, the fund aims to support a low-carbon economy, promote biodiversity conservation, and advance social inclusion. This strategy aligns with multiple UN Sustainable Development Goals, particularly SDGs 2, 5, 8, 12, 13, 14, and 15, with a strong emphasis on SDG 17 through collaborative partnerships, as detailed in Annex 7 – *Summary of Consultations and Stakeholder Engagement Plan*.

Vertical 1 – Investing in Climate Solutions: EcoEnterprises Partners IV will support iSMEs that drive natural climate solutions and business innovation for a low-carbon, resilient economy. Portfolio companies will contribute to climate mitigation and adaptation by:

1. **Conserving and regenerating ecosystems**, including forests, soil, and oceans.
2. **Reducing emissions** via innovations like waste-to-energy, energy efficiency, alternative proteins, and circular business models.
3. **Scaling renewable energy sources** such as biogas, biomass, and solar power.
4. **Strengthening climate resilience** by supporting producers in adopting climate-smart practices and developing ag-tech solutions.

Vertical 2 – Investing in Biodiversity and Natural Ecosystems: The fund will back iSMEs working to protect and restore ecosystems and biodiversity crucial to local economies and global environmental health. These companies will:

1. **Engage in direct conservation and restoration**, using tools like ecotourism, agroforestry, and biological corridors.
2. **Transition to regenerative practices**, redesigning food systems, reducing resource use, and promoting composting and recycling.
3. **Build local capacity and innovation**, offering alternatives to extractive industries, improving supply chain traceability, and connecting rural producers to markets.

Vertical 3 – Investing in Social Equity: EcoEnterprises Partners IV will prioritize businesses that champion social justice, with a strong gender and community focus. EcoEnterprises Partners IV will meet the [2X Criteria](#). Its portfolio companies (iSMEs) will foster **inclusiveness** through:

1. **Adopt inclusive and gender-smart practices**, including equitable leadership representation and tailored capacity-building for women.
2. **Collaborate with rural and marginalized communities**, particularly small farmers and Indigenous peoples, to foster inclusive economic models.
3. **Promote shared ownership**, encouraging employee and community equity participation and strengthening local voice in governance.

EcoEnterprises Partners IV will foster additional value creation with blended capital through a **Technical Assistance Facility** (TAF) that catalyzes impact actions, which are not otherwise possible. These monies will bolster impact outcomes and risk resilience with projects centered on:

- Gender-smart and inclusive practices.
- Climate solutions: e.g. net zero strategies; reforestation; circular economy.
- Supply chain certification and traceability.
- Regenerative agriculture and agroforestry systems.
- Environmental & Social Management Systems.
- Business advisory activities that strengthen company financial and operational sustainability, in areas such as governance, strategy, capital raising, financial systems (forecasting, cash management), capacity development, R&D and innovation, and sales and marketing.

V. Eligibility Criteria

EcoEnterprises Partners IV **eligible investments (EI)** will be **formally incorporated, for-profit companies with sound environmental and social practices in natural solutions for climate action sectors**. EcoEnterprises Partners IV will seek to invest in and scale companies which:

Eligibility criteria	
✓ Demonstrate significant environmental conservation impact at the project site and/or provide financial, training, and employment benefits to local communities. ✓ Promote sustainable use of natural resources and protection of ecosystem services. ✓ Collaborate with local community groups and environmental organizations for long-term sustainability. ✓ Possess strong leadership and management capacity to achieve business goals. ✓ Encourage women's participation in leadership and ensure decent working conditions for female employees. ✓ Show strong financial performance with potential for growth and replication to scale positive impacts.	
General criteria	Industry-specific sectors criteria
➤ Supply Chain: Portfolio companies are encouraged to assess risks and impacts within their supply chains, addressing issues like child labor, safety, and sourcing from sensitive habitats. Certification schemes may support this risk management process. ➤ Environment: Companies must comply with environmental laws and international standards, using low-impact methods to protect biodiversity and reduce chemical use, while implementing climate adaptation, water conservation, and GHG reduction strategies, supported by ongoing environmental monitoring. ➤ Social: Companies must follow national labor laws and international agreements, promote gender-inclusive and culturally sensitive work environments, and ensure inclusive engagement with local communities. Stakeholder participation and fair treatment of migrant workers are key components. ➤ Local Communities and Indigenous Peoples: Companies must avoid harm to the rights, livelihoods, and cultures of local and Indigenous peoples, securing free, prior, and informed consent (FPIC) when applicable, and involving communities throughout project planning and implementation. ➤ Environmental, Health, and Safety and Working Conditions: Companies must uphold national and ILO labor standards, maintain workplace safety, prohibit child and forced labor, and establish an ESMS. They should also provide grievance mechanisms and pursue certifications when feasible. ➤ Commitment to Diversity, Equity, and Inclusion: Companies must actively promote diversity and gender equity in leadership and the workforce, with clear policies and practices supporting non-discrimination, safe working environments, and work-life balance for all employees.	➤ Sustainable/Regenerative Agriculture: Investments prioritize low-impact, organic, and regenerative practices that improve soil, water, and biodiversity, avoid GMOs and deforestation, and promote inclusion of small producers, women, and Indigenous communities. ➤ Sustainable Forestry and Agroforestry: The Fund supports certified sustainable forestry and agroforestry that preserve ecosystems, prohibit harmful logging, and integrate local communities in employment and value-added processing. ➤ Ecotourism: EcoEnterprises Fund seeks low-impact ecotourism ventures that protect ecosystems, engage communities, educate visitors, and integrate sustainable construction and operations, with preference for certified models. ➤ Aquaculture: The Fund supports certified sustainable aquaculture that preserves water resources, avoids ecological disruption, and ensures operations do not harm freshwater ecosystems, wetlands, or traditional land use.

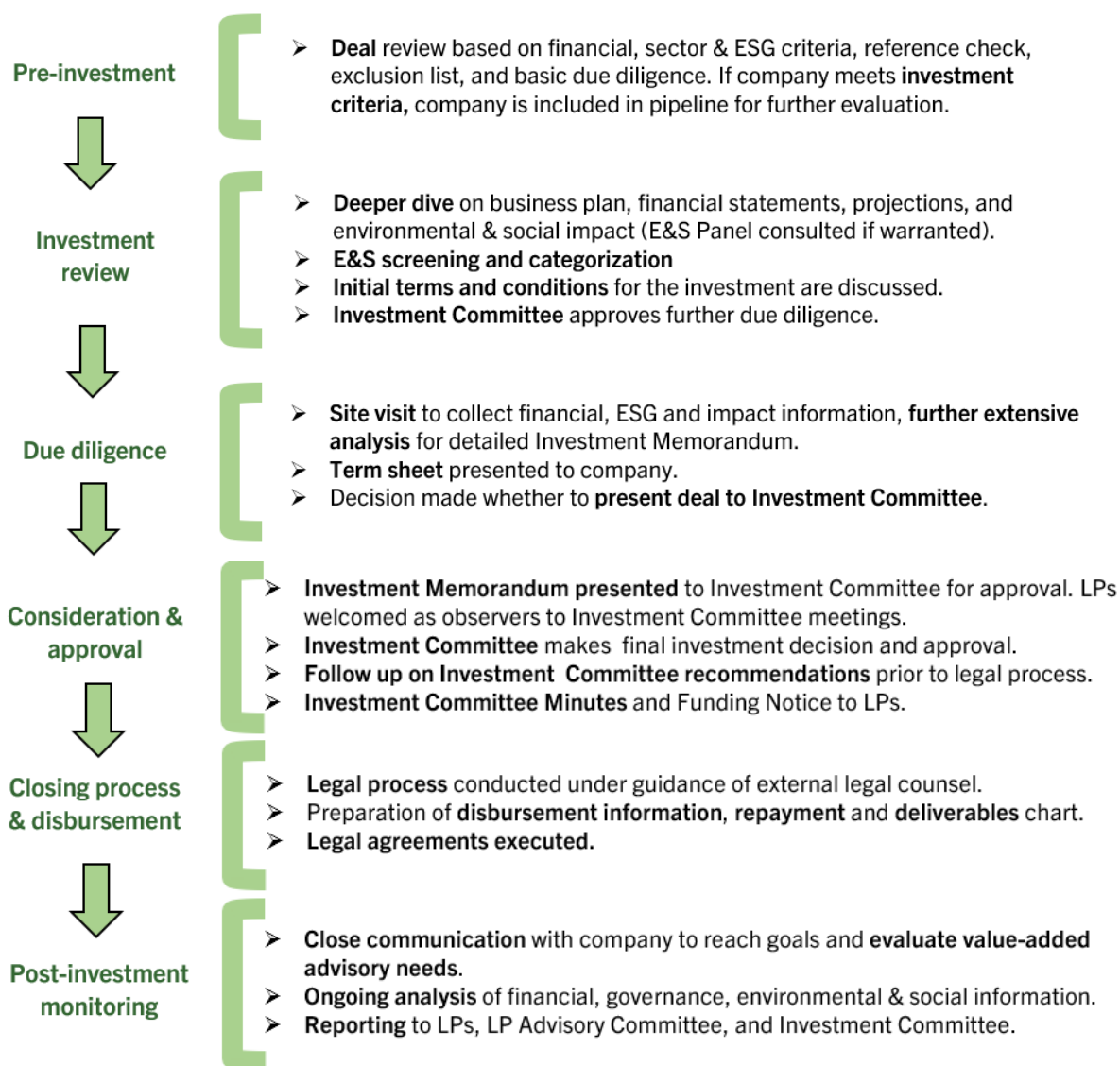
Further details on the Environmental and Social Criteria for Investment can be found in EcoEnterprises Fund's ESMS in Annex 6.

Prior to making investment decisions, EcoEnterprises Partners IV will assess each company's financial, operational, environmental, and social performance, and co-design a tailored financing structure aligned with business objectives and impact potential. To guide investments and ensure effective impact, the Fund will

deploy a set of tools refined over 25 years, updated annually to reflect the latest Good International Industry Practices (GIIP):

1. **Environmental and Social (E&S) Parameters:** A comprehensive set of E&S tools will guide investment decisions, partnership agreements, and ongoing monitoring, applied consistently by the Fund's governance and management bodies.
2. **Environmental and Social Process Screening:** This three-phase screening—Pre-investment, Due Diligence, and Post-investment—ensures ongoing assessment of environmental and social risks and opportunities.
3. **Environmental and Social Guidelines and Criteria:** These guidelines are grounded in IFC Performance Standards and EHS Guidelines, [2X Global](#) gender equity standards, and the Fund's Exclusion List, ensuring portfolio companies meet high environmental and social benchmarks from due diligence to exit.

Eligible investments will go through the following **investment cycle**:



In addition to the investment eligibility criteria above, portfolio companies may access Technical Assistance Facility (TAF) support if they demonstrate a clear need for technical strengthening in priority areas (e.g., ESG, adaptation, inclusive business practices), leadership commitment to implement the TA project, and capacity to provide necessary counterpart contributions (cash or in-kind, depending on the specific arrangement). These TAF eligibility criteria ensure that support is targeted to companies with both high impact potential and readiness to engage in capacity-building partnerships, consistent with the approach described in Section I. Project Focus.

VI. GCF Result areas

With GCF participation, EcoEnterprises Partners IV will build upon these experiences to drive a just transition that fosters equitable economic benefits and responsible management of natural resources, while advocating for climate change mitigation and adaptation through inclusive, community-led natural climate solutions. The outcomes for each investment sector, framed within the GCF Results areas, are outlined in **Table 21** below.

Table 21. GCF Results Areas Matrix - EcoEnterprises Partners IV

GCF Results Area	Key Investment Sectors	Summary of Outcomes
Forestry and Land Use	Sustainable & Regenerative Agriculture, Agroforestry, Forestry, Ecotourism	Mitigates GHG emissions through avoided deforestation, enhanced soil and biomass carbon sequestration, afforestation, and low-impact forest management.
Most Vulnerable People and Communities	All sectors, with a focus on smallholder supply chains	Strengthens local climate resilience via nature-based solutions, diversified livelihoods, inclusive models, and integration of traditional knowledge and adaptation.
Health, Well-being, and Food & Water Security	Sustainable Agriculture, Agroforestry, Aquaculture, Circular Economy, Ecotourism	Enhances nutrition, food and water access, and economic stability through climate-resilient farming, sustainable protein sources, and local economic development.
Ecosystems and Ecosystem Services	Sustainable Agriculture, Agroforestry, Aquaculture, Ecotourism	Restores and preserves ecosystems by improving soil health, biodiversity, water regulation, and habitat protection; ecotourism drives conservation incentives and funding.

VII. EcoEnterprises Fund's background

EcoEnterprises Fund is a women-owned and led firm with a remarkable 25-year track record of constructing investment portfolios that scale natural climate solutions, particularly in biodiverse working landscapes across Latin America and the Caribbean. The Fund focuses on providing tailored growth capital to companies in rural value chains that preserve and restore globally significant ecosystems, promote climate resilience, and enhance equitable stakeholder outcomes, all while delivering strong financial returns. By combining high-touch venture engagement, advisory services, and capital, EcoEnterprises Fund has driven lasting results.

The Fund strategically targets businesses in sectors such as regenerative and sustainable agriculture, agroforestry, forestry, aquaculture, ecotourism, and emerging opportunities like circular economy, ag-tech, and climate tech. Investments in these sectors not only foster economic development but also directly contribute to the adaptation of local communities and ecosystems to climate change, while mitigating its effects.

Track Record Key Figures:

- ✓ **25 years in operation**
- ✓ **48 pioneering companies financed** across 11 Latin American countries

- ✓ **Pipeline company operations extending to Europe and the U.S.**
- ✓ **34 exits finalized**, with remaining deals actively managed
- ✓ **16.9 million acres protected**
- ✓ **1,400 communities involved**
- ✓ **125,700 suppliers supported**
- ✓ **682,400 local people benefitted**
- ✓ **\$2.8 billion in sales generated**
- ✓ **\$600 million in additional capital leveraged**

EcoEnterprises Fund operates with a highly committed team that boasts longevity and a strong reputation in key areas of impact investing:

1. **Partners:** Over 50 years of combined experience in investment, portfolio management, and fund operations, and authors of impactful works such as *Impact Investing for a Sustainable Planet* and *Portfolio for the Planet*.
2. **Investment:** Led by professionals with 60 years of combined expertise in pipeline generation, deal structuring, investment analysis, monitoring, strategy, capacity building, M&A, and exits. The team has worked together for over ten years with offices in Colombia and Costa Rica.
3. **Impact:** A dedicated team with nearly 30 years of experience in environmental and social risk management and impact measurement.
4. **Governance:** A skilled Investment Committee, Impact Committee, and Valuation Committee that strengthen investment management.

EcoEnterprises Fund's strategies are designed to transform the operations of impact-driven iSMEs, promoting resilient, sustainable, and inclusive business models. By facilitating access to financing and technical assistance, the Fund drives the growth of companies that generate positive impacts in the communities and ecosystems where they operate. These companies help reduce emissions from waste and resource use by implementing circular economy practices, resource optimization, and waste reduction, particularly in sectors such as agroindustry, biotechnology, and ecotourism.

Additionally, EcoEnterprises Fund is committed to increasing the number and size of women-led and women-owned businesses in strategic sectors. The Fund prioritizes financing and strengthening sustainable ventures with a gender lens, promoting equity in decision-making within the bioeconomy and ecosystem regeneration. It also empowers women in the region by providing access to training, financing, markets, and business networks.

Over its 25-year history, EcoEnterprises Fund has played a pivotal role in shaping the landscape of impact investing, particularly in the intersection of climate action and sustainable development. It has prioritized climate action as a primary or secondary outcome of all its investments, starting with its first fund launched in 2000 under The Nature Conservancy. As the first women-owned and managed impact fund after spinning off from the Conservancy in 2010, EcoEnterprises Fund developed its proprietary environmental and social (E&S) frameworks, impact management practices, and target initiatives—particularly focusing on climate change.

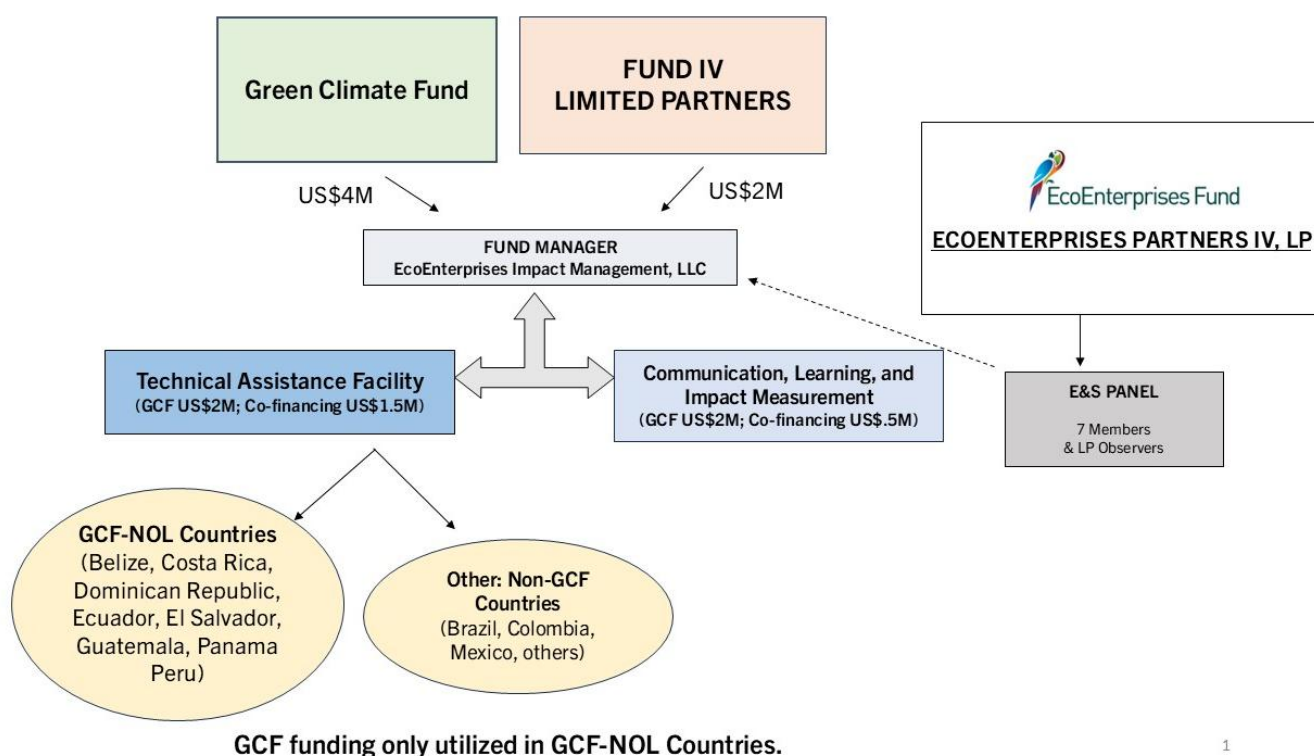
The Fund's results highlight its enduring commitment to fostering economic development while protecting the environment, ensuring social equity, and addressing the impacts of climate change on vulnerable communities.

B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

EcoEnterprises Partners IV, LP is incorporated in Ireland.

EcoEnterprises Partners IV, LP is legally structured as a limited partnership investment fund. All entities under the GCF proposal are in good standing and have met all the necessary legal and regulatory requirements to operate. Please refer to Annex 9 for legal due diligence on the ability of parties to enter into contractual arrangements.

The Fund Manager, EcoEnterprises Impact Management, LLC, will serve as the Accredited Entity (AE) for the GCF project under the Project Specific Assessment Approach (PSAA) modality. The General Partner of EcoEnterprises Partners IV-GCF, LP ("GCF Fund IV") will serve with EcoEnterprises Impact Management, LLC as an Executing Entity given its legal authority in investment and Fund-related decision making within the fund structure. The Fund Manager leads the investment process, including the E&S functions, and manages the Technical Assistance Facility and all grant funding. GCF grant monies will be managed by the Fund Manager and flow through the budget, separated accounting wise under distinct cost center. Separate cost centers are set up for each grant received for the Technical Assistance Facility and, for communication, learning and impact measurement in order to facilitate correct allocation in accounting. Processes for the use of technical assistance monies can be found in Annex 19.



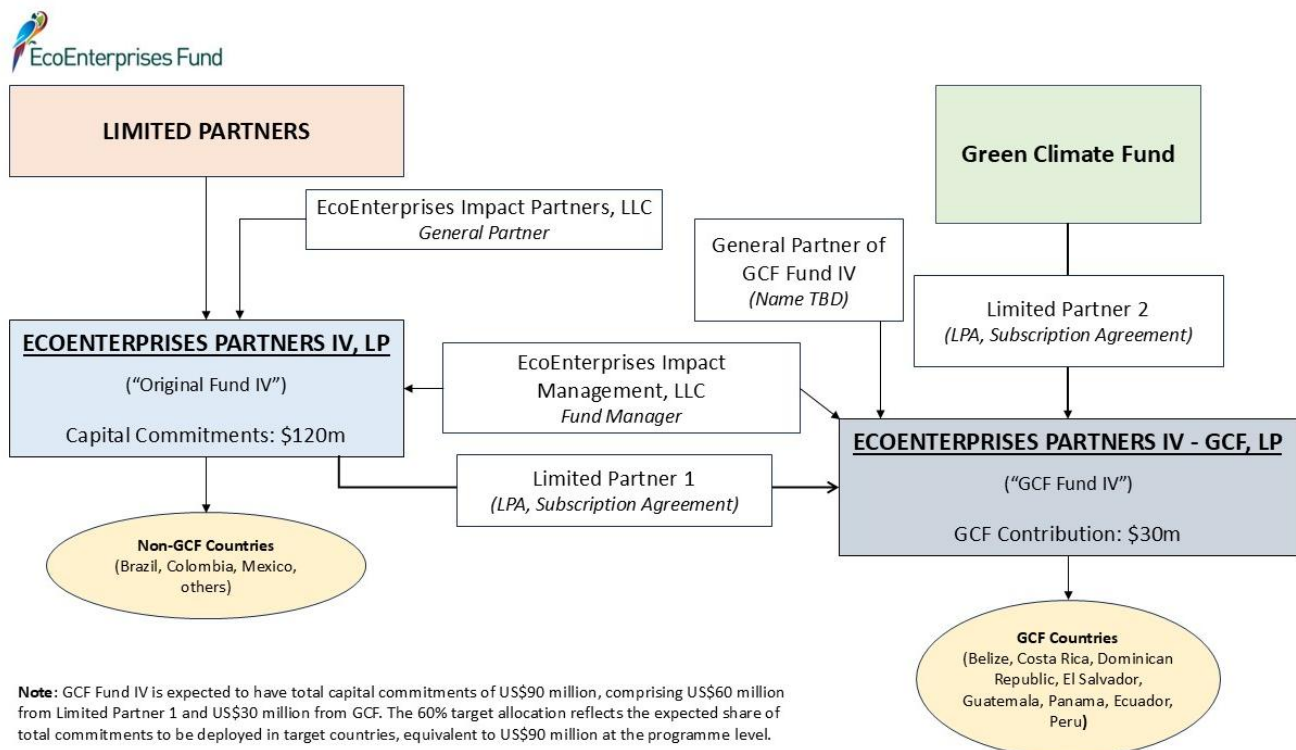
As background, historically in all EcoEnterprises Fund's funds, the Fund Manager has been the key agent for all day-to-day operations of managing the fund's investments and grants-based funding for the Technical Assistance Facility and other purposes, including impact measurement and lessons-learned sharing. Moreover, all budgetary resources have been managed by the Fund Manager. Though the GP has signatory and legal standing in Fund IV, unlike in conventional private equity funds, it has limited role in operations, oversight, and engagement in the funds. The Fund Manager will have final decision making on budgets, work plans, technical assistance, and overall execution and management of Fund IV. The governing bodies of Fund IV include: the Limited Partners Advisory Committee which represents the investors and provides general oversight as per the Limited Partnership Agreement, on which GCF will participate; the Investment Committee, designated by the Limited Partners Advisory Committee, which makes investment decisions; the Valuation Committee, composed of the Investment Committee, and two Non-Executive Independent Directors of the GP which evaluates the portfolio's fair value, to provide an

independent assessment for the investors; and, the E&S Panel representing specialists from development finance institutions which provides input into Fund IV's environmental and social management system.

To ensure compliance with GCF requirements, EcoEnterprises Fund will implement a ring-fencing mechanism through the creation of an additional limited partnership dedicated exclusively to GCF-eligible investments. The existing fund vehicle, EcoEnterprises Partners IV, LP ("Original Fund IV"), will be complemented by the establishment of a second partnership, EcoEnterprises Partners IV-GCF, LP ("GCF Fund IV"), also incorporated under the Limited Partnerships Act 1907.

GCF Fund IV will invest exclusively in Host Countries that have issued No-Objection Letters (NOLs). To ensure full segregation of GCF Proceeds, GCF Fund IV will maintain separate capital accounts, financial reporting, and dedicated tracking of disbursements and reflows, while sharing the same Fund Manager, investment strategy, investment processes, and governance bodies as Original Fund IV.

For each eligible investment, the Fund Manager will allocate capital between Original Fund IV and GCF Fund IV in proportion to their respective commitments for Host Country financing, subject to the requirement that GCF's participation shall not exceed 33.333% of the total investment amount, with allocations adjusted accordingly whenever proportional allocations would otherwise surpass this limit. Investments in non-eligible countries will be executed only through Original Fund IV. This structure ensures that Fund IV continues to operate cohesively from an investment and governance perspective, while maintaining the legal, financial, and operational segregation required to ring-fence GCF Proceeds.



Several legal arrangements will govern the operation of Fund IV, reflecting the establishment of two Irish limited partnerships—EcoEnterprises Partners IV, LP ("Original Fund IV") and EcoEnterprises Partners IV-GCF, LP ("GCF Fund IV")—which together may be referred to collectively as "Fund IV." GCF will participate as a limited partner in GCF Fund IV.

1. **The Limited Partnership Agreement (LPA) of Original Fund IV** will be amended to reflect the subscription by Original Fund IV as a limited partner of GCF Fund IV, and the requirement that all investments in Portfolio Companies by Fund IV shall be made directly by GCF Fund IV, in which limited partners of Original Fund IV will participate through Original Fund IV's limited partner interest in GCF Fund IV. The side letter(s) and other relevant processes at the Original Fund IV level will also be amended to ensure that the GCF is granted necessary consent and other rights in respect of Original Fund IV, including participation in the Limited Partner Advisory Committee ("LPAC").
2. **The Limited Partnership Agreement of GCF Fund IV**, which will reflect substantially the same governance and operating structure as Original Fund IV, while incorporating provisions specific to GCF's participation. The use of GCF Proceeds, restrictions on geographic deployment, segregation provisions, co-financing terms, and audit and reporting rights in respect of GCF Fund IV shall be consistent with the Term Sheet and the FAA. The Fund Manager and Fund Services Administrator will maintain segregated accounting for GCF Fund IV to enable appropriate tracking and reporting of GCF Fund IV's activities. No commingling or cross-collateralization of GCF Proceeds with Original Fund IV capital will occur other than in respect of investments made in eligible Portfolio Companies.
3. **The Management Agreements**, under which EcoEnterprises Impact Management, LLC will serve as the Fund Manager for both partnerships, responsible for sourcing, evaluating, executing, monitoring, and exiting investments, as well as administering the Technical Assistance Facility and all grant-based funding.

Together, these documents and an arrangement or agreement to be entered into between the partnerships to contractualize, will govern how Original Fund IV and GCF Fund IV operate jointly, ensuring unified investment principles, consistent governance standards, and dedicated safeguards for the use of GCF Proceeds.

GCF Fund IV will ensure: (i) legal and financial segregation of GCF capital, assets, and returns from the those of Original Fund IV, including standalone capital accounts and portfolio-level tracking; (ii) use of GCF proceeds exclusively for eligible investments in Host Countries where No Objection Letters (NOLs) have been secured; and, (iii) transparent, auditable financial reporting, including dedicated statements of commitments, disbursements, and reflows.

Fund IV's global fund services administrator will maintain separate accounting records for GCF Fund IV and Original Fund IV. This includes capital accounts, reserves, and capital inflows/outflows from portfolio investments. GCF will have full visibility into the systems through on-line access. Segregated entries will prevent any comingling of GCF proceeds with Original Fund IV capital and ensure that GCF monies are deployed only in NOL-compliant Host Countries.

Fund IV invests directly in portfolio companies through legal arrangements executed under the guidance of local counsel. The fund does not invest in feeder structures or holding companies. The Fund Manager will maintain separate ledgers for GCF investments, enabling standalone reporting of disbursements, reflows, valuation, and portfolio performance.

This proposal is for GCF's involvement will have the same return expectations and terms aligned with other investors. The amount requested in this proposal reflects the expansion of the project's focus to areas of particular interest for GCF. It is anticipated that 60% of Fund IV's targeted AUM will be invested in GCF countries; limited partner capital will match GCF monies to be directed to iSMEs.

GCF capital will be co-invested on a *pari passu* basis alongside other LPs exclusively for investments in eligible iSMEs within Host Countries. All limited partners, including GCF, will share pro rata in the returns,

risks, and losses without seniority or subordination. This will be achieved by allocating each investment proportionately to the respective capital accounts of the participating LPs under Original Fund IV and GCF Fund IV. Investments in non-eligible countries will be funded exclusively through Original Fund IV.

Prior to disbursement, all GCF-financed transactions will undergo location-based screening to ensure NOL compliance. A schedule of all GCF-funded investments, including geographic data and expected reflows, will be maintained and made available to GCF. GCF will retain audit rights over the GCF Fund IV capital account and related investments to verify full compliance with ring-fencing arrangements.

EcoEnterprises Partners IV		Notes
Term	10 years	Closed-end fund with 5-year investment period and 5-year divestment period. The term may be extended for up to two additional 1-year periods.
Fund capitalization	US\$150,000,000	Initial close in Q1 2025, ongoing capital raising thereafter for 12-18 months. Capital raising period can be extended with investor approval.
Technical assistance facility	US\$1,500,000+GCF US\$2,000,000	The technical assistance facility (not included in Fund capitalization) is established to support iSMEs and is managed by the Fund Manager.
Communication and impact measurement	US\$500,000 +GCF US\$2,000,000	This additional GCF support will help EcoEnterprises Fund share lessons, tools, and methodologies related to EcoEnterprises Partners IV's impact measurement resulting in enhanced country project ownership and replication.
Portfolio companies	Estimated 18-20 companies	Targeting EBITDA-positive companies with at least US\$1m in revenue; and 3 years operating history.
Investment size	US\$5-10 million	Including follow-on financing, average investment per company of US\$6.8 million; investments are tranching based on milestones, impact outcomes and business plan benchmarks.
Instruments	Mezzanine instruments quasi-equity and equity positions	Long-term investments with holding periods ranging from 3-8 years.

B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

While there is increasing interest in EcoEnterprises Fund's unique approach—growing nature-based, climate-resilient businesses in the developing markets of Latin America—this strategy remains niche and is still perceived as high-risk in conventional capital markets. GCF's commitment as a senior equity investor is therefore critical, not only to reduce perceived risk but also to signal credibility to other potential co-investors. The involvement of a well-recognized public institution such as the GCF provides an extra layer of assurance that encourages private investors, development finance institutions (DFIs), and multilateral banks to participate, particularly in higher-risk geographies such as the countries covered by this proposal. This is due not only to GCF's rigorous due diligence and high standards, but also because its presence enables the Fund to meet the minimum scale required by larger investors, helping unlock additional co-financing—at a co-financing ratio of 1:4 for the total targeted AUM of US\$150 million.

GCF's participation will also enhance the scale and diversification of the Fund, thereby increasing its overall climate impact potential. Without GCF support, the Fund would likely fall short of its target size, which would limit the number and size of investments and significantly reduce its ability to support high-impact companies—especially those operating in more challenging but critical regions like Central America and the Caribbean. GCF's contribution will enable EcoEnterprises Partners IV to proactively expand into these

historically underfunded areas, where the demand for climate-smart, tailored capital is growing rapidly, and the potential for meaningful adaptation and mitigation outcomes is high, yet the minimal financiers willing to take on the challenge.

EcoEnterprises Fund's investment strategy is specifically designed to fill the financing gap for climate-focused SMEs by offering long-term, patient capital through flexible, tailored instruments. The Fund's mix of mezzanine, quasi-equity, and senior secured debt structures offers an alternative to the short-term, high-collateral financing commonly available in local markets. Unlike traditional banks that typically provide working capital for less than a year, EcoEnterprises Partners IV will offer funding up to 7 years with significant grace periods (1–2 years)—enabling SMEs to make transformative capital investments, expand operations, and move up the value chain, for instance by investing in processing infrastructure. This scarce form of long-term capital has historically played a catalytic role, with EcoEnterprises Fund helping businesses grow to the point where they can successfully attract follow-on financing from local and international banks, ultimately scaling their climate and environmental impact.

Over its 25-year track record and nearly 50 investments, EcoEnterprises Fund has proven its ability to manage risk while delivering market-based returns and climate results. Fund IV will continue this legacy, targeting companies with an established track record and offering most financing through debt instruments backed by solid collateral, while reserving quasi-equity or mezzanine financing for well-positioned, scalable businesses. By combining its tailored capital approach with a deep understanding of the region's ecosystems and business landscape, Fund IV aims to transform how capital supports climate resilience and biodiversity, and help shape more inclusive, sustainable markets in the years ahead.

Lastly, EcoEnterprises Partners IV will leverage the positive trend of nature-positive business models as a significant investment opportunity, with transitions in the food, land, and ocean use sector potentially generating up to US\$3.6 trillion in annual revenue or cost savings and creating 191 million jobs by 2030 (MMF, 2025). From 2004 to 2023, the number of investment funds in this sector has steadily increased, with larger fund sizes and ticket sizes, though private capital still accounts for less than 20% of total nature investments. The World Economic Forum highlights three key systems for transformation: food, land, and ocean use; infrastructure and the built environment; and extractives and energy. These models could generate up to US\$10.1 trillion in additional annual business value and create 395 million jobs by 2030, about 20% of the projected global labor force growth (MMF, 2025). While agriculture and forestry dominate investments, sectors like ocean, fisheries, and aquaculture are expanding, especially in emerging markets within the tropical forest belt. This trend underscores the profitability and necessity of nature-positive models for addressing global climate and biodiversity challenges (MMF, 2025).

B.6. Exit strategy (max. 500 words, approximately 1 page)

EcoEnterprises Fund works closely with companies to ensure that strong financial, environmental, and social management, including climate resilience practices, are ingrained into operations during the investment period. This engagement varies based on needs of the company and includes strengthening financial performance for long-term viability of the company, establishing comprehensive environmental & social management systems with identified internal sustainability leads focused on ongoing climate action, and encouraging governance structures such as board of directors that oversee the company's alignment with its mission. For example, EcoEnterprises Fund may support a company in conducting its first carbon footprint assessment, providing capacity-building to help it understand and manage its emissions. The Fund then monitors the company's progress, ensuring it begins measuring and actively working on reducing its carbon footprint internally. These measures support long-term positive impact that remains even after EcoEnterprises Fund has exited its investment, ensuring that climate action strategies continue to be implemented. If EcoEnterprises Fund's equity facility is sold to a third-party, preference is given to investors or strategic buyers that align with the environmental and social strategy of EcoEnterprises Fund.

EcoEnterprises Partners IV plans to invest in approximately 18 companies over a five-year period, using mezzanine and quasi-equity instruments with a structured exit, focusing on self-liquidating instruments.

Distributions to Limited Partners occur once the project begins receiving payments of interest or capital from portfolio companies. Exits are largely focused in the second half of the ten-year project life, with distributions ramping up accordingly. All investment structures are negotiated to ensure an exit before the end of the Fund's life; most transactions have a debt-like component and a structured equity exit that allow for more control over the exact timing of an exit. EcoEnterprises Fund pursues collateral in transactions, including pledges on shares and assets and/or cash accounts to support liquidity options. Exit strategies and opportunities are continuously evaluated as part of the Fund's ongoing monitoring process relying on the Fund's relationship with the company, understanding of investments cash flow requirements, and utilizing local and international networks for sales, buyouts, refinancing, etc.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount			Currency		
	34			million USD (\$)		
GCF financial instrument	Amount	Tenor		Grace period	Pricing	
(iii) Equity	30,000,000	10 years		N/A		
(vi) Grants	4,000,000					
(b) Co-financing information	Total amount			Currency		
	122			million USD (\$)		
Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
Development Finance Institutions (DFIs)	<u>Equity</u>	<u>80</u>	<u>million USD (\$)</u>	<u>10 years N/A</u>		<u>pari passu</u>
Private Investors and foundations	<u>Equity</u>	<u>40</u>	<u>million USD (\$)</u>	<u>10 years N/A</u>		<u>pari passu</u>
EcoEnterprises Fund and DFIs	<u>Grant</u>	<u>2</u>	<u>million USD (\$)</u>	<u>N/A</u>		<u>pari passu</u>
(c) Total financing (c) = (a)+(b)	Amount			Currency		
	<u>156</u>			<u>million USD (\$)</u>		
(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	Please note that co-financing in portfolio companies is allowable per the Side Letters accompanying the Limited Partnership Agreement; these monies potentially further leverage GCF financing 2x.					
	The Technical Assistance and Other GCF Grants will be matched by DFIs, EcoEnterprises Fund, and portfolio company in-kind and monetary contributions.					

C.2. Financing by component

Component	Output	Indicative cost million USD (\$)	GCF financing		Co-financing		
			Amount million USD (\$)	Financial Instrument	Amount million USD (\$)	Financial Instrument	Name of Institutions
Component 1: Investments	Output 1.1 EcoEnterprises Partners IV established to finance climate- resilient. iSMEs.	150	30	Equity	120	Equity	DFIs and private investors.
	Output 1.2 Flexible climate-aligned finance made available to eligible iSMEs.						

Component 2: Technical Assistance	Output 2.1 Technical Assistance Facility operationalized to support climate solutions.	3.5	2	Grants	1.5	Grants	EcoEnterprises Fund and DFIs
	Output 2.2 iSMEs supported to implement climate resilient practices and access new markets.						
	Output 2.3: Awareness and knowledge on climate-smart business models disseminated regionally.	2.5	2	Grants	.5		
Indicative total cost (USD\$ million)		156	34		122		

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities? Yes ☒ No ☐

C.3.2. Does GCF funding finance technology development/transfer? Yes ☒ No ☐

EcoEnterprises Partners IV will foster additional value creation with blended capital through a Technical Assistance Facility (TAF) that catalyzes impact actions, which are not otherwise possible. These monies will bolster impact outcomes and risk resilience with projects centered on:

- Gender-smart and inclusive practices.
- Climate solutions: e.g. net zero strategies; reforestation; circular economy.
- Supply chain certification and traceability.
- Regenerative agriculture and agroforestry systems.
- Environmental & Social Management Systems.
- Business advisory activities that strengthen company financial and operational sustainability, in areas such as governance, strategy, capital raising, financial systems (forecasting, cash management), capacity development, R&D and innovation, and sales and marketing.

EcoEnterprises Partners IV's TAF will provide capacity building, and, in some cases, technology development/transfer to portfolio iSMEs.

The additional monies requested from GCF for communication, evaluative data collection, reporting and verification of changes in GHG, and resilience and social inclusion indicators will enable EcoEnterprises Fund to continue to share substantive learning and case studies to GCF, in-country partners, other stakeholders and the key players in the climate solutions investment sector.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's [Initial Investment Framework](#).

D.1. Impact potential (max. 500 words, approximately 1 page)

EcoEnterprises Partners IV aligns with the Fund's adaptation and mitigation objectives, contributing to both climate-resilient sustainable development and low-emission economic pathways. The project enhances adaptation by strengthening the resilience of smallholder farmers, iSMEs, and vulnerable communities to the increasing risks posed by climate change, including erratic rainfall, prolonged droughts, soil degradation, and extreme weather events. Through the promotion of climate-smart agriculture, agroforestry, and nature-based solutions, the project reduces exposure to climate-related risks, ensuring food and water security, stable livelihoods, and ecosystem preservation.

Investments from EcoEnterprises Partners IV will **directly benefit 297,563** local people in GCF countries. Additionally, **an estimated 991,103 people will benefit indirectly** from EcoEnterprises Partners IV's activities. Direct adaptation beneficiaries are defined as people whose livelihoods, health, or environment are directly improved in a measurable way by project activities, while indirect beneficiaries are people who benefit from ecosystem services, economic spillovers, or community resilience, even if not targeted directly. Assumptions and calculations for these numbers can be found in Annex 23, while the breakdown per country is provided in Annex 17.

The project helps vulnerable populations—such as Indigenous Peoples and smallholder farmers—adapt to climate variability by strengthening their economic resilience. Expected outcomes include improved soil fertility, higher water retention, and more stable crop yields, reducing climate-induced food shortages and securing sustainable agricultural production in the long term. Additionally, the project enhances watershed management to protect water resources from climate-driven scarcity, preventing soil erosion and improving infiltration, ensuring more reliable water availability in areas experiencing rising temperatures and shifting rainfall patterns.

At the ecosystem level, **the project improves the management, protects and restores over one million hectares of land through avoided deforestation, degraded land recovery, and sustainable land management practices.** These interventions preserve ecosystem services, maintain carbon sinks, and regulate microclimates, providing long-term climate adaptation benefits. Nature-based solutions, such as agroforestry and regenerative agriculture, further strengthen ecosystems' ability to withstand and recover from climate stressors, including rising temperatures, droughts, and extreme precipitation events. The project also enhances economic resilience by fostering diversified and stable income streams for iSMEs and smallholder farmers, reducing their exposure to climate and market volatility.

In addition to its adaptation benefits, the project delivers significant mitigation impacts by reducing GHG emissions, preventing deforestation, and promoting sustainable land-use practices. **Over its 20-year duration, the project is expected to avoid over 55 million tCO₂e, measured against a business-as-usual (BAU) scenario,** which would have increased emissions by 35 million tCO₂e in the intervention areas. The largest mitigation impact comes from avoided deforestation (30.9 million tCO₂e) in countries with high forest loss, such as Belize, Ecuador, El Salvador, Guatemala, Panama, and Peru. Additionally, sustainable agricultural interventions—including no-tillage, organic soil inputs, and residue retention—are projected to reduce emissions by 22.7 million tCO₂e in maize production across El Salvador, Guatemala, Panama, and Peru. Further reductions of 0.6 million tCO₂e will result from transitioning coffee and plantain production to agroforestry in Costa Rica, Ecuador, and the Dominican Republic, which also enhances productivity and climate resilience. Additional, 1.1 million tCO₂e are avoided through restoration of degraded land that will be converted to agriculture and livestock production.

The project's mitigation impact calculations align with international best practices, applying the IPCC Good Practice Guidance for LULUCF methodology through EX-ACT (version 9.4), developed by FAO. While the funded activities represent key value chains driven by smallholder farmers in the region, the final selection of SMEs to be supported will take place at a later stage, based on partnerships formed during implementation

and identified market opportunities. Detailed calculations supporting these mitigation and adaptation impacts are provided in Annex 22, consistent with the GCF's core indicators outlined in Section E.3.

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

EcoEnterprises Fund plays a pivotal role in catalyzing impact in the region. With a high-touch, venture-inspired approach – spending additional time and resources to help companies build sophistication, strengthen governance, manage risk, enhance impact, and execute strategy – EcoEnterprises Fund's involvement creates long-term value for companies and the region that continues far beyond its exit, ensuring truly sustainable outcomes. By helping companies enhance their investment readiness, EcoEnterprises Fund opens doors for them to access additional financing, allowing companies to sustain and expand operations, thereby multiplying impact outcomes. The objective is to create a thriving impact ecosystem in the region, with companies that continue to expand their contributions to climate solutions and social and gender equity.

Additionally, for EcoEnterprises Fund it is paramount to identify and nurture innovative portfolio companies and bolster their growth, in order for them to reach the necessary scale and robustness that allows them to serve as models for replication in the region, with their success, both financial and with regards to impact outcomes, inspiring further action and amplifying the project's catalytic nature. A pioneer itself as the first investment fund established for the preservation of natural capital, EcoEnterprises Fund has worked with innovative nature- and community-based businesses since 1998. Innovations in past portfolios include the first company to sell tea beverages made from the Amazonian guayusa, the first organic shrimp company, a pioneer purveyor of healthy beverages and snacks in Latin America, and the producer of one of only two currently available natural blue colorants – the colorant company was also the first in Colombia to include access and benefit sharing for sourcing communities into its product patent. EcoEnterprises Fund invests in companies showcasing strong examples of innovation both at the technical level and at the business model level. Across the diverse nature-based solutions in which EcoEnterprises Fund invests, technology is an increasingly transformative force, reshaping how the businesses operate. Ag tech such as precision agriculture, biotechnology, and farm management software, are increasingly relevant and required to improve current practices, boost agricultural productivity and efficiency, and achieve quality food production. Climate tech solutions that aim to enhance energy-efficiency and transform systems to be more sustainable are also on the rise. For EcoEnterprises Partners IV, ag tech and climate tech opportunities are expected to become even more relevant and catalytic to the portfolio.

The scalability of this approach is evident in EcoEnterprises Fund's journey. From a proof-of-concept fund launched in 2000 under the Nature Conservancy with US\$5.3 million in assets under management, to a successful independent spin-off in 2011 with US\$35.3 million under management, to the third fund with US\$111 million under management launched in 2018, to the current fund raising for a US\$150 million fund.

To ensure a true paradigm shift, EcoEnterprises Fund continuously shares lessons learned and creates case studies and participates in knowledge sharing events to contribute to support the creation of enabling conditions and environments that can facilitate steps towards low-emission, climate resilient pathways.

Catalyzing Impact: EcoEnterprises Fund Approach

Sustainable Production and Inclusion Approach

EcoEnterprises Fund adopts a comprehensive investment approach to strengthen business models that combine environmental sustainability with economic profitability. Through an investment model based on ecosystem regeneration and community inclusion, the fund supports companies that generate a positive impact on sustainable value chains. This model, anchored in biodiversity conservation and sustainable

production, is implemented through contractual agreements that ensure alignment of objectives among investors, businesses, and communities.

Innovative and Transformational Financing

Access to capital is one of the main challenges for businesses operating in sectors such as sustainable agribusiness, ecotourism, and the bioeconomy. EcoEnterprises Fund mitigates this obstacle by providing flexible financing structured to meet the investment needs of each company. Its mechanisms include:

- **Adapted credit terms**, with grace periods and extended repayment schedules.
- **Hybrid financial instruments**, combining debt and equity to optimize business stability.
- **Risk guarantees**, facilitating additional financing from local banks and institutional investors.

The Fund imposes social and environmental impact criteria as part of its financing conditions, ensuring that beneficiary companies comply with sustainability and social responsibility standards throughout the investment period.

Impact and Transformation Model

EcoEnterprises Fund seeks to transform how markets finance sustainable business models. Its investment model not only supports sustainable production but also incentivizes the regeneration of critical ecosystems and the economic inclusion of local communities. By integrating environmental criteria into financing conditions, the fund contributes to the evolution of the financial sector toward large-scale impact investments.

Through the structuring of environmental and social management plans, beneficiary companies develop the capacity to operate under international sustainability standards. These plans are periodically monitored and evaluated, ensuring compliance with environmental goals, traceability of value chains, and the generation of tangible social benefits.

Scalability and Replicability of the Model

EcoEnterprises Fund positions itself as a leader in impact investment, with a scalable and replicable model that demonstrates the viability of sustainable businesses in emerging markets. The fund's growth strategy includes:

- **Geographic expansion** in Latin America and the Caribbean, focusing on countries with high potential for environmental and social impact.
- **Mobilization of private financing**, creating a multiplier effect by attracting institutional investors and international climate funds.
- **Strategic partnerships with local banks**, facilitating the integration of sustainability criteria into conventional financial products.

Contribution to Regulatory Frameworks and Public Policies

EcoEnterprises Fund operates in synergy with public policies and regulatory frameworks that promote conservation and sustainable development. Its investment approach aligns with international green finance standards and environmental performance criteria, fostering the adoption of best practices in the agribusiness and ecotourism sectors.

Through transparency in impact management and the dissemination of knowledge on regenerative business models, the fund contributes to the evolution of financial systems and the development of more resilient and sustainable markets.

D.3. Sustainable development (max. 500 words, approximately 1 page)

EcoEnterprises Partners IV will contribute to UN's Sustainable Development Goals No.2 Zero Hunger, No.5 Gender Equality, No.8 Decent work and economic growth, No.12 Responsible consumption and production, No.13 Climate action, No.14 Life below water, and No.15 Life on land. The Project will achieve climate, environmental, and socioeconomic results with a strong leverage on SDG No.17 Partnerships for the goals, as further explained in Annex 7 – *Summary of Consultations and Stakeholder Engagement Plan*. The Project will generate the following wider benefits:

Economic co-benefits

- Total number of jobs created – at least 6,000 jobs will be supported through the project and at least 50,000 small-scale producers and farmers will gain access to inputs, supports and/or markets.
- Employment of people from local community at fair wages on a timely basis.
- Indirect benefits to local communities as a result of economic co-benefits provided – the project will benefit at least 991,103 local people.

Social co-benefits

- Provision of benefits and access to training and development for employees where feasible.
- Access to technical assistance and training for suppliers.
- Purchase goods or services from community at fair, transparent pricing and terms.
- Reliance on and incorporation of traditional knowledge base of community and Indigenous Peoples.
- Consideration and appropriate integration of sites with cultural, ecological, economic or religious significance.
- Provision of services (e.g., health, education) to local communities where appropriate and needed.

Gender co-benefits

- Women economic empowerment through investment in business who actively search to benefit women stakeholders (as women owners, leaders, employees and in the supply chain).
 - Fund IV will aim to qualify under the 2X Challenge.
- Gender-sensitive development impact.

Environmental co-benefits

- Land conserved or sustainably managed – over 7 million acres will be conserved or sustainably managed through the whole Fund, improving or preserving biodiversity.
- Certifications (e.g., Organic, FairTrade, FSC, B Corp) pursued – Portfolio companies in the project will carry the appropriate certification(s).
- Implementation of biodiversity management plan (as applicable).
- Energy efficiency best practices implemented.
- Implementation of water and waste management plans.
- Dedicated employees to environmental monitoring and evaluation.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

Table 5 in section B.1. exposes each target country's climate vulnerability factors and risks. The ND-GAIN Climate Vulnerability Index categorizes countries based on their vulnerability to climate change and their preparedness to respond. Among the eight target countries, and despite adaptation challenges, Costa Rica, Panama, and Peru are more favorably positioned to act. In contrast, Belize, Dominican Republic, Ecuador, and Guatemala are highly vulnerable and inadequately prepared to address the impacts of climate change; therefore, these countries face climate greatest challenges, have a great need for investment and innovations to improve readiness, and urgency to act. Relative to other countries, El Salvador's current

vulnerabilities are manageable but improvements in readiness will help it better adapt to future challenges. However, and despite individual challenges, regional interdependencies exacerbate the risks faced by these nations; vulnerabilities in Belize and Guatemala jeopardize regional food security, while the impacts of storms in El Salvador and the Dominican Republic disrupt markets and infrastructure. Panama's role as a critical logistical hub increases the potential for regional trade and transportation risks due to climate threats.

Figure 5. Target countries' vulnerability and readiness



Source: EcoEnterprises Fund based on the ND-GAIN Climate Vulnerability Index

- *Economic and social development level of the country and the affected population*

The LAC region faces significant disparities in terms of economic and social development, which amplifies vulnerabilities to the impacts of climate change. Despite its important natural wealth, the countries in this region have experienced uneven economic growth, with high poverty rates, especially in rural areas. The sectors most affected by these inequalities include agriculture, infrastructure, and basic services, which have made a large part of the population especially vulnerable to extreme climate events. Differences in access to resources and the adaptive capacity of populations also influence how they face these challenges. As the region struggles to improve its socioeconomic conditions, the impacts of climate change are exacerbating pre-existing problems, limiting development opportunities for many vulnerable communities.

In each of the eight countries targeted for EcoEnterprises Partners IV investment, the agriculture, forestry and land use sectors are important contributors to food security and economic growth. In most cases, these sectors are a relevant source of employment. Other sectors addressed by EcoEnterprises Fund like ecotourism and aquaculture also represent an important GDP variable for some of the economies. **Table 22** highlights the contribution of these sectors to employment and national GDP in each of the eight countries.

Climate change is already having an impact on the productivity of the AFOLU, ecotourism, and aquaculture sectors. Five out of the eight target countries are in Central America, a region with particularly high exposure and vulnerability to climate impacts. Likewise, the Andean region and the Caribbean islands face unique climate risks. Without support for a significant shift towards more sustainable and climate resilient land use practices, the vulnerability of farmers and local vulnerable communities who depend on these sectors is projected to increase in the coming decades. The exact nature of current and projected climate trends, drivers of vulnerability and impacts varies between and within countries. Analysis at the country level is presented in detail in the *Feasibility and Market Study* (Annex 2).

Table 22. Economic and social relevance of target sectors

Country	Rural population (% of total population) ⁴²	% Employment in Agriculture ⁴³	% GDP from Agriculture, forestry, and fishing ⁴⁴	Employment in agriculture, female (% of female employment) ⁴⁵	% GDP from Ecotourism ⁴⁶
Belize	53%	16%	8%	5%	21%
Costa Rica	17%	13%	4%	8%	5%
Dominican Republic	16%	7%	7%	1%	7%
Ecuador	35%	30%	8%	28%	2%
El Salvador	25%	15%	5%	4%	6%
Guatemala	47%	27%	10%	9%	1%
Panama	30%	15%	3%	8%	6%
Peru	21%	24%	7%	22%	1%

As noted in Annex 8 (*Gender Assessment and Action Plan*), the impacts of climate change are not gender neutral. Women in LAC face heightened vulnerabilities and unique challenges at the intersection of gender and climate change. As climate change exacerbates existing inequalities, women in rural areas—who are often more dependent on natural resources for their livelihoods—face additional barriers due to limited access to resources such as credit, training, and technology (UN Women, 2022). This situation is further compounded by pre-existing social and economic disadvantages, which make women more susceptible to the negative impacts of climate-related disasters. These disadvantages hinder their ability to recover and rebuild after events such as floods, droughts, or storms (World Bank, 2021).

Despite these challenges, women are critical climate action agents in the fight against climate change, spearheading community-based adaptation efforts and promoting sustainable practices. Recognizing and addressing the gendered impacts of climate change is vital for developing inclusive policies that foster resilience and enhance adaptive capacity in the region. Research indicates that women's involvement in decision-making processes, particularly in rural communities, is still limited, although their role in agricultural production and climate adaptation remains essential.

- *Absence of alternative sources of financing (e.g. fiscal or balance of payments gap that prevents government from addressing the needs of the country; and lack of depth and history in the local capital market)*

The absence of alternative sources of financing is a significant challenge for many countries in the LAC region, where fiscal gaps often prevent governments from adequately addressing the needs of their populations. This challenge is compounded by the limited development and depth of local capital markets, which restrict the ability to mobilize domestic resources for long-term investments in infrastructure, climate resilience, and social programs. The reliance on external financing, coupled with vulnerabilities to global market fluctuations, limits these countries' capacity to implement sustainable development initiatives. In the face of economic crises, such as those caused by the COVID-19 pandemic, governments struggle to manage fiscal deficits and debt, further exacerbating the challenges of climate adaptation and poverty reduction:

- According to the World Bank, most countries in the region face large fiscal deficits, with public debt levels in some cases exceeding 70% of GDP (World Bank, 2022). This heavy reliance on external debt increases vulnerability to international financial crises, making it difficult for governments to allocate sufficient resources to address climate change adaptation and poverty alleviation.
- The absence of a deep and liquid local capital market limits the opportunities for financing long-term infrastructure projects. The lack of investor confidence and the underdevelopment of financial instruments, such as green bonds, further hinder sustainable financing initiatives (World Bank, Global Findex 2021).

- Regional governments are increasingly turning to multilateral organizations for financing, but the lack of domestic financial resources makes it difficult for these countries to match the required contributions for international funding programs aimed at climate change mitigation and adaptation.

In Latin America, there is a growing recognition of the potential for NbS for climate action offered by the companies and the sectors EcoEnterprises Fund invests in. This has spurred a bubbling of entrepreneurial activity focused on climate adaptation through the protection and regeneration of natural resource ecosystems. However, there remains a significant gap in the market for these solutions. At the end of 2023, UNEP's State of Finance for Nature report estimated current finance flows towards nature-based solutions to be at approximately US\$200 billion per year, a third of levels needed to reach global climate, biodiversity and land degradation targets by 2030. Considering that governments continue to provide around 80% of the funding for nature-based solutions, projects like EcoEnterprises Partners IV that leverage the capital markets to stimulate private sector initiatives to support rural business leaders and stakeholder communities to become effective drivers of climate solutions are paramount. Political instabilities, weak regulation, and poor enforcement of environmental and climate regulations further necessitate the role of the private sector for effective climate action.

- *Need for strengthening institutions and implementation capacity*

Strengthening institutions and enhancing implementation capacity is crucial for LAC to effectively tackle climate change and foster sustainable development. Countries face significant challenges in addressing climate adaptation and disaster risk management due to limited institutional capacity and financial resources. While some progress has been made, the lack of robust institutions hampers the effective execution of climate policies. Strengthening institutional capacities, improving coordination among government agencies, and fostering regional collaboration are key to ensuring effective climate action and sustainable development in the region. Strengthening local institutions will enable these countries to better assess and address climate impacts, manage disaster risks, and implement the necessary adaptation measures (World Bank, 2021).

D.5. Country ownership (max. 500 words, approximately 1 page)

EcoEnterprises Fund, with a shared office in Costa Rica, has worked across 11 countries in Latin America, focusing on nations committed to climate change mitigation and adaptation. These countries have dedicated governmental resources, aligned policies, regulations, and partnerships with philanthropic and private sectors. Over its 25 years of operation, EcoEnterprises Fund has successfully collaborated with a broad range of stakeholders, including over 500 community organizations, civil society NGOs, and environmental conservation groups. This collaborative approach will continue in the proposed project's execution strategy. Additionally, EcoEnterprises Fund's proposed activities and target sectors are aligned with the Nationally Determined Contributions (NDCs), Adaptation Plans, REDD+ Strategies, FCPF Emission Reduction Programme Documents, and SICA strategies of the countries involved. The financed activities will directly contribute to the NDCs of the target countries, as described in detail for each country in the sheet *Contribution to NDCs* and in Annex 6. *Climate risks, drivers, strategies per country* included in submitted GFC Concept Note v3.

Contribution to national climate strategies and plans

EcoEnterprises Fund's investment sectors are well aligned with national climate strategies and plans across target countries. This alignment is evidenced in Annex 2 – *Feasibility and Market Study (National climate strategies)* of the Funding Proposal, which outlines country-specific priorities, targets, and actions

⁴² Data for the year 2023. Source: [World Bank](#).

⁴³ Data for the year 2023. Source: [World Bank](#).

⁴⁴ This data was approximated to integer values. Source: [World Bank](#).

⁴⁵ Data for the year 2023. Source: [World Bank](#).

⁴⁶ This data was approximated to integer values and corresponds to 2022, except for Ecuador, whose data is from 2019. Source: <https://www.worlddata.info/>

that correspond to the Fund's interventions. Supporting documentation includes Nationally Determined Contributions (NDCs), Adaptation Plans, REDD+ Strategies, FCPF Emission Reduction Programme Documents, and regional frameworks like SICA. Further details and country-level analysis are found in Annexes 15. *Country Specifics CC Framework* and 6. *Climate Risks, Drivers, Strategies per Country* of Concept Note v3.

Belize

Belize's national climate strategy integrates both mitigation and adaptation measures, with a clear target to reduce 2,053 KtCO₂e in the land use sector between 2021 and 2030 and a 10% reduction in methane emissions from livestock by 2030 (Government of Belize, 2020). Adaptation priorities focus on agriculture, through strategies to reduce post-harvest losses, and fisheries, by building community capacity via research and technical support. These efforts align with Belize's Nationally Determined Contributions (NDCs) and support REDD+ forest conservation and sustainable forest management. The country also adheres to the Paris Agreement and Sustainable Development Goals, emphasizing ecosystem restoration and agricultural resilience. Implementation is led by the Ministry of Natural Resources and Environment, which serves as both the Accredited Entity and National Designated Authority (NDA) to the GCF, leveraging its experience in natural resource management. Belize ensures inclusive stakeholder engagement, incorporating civil society, Indigenous Peoples, women, and vulnerable groups through consultation mechanisms that integrate gender and social inclusion in climate decision-making (Government of Belize, 2020).

Costa Rica

Costa Rica targets emission reductions in agriculture, livestock, and land use through mechanisms like REDD+. Climate initiatives are implemented by several accredited entities, including the Climate Change Fund and the National Institute of Biodiversity, both with extensive experience in managing nature-based solutions. The Ministry of Environment and Energy, serving as the National Designated Authority (NDA), ensures coordination and alignment with national climate and development policies.

Costa Rica also integrates circular economy principles into its agro-industry, aiming to shift toward low-carbon agricultural systems for key crops such as coffee, sugarcane, and livestock, while implementing climate-resilient practices (Government of Costa Rica, 2020). The country promotes nature-based solutions, including biodiversity conservation, ecosystem restoration, and the reinforcement of Indigenous conservation systems, which support carbon capture and emissions reduction through sustainable land management. These priorities are reflected in Costa Rica's Nationally Determined Contributions (NDCs), which emphasize reforestation, agroforestry, and landscape restoration as key strategies for both mitigation and adaptation.

Costa Rica adopts an inclusive, gender-equitable approach, engaging civil society, Indigenous Peoples, and vulnerable communities in project design and implementation to ensure that mitigation and adaptation efforts are both socially inclusive and climate-resilient (Government of Costa Rica, 2020).

Dominican Republic

The Dominican Republic prioritizes emissions reductions in the Agriculture, Forestry, and Other Land Use (AFOLU) sector through targeted measures such as anaerobic digestion in pig farms, mangrove restoration, and reforestation with endemic, pest-resistant species (Government of the Dominican Republic, 2020). These initiatives form part of the country's Nationally Determined Contributions (NDCs) and its engagement in the REDD+ program, which aims to reduce emissions from deforestation and improve forest cover.

Adaptation efforts focus on ecosystem-based approaches, particularly in vulnerable and arid regions, with actions tailored to enhance resilience in agriculture and natural resource management. These strategies contribute to the country's transition to a low-carbon and climate-resilient economy, while ensuring sustainable land use and ecosystem restoration.

The National Council for Climate Change and Clean Development Mechanism serves as the National Designated Authority (NDA), ensuring project alignment with national policy objectives. Accredited entities such as the Ministry of Environment and Natural Resources and the National Council for Climate Change have demonstrated capacity to implement adaptation and mitigation strategies at scale.

The Dominican Republic adopts a participatory and inclusive approach, emphasizing the involvement of civil society, Indigenous Peoples, and vulnerable groups in the design and implementation of climate actions, in line with its NDCs and REDD+ commitments (Government of the Dominican Republic, 2020).

Ecuador

Ecuador has prioritized reducing emissions in the Agriculture, Forestry, and Land Use (AFOLU) sector through initiatives such as sustainable livestock systems, deforestation-free agriculture, and forest conservation under its REDD+ Action Plan. It is committed to a 7% unconditional GHG emissions reduction by 2035, supported by projects like results-based REDD+ payments and mangrove restoration. Adaptation efforts focus on climate-resilient agriculture, efficient irrigation, and the revitalization of ancestral practices to support food sovereignty, especially in vulnerable Andean and Amazonian communities. These actions are aligned with Ecuador's Nationally Determined Contributions (NDCs), which emphasize sustainable land management and low-carbon development.

Ecuador's Ministry of Environment, Water, and Ecological Transition, an accredited entity, leads the implementation of large-scale climate projects, while the Undersecretariat of Climate Change serves as the National Designated Authority (NDA), ensuring alignment with national and GCF strategies. The country promotes inclusive engagement by involving indigenous peoples, local communities, and civil society in initiatives such as sustainable bio-businesses and crop wild relative conservation. These actions, supported by international funds including the GCF, GEF, and CIF, contribute to Ecuador's sustainable development goals and NDC commitments.

In addition, Ecuador fosters inter-institutional coordination to ensure that climate investments align with national development priorities. The Ministry of Agriculture and Livestock (MAG), in particular, plays a key role in advancing the country's climate agenda through sectoral policies that promote sustainable value chains, agroecological production systems, and climate-resilient agriculture. These priorities are reflected in both the NDC and the National Adaptation Plan (NAP) and are highly relevant to the proposed activities under EcoEnterprises Partners IV, which focus on nature-based solutions and sustainable land use across key agricultural sectors. Strengthening alignment with the MAG's strategies will further enhance the country ownership and impact of the proposed investments in Ecuador.

These sectoral climate priorities are also embedded in Ecuador's broader national development framework. The "Plan de Desarrollo para el Nuevo Ecuador 2024–2025", the country's current development strategy, places strong emphasis on green transition, productive modernization, rural development, and climate resilience. It promotes investment in bioeconomy, sustainable agriculture, and decentralized territorial development, particularly in historically underserved rural areas.

El Salvador

El Salvador has focused its climate change strategy on restoring key ecosystems and promoting climate-resilient agroforestry systems, with an emphasis on improving water management and protecting natural resources for the benefit of vulnerable populations (Government of El Salvador, 2020). In the area of adaptation, the country has implemented actions aimed at ecosystem restoration, ecosystem-based adaptation (EbA), and the adoption of sustainable agricultural practices to enhance the resilience of producers facing climate variability. These efforts align with El Salvador's commitments under its Nationally Determined Contributions (NDCs), which prioritize forest restoration, sustainable ecosystem management, and the rehabilitation of degraded areas.

In addition, the country is advancing its National Ecosystems and Landscapes Restoration Program (PREPP 2025), which establishes both a baseline and a roadmap for EbA at scale. Complementing this, the National Environmental Incentives Program seeks to accelerate sustainable practices through voluntary standards and sectoral schemes in areas such as coffee, livestock, and tourism. These measures are further reinforced by sectoral NDC implementation plans, which translate the national commitments into concrete actions across agriculture, forestry, and energy. All of these instruments operate under the umbrella of the National Environmental Policy, which provides the overarching framework for conservation, pollution reduction, and sustainable resource management.

In terms of mitigation, El Salvador has integrated strategies that combine both emission reductions and adaptation goals. This includes participation in REDD+ projects to reduce deforestation and support the development of sustainable agricultural and livestock systems. Implementation is led by the Ministry of Environment and Natural Resources (MARN), which acts as the National Designated Authority (DNA) to the GCF, ensuring alignment with both national and international climate strategies. MARN possesses the technical and operational capacity to implement large-scale mitigation and adaptation projects, particularly those related to ecosystem restoration and natural resource conservation (Government of El Salvador, 2020).

El Salvador also emphasizes inclusive governance in its climate policy framework, promoting the active engagement of civil society organizations, indigenous peoples, women, and other vulnerable groups in the planning and implementation of climate initiatives. This approach ensures that climate strategies reflect the needs and priorities of diverse communities, fostering equity and social inclusion in both mitigation and adaptation processes (Government of El Salvador, 2020).

Guatemala

Guatemala has integrated climate change adaptation into key sectors such as agriculture and forest resources, with a strong emphasis on forest conservation and restoration. The country is also focused on implementing sustainable agricultural practices to improve food security, an area critical to its adaptation efforts (Government of Guatemala, 2020). A major component of Guatemala's strategy is the restoration of degraded forests and agricultural lands, which includes strengthening community participation and offering technical training on sustainable natural resource management. These initiatives are aligned with the country's Nationally Determined Contributions (NDCs), which prioritize forest restoration and the enhancement of agricultural resilience to climate change. The REDD+ strategies are also central to Guatemala's mitigation and adaptation policies, serving as an important tool for reducing emissions from deforestation and forest degradation (Government of Guatemala, 2020). In addition, the country promotes sustainable agricultural practices through programs such as PROBOSQUE, a 30-year forest policy instrument that now includes agroforestry systems like SAF (silvopastoral systems), and a low-emission cattle strategy aligned with the NDC. While these incentive programs, budget constraints significantly limit their reach and ability to meet growing demand from rural producers.

The Ministry of Environment and Natural Resources, which is an accredited entity, plays a key role in managing climate change projects, especially those related to ecosystem restoration and sustainable agriculture. The Ministry also serves as the National Designated Authority (DNA), ensuring the alignment of national climate change policies with international commitments and the effective coordination of climate initiatives (Government of Guatemala, 2020). Additionally, Guatemala has developed a National Strategy for Low Emissions Development (ENDBE) and a Circular Economy Strategy under Governmental Agreement 164-2021, which guides action toward reducing, reusing, and recycling waste across sectors. These frameworks are reinforced by the National Adaptation Plan (PANCC) and the Strategic Planning Axes of the Ministry of Environment and Natural Resources (MARN), including reforestation in priority watersheds and GHG reduction. Furthermore, Guatemala has a long history of engaging indigenous communities and vulnerable groups in climate decision-making processes, ensuring that the voices of these communities are heard and integrated into the design and implementation of climate adaptation and mitigation projects. This

approach highlights the country's commitment to inclusive climate strategies that reflect local needs and cultural values (Government of Guatemala, 2020).

Panama

Panama has established ambitious goals for ecosystem restoration, aiming to restore 130,000 hectares of degraded land by 2050. This includes implementing agroforestry and silvopastoral systems to enhance land productivity while addressing climate change. The country has committed to adopting a circular economy as a central strategy to tackle climate-related challenges (Government of Panama, 2020). Panama's climate policies emphasize forest restoration and the sustainable management of natural resources, with a focus on nature-based adaptation measures. These policies integrate agriculture, livestock, and biodiversity sectors to strengthen resilience and promote sustainability. The country's actions align with its Nationally Determined Contributions (NDCs), which underscore the importance of ecological restoration and a low-carbon economy as essential components of Panama's climate strategy. Efforts in agriculture and forestry are designed to mitigate climate change by reducing emissions and protecting biodiversity (Government of Panama, 2020).

Panama benefits from the technical and operational capacity of accredited entities such as the Ministry of Environment and the National Environment Authority. These entities are well-equipped to implement a range of climate change projects, including those focused on forest restoration and water resource management (Government of Panama, 2020). The Ministry of Environment also serves as the National Designated Authority (DNA), responsible for coordinating climate change actions and ensuring they align with both national goals and international climate agreements. Panama's climate strategy includes an inclusive approach that actively involves civil society organizations, indigenous peoples, and vulnerable communities in the design and execution of climate projects. Gender equity is a central focus, ensuring that all sectors of society are represented and empowered in the climate decision-making process (Government of Panama, 2020).

Peru

Peru is advancing emission reductions in the Agriculture, Forestry, and Land Use sector through silvopastoral systems, sustainable Amazonian crop management, and wetland restoration as part of its REDD+ framework. The country's climate initiatives also include the Amazon Bioeconomy Fund and efforts to manage puna ecosystems, aimed at enhancing carbon sequestration and biodiversity. Peru has committed to capping net GHG emissions at 208.8 MtCO₂e by 2030, with landscape-level sustainability projects supporting its Nationally Determined Contributions (NDCs). Adaptation strategies emphasize productive diversification, integrated pest management, and early warning systems to build agricultural resilience, particularly in vulnerable Amazonian and highland regions.

Peru's accredited entities, such as the Ministry of Environment and the Peruvian Trust Fund for National Parks and Protected Areas, have a solid track record in executing large-scale climate projects. The National Designated Authority (NDA), the Directorate General of Climate Change and Desertification, ensures project alignment with national climate policies. The country promotes inclusive participation by involving indigenous peoples, local communities, and civil society in initiatives such as wetland restoration and resilient aquaculture, prioritizing vulnerable groups throughout project design and implementation. These initiatives, supported by international mechanisms like the GCF, GEF, and Adaptation Fund, contribute to Peru's NDCs and REDD+ strategies, strengthening its path toward sustainable development and climate resilience.

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D.6. Efficiency and effectiveness (max. 500 words, approximately 1 page)

EcoEnterprises Fund is requesting US\$30 million as equity, or 20% of the total target capitalization of US\$150 million for EcoEnterprises Partners IV, from GCF as an anchor and catalytic investment in the project. GCF's investment will be *pari passu* with other investors, so that as each dollar is called from GCF, another US\$4 will join it from a diverse set of public, private and philanthropic impact investors. Additionally, based on historic impact data from the three previous funds, EcoEnterprises Fund expects portfolio companies of EcoEnterprises Partners IV to unlock an additional \$400m in increased access to capital given the catalytic effect of EcoEnterprises Fund's initial investments.

EcoEnterprises Partners IV will have a non-layered fund structure chosen for EcoEnterprises Fund given the 25-year track record of successfully investing in this manner in over 50 transactions across Latin America. Over this time, EcoEnterprises Fund has developed robust risk management systems, built deep regional expertise, and consistently demonstrated the ability to identify and support mission-aligned businesses with strong fundamentals. For EcoEnterprises Partners IV, the focus is on more established, financially stable companies with lower overall risk profiles. Fund IV will primarily offer long-term debt and debt-like instruments, with some targeted quasi-equity investments. Mezzanine investments will be directed toward growth-phase companies with a proven operational track record and plans to scale impactful projects, while senior secured debt will support businesses with strong operational and financial histories and lower risk. Quasi-equity will accompany debt and be reserved for mature companies with a clear exit path. These investment strategies—combined with solid collateral, conservative underwriting, and a disciplined track record—provide significant downside protection, eliminating the need for a de-risking mechanism like a layered structure.

EcoEnterprises Fund IV operates under the principle of minimum concessionality, ensuring that public funds are used strategically and efficiently to mobilize private capital while supporting long-term sustainable market transformation. The Fund is designed to deliver market-based, risk-adjusted returns, in line with investor expectations for high-impact investments in developing markets. EcoEnterprises Fund has consistently demonstrated over 25 years and nearly 50 investments that it can unlock commercial finance for sectors traditionally overlooked, such as regenerative agriculture, circular economy models, ecotourism, and sustainable forestry. By offering tailored capital structures, including mezzanine, quasi-equity, and senior secured debt, the Fund meets companies where they are in their growth trajectory—without compromising financial discipline. This approach has helped scale high-impact businesses to a level where they not only thrive commercially but also influence broader market behavior, proving that impact and returns can go hand-in-hand.

EcoEnterprises Fund is also asking for a US\$2 million grant for its Technical Assistance Facility, to match the expected US\$1.5 million from other sources, including EcoEnterprises Fund's management fees and grants from other Limited Partners. An additional US\$2 million is requested from GCF for communication, evaluative data collection, reporting and verification of changes in GHG, and resilience and social inclusion indicators to be matched by US\$ 500,000.

E. LOGICAL FRAMEWORK

E.1. Project/Programme Focus

Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.

- ☒ Reduced emissions (mitigation)
☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Despite growing recognition of sustainability, financing for key sectors like sustainable agribusiness, bioeconomy, and ecotourism remains limited. Traditional investors favor large-scale projects, leaving many SMEs without access to capital. In emerging markets, key challenges include high-risk perception, lack of tailored financial mechanisms, and limited integration of local institutions into climate finance.	<u>Low</u>	EcoEnterprises Fund target iSMEs will enhance their sustainable and climate-resilient product offerings, overcoming gaps in technical knowledge and external financing. This will allow them to expand their investment portfolios in environmental and climate solutions. With greater access to tailored financing and improved financial products, more SMEs and smallholders will adopt sustainable solutions. This will drive large-scale mobilization of private capital, fostering regenerative business models and climate resilience.	Fund IV aims to mobilize US\$150 million of capital over the project period to contribute to the transition to low-carbon and resilient economies in Latin American and the Caribbean (LAC) countries by investing in innovative small and medium sized businesses (iSMEs) that drive climate action while conserving and restoring natural ecosystem which are essential to reduce GHG emissions and to contribute to climate change adaptation, building climate resilience and empowering local communities through enhanced socioeconomic health and welfare. In addition, through a US\$3.5 million technical assistance facility additional assistance will be provided to iSMEs to further empower their business models. This intervention is projected to deliver in the target countries over 55M t CO₂e of lifetime GHG emissions reductions, impacting approximately 1M direct and indirect beneficiaries, and protect or

	EcoEnterprises Fund acts as a catalytic investor, providing flexible financing, reducing risk perception, promoting financial inclusion, and ensuring measurable impact. Its approach proves that financial returns can be generated while driving climate resilience and sustainable development in emerging markets.			sustainably manage over 1 million hectares even before any replication effects. This would represent a significant step towards paradigm shift on emissions and adaptation from smallholder farmers and portfolio iSMEs. EcoEnterprises Partners IV will develop case studies, organize seminars, workshops, and annual regional investment forums that will contribute to knowledge dissemination. Further, Fund IV will develop methodologies for data collection, analyses, verification of changes in GHG, and resilience and social inclusion indicators to conduct impact measurement and reporting. The sharing of impact results will be done through dialogue with partner countries which at the same time will raise awareness and contribute to local capacity building to maximize country ownership, blueprint communication and replication, thus setting up the right environment for the market to mature in target countries and scale up the impact.
Replicability	The replicability of this approach is evident in EcoEnterprises Fund's journey. From a proof-of-concept fund launched in 2000 under the Nature Conservancy with \$5.3m in assets under management, to a successful independent spin-off in 2011 with \$35.3m under	<u>Low</u>	Through proposed activities aimed at facilitating dialogue, awareness raising and capacity building in partner countries, EcoEnterprises Fund expects to maximize country ownership, blueprint communication and potential replication.	Through its investments and its Technical Assistance Facility, EcoEnterprises Fund will strengthen iSMEs design and offering of green and climate products, risk management processes, technology, and employee capabilities. The lessons learned from this work will directly inform any efforts to replicate the work in other cities or countries, expanding the impact of the implemented solutions.

	management, to the third fund with \$111m under management launched in 2018, to the current fund raising for a \$150m fund. An analysis of nature-positive investment funds launched between 2004 and 2023 shows a consistent upward trend in new fund creation. These funds are primarily concentrated in emerging markets, particularly within the tropical forest belt (MMF, 2025).			
Sustainability	Mitigation figures derived from agriculture remain very low, indicating unsatisfactory progress, accounting for only 1.4% of mitigated emissions during 2010–2019, according to the <u>IPCC Special Report on Climate Change and Land (2019)</u>. This report highlights that while agriculture has significant potential for carbon sequestration, its contributions to global	<u>Low</u>	Through Fund IV, EcoEnterprises Fund will strengthen its portfolio of over 50 iSMEs built over the past 25 years in critical sectors for climate action (mitigation and adaptation), such as sustainable or regenerative agriculture, agroforestry/forestry, aquaculture, circular economy, climate tech, and ecotourism. By empowering local iSMEs—rooted in strong rural value chains—with the necessary financial and technical resources to implement climate-smart practices and technologies, Fund IV will enhance climate resilience in rural communities	GCF Fund IV will allocate US \$90 million to innovative companies committed to sustainable and climate-resilient solutions in the target countries. These companies are expected to improve their business models through targeted technical assistance, enabling them to attract additional capital from other investors. It is anticipated that the green and climate portfolios of these companies and the sales of innovative solutions will grow at a rate surpassing EcoEnterprises Fund’s initial investment, ensuring that these business models are scalable and financially sustainable beyond the completion of the

	emissions reduction remain minimal due to limited implementation of sustainable practices at scale. Awareness around smallholders and SMEs' mitigation and adaptation potential is growing, and finance directed towards them has been slowly increasing. <u>The Climate Finance Report 2020</u> by the CIF notes that, while climate financing for SMEs is still limited, efforts to channel more funds towards them are slowly gaining momentum.		through the adoption and scaling of nature-based solutions. With solid business models, the iSMEs in Fund IV's future portfolio will consolidate their operations and continue expanding while simultaneously promoting conservation and the restoration of natural ecosystems. This will lead to reduced emissions from avoided deforestation, improved climate resilience, and decreased biodiversity loss through sustainable land management and climate-smart practices.	project. This growth will support a broader transition to climate-conscious practices within smallholder agriculture and SMEs, generating positive and lasting impacts on their operations and the environment.
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E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final ⁴⁷	
<u>MRA4 Forestry and land use</u>	<u>Core 1: GHG emissions reduced, avoided or removed/sequestered</u>	Monitored through portfolio companies' quarterly and annual reports and technical datasheets (of solutions	0 tons of CO2 reduced	11,093,660 tons of CO2 reduced (5 years)	End of fund (10 years): 23,772,129	Detailed calculations and assumptions in Annex 22.; Full project impact duration = 20 years The IPCC recommends as

⁴⁷ The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

		financed) when applicable. Independent monitoring for mid-term and final impact evaluations (third-party assessments).			tons of CO2 reduced End of project lifespan: 55,468,302	default is 20 years, based on soil C pools typical time to equilibrium after land-use conversion (page 3.13, IPCC, 2006). Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.
<u>TOTAL Result Areas</u> <u>Core 2</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	KPI monitored through Annual ESG, Impact reporting, and regular portfolio company reported data EcoEnterprises Fund reporting annually. End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).	0 direct and indirect beneficiaries	Total Direct and Indirect beneficiaries: <i>Direct:</i> 148,782 ≥ 25% women <i>Indirect:</i> 495,552	Total Direct and Indirect beneficiaries: <i>Direct:</i> 297,563 ≥ 25% women <i>Indirect:</i> 991,103	Calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries, numbers per country can be found in Annex 17. % of women calculated from weighted average of % of women direct beneficiaries by EcoEnterprises Fund's previous fund. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.

<u>ARA1 Most vulnerable people and communities</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	Portfolio companies' annual reports. End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).	0 direct beneficiaries	<i>Direct:</i> 23,759 Men: 17,819 Women: 5,940 <i>Indirect:</i> 77,215 Men: 57,912 Women: 19,304	<i>Direct:</i> 79,195 Men: 59,396 Women: 19,799 <i>Indirect:</i> 257,385 Men: 193,038 Women: 64,346	Numbers were calculated as % of total beneficiaries per sector, with different assumptions per sectors. Full calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.
<u>ARA1 Most vulnerable people and communities</u>	<u>Supplementary 2.1: Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options</u>	Portfolio companies' annual reports. End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).	0 direct beneficiaries	<i>Direct:</i> 3,696 Men: 2,772 Women: 924 <i>Indirect:</i> 12,011 Men: 9,239 Women: 3,080	<i>Direct:</i> 12,319 Men: 9,239 Women: 3,080 <i>Indirect:</i> 40,037 Men: 30,028 Women: 10,009	Numbers were calculated as % of Core 2 ARA1 per sector, with different assumptions per sectors. Full calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.

<u>ARA2 Health, well-being, food and water security</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	KPI monitored through Annual ESG, Impact reporting, and regular portfolio company reported data EcoEnterprises Fund reporting annually. End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).	0 direct beneficiaries	<i>Direct:</i> 20,550 Men: 15,413 Women: 5,138 <i>Indirect:</i> 66,789 Men: 50,092 Women: 16,697	<i>Direct:</i> 68,502 Men: 51,376 Women: 17,125 <i>Indirect:</i> 222,630 Men: 166,973 Women: 55,658	Numbers were calculated as % of total beneficiaries per sector, with different assumptions per sectors. Full calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.
<u>ARA2 Health, well-being, food and water security</u>	<u>Supplementary 2.2: Beneficiaries (female/male) with improved food security</u>	Annual reporting from EcoEnterprises Fund portfolio companies EcoEnterprises Fund reporting annually. End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per	0 direct beneficiaries	<i>Direct:</i> 3,336 Men: 2,502 Women: 834 <i>Indirect:</i> 11,208 Men: 8,406 Women: 2,802	<i>Direct:</i> 11,120 Men: 8,340 Women: 2,780 <i>Indirect:</i> 37,360 Men: 28,020 Women: 9,340	Numbers were calculated as % of Core 2 ARA2 per sector, with different assumptions per sectors. Full calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.

		investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).				
<u>ARA4 Ecosystems and ecosystem services</u>	<u>Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice</u>	Annual reporting from EcoEnterprises Fund portfolio companies will indicate the number of hectares of terrestrial forest brought under restoration. Independent monitoring for mid-term and final impact evaluations (third-party assessments).	0 Ha	369,321 Ha	1,107,965 Ha	The total number of hectares brought under improved low emissions and/or climate-resilient management practices, extrapolated from previous fund. Detailed calculations and assumptions in Annex 22. Please refer to Calculations tab, Assumption #3, in Annex 22 for country breakdown and breakdown of different types of land practices and/or impacts considered. It is assumed 1/3 of the total impact will be reached by mid-term.
<u>ARA4 Ecosystems and ecosystem services</u>	<u>Core 2: Direct and indirect beneficiaries reached</u>	KPI monitored through Annual ESG, Impact reporting, and regular portfolio company reported data EcoEnterprises Fund reporting annually.	0 direct and indirect beneficiaries	Total Direct and Indirect beneficiaries: <i>Direct:</i> 148,782 ≥ 25% women	Total Direct and Indirect beneficiaries: <i>Direct:</i> 297,563 ≥ 25% women	Calculations, methodology and assumptions can be found in Annex 23. Numbers here reflect impact in target countries. % of women calculated from weighted average of % of women direct beneficiaries by

		End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit). Independent monitoring for mid-term and final impact evaluations (third-party assessments).		<i>Indirect:</i> 495,552	<i>Indirect:</i> 991,103	EcoEnterprises Fund's previous fund. Please refer to annex 17 for multi-country breakdown of GHG and beneficiary data.
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E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
<u>Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level</u>	EcoEnterprises Partners IV will contribute to market development and transformation at the sectoral, local, and national levels by addressing a critical financing gap in climate and nature-based solutions. While Latin America and the Caribbean contribute minimally to global emissions, countries in these regions face	<u>low</u>	GCF funding will support EcoEnterprises Fund in continuing to build a strong portfolio of innovative small and medium-sized enterprises (iSMEs) that operate in key sectors of the rural economy in Latin America and the Caribbean. These investments will contribute to the transition toward low-carbon, climate-resilient	EcoEnterprises Fund's business model will continue to act as a "first mover" in its target countries, addressing perceived barriers and managing risks while creating a blueprint for commercially viable and financially attractive iSMEs. These enterprises will develop strong rural value chains, be empowered to access international markets,	<u>Multi-countries</u>

	disproportionate climate impacts, highlighting the urgency for private sector-driven solutions. EcoEnterprises Fund invests in climate adaptation and natural resource regeneration, fostering entrepreneurial activity in sectors like regenerative agriculture and agroforestry—key for both economic growth and environmental resilience. Despite the increasing recognition of these solutions, financing remains insufficient, with current funding for nature-based solutions at only a third of what is needed to meet global climate targets. Given that governments provide 80% of this funding, leveraging private capital markets is essential to drive rural business innovation and community-led climate action. Additionally, in Latin America and the Caribbean, political		economies while empowering smallholders and local communities to better confront the effects of climate change. By investing in iSMEs that drive climate action while conserving and restoring natural ecosystems—which are essential for reducing GHG emissions and enhancing climate adaptation—the Fund will help build climate resilience and promote socioeconomic well-being within local communities. Portfolio iSMEs will serve as models within their respective countries and sectors, sharing best practices and paving the way for others to follow.	and drive sales growth, all while providing nature-based solutions for climate action.	
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	instability, weak regulation, and poor enforcement of environmental policies create further barriers to climate action. In this context, private investment plays a transformative role in filling governance gaps, strengthening climate resilience, and positioning local stakeholders as key actors in sustainable market development.				
Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	The eight project target countries face significant challenges in transitioning to sustainable and resilient socio-economic development, particularly in rural and vulnerable communities. Despite their potential, innovative small and medium-sized enterprises (iSMEs) play a crucial role in promoting nature-based solutions for climate action but are constrained by structural limitations that hinder their growth and scalability. These	low	In the target scenario, the business models of iSMEs in which EcoEnterprises Partners IV invests are seen as attractive investment opportunities and gain broader access to financial services. This, in turn, creates greater opportunities to foster the growth of other iSMEs seeking to follow their path.	EcoEnterprises Partners IV will promote dialogue, awareness-raising, and capacity-building to enhance country ownership, blueprint communication, and replication. By developing case studies and organizing seminars, workshops, and annual regional investment forums, the fund will share lessons learned and extend its impact beyond its portfolio of invested iSMEs. Additionally, Fund IV will develop methodologies	<u>Multi-countries</u>

	challenges include limited access to financing, lack of specialized technical assistance, insufficient incentives to adopt sustainable practices, and weak regulatory frameworks that fail to support climate-resilient business models.			for data collection, analysis, and verification to track changes in GHG emissions, resilience, and social inclusion indicators, ensuring effective measurement and reporting of impact.	
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E.5. Project/programme specific indicators (project outcomes and outputs)

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Intermediate Outcome - Mobilized capital for climate resilient investment in nature-based iSMEs	<i>Indicator 1.1. Increased flexible financial instruments to empower iSMEs in target countries implementing climate-smart practices and technologies. Measured by:</i> - \$ Fund investment capital raised	Fund IV final closing LP Legal Agreements	US\$0 capital raised	US\$150M	US\$150M	
Output 1.1. EcoEnterprises Partners IV established to finance climate-resilient iSMEs						
Output 1.2. Flexible climate-aligned finance made available to eligible iSMEs	<i>Indicator 1.2. Increased availability of circular economy and climate/ag tech solutions. Measured by:</i>	Fund IV iSMEs portfolio investments	0 portfolio companies	9 iSMEs	18 iSMEs Total number of investments.	iSMEs in the target sectors have or can develop the capacity to effectively utilize the

	- # of investments in iSMEs					financial and technical support provided.
	Indicator 1.3 Increased available capital for climate iSMEs. Measured by: \$ additional capital leveraged	Fund IV iSMEs portfolio company reporting and investment officers monitoring.	US\$0m in increased access to capital for portfolio companies	US\$100m in increased access to capital for portfolio companies	US\$400m in increased access to capital for portfolio companies	There is an existing entrepreneurial and business ecosystem with significant growth potential in prioritized sectors.
	Indicator 1.3. Increased available capital for climate iSMEs. Measured by: Measured by: - \$ invested in iSMEs	\$ disbursed – Fund financial statements	US\$0 invested	US\$74M invested	US\$136.5M invested	Mid-term and final values depend on indicator. For most indicators, mid-term is half-way through the investment period, while for sales it is considered half-way through the engagement period with each company (for a total engagement 6 years, halfway 3 years)
	Indicator 1.4. Growth of natural solutions in climate action ecosystem in the region. Measured by: \$ increase in sales of invested iSMEs	iSMEs financial statements and reports on sales	Sales at year before investment.	Average of 30% increase in sales vs baseline.	Average of 60% increase in sales vs baseline.	
Outcome 1. Enhanced capacity of iSMEs to implement climate-resilient and low-emission solutions.	Indicator 2.1. Increased technical assistance available to empower iSMEs in target countries implementing climate-smart practices and technologies. Measured by: - \$ TAF grants raised	Fund IV Technical Assistance Agreements with donors.	US\$0 grants for TAF	US\$2.5M total TAF size	US\$3.5M total TAF size	
Output 2.1. Technical Assistance Facility operationalized to support climate solutions.						
Output 2.2. iSMEs supported to implement climate resilient	Indicator 2.2. Strengthened technical capacity of iSMEs to	TAF annual report	0 TA projects	≥ 15 TA projects	≥ 40 TA projects	iSMEs in the target sectors have or can develop the capacity to

practices and access new markets.	implement climate-smart business models and improve operational efficiency. Measured by: - # of TA projects in iSMEs	Terms of reference and contracts subscribed Implementation reports				effectively utilize the financial and technical support provided. There is an existing entrepreneurial and business ecosystem with significant growth potential in prioritized sectors.
	- \$ of TA projects developed in iSMEs		\$0M	US\$1.5M	US\$3.5M	
	- % of portfolio companies that achieve relevant certifications like Organic, FairTrade, FSC or B Corp	Certifications achieved; monitoring reports, annual impact metrics tool from portfolio companies, certification reports/audit reports	50%	75%	100%	
Output 2.3. Awareness and knowledge on climate-smart business models disseminated regionally.	Indicator 2.3. Strengthened country ownership for scalability and replication through knowledge dissemination. Measured by: - # of case studies, best practices and other knowledge-sharing tools.	Through publicly available data (website, LinkedIn) and LP reports and communications of case studies and other tools developed Workshops/ seminars /annual investor forums organized	0 knowledge sharing tools	15 knowledge sharing tools	40 knowledge sharing tools	Institutional strength: Current regulatory frameworks facilitate private investments through diverse financial mechanisms. Private and public institutional structures support commercial growth in local, regional, and international markets in targeted sectors.
	- # of methodologies developed to collect data and verify changes in GHG, resilience and social inclusion indicators.	Through publicly available data (website, LinkedIn) and LP reports and communications of tools developed. Methodology policies and procedure documentation.	0 methodologies	1 methodology developed	2 methodologies developed	
	- Technical evaluation and report on mitigation	Evaluation reports	0 reports	1 mid-term report	1 mid-term report	

	<i>and adaptation results, lessons learned and recommendations for future interventions.</i>				1 final report	
Outcome 2. Increased resilience of rural communities through scaled nature-based solutions.	<i>Indicator 3. Communities involved in iSMEs rural value chains that are adopting and scaling natural solutions in agriculture, forestry, aquaculture, and ecotourism. Measured by:</i> - # of communities involved	Portfolio companies ESG annual metric tool	0 communities involved	10 communities involved	30 communities involved	Community Engagement: Local communities, including vulnerable and underserved groups, will be receptive to and actively participate in the projects supported by EcoEnterprises Fund.
	<i>Indicator 3. Communities involved in iSMEs rural value chains that are adopting and scaling natural solutions in agriculture, forestry, aquaculture, and ecotourism. Measured by:</i> - # small-scale producers and farmers who will gain access to inputs, supports and/or markets	Portfolio companies ESG annual metric tool End beneficiaries impact assessments through surveys, such as 60 Decibels methodology, at least 3x per investment (baseline, mid-term, before exit).	0 small-scale producers and farmers	20,000 small-scale producers and farmers	50,000 small-scale producers and farmers	
	<i>Indicator 3. Communities involved in iSMEs rural value chains that are adopting and scaling natural solutions in agriculture, forestry, aquaculture, and ecotourism. Measured by:</i>	Portfolio companies ESG annual metric tool	0 local suppliers supported	25,000 local suppliers supported	60,000 local suppliers supported	

	- # of suppliers supported					
	Indicator 3. Communities involved in iSMEs rural value chains that are adopting and scaling natural solutions in agriculture, forestry, aquaculture, and ecotourism. Measured by: - # of jobs supported, sex-disaggregated	Portfolio companies ESG annual metric tool	0 jobs supported	3,000 jobs supported; min 30% women	6,000 jobs supported; min 30% women	
Project/programme co-benefit indicators						
Co-benefit 1 Reduced emissions from waste and resource use.	- Tons of waste sent to landfill - Tons of diverted waste - Kwh of energy used – renewable and nonrenewable	Portfolio companies ESG annual metric tool	TBD – numbers collected during due diligence for each company.	TBD		The objective is to measure these metrics since investment and be able to track and observe an improvement in resource management efficiency, which implies a reduction in emissions, but since it is marginal compared to the other ones calculated for the AFOLU sector, they are not accounted for specifically.
Co-benefit 2 Improved and preserved biodiversity.	- Hectares of land under sustainable management or directly conserved which create direct benefits for local biodiversity, improving it or preserving it.	Portfolio companies ESG annual metric tool	0 million acres	3 million acres	7 million acres	A co-benefit created by the whole portfolio and throughout all countries and sectors of investment (Sustainable or Regenerative Agriculture; Agroforestry /Forestry; Aquaculture; Circular Economy and Climate

						Tech; and Ecotourism). This takes into account land which is being sustainably managed or conserved which produces benefits for biodiversity, but that wasn't considered for mitigation potential, which could include for example ecotourism business models conserving areas (land and water). Metric was established as a Fund IV impact target.
Co-benefit 3 Increased women empowerment in the region.	- All 2X criteria - % of portfolio companies that comply with 2X criteria (please refer to Annex 8 – GAP).	Portfolio companies ESG annual metric tool	20% of portfolio companies.	35% of portfolio companies.	50% of portfolio companies.	Fund IV aims to qualify to 2X through the portfolio criteria of “reaching min. 50% of investees meet the 2X Criteria (requirements for companies) at the end of the fund's life (at exit).”
Co-benefit 4 Increased food security.	- Hectares of agricultural land under sustainable management	Portfolio companies ESG annual metric tool	0 Ha	355,418 Ha	1,066,254 Ha	See Annex 22 for detailed calculations. See Table 5 in Annex 22-b GHG emission explanatory note for country breakdown (refer to row “Agricultural best practices (ha)”). Assuming 1/3 of the total impact will be reached by mid-term.
E.6. Project/programme activities and deliverables						
Activities	Description		Sub-activities		Deliverables	

Activity 1.1.1 - Capital raising from public and private investors (DFIs, institutional investors, foundations, private investors)	Raise capital from public (DFIs) and private investors, including fundraising period, initial close and up until final close.	Executing Entities: EcoEnterprises Impact Management, LLC (Fund Manager) and General Partner of GCF Fund IV – 1.1.1.1. Capital raising – due diligence process from investors 1.1.1.2. Preparation of the Fund's legal documentation and governance. 1.1.1.3. Closings: - First Closing - Final Closing All activities are led and executed by the Fund Manager.	EcoEnterprises Partners IV closed with target AUM US\$150M.
Activity 1.1.2 - Providing tailored growth capital to iSMEs in natural solutions for climate action.	Provide tailored growth capital, including equity, mezzanine instruments with upsides, and quasi-equity to iSMEs in natural solutions for climate action through Investment cycle implementation (including pipeline development; equity investment; post investment engagement, and leverage capital and managed exits).	Executing Entities: EcoEnterprises Impact Management, LLC (Fund Manager) – operational execution of the full investment cycle General Partner of GCF Fund IV– legal execution (signing of investment agreements) Investment process: 1.1.2.1. Pipeline development 1.1.2.2. Pre-investment 1.1.2.3. Investment review 1.1.2.4. Due diligence 1.1.2.5. Consideration & approval 1.1.2.6. Closing process 1.1.2.7. Monitoring 1.1.2.8. Exit	- Due diligence reports - Investment Memos - ESMS tools from DD and yearly update (Impact Metrics Tools, ESG Risk Rating, ESAPs) - IC Minutes - Quarterly reports - E&S Annual report
Activity 2.1.1. - Fundraising for the side technical assistance facility (TAF)	Raise funds for TAF from DFIs and other vested parties.	Executing Entity: EcoEnterprises Impact Management, LLC 2.1.1 Set up TAF legal structure	TAF budget and proposal

		2.1.2 Prepare TAF budget and proposals.	
Activity 2.2.1. - Delivery of technical assistance and capacity-building support to iSMEs, enhancing their operational efficiency and impact outcomes.	Delivery of technical assistance to increase access to value creation services for iSMEs, leading to measurable improvements in climate resilience, biodiversity conservation, and socioeconomic well-being in rural communities, including promoting gender equity.	TA project process: 2.2.1. Development of proposal 2.2.2. Proposal consideration 2.2.3. Approval 2.2.4. Contracting process 2.2.5. Project development and monitoring 2.2.6. Disbursements 2.2.7. Project wrap-up and evaluation	TA reports on projects from portfolio companies and aggregated reports to donors. At least one report per TA project, although for projects lasting more than 6 months, mid-term reports are also required. Donor reports depending on donor requirements, but typically at least 1 annual report per donor.
Activity 2.3.1. Knowledge dissemination	Developing and disseminating case studies, best practices, and other knowledge-sharing tools (e.g., seminars, workshops, annual regional investment forums, etc.) to facilitate the scaling of climate-resilient, nature-based solutions in rural economies.	Executing Entity: EcoEnterprises Impact Management, LLC 2.3.1.1. Developing and disseminating case studies 2.3.1.2. Organizing seminars, workshops, annual regional investment forums 2.3.1.3 Posting learnings on social media, website	10 Case studies - 100 Social media posts - 5 Other publications - 2 Workshops - 2 Seminars - 1 Forums
Activity 2.3.2 Data collection	Communication, evaluative data collection, reporting and verification of changes in GHG, and resilience and social inclusion indicators	Executing Entity: EcoEnterprises Impact Management, LLC 2.3.2.1. Define methodologies and technical approach 2.3.2.2. Collect data	- 40 Reports - 10 Case studies
E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)			
The following outlines the reporting schedule that EcoEnterprises Partners IV will follow: 1. Fund Quarterly and Annual Reporting. 2. Mid-Project Evaluation. 3. Final Evaluation.			

1. Impact Reporting

- **Tracking Climate Impact and Resilience:** EcoEnterprises Partners IV will collaborate with each portfolio company and external impact specialists to develop proprietary indicators to measure progress in climate resilience and mitigation impacts. These indicators will track improvements in areas such as climate resilience, income stability, access to green technology, and other relevant metrics. Regular Lean Data surveys and evaluations will be conducted throughout the Fund's lifecycle to assess improvements in beneficiaries' resilience. The data will be consolidated, analyzed, and used for regular impact assessments at both the Fund and portfolio levels.
- **Focus on Impact-Aligned Companies:** The Fund ensures that investments are made in companies that are aligned with the impact thesis, with a focus on generating climate resilience and mitigation impacts in the targeted regions. Portfolio companies will be required to report on impact data quarterly. Additionally, EcoEnterprises Fund will carry out periodic audits and surveys to verify that the data is accurate and up-to-date.
- **Impact Verification:** The Fund will track reported impact on a quarterly and annual basis. The verification process will be overseen by independent impact experts for third-party verifications at the mid-term and final evaluations, ensuring that the Fund's investments align with leading industry standards for climate action and sustainability.
- **NDAs reporting:** In addition to the Fund's internal reporting processes, EcoEnterprises Partners IV will share its annual impact report with the National Designated Authorities (NDAs) of participating countries. Reported outcomes will include the number of smallholder farmers supported, jobs sustained, hectares under sustainable management, and CO₂ emissions mitigated, among others. This ensures that NDAs can integrate the Fund's key outcomes into their national monitoring systems and contribute directly to the countries' climate reporting obligations, thereby reinforcing alignment between Fund-level impact measurement and national climate strategies.

2. ESG Reporting

- **ESG Performance Monitoring:** EcoEnterprises Partners IV investors will receive a quarterly and an annual report detailing the ESG performance of investee companies. The quarterly updates will be included in the LP quarterly financial reports, set for 45 days after the end of each quarter. ESG issues will be actively monitored from the moment of investment, including the development of ESG risks, progress on ESAPs, and evaluation of any new business changes that could introduce additional ESG risks.
- **Annual ESG Review:** Each portfolio company will undergo an ESG review at least annually, updating their ESG risk ratings and the progress on their ESAP. This review will assess ESG performance, identify challenges and successes in implementing ESAPs, and highlight any emerging ESG risks. Insights from this review will inform discussions with the investment team to ensure continued support for the companies.
- **Mid-Point and Final ESG Reviews:** Both mid-point and final reviews of ESAPs will be conducted to assess progress on addressing ESG gaps identified during due diligence and to track the implementation of initiatives to close those gaps.

3. Mid-Term Evaluation

- **Focus on Investment Strategy Implementation:** The mid-term evaluation will primarily focus on the implementation of the investment strategy, as significant development results may not yet be fully realized. The evaluation will examine aspects such as the number of companies in the portfolio, greenhouse gas (GHG) avoidance, energy production, installed capacity, and the number of people impacted by the fund's investments. This evaluation will provide a comprehensive overview of the fund's direction and any necessary adjustments for future success. The mid-term evaluation will be conducted in line with the GCF evaluation policy.

4. Final Evaluation

- **Comprehensive End-of-Program Evaluation:** By the time of the final evaluation, EcoEnterprises Fund will have reached full maturity, with a significant number of projects completed. The final evaluation will comply with Eco Enterprises Fund's evaluation policy and will track key performance indicators (KPIs) such as climate impact, gender inclusion, and social outcomes. Independent evaluators will assess the results, verify the Fund's success, and offer recommendations for future initiatives based on the comprehensive data gathered throughout the Fund's lifecycle. The final term evaluation will be conducted in line with the GCF evaluation policy.

This structured reporting approach will ensure that EcoEnterprises Partners IV effectively monitors, evaluates, and communicates its climate resilience and ESG performance, keeping investors and stakeholders informed throughout the life of the Fund.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

This section puts forth a description of how EcoEnterprises Fund addresses risks—drawing on over two decades of its experience and lessons learned. EcoEnterprises Fund identifies leading entrepreneurs that have doggedly pursued authentic sustainable businesses. These businesses are actively looking to deepen their impact performance, learn systems and technologies that could create efficiencies, especially as related to climate adaptation and resilience and take advantage of next-gen opportunities to scale financial results. This includes measurement, reporting, transparency, and accountability. EcoEnterprises Fund has developed a multitude of tools to address risk.

In terms of the investees, a rigorous screening and evaluation process is undertaken for every prospective investment including the application of EcoEnterprises Fund's tested Environmental and Social Management System, which includes impact data collection to evaluate company impact intentionality. This process enables identification of any potential issues in prospective investees prior to an investment and to closely monitor investments. EcoEnterprises Fund has also developed an Enterprise Risk Management (ERM) system, a structured process used to identify, assess, and mitigate risks across key operational areas such as finance, governance, and resource management. Led annually by the MD, Compliance & Operations in coordination with the CEO and COO, the ERM process ensures ongoing evaluation and adaptation of risk mitigation strategies, helping the organization remain resilient and responsive to emerging challenges. See further details in the operations manual (Annex 21).

To strengthen implementation readiness and increase the resilience of the proposed strategy, the Project description explicitly links identified implementation **risks** to key components, outputs, and outcomes. Each risk presents potential constraints to achieving the intended results, especially in a multi-country context with varying degrees of institutional capacity, climate exposure, and market maturity. By aligning each risk to a specific output or outcome, the Project can better anticipate operational challenges and embed targeted mitigation strategies into its delivery mechanisms. This approach ensures that the project remains adaptive and responsive under uncertainty, particularly in geographies with high climate or socio-economic vulnerability. The table below summarizes these connections and illustrates how each risk will be addressed to safeguard project integrity and results delivery.

Table 23. Risk-Output-Outcome Matrix & Mitigation strategy.

Risk Category	Description of Risk	Mitigation Strategy
		Linked Output / Outcome
Business and company management	iSMEs may face operational disruptions or underperformance due to lack of management capacity.	Rigorous due diligence, flexible financing, post-investment technical support, and performance monitoring to trigger adaptive responses. Strong fund governance and decision-making frameworks (linked to Output 1.3, Outcome 1): - The Fund applies a robust investment committee structure with internal checks and external advisory inputs to ensure sound portfolio allocation and responsiveness. - Portfolio diversification across countries and sectors reduces exposure to specific business model risks. Active portfolio monitoring and support (linked to Output 3.1, Outcome 3): - Regular financial, ESG, and impact reporting is required from all investees, with technical support provided to ensure compliance. - Investment team continuously provides advisory to help companies course-correct when KPIs are not met. Additionally, targeted TA is available for further external business advisory services. Crisis management protocols (linked to Outcomes 1 and 3):

		Pre-established response protocols for portfolio-wide shocks (e.g., political unrest, pandemics) include capital reallocation, TA reprioritization, and investor communication plans.
Illiquidity of investments	Exit opportunities may be delayed due to market immaturity or weak secondary markets.	Staggered investment timelines, flexible finance structures to absorb liquidity risks, promote local investor networks and inclusive exit planning. Flexible capital instruments (linked to Output 2.1, Outcome 2): - The Fund uses tailored instruments—including revenue-based royalties, convertible notes, and quasi-equity with call/put options—to enhance exit options and cash flow alignment. - Tenor and repayment terms are matched with the business models and growth cycles of iSMEs. Pipeline screening with exit strategy criteria (linked to Output 1.1, Outcome 1): - Projects are selected in part based on the plausibility of exit scenarios (e.g., local acquisition, refinancing, secondary funds). Secondary market engagement (linked to Outcome 1): - The Fund has strong relationships with regional DFIs and private equity platforms to enable secondary transactions when needed. - The Fund can also explore the creation of local investor syndicates to facilitate liquidity events.
Weather and climate shocks	Extreme weather (e.g. floods, droughts, hurricanes, El Niño/La Niña) may disrupt businesses' operations and hinder TA delivery in remote areas and disrupt implementation schedules.	Digitize TA materials, incorporate remote delivery mechanisms, stagger implementation timelines, and prioritize early delivery in high-risk seasons. Flexible and adaptive TA delivery (linked to Output 2.2, Outcome 2): - TA can be designed with modular and digital formats, enabling scalability and continuity even during climate-related disruptions. - In countries with high exposure to extreme weather—such as Belize, the Dominican Republic, Peru, and Ecuador—TA delivery is decentralized and staggered across time and regions to ensure uninterrupted support. Climate-sensitive investment criteria (linked to Output 1.1, Outcome 1): - Investment decisions integrate localized climate risk analysis (e.g., vulnerability maps, weather projections). - The Fund prioritizes iSMEs applying adaptive practices such as agroforestry, water harvesting, and green infrastructure, or those located in areas less exposed to climate hazards. Business continuity planning for iSMEs (linked to Outcomes 1 & 3): - Portfolio companies are supported to develop contingency plans for extreme events, including personnel safety protocols, crop protection strategies, and the use of parametric insurance where feasible. Proactive climate monitoring and early warning systems: - EcoEnterprises Fund will support companies in partnering with national meteorological services and community-based networks to implement early warning systems, enabling proactive adjustments and strengthening long-term adaptation.
Environmental and social integrity	Failure to meet E&S or gender criteria could delay approvals or reduce impact.	Strengthen E&S screening early in pipeline, provide gender-responsive TA, and embed social accountability tools in project monitoring. Rigorous E&S screening and ESMS implementation (linked to Output 1.1, Outcome 1): - All investments undergo environmental and social due diligence aligned with GCF standards, including exclusion lists and risk categorization. - An Environmental and Social Management System (ESMS) is operational at Fund and investee levels, with training and templates provided.

		Ongoing E&S monitoring and compliance (linked to Output 3.1, Outcome 3): - Site visits and third-party audits verify compliance, with corrective actions required for identified gaps. - E&S KPIs integrated into regular impact reporting. Capacity-building for E&S integration (linked to Output 2.2): - TA helps iSMEs build internal E&S systems, particularly in countries with limited regulatory enforcement (e.g., Guatemala, El Salvador). - Community engagement protocols and grievance redress mechanisms are tailored to local cultural contexts.
Deal flow	Pipeline may be insufficient or geographically concentrated.	Country-level origination partnerships, priority setting by vulnerability and sector, and long-term pipeline development activities. Proactive origination strategy (linked to Output 1.1, Outcome 1): - Active presence at local and regional impact, climate, and agri-entrepreneurship events, building on 20+ years of ecosystem engagement. - A network of local scouts, incubators, and rural organizations feed the pipeline with high-potential iSMEs. - Open calls and challenges in partner countries (e.g., Costa Rica, Peru) can generate early-stage leads. Country-specific pipeline strategies (linked to Output 1.1): - In countries with shallower pipelines (e.g., Belize, Dominican Republic), the Fund will work with key strategic stakeholders, like ecosystems builders, other impact investment funds, national biodiversity or rural development programs to find prospective pipeline companies.
Foreign exchange, tax, country risks	Currency volatility or policy changes (e.g. taxes) may affect financial returns or business stability.	Diversification, selection of countries with relatively stable regimes and of relatively mature companies with hard currency sales, legal structuring to limit exposure. Multi-country diversification and company selection (linked to Outcome 1): - Currency risk is managed through investment diversification across countries and instruments. - Investment in mainly export companies with large portion of revenues in hard currency (US dollars or Euros) reduces FX risk. TA support for financial management where possible (linked to Output 2.1): - TA will support iSMEs to manage FX exposure through financial literacy and planning tools when needed. Legal and tax due diligence (linked to Output 1.3): - Local legal teams conduct upfront and ongoing assessments of tax regimes, repatriation rules, and investment incentives. - Investments are structured to comply with each country's financial and regulatory framework.
Management and key personnel risks (iSMEs)	iSMEs may struggle to attract and retain qualified personnel, especially in rural and underserved regions.	TA will support internal capacity building, local hiring and training incentives, and inclusive HR practices that promote gender and ethnic diversity. Leadership capacity support (linked to Output 2.2, Outcome 2): - TA will include executive coaching, governance strengthening, and succession planning for investees. - In contexts with talent retention challenges (e.g., Costa Rica, Ecuador), local partnerships will support recruitment of skilled managers. Peer learning and mentorship networks (linked to Output 3.2): - Portfolio companies are integrated into communities of practice and thematic clusters to share managerial experiences.

		- Regional exchanges and mentorships will foster leadership development in rural and Indigenous enterprises. Incentive structures for retention (linked to Output 1.1): - The Fund encourages investees to adopt profit-sharing, employee equity, and other performance-linked incentives to retain key staff. - Gender-balanced leadership development programs will be prioritized across all investees.
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Below, the general EcoEnterprises Fund's risk management strategy, illustrated through different identified risks, is presented.

Selected Risk Factor 1 - Business and portfolio management

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>High</u>

Description

In the context of EcoEnterprises Fund's company portfolio, this risk refers to the challenge of effectively managing its portfolio of investments, especially in the sector of innovative small and medium-sized enterprises (iSMEs) focused on natural climate solutions where weak management systems among iSMEs are a recurrent challenge across Latin America and the Caribbean. These weaknesses—well documented by the IDB—limit iSMEs' ability to scale and deliver impact. This includes the potential for operational difficulties, ineffective business decisions, or lack of profitability in some long-term investments.

Mitigation Measure(s)

EcoEnterprises Fund leverages its 25 years of experience providing investment capital to iSMEs through a diversified portfolio strategy—balancing size, sector, country, financial instruments, and stage of development. The Fund applies prudent deal structuring mechanisms, such as milestone-based disbursements, follow-on financing for high-performing companies, negotiated exit terms, and collateral requirements. These safeguards are reinforced by active pipeline development and close engagement with local advisors, legal experts, and a robust governance structure that includes dedicated Investment, Valuation, and Impact Committees. In parallel, the Fund deploys targeted technical assistance to strengthen iSMEs' financial, operational, and governance systems—addressing a key driver of business risk in the region. Through the TA Facility, investees receive customized support in areas such as strategic planning, financial management, governance, compliance, and leadership development. This integrated approach not only mitigates operational risks but also builds the long-term institutional capacity of iSMEs to deliver scalable, resilient climate and biodiversity outcomes.

Selected Risk Factor 2 - Illiquidity of investments

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>Medium</u>

Description

This risk refers to the difficulty of liquidating investments in the short term. The iSMEs engaged in nature-based solutions, such as ecosystem restoration or regenerative agriculture, tend to have long-term revenue structures and may face challenges in generating liquidity quickly, which could make it harder to meet investor expectations.

Mitigation Measure(s)

Investment instruments have structured exits to enable EcoEnterprises Fund to distribute cash proceeds to investors; nearly all transactions have a debt-like component, and an enforceable equity exit mechanism that allows for more control over the exact timing of an exit. EcoEnterprises Fund pursues collateral in transactions, including pledges on shares and assets and/or cash accounts to support liquidity options. Exit strategies and opportunities are continuously evaluated as part of the ongoing monitoring process relying on

EcoEnterprises Fund's relationship with the company, understanding of investments cash flow requirements, and utilizing local and international networks for sales, buyouts, refinancing, etc.

Selected Risk Factor 3 - Weather and climate change

Category	Probability	Impact
<u>Other</u>	<u>High</u>	<u>Medium</u>

Description

Climate change increases weather risk for iSMEs. This risk is intrinsically related to climate change, a central issue for EcoEnterprises Fund. Extreme weather events (droughts, storms, floods) can significantly affect iSMEs' activities, especially in vulnerable sectors like sustainable agriculture, fishing, and forestry. These risks could impact production, profitability, and the ability of companies to adapt.

Mitigation Measure(s)

Latin America presents a variety of climate conditions that, depending on operations and production, are ideal. EcoEnterprises Fund works with companies that source raw material from different locations and that count with primary and secondary suppliers throughout the region that can fill gaps in supply if weather-related events arise. Portfolio companies are also utilizing climate tech and ag tech solutions, such as irrigation, sensors and GPS, as part of a landscape and watershed management plan, to address resiliency and reduce risks. EcoEnterprises Partners IV will count with a technical assistance facility which can be used to support climate change adaptation projects for companies.

Selected Risk Factor 4 - Environmental and social integrity

Category	Probability	Impact
<u>Prohibited practices</u>	<u>Low</u>	<u>High</u>

Description

This risk is related to the adherence to environmental and social standards, especially when promoting the adoption of natural solutions that aim to mitigate climate change and restore ecosystems. EcoEnterprises Fund is committed to working with iSMEs that respect sustainability and social justice principles, and any deviation from these principles could have adverse effects on both the fund and local communities.

Mitigation Measure(s)

Through measurement, reporting, transparency, and accountability, EcoEnterprises Fund has developed a multitude of tools to address risk. A rigorous screening and evaluation process is undertaken for every prospective investment including the application of EcoEnterprises Fund's tested Environmental and Social Management System, which includes impact data collection to evaluate company impact intentionality. This process enables identification of any potential issues in prospective investees prior to an investment and to closely monitor investments. Ongoing engagement and monitoring enable the Fund Manager to ensure adherence to the environmental and social action plan.

Selected Risk Factor 5 - Deal flow

Category	Probability	Impact
<u>Technical and operational</u>	<u>Low</u>	<u>Medium</u>

Description

This risk is related to the ability to generate a consistent flow of investment opportunities in the sector of nature-based climate solutions. A lack of viable projects or the inability to identify local iSMEs with the potential to implement sustainable solutions could limit the success of EcoEnterprises Fund.

Mitigation Measure(s)

A broad spectrum of deal generation strategies give EcoEnterprises Fund a significant reservoir of strong opportunities. Leveraging among other things an in-region presence and vast network, EcoEnterprises Fund

continuously builds its knowledge of relevant players in the climate space and SMEs in the region by identifying compelling business models early and working the pipeline until a financing opportunity arises. The focus is on iSMEs unable to access financing from conventional sources due to the shallowness of local capital markets and the newness/complexity of their business model.

Selected Risk Factor 6 - Foreign exchange, tax, country

Category	Probability	Impact
<u>Forex</u>	<u>Medium</u>	<u>Medium</u>

Description

This risk refers to the effects of currency volatility, tax policies, and political risks in the countries where EcoEnterprises Fund invests. Fluctuations in exchange rates or changes in tax policies could affect the profitability of investments in iSMEs promoting natural solutions in vulnerable areas.

Mitigation Measure(s)

The Fund has worked across the region for decades and has navigated the risks associated with uncertainty and the volatility in the markets. For this reason, all investments are to be denominated in US dollars and structured with consideration for tax implications for investors. Given the targeted iSMEs which are regional and global in scope, the companies have access to US dollars which facilitate repayments. Moreover, by working locally (the Fund Manager has had a physical presence in the region over two decades) and relying on extensive networks, EcoEnterprises Fund is able to stay abreast of political and economic changes for contingency and risk mitigation planning.

Selected Risk Factor 7 - Management and key personnel

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>High</u>

Description

This risk refers to the ability of iSMEs to attract and retain qualified personnel, especially in rural and underserved regions.

Mitigation Measure(s)

The Fund conducts a careful due diligence process with specific attention to the strength of the management team, internal institutional capabilities, and existing retention policies. Post-investment, TA supports internal capacity building through local hiring incentives, inclusive HR practices, and training programs that promote gender and ethnic diversity. TA also provides executive coaching, governance strengthening, and succession planning, particularly in countries facing talent retention challenges. Peer learning networks and mentorship opportunities further foster leadership development, especially among rural and Indigenous enterprises. Additionally, the Fund encourages investees to adopt incentive structures such as profit-sharing and employee equity, while prioritizing gender-balanced leadership development.

Selected Risk Factor 8 – Money Laundering and Terrorist Financing Risk (ML/TF)

Category	Probability	Impact
<u>Technical and operational</u>	<u>Medium</u>	<u>High</u>

Description

This risk refers to the ability of the Fund and iSMEs to undertake a thorough due diligence and vetting process to ensure that stakeholders, including investors, personnel, suppliers, vendors, clients, etc. are not involved in ML/TF which is especially important in the developing country context. The Fund is attentive to bribery, procurement fraud, and illicit flows of capital.

Mitigation Measure(s)

Relying on the many years operating in the region, and the vast network of credible and reputable contacts, the Fund builds upon its platform to carry out its operations with deep integrity. Implementing its financial, environmental and social management systems, focused on robust policies and procedures, including AML/KYC protocols and other measures, the Fund is able to address risks across operational matters. For instance, vendors and suppliers, such as the fund services provider, IT service companies, law firms, and accountants, are selected after three proposals have been analyzed and after at least three references have been contacted. The LP Advisory Committee is required to approve any auditors or accountants for Fund IV.

For the analysis of iSMEs, the Fund executes its thorough and robust investment process applying similar protocols. Baked into all legal agreements are anti-corruption due diligence and ongoing audits, as well as anti-money laundering terms and conditions. The Fund works with portfolio companies to impart training and understanding of these measures.

External certification agencies, auditors, and other firms that are engaged in standards and protocols are relayed on as well to provide verification of processes at the Fund-level and in portfolio companies whether for this particular risk or other financial, environmental and social identified risks.

It is important to note that even after implementing the Fund's system there may be residual compliance risks that are not fully eliminated and that the Fund will need to manage. For every iSME, the Fund establishes an environmental and social action plan at the onset of the investment, which may be added to during the life of the investment. If there are issues that arise during monitoring, which may include ethical misconduct, grievances, incidences or injuries, fraud, etc. that may require enhanced mitigation measures, the Fund implements a remediation action plan to ensure compliance. Triggers occur based on non-compliance of the terms and conditions in the legal agreement and lack of adherence to the Fund's policies. The Fund Manager's high touch engagement and provision of technical assistance monies provide the visibility into portfolio companies' activities. For this reason, the Fund usually identifies any risks early on. If there is a material change in the business, and/or the agreed upon steps set out in cooperation with the iSME, the Fund has the right to exit the company.

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

Environmental and Social risk categorization

EcoEnterprises Fund will use the funds to invest in sustainable companies that generate benefits as measured in terms of financial return and net positive impact to neighboring communities and the environment. The companies targeted are SMEs in size and will only be Category B or C according to the GCF Revised Environmental and Social Policy (RESP). **Category A investments will be excluded from our investments due to the nature and size of the companies EcoEnterprises Fund invests in and EcoEnterprises Fund's impact mission.** Although EcoEnterprises Fund's Environmental & Social Management System (ESMS) includes A, B+, B, and C ESS categories, to reflect requirements and definitions set by other DFI investors, Fund IV will only use GCF proceeds to SMEs with risks and impacts that are within the ESS category B and C definition according to the GFC RESP. This is initially screened out during screening and categorization in pre-due diligence, and thoroughly confirmed during the formal due diligence stage. The Fund invests in rural SMEs with strong social and environmental purposes, which translates to solid and robust social and environmental commitments and managements which leads to mitigated environmental and social risks.

While the sectors we invest in — regenerative agriculture, agroforestry, aquaculture, circular economy, and ecotourism — may carry inherent E&S risks such as land degradation, deforestation, improper waste management, or community-level impacts, these are reduced by the small scale of the companies, their mission-driven models, and our active engagement on safeguards. All companies must comply with all national and international social and environmental standards and regulations; which is included in the legal investment agreements. The Fund also screens for and supports companies with strong internal E&S policies, practices and certifications. Finally, the size of the companies invested in further reinforces the only limited extent and high manageability of any potential social and environmental risks of any operation. Therefore, EcoEnterprises Partners IV is categorized as an I-2 according to the GCF RESP.

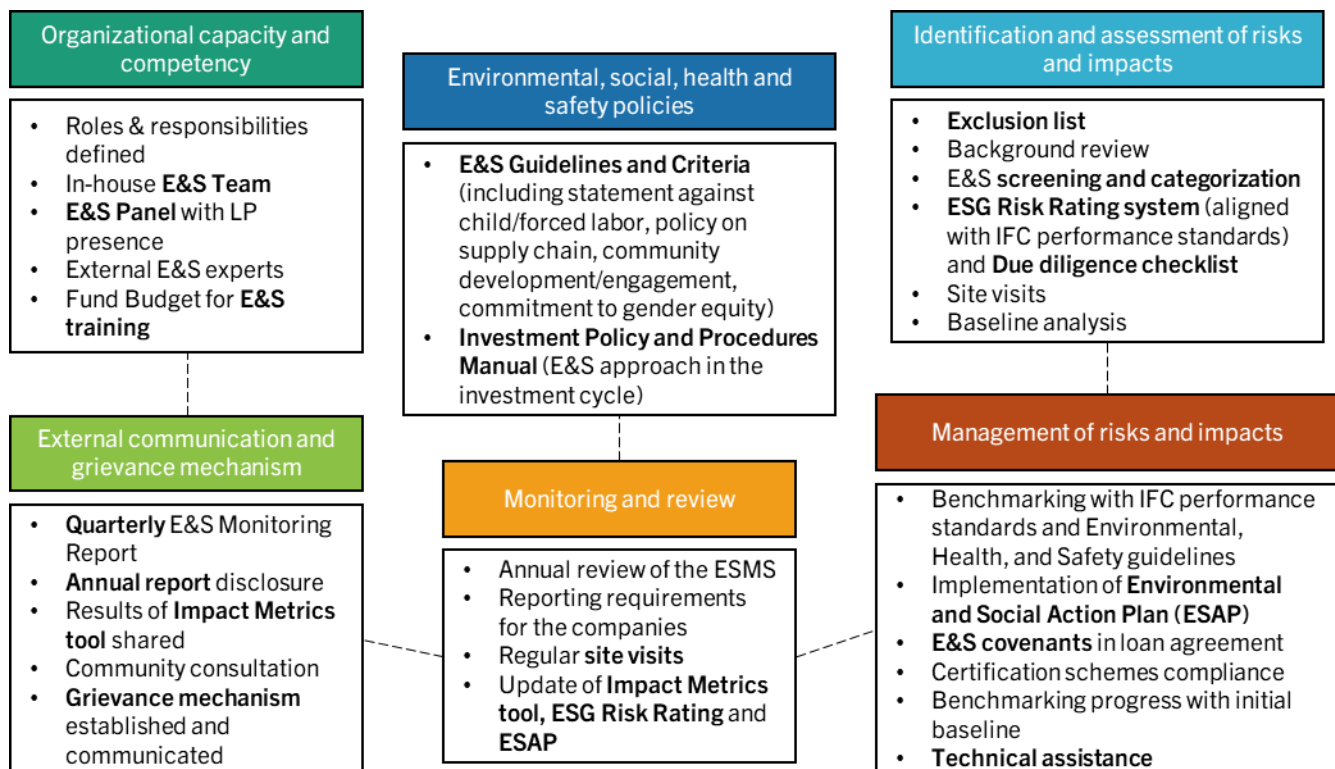
Environmental and Social Management System

EcoEnterprises Fund has extensive and proven systems and tools to analyze this during due diligence as well as to monitor frequently the companies' performance in this matter. For more than two decades, EcoEnterprises Fund has pursued a multi-pronged investment strategy to achieve financial returns while generating positive environmental and social impacts. To realize these goals, the Fund has developed a comprehensive environmental and social management toolbox, which is used in the investment process to collect impact data and address risk. Supported by on-the-ground implementation and lessons learned over the years, its ESMS is customized to consider the challenges and opportunities within its niche while integrating international frameworks to ensure alignment with best practices. The scope of the ESMS includes social aspects such as fair work and non-discrimination, protection and respect for human rights, as well as environmental aspects such as biodiversity conservation and regeneration, and the promotion of climate resilience and climate action. The system is developed through a gender-inclusive approach. EcoEnterprises Fund consistently reviews its management system to ensure the most up-to-date practices are followed and regularly reports on E&S risk and impact through quarterly reports to its Limited Partners.

A quarterly E&S monitoring report is shared together with the financial quarterly report, with updates of the companies and the Fund's E&S performance, including updates on ESAP actions and other relevant E&S activities. Additionally, an annual report is produced to provide updates on the portfolio's E&S management, results of company impact metrics, and impact management analyses of portfolio companies. These reports are shared with all Limited Partners, and key elements are highlighted on the Fund's website and on a public impact report. As a signatory to the Operating Principles for Impact Management, the Fund publishes a disclosure statement on its website each year, outlining its alignment with these principles and as a signatory

to the UN Principles for Responsible Investments (PRI), the sustainable investment strategies and approach are also publicly disclosed on their website.

The contents of the Environmental and Social Management System are summarized below, while the full ESMS can be found in Annex 6:



G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Commitment to gender positive impact.

EcoEnterprises Fund has been a leader not only in gender-smart investing, but also in gender-lens investing. Gender-smart investing is the use of capital to simultaneously generate financial returns and advance gender equality. Applying a “gender lens” is about integrating gender analysis into financial analysis to identify considerations usually missed. Since 1998 when first fund was launched as a pioneering women-led impact investment firm in Latin America, EcoEnterprises Fund pioneered gender-smart investing. With women ownership, 88% of the team being women, a governance structure with women on executive committees, and the Impact Committee, EcoEnterprises Fund has been uniquely positioned to identify and invest in companies that are led by and/or benefit women in the local communities they serve. The deep network in the region along with the close engagement with partners enables identification of innovative women-led business models and promote women’s involvement at the forefront of the movement to tackle climate change, biodiversity loss, and poverty. For this reason, EcoEnterprises Fund elevates the UN Sustainable Development Goals SDG 5 (Gender Equality) as part of a commitment to achieving impact goals. To ensure EcoEnterprises Fund embodies these values across operations, the investment process, and the portfolio companies, there is alignment with industry standards, with a specific focus on gender-smart investing in [Women’s Empowerment Principles](#), which offer a framework on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. This is a part of EcoEnterprises Fund’s gender toolbox. EcoEnterprises Fund has actively promoted gender-positive investment through key initiatives and partnerships. In 2019, a G7 DFI’s \$12.5 million investment in EcoEnterprises Partners III, LP qualified under the [2X Challenge](#), a G7 commitment to mobilize \$3 billion for women’s economic

empowerment. By mid-investment period, over 90% of the fund's capital commitments aligned with 2X Challenge criteria at the time. The Fund also participated in the [ANDE Gender Equality Initiative \(AGEI\)](#) in 2021, addressing gender barriers in business, and engaged in platforms like #SheisWe and [WeXchange](#) to support women entrepreneurs. In 2022, EcoEnterprises Fund received a grant from ANDE and USAID for its [Gender Lens Investment Pay for Results Fund](#), enhancing gender performance and ESG evaluation across its portfolio. Using the Women's Empowerment Principles Gender Gap Analysis tool, the Fund helped portfolio companies identify gender gaps and implement strategies to drive financial and social impact.

Gender Assessment and Gender Action Plan.

A comprehensive *Gender Assessment and Gender Action Plan* (Annex 8) was developed for EcoEnterprises Partners IV to enhance gender-responsive investment. The assessment reviewed global databases and indicators like HDI, GII, and GDI to evaluate gender progress. A regional analysis for Latin America and the Caribbean focused on MSMEs, financial inclusion, agriculture, and climate vulnerability. Country-specific gender issues were analyzed using supplementary indices such as the Social Institutions and Gender Index (SIGI), the Global Gender Gap Index, and the World Bank's Women, Business and the Law Index. A gender risk checklist was applied to assess gender-based violence and the existence of legal protections. The assessment identified recurring gender-related barriers—particularly in rural areas—and examined the sociocultural dynamics that contribute to gender inequality, which is often intensified by climate change. These findings inform project planning and evaluation processes and serve as a foundation for the Gender Action Plan, which targets the specific challenges faced by women and other vulnerable groups.

As part of its commitment to social inclusion and gender equity, EcoEnterprises Partners IV will integrate a gender-responsive investment approach to ensure that women actively participate in the economic opportunities created by its investments. Despite progress in gender equity across LAC, women continue to face barriers in accessing finance, land ownership, technical training, and leadership roles in business and community decision-making. Rural women experience a double burden—economic limitations combined with the adverse impacts of climate change, which directly affect their livelihoods and food security. Additionally, unpaid domestic work restricts their ability to engage in entrepreneurship and formal employment opportunities.

EcoEnterprises Partners IV's Gender Action Plan was developed based on:

- Lessons learned from the Fund's past investment performance.
- Extensive discussions with key stakeholders, including gender-focused organizations.
- A review of best practices in gender-lens investing, including frameworks such as the 2X Challenge, which promotes increased investment in women by supporting female entrepreneurship, leadership, employment, and access to financial and business development services.
- Sector-specific research to understand the unique gender challenges in sustainable agriculture, biodiversity-based businesses, and eco-tourism enterprises.

To drive meaningful gender inclusion, EcoEnterprises Partners IV will incorporate gender considerations at both the fund level and the portfolio level.

1. Fund-Level Commitments – embedding gender equity across its investment process by:

- Ensuring a minimum of 50% female representation within its investment and management team.
- Applying gender-lens investing principles throughout the investment cycle to ensure all investments consider gender impact.
- Implementing gender-disaggregated impact reporting, monitoring, and evaluation to track progress.
- Requiring each portfolio company to develop and implement a Gender Action Plan tailored to its business model.

2. Portfolio-Level Approach – Assess investment opportunities based on their potential to advance gender inclusion and enhance economic opportunities for women. The Fund will strategically allocate capital to:

- a) Increase financing for women-owned and women-led businesses:
 - Women entrepreneurs face significant barriers in accessing capital, with less than 10% of investment funds reaching women-led businesses in emerging markets. The Fund will actively seek and prioritize investments in women-owned enterprises, ensuring they receive adequate resources to scale their impact.
- b) Support businesses that provide quality employment opportunities for women:
 - Women's participation in sustainable agriculture, conservation enterprises, and eco-tourism remains lower than that of men, despite their critical roles in these industries. The Fund will aim to increase the percentage of women employed in its portfolio companies to at least 40%, ensuring greater representation in decision-making roles.
- c) Invest in businesses that improve women's livelihoods and resilience:
 - Many rural women depend on natural resources and agriculture for their livelihoods but face systemic barriers to land ownership, training, and financial services. The Fund will prioritize investments in businesses that enhance women's access to financial tools, technical assistance, and sustainable income-generating opportunities.

EcoEnterprises Fund recognizes that gender equity extends beyond economic opportunities. To create an enabling environment for women, it will collaborate with local organizations and women's networks to integrate gender perspectives into investment projects while fostering strategic partnerships with institutions working on gender-based violence prevention in the communities where the Fund operates. By implementing these strategies, EcoEnterprises Fund seeks to bridge gender gaps, enhance women's economic empowerment, and demonstrate that gender equity is a key driver of business success and sustainability in Latin America and the Caribbean.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

GCF Funded Activity Agreement (FAA)

Section B.4 Implementation Arrangements describes the contractual relationship between EcoEnterprises Fund as AE (with the Fund Manager, EcoEnterprises Impact Management, LLC, as the legal entity assigned as AE), EcoEnterprises Partners IV, the TA Facility (TAF), and portfolio companies. The detailed provisions regarding financial management of GCF resources by the AE will be described in the FAA. EcoEnterprises Fund will be overall responsible for project implementation and reporting obligations to the GCF. Periodic reporting will be provided by EcoEnterprises Fund to the GCF specifying among others:

- The amounts already committed by EcoEnterprises Partners IV by country and by company;
- The amounts already committed and disbursed by the TA Facility by country;
- The remaining amount on different GCF accounts;
- A provisional disbursement schedule on a one-year rolling horizon;
- For the loan component, a list of incidents recorded during the repayment period of the loan provided to portfolio companies.

Such reports will be submitted in English to the GCF in line with reporting timelines to be captured in the Term Sheet and FAA respectively.

Capital Management

The Fund Services Administrator manages all capital transactions with Limited Partners (LPs). Procedures and controls are reflected in the International Standard on Assurance Engagements (ISAE) 3402 report provided to the Manager and available to LPs upon request. This audit report focuses on procedures and controls related to quality compliance, auditing, review, other assurance, and related services.

The Manager coordinates with the Fund Services Administrator on establishing and managing bank accounts and cash flow through:

- Subscription & Redemption account for funds called from and distributed to the LPs; and
- Investment account to handle disbursements to and payments from portfolio companies.

The Fund audit firm reviews all bank account movements. The Manager keeps books and records reflecting the Fund's activities and transactions. Each LP is afforded the right to access to the Fund's financial records for any purpose reasonably related to such LP's interest.

Funding Notices & LP Statements

Through the Fund Services Administrator, the Manager calls for capital by issuing Funding Notices on an as-needed basis to make portfolio investments and to cover fund expenses, such as the Fund Management Fee. The initial Funding Notice requests capital to cover fund start-up and legal expenses as stipulated in the Limited Partnership Agreement (LPA). When calling capital for any new deals, the Investment Committee minutes and a summary of the portfolio company investment are included with the Funding Notice. The Funding Notices are also accompanied by an allocation of the capital being called per LP.

The Manager projects the amount of yearly capital calls based on the forecasted investment schedule and portfolio company capital needs and includes the estimates in the LP Quarterly Reports; the LPs then calculate pro-rata amounts based on percentage participation in the Fund.

Portfolio Company Disbursements

Once the legal investment documents are signed on the Fund's behalf, the investment in the portfolio company is considered official and funds can be disbursed.

Portfolio Company Payments

At least 7 days prior to payment, the MD, Compliance & Operations sends quarterly notices to the companies for amounts due as well as forwards receipts for the prior quarterly payments. The payments are calculated based on the repayment schedules. Calculations and/or updated repayment schedules are provided to the companies at the initial legal closing of the transaction, when questions arise, or when the repayment schedule changes.

Organizational and Partnership Expenses

All LPs admitted after the first closing of the fund are required to contribute the pro rata share of any portfolio investments and expenses paid as part of the equalization process, less the pro rata share of any distributions made through the date of the subsequent close. The Fund Services Administrator manages this process and presents the accounting of the payments.

The Manager covers additional expenses incurred by members of the LP Advisory Committee (LPAC) or other advisory committees, such as travel expenses to LPAC meetings or portfolio companies; all taxes, fees, and other governmental charges payable by the Fund; minimal stipends for the Investment Committee, D&O insurance, legal, accounting, and communications costs; and, subject to the approval of the Investment Committee, costs incurred by the Manager, in connection with identification, structuring, making, monitoring, and exiting portfolio investments. Parameters on these expenses, including cap-amounts are stipulated in the LPA.

In order for the Manager to be reimbursed for deal-related costs of a prospective portfolio company, the Manager prepares a Due Diligence Request and receives approval from the Investment Committee to proceed with company due diligence. An annual budget for operating expenses is presented at the LPAC meeting for discussion.

The Fund does not cover any of the following expenses:

- taxes imposed solely on the GP or Manager;
- expenses related to the ordinary operating of the GP or Manager;
- salaries/benefits for GP members or Manager;
- expenses related to office space or equipment of the Manager; and,
- professional training for members of the GP or Manager.

Invoices for legal fees and other operating expenses are covered by wire transfer and are reviewed by the COO and CEO. CEO approves payment of invoices and COO processes payment.

Aside from portfolio company oversight by the dedicated investment officer and company confirmation, the COO ensures that the financial statements are accurate by reconciling account balances.

Management Fee

The Management Fee is generally paid on a quarterly basis in advance and begins accruing on the initial closing date. The Management Fee calculation is stipulated in the LPA and generally reflects a fixed percentage based on the Fund's total capitalization during the investment period, and then is adjusted based on the value of the investment portfolio thereafter. The fee ceases on the date on which the Fund completes its liquidation. The Fund Services Administrator calculates the Management Fee.

Audit & Valuation Process

The Fund reports on a January to December fiscal year. All investments are made in U.S. dollars and reporting is in U.S. dollars. The Fund Services Administrator generates quarterly financial reports based on the Fund accounts in accordance with International Financial Reporting Standards (IFRS) which are shared with LP in quarterly reporting. Year-end financials are delivered to the auditor and Manager in preparation for the annual audit process. The audit firm is approved by the LP Advisory Committee.

The Valuation Policy & Procedures frame the audit process for the Manager. This policy is reviewed annually and amended from time to time, based on input from the Valuation Committee, auditors, any third-party valuation review, and in response to revised directives under IFRS or International Private Equity Valuation (IPEV) Guidelines.

Depending upon the requirements put forth in the LPA, the Manager's valuation approach may be independently assessed midway through the investment period, in addition to the yearly audit valuation process with results shared with the LPAC and Valuation Committee.

Valuation Process

The Fund deploys tailored mezzanine investments that are debt, quasi-equity, and equity investments in privately-held companies. The Manager closely monitors the financial performance of the Fund's investment portfolios and tracks the changing value of the portfolio companies, taking into consideration the nature, facts, and circumstances of each investment as of a specific measurement date. Generally, the Fund's equity positions are minority shares with limited influence beyond traditional control provisions (e.g., change of control, asset sales, issuance of new debt and/or equity) and most often include put options or other debt-like features to help mitigate exit risk.

Consideration of inputs to the valuation process are presented to the Fund's Valuation Committee, which includes the Investment Committee members and the Non-Executive Independent Directors of the GP. The Valuation Committee meets on a quarterly basis to discuss company performance and review other factors affecting portfolio valuation, such as down-rounds or up-market transactions, including third-party indications of a material decline/increase in value, delinquencies, etc., as well as general market conditions impacting the portfolio, so the Manager can incorporate any necessary adjustments to the equity valuation models or establish allowances for impairments on debt. Meeting minutes are provided to LPs as well as the auditor.

The Valuation Committee also evaluates the audit process and provides input to ensure that audit reports are delivered to LPs per the LPA.

Portfolio Valuation Model

Determining the intrinsic value of the Fund's asset is not easily accomplished with conventional valuation approaches. For this reason, the Manager developed a proprietary valuation model to assess the investment portfolio. The Manager continuously improves the overall approach by back-testing valuation results periodically against realized exit values. In this way, the Manager gauges the accuracy of the fair value conclusions and works to enhance the predictive capacity of the Manager's financial models.

The Manager closely monitors the financial performance of the Fund's portfolio and tracks the fair value of its portfolio companies using a methodology that takes into consideration the nature, facts, and circumstances of each investment. Companies are valued using different methods, including discounted cash flow analysis and market comparables. Any material changes in the company's performance or capital structure are also considered. The auditor evaluates the Manager's valuation analysis and puts forth its conclusions in the Fund's year-end audited statements.

Finalization of Audit

Once the audit review is completed and any agreed upon adjustments are made to the Fund's internal financial statements, the auditors prepare the final statements to be delivered to LPs. The completed audit is also shared with the Fund Services Administrator to appropriately reflect the value of the portfolio and financial reporting for Fund purposes.

Services Procurement and Financial Compliance Protocols

The Fund follows internal protocols and consistent processes across its investment and operational functions. The Manager works with portfolio companies to institute thorough risk and financial management systems to ensure the integrity of relationships, including suppliers, service providers, and customer. The Manager monitors such processes as part of the compliance with the Fund's legal documentation. Full vetting, including due diligence, reference checks, AML/KYC processes are similarly undertaken at the onset of a formal relationship with Fund service providers. At the fund management-level, vendors and suppliers, such as the fund services provider, IT service companies, law firms, and accountants are selected after a robust search. Global corporate firms are identified to provide many services as the Fund operations across regions and jurisdictions. In-country law firms are used to investigate contractors. Each procurement action requires at least three proposals, with at least three references. The process is documented, and information is verified and certified. The LP Advisory Committee is required to approve any auditors or accountants for Fund IV. EcoEnterprises Fund's reputation and credibility with global and in-country stakeholders, and in the industry are key to long term performance. The integrity of the Manager's leadership in this regard has been a key asset of EcoEnterprises Fund for decades.

G.4. Disclosure of funding proposal

☐ **No confidential information:** The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ **With confidential information:** The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and

- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

- ☒ Annex 1 NDA no-objection letter(s) ([template provided](#))
- ☒ Annex 2 Feasibility study - and a market study, if applicable
- ☒ Annex 3 Economic and/or financial analyses in spreadsheet format
- ☒ Annex 4 Detailed budget plan ([template provided](#))
- ☒ Annex 5 Implementation timetable including key project/programme milestones ([template provided](#))
- ☒ Annex 6 E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3):
[\(ESS disclosure form provided\)](#)
 - ☐ Environmental and Social Impact Assessment (ESIA) or
 - ☐ Environmental and Social Management Plan (ESMP) or
 - ☒ Environmental and Social Management System (ESMS)
 - ☒ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
- ☒ Annex 7 Summary of consultations and stakeholder engagement plan
- ☒ Annex 8 Gender assessment and project/programme-level action plan ([template provided](#))
- ☒ Annex 9 Legal due diligence (regulation, taxation and insurance)
- ☒ Annex 10 Procurement plan ([template provided](#))
- ☒ Annex 11 Monitoring and evaluation plan ([template provided](#))
- ☒ Annex 12 AE fee request ([template provided](#))
- ☐ Annex 13 Co-financing commitment letter, if applicable ([template provided](#))
- ☒ Annex 14 Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

H.2. Other annexes as applicable

- ☐ Annex 15 Evidence of internal approval ([template provided](#))
- ☐ Annex 16 Map(s) indicating the location of proposed interventions
- ☒ Annex 17 Multi-country project/programme information ([template provided](#))
- ☐ Annex 18 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- ☒ Annex 19 Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
- ☒ Annex 20 First level AML/CFT (KYC) assessment
- ☒ Annex 21 Operations manual (Operations and maintenance)
- ☒ Annex 22 Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)⁴⁸
- ☒ Annex 23 Beneficiaries calculations

* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.

⁴⁸ Annex 22 is mandatory for mitigation and cross-cutting projects.

No-objection letter(s) issued by the national designated authority(ies) or focal point(s)



GOVERNMENT OF BELIZE

Ministry of Finance, Investment, **Economic Transformation**,
Civil Aviation & E-Governance

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Our Ref: IA/GCF/1/1/25 (01)

October 28, 2025

Ms. Mafalda Duarte
Executive Director
Green Climate Fund
Songdo Business District
175 Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

Dear Ms. Duarte,

Re: No-objection letter in respect of the funding proposal titled “EcoEnterprises Partners IV, LP submitted by EcoEnterprises Fund under the Project-Specific Assessment Approach (PSAA)”

We refer to the funding proposal titled “EcoEnterprises Partners IV, LP, Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Panama, submitted by EcoEnterprises Fund under the Project-Specific Assessment Approach (PSAA) to us on May 23rd, 2025 (the “**Proposal**”).

The undersigned is the duly authorized representative of the Ministry of Economic Transformation, the national designated authority of Belize.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The Government of Belize has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies, and plans of Belize.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect the EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Mr. Carlos Pol
Chief Executive Officer
Ministry of Economic Transformation & National Designated Authority for Belize – GCF

C: Hon. Osmond Martinez, Minister of State, Ministry of Economic Transformation
Ms. Milagro Matus, Chief Executive Officer, Ministry of Sustainable Development,
Climate Change and Solid Waste Management
Ms. Beverly Wade, Chief Executive Officer, Ministry of Blue Economy and Marine
Conservation
Mr. Leroy Martinez, Acting Director, Climate Finance Unit, Ministry of Economic
Transformation
Ms. Anisa Nah, Proposal Development Officer, Climate Finance Unit, Ministry of
Economic Transformation



San José, November 04th, 2025
DVGE-109-2025

To: The Green Climate Fund ("GCF")

Re: Expression of no-objection for the funding proposal titled
"EcoEnterprises Partners IV, LP" submitted by EcoEnterprises under the
project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "EcoEnterprises Partners IV, LP" in Costa Rica submitted by EcoEnterprises Fund to us on 3/7/2025 under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of Ministry of Environment and Energy, the national designated authority of Costa Rica.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

Additionally, pursuant to paragraph 47 of the Governing Instrument for the Green Climate Fund and the GCF Board decision B.31/06 on the implementation of the PSAA, in my capacity as representative of the national designated authority, for Costa Rica, I hereby nominate the entity below in connection with the Proposal:

EcoEnterprises

Contact person: Nathalie Prado

Contact details: (506)8707-4645, nprado@ecoenterprisesfund.com

The proposal EcoEnterprises Partners IV, LP contributes directly to Costa Rica's climate priorities by mobilizing blended finance to strengthen low-carbon and climate-resilient development in alignment with the country's climate change goals. By channeling USD 150 million in climate investments toward small and medium-sized enterprises (SMEs) in key sectors such as regenerative agriculture, agroforestry, circular economy, and ecotourism, the



initiative supports the country's objectives of enhancing rural resilience, reducing emissions, and conserving biodiversity.

Furthermore, the proposal promotes nature-based solutions, and inclusive economic growth, fostering innovation and private sector participation in climate action. Its governance structure and technical assistance facility ensure that investments deliver measurable environmental, social, and economic benefits while advancing Costa Rica's long-term vision of a sustainable and adapted economy.

By communicating our no-objection, it is implied that:

- (a) The government of Costa Rica has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Costa Rica.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We further confirm that our no-objection to the Proposal also applies to any project preparation facility application made by EcoEnterprises Fund after the submission of the Proposal to the GCF Secretariat.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Carlos Isaac Pérez Mejía
Vice Minister of Strategic Management
Ministry of Environment and Energy
Costa Rica

Cc: Archivo / Consecutivo

VCCyS-0146-2025

Santo Domingo, DR
June 2, 2025

To: Green Climate Fund Secretariat

Re: Expression of no-objection for the funding proposal titled "EcoEnterprises Partners IV, LP" submitted by EcoEnterprises Fund under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "EcoEnterprises Partners IV, LP" in the Dominican Republic submitted by EcoEnterprises Fund to us on April 3, 2025, under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative, Mrs. Ana Emilia Pimentel, the national designated authority of the Dominican Republic.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The government of the Dominican Republic has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of the Dominican Republic.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Sincerely,


Ana Emilia Pimentel
Viceminister of Climate Change and Natural Resources
Ministry of Environment and Natural Resources of Dominican Republic

AEP/ICB/mgb/sd




To: The Green Climate Fund ("GCF")

Quito, December 14, 2025

Re: Expression of no-objection in respect of the funding proposal titled "EcoEnterprises Fund" submitted by EcoEnterprises Impact Partners LLC., under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "EcoEnterprises Fund" in Ecuador submitted by EcoEnterprises Impact Partners LLC., to us on September 08th, 2025 under the project specific assessment approach the "Proposal".

The undersigned is the duly authorized representative of Ms. Jéssica Stefanía Gallegos Yaruquí, the national designated authority of Ecuador.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The government of Ecuador has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Ecuador.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Impact Partners LLC., to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Jéssica Stefanía Gallego Yaruquí
Undersecretary of Climate Change
National Designated Authority
Ecuador



MINISTERIO DE
MEDIO AMBIENTE
Y RECURSOS
NATURALES

MARN-UTD-090-2025

San Salvador, October 14th, 2025

SUBJECT: No-objection letter in respect of the funding proposal titled "EcoEnterprises Partners IV, LP" El Salvador, submitted by EcoEnterprises Fund.

Mrs. Mafalda Duarte
Executive Director
Green Climate Fund (GCF)
Incheon, Republic of Korea.

Dear Madam Duarte,

We refer to the funding proposal titled "EcoEnterprises Partners IV, LP", in El Salvador submitted by EcoEnterprises Fund to us in February 2025, under the project specific assessment approach (the "Proposal").

The undersigned is the duly authorized representative of the Ministry of Environmental and Natural Resources of El Salvador, the national designated authority of El Salvador.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- a) The government of El Salvador has no-objection to the Proposal; and
- b) The Proposal is in conformity with the national priorities, strategies and plans of El Salvador.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Arq. Fernando Andrés López Larreynaga
Minister





MINISTERIO DE AMBIENTE Y RECURSOS NATURALES
GUATEMALA, C. A.

Ministra

To: The Green Climate Fund ("GCF")

Guatemala, June 26, 2025
Oficio No. MI-2067-2025/APOT/aima (UCI)

Re: Expression of no-objection for the funding proposal titled "EcoEnterprises Partners IV, LP" submitted by EcoEnterprises Fund under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "*EcoEnterprises Partners IV, LP*" in Guatemala submitted by EcoEnterprises Fund to us on September 4, 2024 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of the **Ministry of Environmental and Natural Resources**, the National Designated Authority/focal point of **Guatemala**.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

- (a) The government of Guatemala has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Guatemala.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Ana Patricia Orantes Thomas
Ministra
Ministerio de Ambiente y Recursos Naturales



Panama, June 13th, 2025
DCC-381-2025

To: The Green Climate Fund (“GCF”)

Re: Expression of no-objection for the funding proposal titled “EcoEnterprises Partners IV, LP” submitted by EcoEnterprises Fund under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled “EcoEnterprises Partners IV, LP” in Panama submitted by EcoEnterprises Fund to us on April 29, 2025 under the project specific assessment approach (the “**Proposal**”).

The undersigned is the duly authorized representative of Mr. Juan Carlos Monterrey, the focal point of Panama.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

By communicating our no-objection, it is implied that:

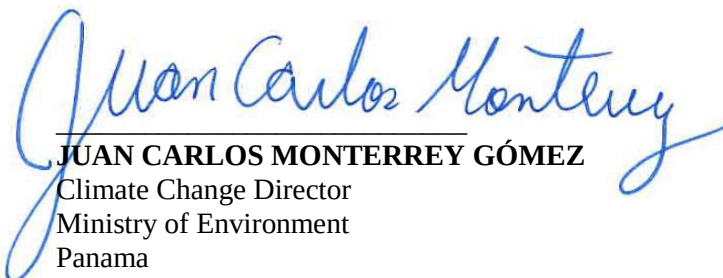
- (a) The government of Panama has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Panama.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,


JUAN CARLOS MONTERREY GÓMEZ
Climate Change Director
Ministry of Environment
Panama





PERÚ

Ministerio de
Economía y Finanzas

Viceministerio
de Economía

Dirección General de Asuntos
de Economía Internacional,
Competencia y Productividad

To: The Green Climate Fund ("GCF")

Lima, 13 August 2025

Re: Expression of no-objection for the funding proposal titled "EcoEnterprises Partners IV, LP" submitted by EcoEnterprises Fund under the project specific assessment approach

Dear Madam, Sir,

We refer to the funding proposal titled "EcoEnterprises Partners IV, LP" in Peru submitted by EcoEnterprises Fund to us on 19 May 2025 under the project specific assessment approach (the "**Proposal**").

The undersigned is the duly authorized representative of Ministry of Economy and Finance, the national designated authority of Peru.

Pursuant to GCF Decisions B.08/10, B.37/22, and B.41/02, the content of which we acknowledge to have reviewed, in my capacity as representative of the national designated authority, we hereby communicate our no-objection to the Proposal.

The EcoEnterprises Partners IV, LP program seeks to invest in small and medium-sized enterprises (SMEs) that are implementing climate-related projects or initiatives, such as Nature-Based Solutions (NBS), circular economy models, and climate resilience programs, within sectors that include regenerative agriculture, agroforestry, sustainable aquaculture, ecotourism, and climate technology and are aligned with the country's priorities.

By communicating our no-objection, it is implied that:

- (a) The government of Peru has no-objection to the Proposal; and
- (b) The Proposal is in conformity with the national priorities, strategies and plans of Peru.

We also confirm that our national process for ascertaining no-objection to the Proposal has been duly followed.

Notwithstanding the foregoing, we expect EcoEnterprises Fund to take the necessary measures to ensure that the project as described in the Proposal is implemented in a manner consistent with applicable national laws.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Mr. Rafael Vera Tudela Wither
General Director (e), General Directorate of International Economic Affairs, Competition and Productivity
Ministry of Economy and Finance
Peru

**ESS disclosure report form for projects or programmes submitted under the
Project-specific Assessment Approach (PSAA) Pilot**

Environmental and social report(s) disclosure

Basic project or programme information	
Project or programme title	EcoEnterprises Partners IV
Existence of subproject(s) to be identified after GCF Board approval	Yes
Sector (public or private)	Private
Name of Entity	EcoEnterprises Fund
Environmental and social safeguards (ESS) category	Category I-2
Location – specific location(s) of project or target country or location(s) of programme	Target countries are: Belize, Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, and Peru
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Environmental and Social Management Plan (ESMP) (if applicable)	
Date of disclosure on entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Environmental and Social Management System (ESMS) (if applicable)	
Date of disclosure on entity's website	Thursday, January 29, 2026
Language(s) of disclosure	English and Spanish
Explanation on language	These are the official languages of the target countries. Spanish is the official language Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, and Peru. English is the official language of Belize.
Link to disclosure	English: https://ecoenterprisesfund.com/wp-content/uploads/EcoEnterprises-Fund-ESMS.pdf

	Spanish: https://ecoenterprisesfund.com/wp-content/uploads/EcoEnterprises-Fund-ESMS_ESP.pdf
Other link(s)	N/A
Remarks	An ESMS consistent with the requirements for a Category I-2 programme is contained in Annex 6 “Environmental and Social Management System (ESMS)”.
Any other relevant ESS reports, e.g. Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF), Indigenous Peoples Plan (IPP), Indigenous Peoples Planning Framework (IPPF) (if applicable)	
Description of report	Indigenous People’s Plan Framework
Date of disclosure on entity’s website	Thursday, January 29, 2026
Language(s) of disclosure	English and Spanish
Explanation on language	These are the official languages of the target countries. Spanish is the official language Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, and Peru. English is the official language of Belize.
Link to disclosure	English: https://ecoenterprisesfund.com/wp-content/uploads/EcoEnterprises-Fund-ESMS.pdf Spanish: https://ecoenterprisesfund.com/wp-content/uploads/EcoEnterprises-Fund-ESMS_ESP.pdf
Other link(s)	N/A
Remarks	The “Environmental and Social Management System (ESMS)” includes the Indigenous People’s Plan Framework as Annex VIII.
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Thursday, January 29, 2026
Place	The ESMS is available online for anyone to access at any time, and in addition available at each GCF NDA’s offices at in the target countries. The current locations as of the disclosure date are: Belize Ministry of Economic Transformation Sir Edney Cain Building, First Floor, Right Wing, Belmopan, Belize Costa Rica Ministry of Environment and Energy Calle 25. Av. 8-10, San Jose, Costa Rica Dominican Republic (the) Ministry of Environment and Natural Resources

	Ave. Cayetano Germosén esq. Ave. Gregorio Luperón. Ensanche El Pedregal, Santo Domingo, Dominican Republic (the)
	Ecuador Ministry of Environment and Energy Av. República de El Salvador N36-64 y Suecia 170135, Quito, Ecuador
	El Salvador Ministry of Environment and Natural Resources (MARN) Kilómetro 5 ½ Carretera a Santa Tecla, Col. Las Mercedes, Frente a Círculo Miliar, Edificios MARN, San Salvador, El Salvador
	Guatemala Ministry of Environment and Natural Resources 7 Avenida 03-67 Zona 13, Guatemala City, Guatemala
	Panama Ministry of Environment Diego Dominguez Street, Building 804 Albrook, Ancón, Panama City, Panama
	Peru Ministry of Economy and Finance Jr. Junin 319 - Cercado de Lima, Lima
Date of Board meeting in which the FP is intended to be considered	
Date of entity's Board meeting	N/A
Date of GCF's Board meeting	Wednesday, March 25, 2026

Note: This form was prepared by the entity stated above.

Secretariat's assessment of the project-specific assessment approach applicant

1. The Secretariat has assessed the document titled "PSAA accreditation: application and review checklist" submitted by EcoEnterprises Impact Management, LLC ("EcoEnterprises" or the "applicant") against the GCF accreditation standards. The results of the applicant capacity assessment and recommendations for GCF project-specific assessment approach (PSAA) accreditation are presented below.

Overall capacity	High The entity has a well-developed financial management system, a well-functioning control framework, including risk management, and robust systems and policies in place to prevent money-laundering and the financing of terrorism, and other prohibited practices, such as fraud and corruption, and with sufficient scope to manage environmental and social (E&S) and gender risks and impacts with a low likelihood of negative impact on the entity's ability to undertake the proposed project as designed.
Fiduciary functions	Basic fiduciary standards
	Specialized fiduciary standard for project management
	Specialized fiduciary standard for grant award and/or funding allocation mechanisms
	Specialized fiduciary standard for on-lending or blending (for loans and equity)
Maximum environmental and social risk category	Limited adverse risks (category B/intermediation 2 (I-2))
Conditions	No specific conditions

2. The Secretariat has augmented its capacity by using external experts to undertake the applicant capacity assessment review.¹ A summary of the assessment is presented in this document.

I. Applicant capacity assessment summary report

1.1 Introduction and institutional assessment

3. EcoEnterprises is a women-owned and women-led firm with a 25-year track record of constructing investment portfolios that scale natural climate solutions, with a particular focus on biodiverse working landscapes in Latin America and the Caribbean. EcoEnterprises is progressing toward the launch of its fourth fund, EcoEnterprises Partners IV (Fund IV), which will comprise two limited partnerships: (i) the existing 'Fund IV', and (ii) the 'GCF Fund IV'.

¹ In line with the PSAA pilot framework approved by the Board (decision B.31/06), the Secretariat has augmented its capacity by using external experts, third-party organizations and/or service providers to support it in undertaking the applicant capacity assessment review.

'Fund IV' itself has already been established and has secured commitments from a number of investors. GCF Fund IV will be newly established following approval by GCF. Fund IV will make investments in GCF host countries, exclusively through its investment, as a limited partner, in the GCF Fund IV.

4. EcoEnterprises trajectory began under The Nature Conservancy with the first fund in 2000, Fondo EcoEmpresas, SA, which was a blended capital instrument. The team from The Nature Conservancy involved in the fund, established an independent investment manager in 2010. Subsequent funds established by the manager are: EcoEnterprises Partners II, limited partner (LP) (Fund II), and EcoEnterprises Partners III, LP (Fund III), in 2011 and 2018, respectively.

5. Fund IV is targeting USD 150 million, and EcoEnterprises is seeking USD 34 million (USD 30 million equity and a USD 4 million grant) from GCF.

6. EcoEnterprises provides growth capital, including equity, mezzanine instruments and quasi-equity to small and medium-sized enterprises (SMEs) to catalyse growth, combined with value-added services to strengthen long-term performance and impact outcomes.

EcoEnterprises Partners IV aims to strategically diversify investments by: (1) country (Amazonian, Andean and Meso-American regions in Latin America), (2) investment type (mezzanine debt, quasi-equity and equity instruments), (3) business model and sectors (regenerative agriculture, agroforestry, sustainable forestry, ocean solutions, ecotourism and clean energy access), (4) company size and (5) growth stage.

1.2 Methodology

7. EcoEnterprises passed the Climate Investment Committee 2 on 10 October 2024 and submitted the first set of accreditation materials for review round #1 (Completeness check) on 15 March 2025 based on the customized application form and material request. The following review rounds took place from March to May 2025. The external review firm conducted a comprehensive review of the submitted materials and assessment of policies, procedures, capacities, track record and human resources against the GCF accreditation standards and checklist.

8. Reference check interviews were conducted with limited partners (LPs) investing in EcoEnterprises' funds. The interview confirmed that there were no issues impacting the fiduciary or other capacities of EcoEnterprises during the long-term partnership.

9. In addition to the desk review, the external review firm interviewed key informants of the fund manager and governance committees, Impact & Environmental and Social Guidelines (ESG) Officer, and representative of the impact committee. Beyond the desk review, the Secretariat conducted a week-long field visit to Ecuador and Colombia in March 2025, during which extensive fund manager and fund-level due diligence was conducted with the EcoEnterprises team. Visits were also organized to selected portfolio companies of EcoEnterprises' existing funds to further analyse the firm's investment approach. The discussions held provided further evidence of the capacity and procedures in use.

10. The applicant was assessed in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (a) "Update of the Strategic Plan for the GCF 2024–2027" (USP-2; decision B.36/13);
- (b) "Matters related to the accreditation framework" regarding the accreditation process (decisions B.24/13 and B.26/01);

- (c) “Guiding framework and procedures for accrediting national, regional and international implementing entities and intermediaries, including the Fund’s fiduciary principles and standards and environmental and social safeguards” (decision B.07/02);
- (d) “Policy on Prohibited Practices” (decision B.22/19);
- (e) “Anti-Money Laundering and Countering the Financing of Terrorism Policy” (AML/CFT Policy) (decision B.18/10);
- (f) “Policy on the Protection of Whistle-blowers and Witnesses” (decision B.BM-2018/21);
- (g) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (h) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (i) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12).
- (j) “Revised Environmental and Social Policy” (decision B.BM-2021/18);
- (k) “Evaluation Policy” (decision B.BM-2021/07); and
- (l) “Updates to the Accreditation Framework” (decision B.31/06).

1.3 Contribution to the mandate of GCF

11. The key output of the EcoEnterprises Partners IV is investments in innovative SMEs that drive climate action in the Latin America and the Caribbean (LAC) region. The GCF mitigation results areas (MRAs) and adaptation results areas (ARAs) touched upon by the fund are the following: Forestry and land use (MRA 4); Most vulnerable people and communities (ARA 1); Health, well-being, food and water security (ARA 2); and Ecosystems and ecosystem services (ARA 4). The objectives of the fund and the overall strategy and mission of EcoEnterprises align with the GCF USP-2 and contribute to the mandate of GCF.

1.4 Track record and implementation of similar projects

12. EcoEnterprises has a long track record through the implementation of the prior funds with portfolio projects. The organizational structure of the fund’s governance and management set-up, in addition to the fund accounting and the investment process has matured, and has been institutionalized over this period. Since 1998, EcoEnterprises has been managing three successive funds:

- (a) Fondo EcoEmpresas, SA, Fund I;
- (b) EcoEnterprises Partners II, LP. Fund II in 2011 at USD 35million with 11 deals; and
- (c) EcoEnterprises Partners III, LP. Fund III in 2018 at USD 111 million with 14 deals.

13. The three funds have been developed and implemented with a total USD 156 million of investments in SMEs in organic and regenerative agriculture, agroforestry, aquaculture, circular economy, agriculture and climate tech, and other emergent sectors that promote just livelihoods, conserve critical ecosystems, and encourage climate resilience along smallholder supply chains. Fund IV is building upon the platform of investing over these prior funds.

1.5 Legal status, registration, permits and licences

14. EcoEnterprises Impact Management, LLC, is the fund manager and is legally incorporated in the United States of America. It is incorporated under its Articles of Association and the Limited Liability Companies Act of the Commonwealth of Massachusetts. This is analysed further below.

15. A draft management agreement was provided in the application in respect of the EcoEnterprises Partners IV Fund. This is expected to be made between:

- (a) The existing fund, EcoEnterprises Partners IV, LP (Fund IV), a limited partnership registered in Ireland under the Limited Partnerships Act 1907 with number LP3967, acting by its general partner (GP) EcoEnterprises Impact Partners, LLC, a limited liability company organized under the laws of the Commonwealth of Massachusetts;
- (b) GCF Fund IV, which will be newly established following GCF approval, acting by a new GP to be established for GCF Fund IV; and
- (c) in each case with EcoEnterprises Impact Management, LLC, acting as the fund manager.

16. Fund IV, and the previous Funds II and III, are limited partnerships. The funds have been established for the purpose of making portfolio investments. EcoEnterprises Capital Group, LLC, served as the GP for Fund III. In addition to EcoEnterprises Impact Partners, LLC – the GP of the existing Fund IV – a separate GP will be established for GCF Fund IV.

17. The funds have been structured as conventional closed-end limited partnerships, with the associated legal documents, such as the limited partnership agreement (LPA) that governs the fund, detailing the obligations of both the specific fund and the LP investors.

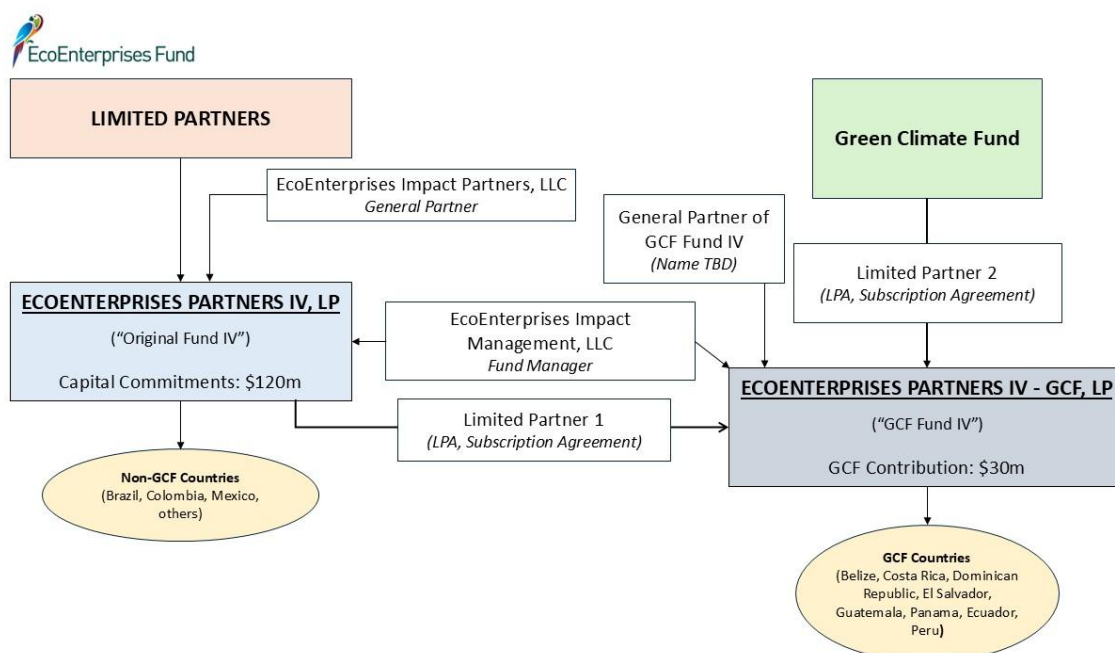
II. Accreditation assessment

2.1 Basic fiduciary standards

2.1.1. Key administrative and financial capacities

Figure 1

General management and administrative capacities



18. EcoEnterprises Impact Management, LLC, as fund manager, provided the above organization chart for the proposed ownership and control structure of Fund IV. This structure follows the general structure of the previous funds, established pursuant to respective legal advice in the jurisdictions. This is analysed further below.

19. EcoEnterprises Impact Management, LLC, is formed by its members, the Chief Executive Officer (CEO) and Chief Operating Officer (COO). The fund manager has eight employees. The capital contribution by the members is USD 1, with an ownership of 60 per cent to the CEO and 40 per cent to the COO. The fund manager is tasked with investment and operations, and this is outlined in the operations policies & procedures manual (ops manual). This includes investment operations from pipeline development to exits, deal origination, due diligence of prospective deals, negotiation of the term sheet, preparation of the investment memo, presentation to the investment committee (IC), and ongoing portfolio company monitoring and communication over the investment period. It is also tasked with operational aspects such as investment notifications, repayments, administrative outputs, contracts, accounting, audit, tax, and legal, LP and external relations, E&S, impact management, technical assistance, communications and knowledge-sharing. Task distribution of the various teams is defined in job descriptions and the ops manual.

20. The partnership has been established for the purpose of making portfolio investments by providing mezzanine financing to nature-based solutions SMEs located in Latin America. The fund manager's roles and responsibilities are defined in the LPA. The agreement notes that a management fee will be paid for services rendered.

21. An external fund administrator is appointed to manage the funds. This includes fund accounting, management of bank accounts, interface with investors and quarterly reporting. The decision on the appointment of the administrator for EcoEnterprises Partners IV is expected to be made at a future Limited Partner Advisory Committee (LPAC) meeting.

22. Per guidance from legal counsel, a new general partner and fund manager were established for each fund. All entities are incorporated as LLCs owned by the CEO and COO, with a 60 per cent and 40 per cent ownership split respectively. A management agreement serves as the binding agreement between the fund manager and the fund. This construct (the team, investors, platform, etc.) has remained consistent since the fund's establishment in 2000.

23. The fund manager team is comprised of the CEO, COO, Managing Directors of Investment, Managing Director of Compliance & Operations, Investment Officer, and Impact & ESG Officer. Job descriptions outline the responsibilities of each position.
24. In addition to the legal control organizational chart, the applicant's key areas of authority and responsibilities are further defined in their ops manual that presents the protocols, reporting standards, and systems governing the key functions of fund operations. This includes fund administration, fund management, processes for capital-raising and LP onboarding as well as for ongoing financial management and LP reporting. It also includes the fund manager operations, including the policies and internal administrative procedures relating to human resources and the daily operations of the fund manager. The ops manual is complemented by an investment policies and procedures manual, which provides further detail on the investment process and impact monitoring.

Governance

25. The roles and responsibilities of the governance bodies for the fund, including the LPAC, the IC and valuation committee (VC), E&S Panel are highlighted in the ops manual. All LPs are encouraged to join fund activities to ensure a diversity of LP voices are included, and the fund manager works to facilitate open communication, including having LP participation as observers on the IC, and organizing quarterly LP calls. Minutes of all meetings are compiled and shared with LPs in quarterly reporting. The LPA stipulates the roles of the LPAC, IC and E&S Panel, and provides an overview in the Fund's policies and procedures manuals.
26. There is a management agreement tied to the LPA that connects the fund manager to the governing bodies of the Fund. There are specific contracts in place between the fund manager and the independent members of the IC and the VC. Upon the launch of Fund IV, contracts are expected to be updated and executed.
27. LPAC: During the onboarding process, the fund manager conducts due diligence on interested investors and requests information to help establish the investors' identity. In reviewing potential investors, the GP follows a know-your-client (KYC) process outlined in its anti-money laundering & combatting financial crimes policy. The AML/KYC process is handled through the fund services administrator, utilizing World Check or another risk intelligence system. The LPAC consists of several members chosen by anchor LPs during negotiation of the specific fund's LPA terms and conditions and appointed by the GP. The GP appoints a non-voting member who represents the fund manager and serves as chair of the LPAC. The roles and responsibilities of the LPAC are stipulated in section 4.11 in the LPA. The role of the LPAC is to consider proposals made by the GP or manager, approve the selection of the audit firm, approve appointments to IC, review the business plan, investment guidelines, annual audited financial statements, annual operating plan and budget, portfolio valuation and exit methodology proposed by the manager.
28. IC: The IC generally consists of a minimum of three members, which includes a GP representative and two independent members appointed by the LPAC, to evaluate prospective investments presented by the fund manager, approve additional financing to a portfolio investment, and perform such other functions as required by the fund's LPA. The IC is convened on an as-needed basis. All action is taken by unanimous vote of the members. The role of the IC is outlined in the ops manual. The CEO of the fund manager also acts as a voting member in the IC. However, there are two other independent voting members.
29. Valuation Committee: The VC generally comprises of five members, being the members of the IC and two non-executive independent Directors of the GP. The VC convenes quarterly to discuss the portfolio, any material changes in the deal valuation, and review financial statements generated by the fund manager and fund services administrator. Final decisions on the portfolio valuation are made on a yearly basis, taking the fund auditors' observations into consideration. The role of the VC is outlined in the ops manual.

30. Impact committee: The GP may form additional advisory committees with respect to existing portfolio and specific investment opportunities, subject to the approval of the LPAC. The fund manager organized the impact committee, which has now been expanded to deepen the ESG expertise available for each fund. There is no formal voting on this committee. It serves to inform, provide impact expertise, and support the investment process. Any LP may participate upon request. In Fund IV, the impact committee will be replaced by the E&S Panel.

31. E&S Panel: The E&S Panel is newly established for Fund IV and is composed of the fund's in-house E&S Team, and a minimum of one and a maximum of five E&S representatives from the LP. Overall, the E&S Panel will leverage resources, capacity and provide related support to the Fund IV E&S process.

Financial management and accounting

32. The ops manual describes the main financial administration of the fund manager and the fund.

33. Manager: The GP and the fund manager utilize QuickBooks accounting software for local bookkeeping and statutory financial reporting. An external business accounting and advisory firm supports with outsourced accounting, tax filing, and financial statement preparation in the United States. There is no activity at the GP level although the GP also files the appropriate forms with the US Internal Revenue Service. The fund manager has an account at the Bank of America. The COO and CEO are responsible for authorizing all disbursements based on relevant information.

34. Fund: An external fund administrator manages the fund level accounting. The financial statements of the funds are subject to an external audit.

Internal and external audit function

35. EcoEnterprises Partners III, LP, and the prior funds have been subject to external audits; consistent external audit arrangements will apply to Fund IV.

36. The audit report in relation to the financial statements of EcoEnterprises Partners III, LP, was unqualified. The audit was conducted according to International Standards on Auditing. The auditors did not report any material deficiencies in internal control.

37. Consolidated financial statements of EcoEnterprises Capital Group, LLC, have not been audited by an external auditor. Financial bookkeeping and financial statements are maintained and prepared to meet local accounting requirements.

38. EcoEnterprises does not have a formal internal audit function, and it is not technically covered by another equivalent body. However, the fund manager undertakes shadow accounting for the fund's external services provider. Moreover, the VC provides an additional review process. For the fund manager, the financial statements are supported and reviewed by an external accounting company. Each fund is audited by an external auditor; consistent external audit arrangements will apply to Fund IV.

Control framework

39. The ops manual and the investment policy provide an outline of the key aspects that guide the business model and categorizes expected controls and procedures to ensure effective risk management, compliance, adherence to rules, oversight, and decision-making.

40. The ops manual presents the protocols, reporting standards, and systems governing two key functions of EcoEnterprises for fund administration and manager operations. The document was last updated in December 2024. It outlines the main policies and procedures, organizational capacity, and tools and resources.

41. The investment policy presents the protocols, reporting standards, and systems governing the investment process, from pipeline development to exit, monitoring and support of financial and E&S performance. The document was last updated in December 2024. It provides an overview of the fund's portfolio management strategies and outlines how the fund's environmental and social management system (ESMS) is integrated into investment decisions. It provides further detail on both back-office fund administration and the day-to-day operations of the manager.

42. The roles and responsibilities for the different bodies are defined. More specific guidance is included in the investment policy. The internal control system provides a foundation for effective and timely reporting of financial information in accordance with internal policies and external regulation. The internal control framework includes key consideration in internal controls, such as duty segregation in the investment process and financial management, and documentation and authorizations.

43. The ops manual outlines the approach to enterprise risk management. This is aimed at identifying, assessing, and mitigating risks that may impact the fund manager's operations and outputs. Each risk is categorized. Potential events that could trigger these risks are evaluated, along with their potential consequences. Subsequently, a detailed plan of mitigation actions is developed to address each risk effectively. Annually, the fund manager leads up the enterprise risk management process to revisit and reassess the identified risks and the effectiveness of its operations. In the risk assessment matrix dated July 2024, the most probable likelihood risk with the highest impact (i.e. moderate) relates to information and knowledge management. There are no major risks that are categorized as likely or highly likely to occur.

44. The investment process covers pre-investment activities, investment review deeper dives and approvals from the IC, due diligence and site visit, preparation of investment memorandums, IC meetings, closing process, legal process and disbursement, post-investment monitoring, and reporting to the LPAC and IC.

Procurement

45. EcoEnterprises does not have a formal procurement policy. EcoEnterprises provided examples of their procurements related to the hiring of consultancies (i.e. for portfolio climate risk assessments). Based on interviews, procurements can be made through a process where service providers are contacted to provide fee quotes or proposals, and these are collated and reviewed internally. Suppliers are vetted, and selection is done according to best value for money taking fee comparison and technical capabilities, track record and experience into account.

46. The Secretariat finds that EcoEnterprises has demonstrated a sufficient general management and administrative capacities to manage funds. The organizational chart and terms of references (ToR) of governing bodies and oversight mechanisms define the structure and the roles and responsibilities of key bodies. The resourcing for financial administration appears sufficient. Policies and procedures outline the principles for accounting and reporting functions. EcoEnterprises does not have a formal internal audit function, and it is not technically covered by another equivalent body. An adequate level of internal controls in place is demonstrated. Procurement procedures in place are appropriate considering the nature of operations. Key policies related to procurement include the ops manual, the investment manual, and the technical assessment (TA) approval policy.

2.1.2. Transparency and accountability

47. The conflicts of interest and confidentiality policy describes the procedures for identifying, disclosing and managing conflicts of interest. EcoEnterprises staff, as well as members of the IC and VC are required to sign the policy to confirm compliance. There are

clauses on conflicts and confidentiality within LP agreements. According to interviews, there have been no reported conflicts of interest.

48. A KYC screening is required for all potential investors and prospective portfolio companies. The fund service administrator ensures that KYC information of investors is kept up-to-date. There is also a code of ethics that outlines the fund's ethical guidelines and practices. All individuals with a functional and/or contractual relationship are made aware of the code of ethics and other policies/provisions.

49. The LPAC serves as the main function equivalent to an ethics committee. Team members are encouraged to reach out to an LPAC member for any specific issue.

50. EcoEnterprises has a separately documented whistle-blowing policy. Whistle-blowing is also mentioned in the ops manual under responsible conduct and to open and honest communication. The whistle-blowing policy and ops manual mention how grievances and whistle-blower complaints will be kept anonymous and any team member taking such action will be protected from retaliation.

51. The fund has developed grievance policy and grievance redress mechanism (GRM) also described in the ESMS. It is also included on the fund manager's website and referred to in the ops manual. Portfolio companies are required to have a GRM that is communicated to potentially affected people during the stakeholder engagement process. The portfolio companies' GRM should be open to all stakeholders and be able to receive anonymous and non-anonymous reports. Grievances can be submitted to EcoEnterprises directly to the Managing Director (MD) of Compliance and Operations, by post to the company's Washington, DC, operating address, or by calling their GRM phone line. There is a documented independent investigation function for allegations of fraud and corruption.

52. Transparency on the formal governing committees was highlighted in that all observers are welcome to attend these meetings to ensure full disclosure. The MD of Compliance and Operations is responsible for compliance and accountability matters in the fund manager, with support from the CEO and COO.

53. The Secretariat finds that EcoEnterprises has several appropriate policies and practices on conflicts of interest, ethics and dealing with reported issues.

2.2 Specialized fiduciary standards

2.2.1. Project management

54. EcoEnterprises has demonstrated a comprehensive approval to examining and incorporating technical, financial, economic and legal aspects as well as possible E&S and climate change aspects into their investment and portfolio management approach. Any company that reaches the due diligence phase is considered to meet all the necessary requirements for an investment. The due diligence phase is composed of 1) in-depth analysis, 2) a site visit, and 3) evaluation of operations and E&S consideration. EcoEnterprises has a due diligence checklist, ESG risk rating, and impact metrics tool which are used while conducting due diligence. The IC reviews, considers and approves or disapproves of the investment memorandum, which is created at the conclusion of the due diligence process.

55. EcoEnterprises has over 25 years of experience financing companies in Latin America. As per the above, there are appropriate fiduciary oversight procedures in place to guide the appraisal process and to ensure its quality and monitoring of follow-up actions during implementation. Sufficient operational capacity and organizational arrangements are in place to oversee the portfolio and implementation of activities. There is also capacity for monitoring and evaluation, and a process in place to flag early on when a project has developed problems that

may interfere with the achievement of its objectives, and to respond accordingly to redress the problems.

56. The fund provides oversight and support to portfolio companies throughout the investment lifecycle and maintains an overview of the company activities. One way in which they do this is by sitting on the board of directors of portfolio companies as members and observers. Investment Officers build relationships with portfolio companies by having constant communication with them and conducting monitoring. A main objective of the fund manager is to make the portfolio companies grow through both financial and non-financial support, through direct financing and actively advising in various areas.

2.2.2. Grant award and/or funding allocation mechanisms

57. Overall, TA grant financing has been on a level of USD 1 million for Fund III from some LPs. EcoEnterprises only gives grants in the context of technical assistance. A need for TA may be identified by the portfolio company itself, by EcoEnterprises or to fulfil requirements of a third party, for example to obtain a certification. TA supports portfolio companies in their growth, and TA proposals are created by the portfolio company in collaboration with the Investment Officer. In some cases, based on TA agreements between EcoEnterprises and the portfolio company, a TA grant is transferred to the portfolio company to hire and manage an external TA consultant. Past TA projects have supported catalysing impact and to strengthen capacity (e.g. conducting gender diagnostics and empowering women through training, ERP implementation, biodiversity-related studies, research and implementation of best-in-class regenerative organic agriculture practices).

58. A TA oversight committee is in place and composed of EcoEnterprises CEO, COO, Managing Director of Compliance and Operations, and the Impact & ESG Officer. Depending on LP agreements, donors may be involved in the approval of TA. The TA committee is responsible for approving and rejecting the proposal. TA agreements between the fund and the portfolio company include information such as financing schedule, description of eligible expenses, and clarifications on monitoring and deliverables. In Fund IV the key areas of TA support will be supply chain, climate (greenhouse gas) emission calculations, gender, possible living wage gap analysis, as well as mitigation potential for nature-based solutions, and monitoring of biodiversity-related impacts. EcoEnterprises is targeting larger TA financing and is in the process of securing this. As outlined in the funding proposal, EcoEnterprises aims at USD 4 million in TA support from GCF, with additional contributions from EcoEnterprises and development finance institutions (DFIs).

2.2.3. On-lending and/or blending (loans and equity)

59. The approach to funding is described in the mentioned policies, for example the investment policy. The model of investment flow is outlined in the basic fiduciary section and there is an appropriately established vehicle with relevant licensing and relevant financial oversight. EcoEnterprises has a 25-year track record and demonstrated experience managing funds. Fund I, II and III had over 70 investors, including DFIs and invested in 48 SMEs. The last fund, EcoEnterprises Partners III, LP (i.e. Fund III), has financing of approximately USD 111 million.

60. EcoEnterprises has guidelines and procedures in place to analyse and manage their investment portfolio and related risks. Portfolio companies' value is monitored by the manager using processes outlined in the valuation policy and procedures. LPs are provided quarterly reports on portfolio companies' current happenings and financial information, and quarterly calls are arranged to discuss portfolio quarterly summaries.

61. There are management and control procedures in place for investment management, transparency, risk management, monitoring, and reporting.

2.3 Environmental and social safeguards

2.3.1. Environmental and social policies and environmental and social safeguards

62. EcoEnterprises has the ESMS manual (February 2025) and E&S guidelines and criteria for investment (September 2024), describing the E&S process and policies. The E&S process includes pre-investment, due diligence, and post-investment phases with specific tasks and outcomes. The ESMS and policies guide E&S safeguarding at EcoEnterprises and is aligned with the international standards, including International Finance Corporation (IFC) and good sector practices. The E&S risk management is an integral part of the fund operations and is included in the engagements at the boards of the portfolio companies.

63. The ESMS and E&S policies are updated regularly by the fund manager, with oversight from the E&S Panel for Fund IV. The outcome of the E&S process states the E&S categorization, which is reviewed by the E&S Panel and included for final approval as part of the investment decision by the IC.

64. As part of the due diligence process, portfolio companies are given an E&S risk rating as a standard procedure applying IFC risk categorization. EcoEnterprises has a tailored E&S risk rating tool based on IFC Performance Standards. The E&S risk rating of portfolio companies can be updated throughout the investment process, and at a minimum on an annual basis.

65. Impact frameworks that EcoEnterprises incorporate include the Impact Reporting and Investment Standards+ (IRIS+), Women's Empowerment Principles, 2X Challenge, and Principles for Responsible Investment. Targeted E&S impact also contributes to the United Nations Sustainable Development Goals for Fund IV, EcoEnterprises is an adopter of the Taskforce on Nature-Related Financial Disclosures as requested by one of their LPs. The ESG process has evolved during the past years and EcoEnterprises has disclosed its fund alignment with the operating principles for impact management (OPIM).

2.3.2. Staff responsible for environmental and social safeguards

66. EcoEnterprises has an E&S Team with two designated E&S staff members: the Impact & ESG Officer and the MD, Compliance and Operations. The E&S Team requirements and duties are described in the ToR (annexed to the E&S guidelines). The ToR of the Impact & ESG Officer indicates a focus on the TA management of the fund's TA grants; whereas the MD has a role in pre-investment process and providing E&S guidance to the investment team for full compliance with the fund's E&S criteria. Despite this, the ESG is a cross-cutting theme in EcoEnterprises, all staff members play a role in the E&S safeguarding of the fund. The E&S Panel (replacing the IC) will essentially leverage additional resources, capacity, and inputs into the E&S process of Fund IV.

67. The E&S Team is supported by the E&S Panel, as well as external E&S consultants that provide expertise on a case-by-case basis. The E&S Panel's responsibilities and involvement are described in the ToR (annexed to the ESMS) and has a meeting about once per quarter. It can provide advice both at the pre-investment as well as post-investment phases. Based on previous funds, typical E&S risks are linked to land-use/biodiversity changes, worker welfare, and community health and safety. Risks related to traceability and chain of custody in critical supply chains, and land tenure, and rights of Indigenous Peoples and smallholders may also be triggered during the E&S screening and E&S due diligence. EcoEnterprises does not have a stand-alone Indigenous Peoples' policy, but the ESMS integrates Indigenous Peoples and local communities. The ESMS also includes a specific Indigenous Peoples' Plan Framework as a

mechanism to identify, assess, manage and report on E&S risks and impacts related to Indigenous Peoples. Furthermore, EcoEnterprises excludes investments, including relocation of Indigenous Peoples from traditional or customary lands.

2.3.3. Environmental and social monitoring and reporting

68. EcoEnterprises has an E&S monitoring mechanism in place, and it also relies on external certifications granted to companies to monitor E&S performance. These include B-Corp,² non-GMO Project,³ organic, BRCGS,⁴ HACCP, Global GAP,⁵ Fair Trade,⁶ Forest Stewardship Council,⁷ ISO 14 001⁸ and others. Certifications are suggested to be included in the Environmental and Social Action Plan (ESAPs) as well as covenants to the investment agreements when applicable. Post-investment E&S performance is monitored at least annually by the project portfolio companies' annual reporting through an E&S management report. Monitoring site visits are conducted throughout the investment. The visits aim to validate progress of ESAP and to monitor the company's relationship with communities and stakeholders. The visits also help to monitor developments, complete the annual impact metrics tool and update the ESG risk ratings and ESAPs.

69. The ESMS states the fund includes in its quarterly LP report, along with the financial updates, a quarterly E&S monitoring report. The assessment recognizes that an impact update is provided quarterly. For Fund III, quarterly reports do not provide a summary on E&S related risk performance as guided in the ESMS. For Fund IV, EcoEnterprises confirmed that it will provide more thorough and detailed quarterly E&S reports for Fund IV, as per DFI requirements.

70. EcoEnterprises has commissioned independent appraisals, and external reviews and mid-term evaluations as required by LPs (e.g. Inter-American Development Bank (IDB) and Global Environment Facility). In 2024, EcoEnterprises outsourced an external assessment to strengthen some portfolio companies they invest in, including agricultural supply chain and climate risk resilience assessments from an external service provider during Fund III.

71. EcoEnterprises discloses its annual impact report publicly. It is signatory to the OPIM and the Principles for Responsible Investment. The first third-party verification of the EcoEnterprises alignment with the OPIM was provided in 2023. Public disclosure of the alignment of EcoEnterprises impact management systems with the impact principles shows positive progress. In addition, in 2024, EcoEnterprises became certified as B Corp.

2.3.4. Grievance redress mechanism

72. The ESMS provides overall guidance on the GRM process both at the fund manager and portfolio company level. EcoEnterprises encourages input from all stakeholders and maintains a process for addressing concerns related to its investment activities. Its website highlights that concerns can be raised through the GRM, and it further defines communication options for submitting concerns, including to the MD, compliance and operations teams, by mail, or by phone.

73. The GRM has been updated for Fund IV, including an anonymous system for reporting both by internal and external stakeholders on grievances and procedures for solving those.

² <https://www.bcorporation.net/en-us/>

³ <https://www.nongmoproject.org/>

⁴ <https://www.brcgs.com/our-standards/food-safety/>

⁵ <https://www.globalgap.org/>

⁶ <https://fairtrade.net/uk-en.html>

⁷ <https://fsc.org/en>

⁸ <https://www.iso.org/standard/60857.html>

74. EcoEnterprises includes the GRM as part of its due diligence of potential portfolio companies. The ESMS states that the portfolio companies will inform the potentially affected people about the mechanism during the stakeholder engagement process. Complaints may be submitted on a named or anonymous basis at the operational level.

75. No grievances or incidents that may have human rights impacts have been reported through the fund quarterly or annual impact reports based on screening of the provided reports.

76. In Fund IV, EcoEnterprises has expressed that it will be a requirement for portfolio companies to report any serious E&S incidents within three days of their occurrence. Furthermore, portfolio companies are recommended to report to EcoEnterprises about management solutions, results of investigations, and measures taken to remediate and prevent the reoccurrence of such incidents.

77. The Secretariat finds that EcoEnterprises has sufficient and effective E&S policies and an institution-wide management programme for E&S risk and impacts, including the E&S Panel as new advisory resource for Fund IV. EcoEnterprises' strong commitment to strengthening the capacity of portfolio companies is evident through the TA Facility, externally conducted reviews/evaluations, monitoring practice, as well as third-party verification of OPIM for public disclosure. EcoEnterprises also has a developed publicly available anonymous grievance mechanism system and whistle-blowing channel for external stakeholders aligned with GCF policies and standards.

2.4 Gender

78. The fund manager is women-led and is in scope of the 2X Challenge. Gender is explicitly stated, and is integral to the fund's investment thesis. The fund pursues a gender lens investing strategy, and gender is incorporated along the investment cycle and mainstreamed in its policies. EcoEnterprises is committed to an inclusive and non-discriminatory workplace as outlined in its ops manual. The E&S Team is responsible for gender-related topics.

79. EcoEnterprises does not have a stand-alone gender policy. However, it demonstrates commitment in the comprehensive gender assessment and gender action plan, which is aligned with the GCF Gender Policy. It has provisions regarding sexual exploitation, abuse and harassment (SEAH) included in its operations policies and procedures, covering a harassment-free work environment and non-discrimination.

80. EcoEnterprises has reviewed gender issues in all GCF partner countries. It is committed to continuing to measure its portfolio against 2X Criteria, a set of global gender-lens baseline standards based on the 2X Challenge. The gender action plan is based on the 2X Criteria through the following: 1) at portfolio level, it commits to 50 per cent of total portfolio companies meeting the applicable 2X Criteria by the end of the fund's life; and 2) at the EcoEnterprises level, it is committed to fulfilling the set the 2X Criteria and to maintaining performance on those criteria over the lifespan of the investment. Furthermore, EcoEnterprises has a proprietary gender toolbox with practical tools to boost gender action at the portfolio level.

81. In 2024, EcoEnterprises reported that portfolio companies of Fund III met specific criteria and requirements of 2X Challenge. It has supported nearly every portfolio company in gender-smart actions, including using the Women's Empowerment Principles Gender Gap Analysis Tool, backing trainings and leadership coaching for female staff of companies, and conducting gender diagnosis to design gender action plans. It also noted that, previously, Fund III was 100 per cent compliant with the criteria. However, interviews indicate that this is no longer the case as the criteria have been updated.

82. The Secretariat finds that EcoEnterprises has mainstreamed gender into its policies and investment process, and it reports on gender-related impact through its impact metrics tool and according to the 2X Criteria by the portfolio companies in its annual impact report. The fund's achievements in the 2X Challenge are a clear sign of its efforts and commitment to gender-positive impact through its portfolio companies. EcoEnterprises gender assessment and gender action plan is compliant with the principles of the GCF Gender Policy. The management and key E&S Team experts demonstrate capacity and knowledge as required, and there has been gender-lens investment training provided for the Impact & ESG Officer and the entire team as reported.

III. Conclusions and recommendations

3.1 Conclusions

83. Based on the assessment, EcoEnterprises has demonstrated good capacity to implement the proposed project and manage the GCF-funded activities in alignment with relevant GCF policies. Additionally, EcoEnterprises possesses the legal status to implement the project.

84. EcoEnterprises meets the requirements of the GCF basic fiduciary standards, specialized fiduciary standards, E&S and gender standards and policies, in the context of the type of organization that it is.

- (a) The applicant meets the requirements of the GCF basic fiduciary standards, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices and the GCF AML/CFT Policy, and the specialized fiduciary standard for project management; to the extent applicable to PSAA and the funding proposal;
- (b) The applicant meets the GCF revised Environmental and Social Policy, GCF interim environmental and social safeguard standards and the GCF Information Disclosure Policy on disclosure of E&S risk information in relation to the limited adverse E&S risks (category I-2/B) (activities with potential limited adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures) and to the extent applicable to PSAA accreditation; and
- (c) The applicant has demonstrated that it has policies, procedures and competencies to implement its gender approach, which is found to be consistent with the Updated Gender Policy and Gender Action Plan 2020–2023.

3.2 Recommendations on project-specific accreditation

85. **Accreditation type:** PSAA.

86. **Fiduciary functions:**

- (a) Basic fiduciary standards;
- (b) Specialized fiduciary standard for project management; and
- (c) Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees).

87. **Maximum E&S risk category:** Limited adverse risks (category B/I-2)

88. **Conditions:** No conditions

89. **Remarks:** No remarks

Independent Technical Advisory Panel's assessment of FP302

Proposal name:	EcoEnterprises Partners IV
Project-specific assessment approach applicant:	EcoEnterprises Impact Management, LLC
Country(ies):	Belize, Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, Peru
Project/programme size:	Medium

I. Assessment of the independent Technical Advisory Panel

1.1 Overview

1. EcoEnterprises Impact Management Limited Liability Company (EcoEnterprises) is seeking to raise a USD 150 million fourth fund (Fund IV), structured as a closed-ended limited partnership domiciled in Ireland with a single-tranche capital structure. EcoEnterprises requests GCF participation of up to USD 30 million in equity, capped at 20 per cent of the total fund size, together with USD 4 million in non-reimbursable grant funding for technical assistance. With USD 2 million in co-financing for technical assistance, the total requested GCF support amounts to USD 34 million, bringing the indicative programme size to approximately USD 155 million.
2. Fund IV reached an initial close in April 2025 at approximately USD 53 million, representing roughly 35 per cent of the target fund size. Investors at the first close reportedly include several development finance institutions that participated in prior EcoEnterprises funds, indicating continuity of support from development-oriented capital. The remaining fundraising is expected to be completed by mid-2026.
3. The proposal is grounded in the premise that climate mitigation, adaptation and biodiversity outcomes are deeply interlinked and that locally led nature-based solutions can play a meaningful role in advancing climate-resilient development pathways in Latin America and the Caribbean. EcoEnterprises positions Fund IV as a vehicle to deploy growth capital into rural enterprises that manage, restore or depend upon natural ecosystems, with the dual objective of generating climate benefits and sustaining local livelihoods.
4. The regional context is relevant. Latin America and the Caribbean hosts globally significant carbon sinks and biodiversity assets, while facing increasing exposure to climate risks, including rising temperatures, drought, extreme weather events and ecosystem degradation. Rural communities and smallholder farmers are particularly exposed to these dynamics. The proposal argues that investment in nature-based solution-oriented small and medium-sized enterprises (SMEs) can contribute to mitigation through avoided deforestation and enhanced sequestration, while also strengthening adaptation through diversified income streams, ecosystem services and climate-resilient production systems.
5. It is proposed that Fund IV will invest through a mix of equity, quasi-equity and mezzanine instruments in rural SMEs operating across five sectors: sustainable and regenerative agriculture; agroforestry and forestry; aquaculture; the circular economy and selected climate technologies; and ecotourism. The fund is intended to operate across eight

countries in the Latin America and the Caribbean region, subject to the issuance of no-objection letters (NOLs). The investment strategy targets businesses in the expansion or growth phase, generally with established revenues and, in at least half of the portfolio, positive earnings before interest, taxes, depreciation and amortization.

6. From a GCF results perspective, Fund IV is presented as contributing to multiple mitigation and adaptation results areas, including forestry and land use, ecosystems, food and water security, and vulnerable populations. The funding proposal estimates cumulative mitigation impacts of approximately 55 million tonnes of carbon dioxide equivalent and adaptation benefits reaching 1.3 million beneficiaries over the 20-year lifespan of Fund IV (to be implemented over a 10-year period), alongside co-benefits related to sustainable land management, gender inclusion and biodiversity conservation.

7. EcoEnterprises has operated in the region for more than 25 years and traces its origins to an initiative jointly supported by the Nature Conservancy and IDB Lab. The manager reports cumulative investments across three predecessor funds of approximately USD 156 million across 49 transactions. While this demonstrates longevity and sector familiarity, the proposed Fund IV represents a material increase in scale and scope compared with prior funds, which were smaller and did not operate under an explicit climate finance mandate with quantified mitigation and adaptation targets.

8. EcoEnterprises emphasizes a ‘high-touch’ investment model combining capital with technical assistance, governance support and impact monitoring. This approach is reflected in the proposed technical assistance facility (TAF), which would operate alongside Fund IV and support investee companies in areas such as environmental, social and governance (ESG) systems, certification, climate and biodiversity measurement, and inclusive business practices. The TAF is also expected to support knowledge-sharing, reporting and stakeholder engagement activities related to GCF participation.

9. Structurally, Fund IV is designed with ring-fencing arrangements to segregate GCF capital through a dedicated GCF subfund that would invest exclusively in countries that have issued NOLs. GCF would participate as a *pari passu* limited partner, with limited governance rights exercised primarily through the limited partner advisory committee. EcoEnterprises would serve as the accredited entity and fund manager, while also managing the technical assistance component under the same institutional platform.

10. Fund IV was submitted under the project-specific assessment approach. Under this framework, the GCF Secretariat has assessed the institutional capacity of EcoEnterprises, providing the basis for the independent Technical Advisory Panel (iTAP) review. The iTAP assessment therefore focuses on alignment with GCF investment criteria, including the credibility of the climate rationale, the justification for GCF concessionality in the light of broader market activity and the robustness of Fund IV’s strategy to deliver measurable and verifiable climate outcomes while catalysing private capital.

11. Overall, the proposal presents a coherent nature-based solutions-focused investment thesis aligned with GCF climate priorities, supported by a manager with deep regional experience. At the same time, the breadth of sectors and geographies, the reliance on concessional and development-oriented capital and the combined use of equity and grant resources raise questions that are relevant to the iTAP assessment, particularly with respect to additionality, proportionality of support, catalytic potential and the extent to which Fund IV can deliver outcomes that extend beyond a portfolio of well-executed but largely bespoke investments.

1.2 Impact potential

Scale: Medium

12. The proposed programme seeks to deliver climate mitigation and adaptation outcomes primarily through investments in nature-based solutions across agriculture, forestry, aquaculture, ecotourism and selected circular economy activities in Latin America and the Caribbean. These sectors are directly linked to the region's emissions profile and climate vulnerability, particularly in the agriculture, forestry and other land use sector, where deforestation, land degradation and climate variability continue to pose systemic risks to both ecosystems and rural livelihoods.
13. The mitigation pathways articulated by EcoEnterprises, including regenerative agriculture, agroforestry, restoration of degraded land and avoided deforestation, are conceptually sound and grounded in established climate science. Similarly, the adaptation logic, which emphasizes improving farm-level resilience, diversifying rural incomes, strengthening soil and water systems, and enhancing ecosystem services, is relevant to the climate risks facing smallholder farmers and resource-dependent communities.
14. However, as with most private equity fund structures, the iTAP underscores the inherent difficulty of assessing climate impact ex ante. While EcoEnterprises presents aggregate projections for greenhouse gas mitigation and adaptation beneficiaries, the actual portfolio composition will be determined over several years and could vary materially from the illustrative assumptions. Outcomes will depend on investment selection, sector allocation, execution quality and the performance of individual portfolio companies. For this reason, the iTAP placed limited reliance on headline impact projections and instead focused on the robustness of the investment thesis, screening mechanisms and the capacity of the manager to consistently deliver climate-relevant outcomes.
15. EcoEnterprises has outlined a screening and selection framework intended to ensure that investments contribute meaningfully to mitigation and/or adaptation objectives. This approach is broadly consistent with current impact investing practice and provides a minimally sufficient basis for climate alignment. That said, the iTAP does not view the framework as the best in its class. In particular, climate considerations do not appear to be structurally embedded as a binding gate at the final investment decision stage, nor is there a dedicated impact or climate committee with formal authority to override commercial decisions where necessary.
16. This governance structure introduces a residual risk that financially attractive investments may be advanced on the basis of modest or indirect climate benefits, while opportunities with potentially stronger mitigation or adaptation outcomes but weaker near-term economics may be deprioritized. While such tensions are common in commercial fund structures, the iTAP would have taken greater comfort from clearer institutional safeguards to ensure that climate integrity can prevail in marginal cases.
17. Notwithstanding these concerns, the iTAP ultimately takes a pragmatic view, informed by EcoEnterprises' long operating history and demonstrated commitment to sustainability-oriented investing. Through the question and answer process and written responses, the management team conveyed a consistent focus on nature-based solutions and an understanding of the trade-offs inherent in balancing commercial viability with climate outcomes. While the screening approach is not exceptional, it is adequate, and the team's track record provides reasonable assurance that climate considerations will not be treated as incidental.
18. The proposed TAF is a potentially important complement to Fund IV's impact strategy. By supporting portfolio companies in strengthening ESG systems, certifications, monitoring methodologies and climate-related data collection, the TAF may improve the quality, consistency and credibility of reported outcomes over time. However, the iTAP notes that much of this support is oriented towards ex post performance enhancement and measurement, rather than shaping ex ante investment selection. As such, the TAF should be viewed as an enhancer of impact integrity rather than a substitute for stronger upfront governance.

19. EcoEnterprises also emphasizes Fund IV's role in mobilizing additional capital for climate action. While the iTAP agrees that Fund IV is likely to attract incremental investment into climate-aligned enterprises in countries with NOLs, it considers mobilization claims to be overstated. A substantial portion of the commitments raised to date appear to come from development finance institutions and other mission-oriented investors, many of whom have supported EcoEnterprises' prior funds. While continued participation by these investors is positive, it weakens claims that GCF participation is uniquely catalytic.
20. In addition, because GCF resources are ring-fenced for investments in NOL countries, a material share of Fund IV's capital will be deployed in non-NOL countries without reliance on GCF funding. Returns from those investments do not accrue to GCF, and their inclusion complicates headline mobilization ratios. The iTAP therefore considers that the effective mobilization attributable to GCF support is more modest than suggested, even if still meaningful in absolute terms.
21. Taking these considerations together, the iTAP assesses the impact potential of Fund IV to be Medium. The proposed interventions are relevant, the climate rationale is credible and the management team demonstrates sufficient capacity and commitment to deliver climate-aligned investments. However, material uncertainties remain regarding ex ante impact projections, governance arrangements for climate decision-making and the scale of genuine mobilization. The proposal meets the threshold for GCF support, but does not warrant a higher rating given these limitations.

1.3 Paradigm shift potential

Scale: Medium

22. The proposed Fund IV has the potential to deliver meaningful change at the level of individual portfolio companies. By providing patient growth capital and technical assistance to rural SMEs deploying nature-based solutions, Fund IV may help to demonstrate the commercial viability of climate-aligned business models in sectors such as regenerative agriculture, agroforestry, aquaculture and conservation-linked enterprises. If successful, these investments could strengthen operational practices, improve disclosure and enhance the visibility of climate-aligned approaches among peer firms and stakeholders. This demonstration effect constitutes a credible, albeit incremental, contribution to market learning.
23. However, the scope for a broader paradigm shift is constrained by the nature of the instrument and the scale of the intervention. As a private equity fund, Fund IV is expected to make a limited number of discrete investments, of the order of 8–12 companies, spread across multiple sectors and countries. While each investment may be impactful in its own right, this dispersion increases the risk of diffusion and reduces the likelihood that lessons learned will translate into systemic change within any single market, value chain or financial ecosystem.
24. A key element of paradigm shift is the extent to which an intervention alters how local markets function over time, specifically whether it helps to build durable domestic financial ecosystems capable of financing low-carbon and climate-resilient investments without continued reliance on foreign development finance institutions, concessional capital or bespoke impact vehicles. On this dimension, the proposal is less compelling. Mobilization effects appear modest, and Fund IV's investor base remains largely composed of international development finance institutions, foundations and mission-oriented investors, many of whom have participated in the manager's prior funds. While this capital is important, it does not, on its own, signal a meaningful shift in local capital market behaviour or risk appetite.
25. The iTAP would have hoped, in a fourth fund from a manager with a long operating history, a clearer and more ambitious strategy for attracting domestic investors, influencing local financial intermediaries or catalysing local currency financing solutions. Although EcoEnterprises reports some engagement with local partners and institutions, these efforts

remain relatively shallow and are unlikely, at this stage, to materially reshape domestic financial markets or reduce dependence on external capital.

26. An additional early concern is related to the perceived foreign profile of the fund manager, including its developed country domicile and origins as a spin-off from an international conservation organization. From a paradigm shift perspective, GCF resources are often most catalytic when they help to build the capacity and credibility of locally rooted fund managers that can ultimately raise domestic capital and anchor climate finance ecosystems from within. That said, the iTAP notes that, through the question-and-answer process, the EcoEnterprises team made a persuasive case that the firm is operationally embedded in its target markets, with a significant regional presence and long-standing local relationships. This went a long way to mitigating the concerns of the iTAP regarding local anchoring.

27. On balance, the paradigm shift potential of Fund IV rests less on transforming markets at scale and more on incremental demonstration: showing that nature-based SME investments can be professionally managed, commercially viable and aligned with credible climate and environmental outcomes. While this contribution is positive and relevant, especially if Fund IV performs well, it is unlikely on its own to drive a step change in how climate finance is sourced, structured or deployed across Latin American and Caribbean markets. Accordingly, the iTAP assesses the paradigm shift potential to be Medium.

1.4 Sustainable development potential

Scale: High

28. The proposed Fund IV is well aligned with sustainable development priorities in the target countries and sectors, particularly in rural and resource-dependent contexts where climate vulnerability, biodiversity loss and livelihood constraints are closely intertwined. By focusing on nature-based solutions across agriculture, forestry, aquaculture and ecosystem-linked services, Fund IV is positioned to generate a broad range of environmental and socioeconomic co-benefits alongside its climate objectives.

29. From an environmental perspective, Fund IV's investment thesis emphasizes conservation, restoration and sustainable management of natural capital. Activities such as regenerative agriculture, agroforestry, sustainable aquaculture and ecosystem-based tourism have the potential to deliver meaningful improvements in soil health, water regulation, biodiversity and ecosystem services. These outcomes are particularly relevant in Latin America and the Caribbean, where land-use change and ecosystem degradation remain major drivers of emissions and climate vulnerability. While the precise composition of the portfolio will only be determined over time, the sectors targeted are intrinsically linked to positive environmental externalities when implemented with appropriate safeguards and management practices.

30. Fund IV also has a substantial potential to generate social and economic co-benefits, particularly for rural communities and smallholder farmers, which are often underserved by traditional financial markets. By providing patient growth capital and technical assistance to rural SMEs, the programme can support job creation, income diversification and improved market access in regions characterized by limited economic opportunities. The emphasis on inclusive value chains and engagement with smallholder suppliers is expected to contribute to more resilient livelihoods and reduced vulnerability to climate shocks.

31. The iTAP views positively EcoEnterprises' explicit attention to gender and social inclusion, including commitments to promote women's participation in enterprise ownership, employment and decision-making within portfolio companies. While the depth of these outcomes will depend on execution at the investee level, the integration of gender-smart practices and social performance indicators into Fund IV's operational approach is consistent with good practice for impact-oriented private equity in rural contexts.

32. The TAF further strengthens the sustainable development potential of the programme. By supporting investees in improving governance, operational practices, certification and impact measurement, the TAF is likely to enhance both the quality and durability of development outcomes. This ‘beyond capital’ approach is particularly relevant for SMEs operating in complex rural value chains, where capacity constraints often limit the effectiveness of financial investment alone.

33. The iTAP notes that, as with all fund-based interventions, there is inherent uncertainty regarding the scale and distribution of the final outcomes, and that some impacts may be uneven across countries and sectors. Nevertheless, the combination of a targeted sectoral focus, long-standing regional experience and integrated financial and technical support provides a credible basis for expecting substantial and sustained development co-benefits.

34. On balance, the iTAP considers that Fund IV has a substantial potential to contribute positively to environmental sustainability, inclusive economic development and social resilience in the target regions. Accordingly, the sustainable development potential is assessed to be High.

1.5 Needs of the recipient

Scale: Medium to high

35. According to the funding proposal, Fund IV’s target geographies in Latin America and the Caribbean face a convergence of climate, environmental and socioeconomic stresses that are particularly acute in rural and resource-dependent areas. Climate change is already disrupting agricultural productivity, ecosystem stability and livelihood security through more frequent and severe droughts, flooding and temperature variability. These physical risks interact with long-standing challenges related to deforestation, land degradation and unsustainable natural resource use, reinforcing vulnerability in communities that are least able to absorb or adapt to shocks.

36. Rural SMEs operating in agriculture, forestry, fisheries and nature-linked services play a critical role in these economies, yet they remain structurally underserved by domestic financial systems. Many operate in value chains characterized by informality, limited collateral and exposure to climate variability, which raises perceived risk for lenders and investors. As a result, access to appropriately structured, long-term capital remains constrained, even where underlying business models are viable and aligned with climate and environmental objectives.

37. These constraints are compounded by transition risks, including evolving regulatory frameworks, land-use policies and sustainability standards, which can further discourage local financial institutions from engaging in sectors associated with nature-based solutions. In this context, the financing gap is not simply a function of capital scarcity, but of risk aversion, limited sectoral familiarity and insufficient capacity to structure and monitor investments in climate- and nature-positive enterprises.

38. Fund IV’s proposed approach responds to several of these needs by targeting the ‘missing middle’ of rural enterprises that are too large or complex for microfinance yet insufficiently mature to access conventional private equity or commercial debt. The combination of patient growth capital and hands-on technical support is well suited to addressing both financial and non-financial barriers, particularly where enterprises require support to professionalize operations, improve governance and meet evolving environmental and social standards.

39. At the same time, the iTAP notes that the recipient countries are heterogeneous, and many possess relatively developed financial systems at the national level. Consequently, the needs addressed by Fund IV are concentrated in specific sectors and geographies, rather than reflecting economy-wide capital scarcity. This reinforces the view that Fund IV’s contribution is most relevant when targeting structurally underfinanced rural and nature-based segments, rather than serving as a substitute for broader domestic financing capacity.

40. On balance, the iTAP considers that there is a clear and credible need for targeted interventions that can bridge financing and capacity gaps for climate- and nature-aligned rural SMEs, particularly in vulnerable regions and value chains. While these needs are not at the highest-level owing to the overall maturity of some Latin American and Caribbean financial markets, they are sufficiently material to justify a Medium to High assessment under the needs of the recipient criterion.

1.6 Country ownership

Scale: Medium to high

41. The proposal demonstrates a generally strong degree of alignment with national climate and development priorities across Fund IV's target countries. EcoEnterprises has secured eight NOLs for a regional private equity vehicle, which is a notable achievement in the context of cross-border fund structures. In the iTAP's understanding, obtaining NOLs for private equity and venture capital funds, particularly those without a pre-defined project pipeline, is often procedurally complex and time-consuming. The breadth of NOL coverage reflects positively on EcoEnterprises' regional reputation, long-standing relationships and credibility with national authorities.

42. At the same time, the iTAP notes that the requirement to ring-fence GCF capital to NOL countries introduces structural trade-offs. While this approach is consistent with GCF policies, it necessarily constrains the investment universe for GCF-funded capital relative to the overall Fund IV strategy. This may limit diversification and, in practice, could dampen both the impact and financial performance attributable to the GCF tranche when compared with the unconstrained portion of Fund IV.

43. The proposal is broadly consistent with national climate priorities articulated through nationally determined contributions and related sectoral strategies, particularly with respect to land use, ecosystem protection, climate-resilient agriculture and rural livelihoods. Fund IV's focus on nature-based solutions and SME-scale interventions aligns with stated government objectives in many of the NOL countries, even where formal public sector co-investment or programmatic integration is limited.

44. However, the iTAP continues to view limited domestic capital participation as a structural weakness from a country ownership perspective. While EcoEnterprises has demonstrated efforts to engage local investors and has some historical experience raising domestic capital, participation at scale, particularly from pension funds, domestic banks and family offices, remains modest. Structural barriers, including a preference for fixed-income instruments, limited familiarity with climate-focused private equity and risk aversion towards illiquid vehicles, continue to constrain local participation. The iTAP views favourably the ongoing outreach of the accredited entity to domestic financial institutions, but emphasizes that without stronger domestic capital engagement, claims to full country ownership are diminished.

45. Similarly, government engagement is largely indirect. While public authorities have provided formal no-objections, there is limited evidence of deeper institutional participation beyond regulatory consent, including co-financing, policy coordination or integration with national investment platforms. This is not unusual for private equity structures, but it does limit the extent to which Fund IV can be said to be embedded within domestic climate finance ecosystems.

46. Based on its experience reviewing a substantial number of private equity and venture capital proposals, the iTAP has observed that accredited entities have consistently highlighted the challenges associated in securing NOLs. This has consistently emerged as a friction point for mobilizing private capital through GCF. Common issues raised include limited familiarity among national designated authorities with fund-based investment models, requests for fixed country allocations that are incompatible with private equity/venture capital strategies and

expectations of operational partnerships with public entities that may undermine commercial viability. These factors risk deterring capable fund managers and slowing deployment. The successful securing of eight NOLs in this case is therefore noteworthy. At the same time, the iTAP encourages continued reflection by the Board on whether more tailored approaches for private equity/venture capital funds could enable GCF to operate in a manner better aligned with private capital mobilization, while maintaining appropriate country ownership safeguards.

47. On balance, the iTAP finds that the funding proposal demonstrates meaningful engagement with national authorities and reasonable alignment with country priorities, supported by an unusually broad set of NOLs for a regional fund. Nevertheless, the limited depth of domestic financial participation tempers the overall assessment. Country ownership is therefore rated Medium-High.

1.7 Efficiency and effectiveness

Scale: Medium to high

48. The proposed structure of Fund IV is broadly consistent with established private equity and growth capital models operating in emerging markets. The GCF investment is structured as *pari passu* limited partner participation alongside other investors, with no preferential return or downside protection. As in other recent fund-based proposals reviewed by the iTAP, GCF concessionality is provided primarily through scale and signalling rather than through pricing or structural subordination. The iTAP views this approach favourably, as it preserves commercial discipline, avoids market distortion and reduces the risk that public capital is interpreted as a proxy for elevated risk or weak underlying fundamentals.

49. Fund IV's economic terms, including a 7 per cent preferred return, 20 per cent carried interest and a management fee, are broadly in line with regional and global private equity benchmarks, particularly for funds deploying a blend of equity, quasi-equity and debt-like instruments. While the overall structure includes additional complexity through the establishment of a GCF-dedicated vehicle and a sizeable TAF, the proposed terms appear to be within market norms. The iTAP notes that effective oversight will be important to ensure that grant-funded technical assistance complements, rather than substitutes for, core fund management functions and that costs remain proportionate to the delivered outcomes.

50. EcoEnterprises projects commercially viable returns while pursuing climate- and nature-positive outcomes; however, as with all private equity vehicles, these outcomes remain contingent on the quality of deal origination, execution discipline and exit conditions. It is expected that Fund IV will make approximately 8–12 investments, subject to achieving its full target size, across multiple sectors, including sustainable agriculture, forestry, aquaculture, the circular economy, climate technology and ecotourism, and across several countries in Latin America and the Caribbean. The iTAP notes that this breadth introduces a risk of dispersion, potentially limiting opportunities to generate deep, sector-specific learning effects. That said, the thematic focus on nature-based solutions and agriculture, forestry and other land use-related value chains provides some coherence to the portfolio strategy and supports Fund IV's overall impact thesis.

51. The iTAP places significant weight on the Fund IV manager's hands-on operating model as a positive contributor to efficiency and effectiveness. EcoEnterprises positions itself not merely as a capital provider but as an active partner to portfolio companies, offering technical assistance, strategic guidance and sustained board-level engagement. In rural SME contexts, where management capacity, governance systems and access to markets are often binding constraints, this approach can materially improve both commercial performance and climate outcomes. The iTAP takes comfort from the team's long-standing experience in the region and from the operational engagement model described during the due diligence and question and answer processes, which emphasizes governance strengthening, impact measurement and network expansion.

52. From a governance perspective, it is intended that Fund IV will invest primarily through significant minority positions. While minority ownership can constrain formal control, EcoEnterprises has indicated that board representation will be a standard feature of all investments and that ESG and impact considerations will be embedded in investment oversight. The iTAP recognizes that majority control structures can introduce exit risks and heightened reputational exposure, and is therefore comfortable that meaningful minority stakes combined with active board participation can provide sufficient influence to advance both commercial and climate objectives.

53. A further positive signal of alignment is provided by the general partner's commitment to invest 1 per cent of Fund IV's capital. While such general partner commitments are standard practice in private equity, they are not always evident in GCF-supported fund structures. The iTAP views this commitment favourably, as it strengthens the alignment of interests, signals confidence in the investment thesis and reinforces incentives for disciplined execution and long-term value creation.

54. The iTAP nonetheless raises a substantive concern regarding the scale of the requested GCF commitment relative to its incremental catalytic effect. While EcoEnterprises argues that a USD 30 million anchor is necessary to attract additional investors and support deployment in higher-risk and less liquid markets, the evidence provided does not fully substantiate that this level of participation is indispensable. Fund IV achieved a first close of USD 53 million and subsequently advanced fundraising to approximately USD 90 million in the absence of confirmed GCF participation, suggesting that investor appetite for the strategy was material. Moreover, a significant share of prospective limited partners are development finance institutions and mission-oriented investors, many of whom have participated in prior EcoEnterprises funds and would be expected to allocate to a climate- or nature-focused vehicle in the region irrespective of GCF involvement.

55. In addition, GCF capital is ring-fenced for investments in countries with NOLs, whereas a portion of the overall Fund IV will be deployed in non-NOL jurisdictions that will not directly benefit from GCF participation. This further complicates claims that the full GCF commitment is required to unlock the broader Fund IV. Taken together, these factors suggest that a smaller GCF investment may achieve similar signalling and mobilization effects, potentially with greater efficiency in the use of concessional resources. While EcoEnterprises' rationale for the proposed scale is ultimately considered minimally sufficient, this issue tempers the iTAP assessment of efficiency and effectiveness.

56. In summary, Fund IV demonstrates a commercially sound structure, market-consistent terms and a credible hands-on execution model that integrates capital with operational engagement. These features support efficient deployment of GCF resources and enhance the likelihood that climate and nature outcomes will be delivered alongside financial returns. While concerns remain regarding scale efficiency and portfolio dispersion, the overall design and implementation approach justify an assessment of efficiency and effectiveness as Medium to High.

II. Overall remarks from the independent Technical Advisory Panel

57. Fund IV is a credible approach to deploying private equity capital in support of climate- and nature-aligned enterprises across Latin America and the Caribbean. The proposal is underpinned by an experienced fund manager with a long operating history in the region, a clearly articulated investment thesis centred on nature-based solutions and an implementation model that combines impact screening with hands-on engagement at the portfolio company level. These features provide a reasonable basis for expecting positive mitigation, adaptation and broader sustainable development outcomes.

-
58. On balance, the iTAP finds the proposal to be broadly consistent with the GCF investment criteria. The focus on underserved SMEs, the use of structured climate screening tools and the manager's demonstrated commitment to sustainability and operational value-add provide sufficient assurance to warrant endorsement. The iTAP therefore supports approval, while noting areas where future proposals of this type could be strengthened.
59. The iTAP makes the following recommendations for the consideration of EcoEnterprises and the GCF Secretariat, respectively:
- (a) Strengthen climate governance at the investment decision level by timely integrating dedicated climate adaptation and mitigation expertise. While ESG officer clearance provides a necessary safeguard, a deeper integration of climate expertise into investment committee deliberations is essential for moving beyond current business as usual assessments. This technical capacity would ensure that measurable climate key performance indicators act as binding decision-making criteria, providing the authority to influence or override purely commercial judgments where climate considerations are warranted; and
 - (b) Apply greater proportionality in anchor ticket sizing. Future private equity proposals should more clearly demonstrate why the scale of the requested GCF participation is essential to achieving catalytic effects, in order to ensure the efficient and strategic deployment of concessional resources.
60. The iTAP recommends that the Board approve this funding proposal.

Response from the project-specific assessment approach applicant to the independent Technical Advisory Panel's assessment (FP302)

Proposal name:	EcoEnterprises Partners IV
Project-specific assessment approach applicant:	EcoEnterprises Impact Management, LLC
Country(ies):	Belize, Costa Rica, Dominican Republic (the), Ecuador, El Salvador, Guatemala, Panama, Peru
Project/programme size:	Medium

Impact potential

The iTAP's Medium rating of the program's impact potential is noted. EcoEnterprises Fund welcomes iTAP's recognition that Fund IV's strategy—delivering mitigation and adaptation primarily through nature-based solutions across agriculture, forestry, aquaculture, ecotourism and selected circular economy activities—directly aligns with LAC's emissions profile and climate vulnerability, particularly in AFOLU where deforestation, land degradation and climate variability remain systemic risks. We also welcome iTAP's positive assessment that Fund IV's mitigation pathways (e.g., regenerative agriculture, agroforestry, restoration of degraded land and avoided deforestation) are conceptually sound and grounded in established climate science, and that the adaptation logic—focused on farm-level resilience, diversified livelihoods, strengthened soil and water systems, and enhanced ecosystem services—is well aligned with the climate risks facing smallholders and resource-dependent communities.

EcoEnterprises Fund concurs with iTAP's observation that ex ante quantification of climate impacts in private equity structures is inherently uncertain given evolving portfolio composition, and therefore commits to prioritize robust climate governance, screening, and MRV as the primary basis for ensuring climate integrity and credible ex ante selection and ex post reporting. We commit to further enhance our Climate Assessment Tool, designed to identify climate-relevant risks and opportunities for each potential investee and guide investment decisions to imbed deeper climate screening and pre-investment climate governance. We aim to use some of the requested grant resources destined to improve evaluative data collection, reporting and verification to enhance ex ante evaluation capabilities, tools and gateways as well. Additionally, EcoEnterprises Fund will dedicate a defined portion of the Technical Assistance Facility (TAF) resources to pre-investment investment readiness which will contribute to addressing governance considerations to a certain extent, notwithstanding that relative size geared towards pre-investment support is smaller compared to post-investment support.

EcoEnterprises Fund welcomes iTAP's acknowledgement that Fund IV is likely to mobilize incremental investment into climate-aligned enterprises in countries with No-Objection Letters (NOLs), while also taking note of iTAP's caution regarding headline mobilization claims given the mission-oriented nature of many investors and the ring-fencing of GCF proceeds.

Paradigm shift potential

EcoEnterprises Fund notes iTAP's assessment of Medium paradigm shift potential. We welcome iTAP's recognition that Fund IV can deliver meaningful change at the portfolio company level by providing patient growth capital and technical assistance to rural SMEs

deploying nature-based solutions, and that this can generate a credible demonstration effect for climate-aligned business models and improved practices and disclosure. EcoEnterprises Fund also takes note of iTAP's observation that paradigm shift effects may be constrained by the limited number of investments across multiple sectors and countries, which can increase diffusion risk and reduce the likelihood of systemic change in any single market or ecosystem. We further note iTAP's view that the proposal would benefit from a clearer and more ambitious strategy to build domestic financial ecosystems, including attracting domestic investors, influencing local intermediaries, and catalyzing local currency solutions.

In response to iTAP's recommendations, EcoEnterprises Fund will look to strengthen the programme's paradigm shift strategy by enhancing the stakeholder engagement at two levels: programme level, and investee level, with a specific focus on engaging the domestic financial sector and improving market learning and replication.

Programme-level actions (financial ecosystem engagement) could include:

- Lead one national finance-focused event per year in each country (subject to feasibility and local partner capacity). These events would be tailored to local market conditions and aim to strengthen relationships with banks, public development finance entities, local fund managers, pension/insurance actors where relevant, and family offices, and to build a pipeline of domestic co-investment and follow-on financing.
- Conduct a country-level mapping of the financial ecosystem in each target country and implement a structured engagement plan with local intermediaries (banks, public finance entities, impact networks, family offices and others). Where feasible, EcoEnterprises Fund will seek win-win arrangements to crowd in local capital (e.g., co-investment pathways, working capital partnerships).
- Support initiatives that encourage the formation of local investor circles (or equivalent mechanisms) when feasible to increase domestic familiarity with nature-based investment opportunities and strengthen sustained local participation in climate finance.

Investee-level proposed actions (market learning and replication) include:

- Strengthen investee-level stakeholder engagement by including, through the TAF, a double materiality assessment for portfolio companies (as appropriate). This will help identify investee-specific stakeholders (including domestic financiers), define engagement priorities, and develop practical action plans. This will also reinforce the programme's country ownership narrative by strengthening local institutional linkages around each investment.
- Promote structured knowledge dissemination by portfolio companies. This will include support for publishing practice-based articles (e.g., in sector associations and technical outlets), participation in relevant forums, and targeted communication products that share lessons learned on climate-smart practices, E&S management, and credible climate reporting. The objective is to increase replication by peer firms and improve market norms over time.

These actions aim to strengthen Fund IV's contribution beyond company-level demonstration by actively building relationships, confidence, and information flows within domestic financial ecosystems, while maintaining EcoEnterprises Fund's core investment strategy and discipline.

Sustainable development potential

EcoEnterprises Fund welcomes iTAP's High rating for Sustainable Development Potential. iTAP recognizes that Fund IV is well positioned to generate strong co-benefits for livelihoods and inclusive growth—particularly for rural and resource-dependent communities—while

strengthening environmental and social performance through robust E&S risk management and technical assistance support.

Needs of the recipient

EcoEnterprises Fund notes iTAP's Medium-High rating under "Needs of the recipient" and welcomes iTAP's recognition that rural SMEs operating in nature-based value chains remain structurally underserved by domestic financial systems, particularly in climate-vulnerable regions and segments. EcoEnterprises Fund agrees with iTAP that recipient countries are heterogeneous and that Fund IV's relevance is strongest in specific sectors and geographies. We note that iTAP's assessment affirms Fund IV's existing focus on addressing segment-specific financing and capacity gaps for the "missing middle," rather than economy-wide capital scarcity. We will therefore continue to align and reinforce the narrative and reporting with this approach, highlighting Fund IV's role in targeting structurally underfinanced rural and nature-based segments.

Country ownership

EcoEnterprises Fund notes iTAP's Medium-High rating under "Country ownership" and welcomes iTAP's recognition of the strong ownership signal demonstrated through the receipt of No-Objection Letters (NOLs) across all eight programme countries. We will further strengthen country ownership through the programme-level and investee-level engagement actions described under the above section "Paradigm shift potential", including structured engagement with domestic stakeholders and financial ecosystem actors, to encourage stronger domestic capital engagement. In addition, EcoEnterprises Fund aims to hold an annual briefing for each programme country with the relevant government counterparts, led by the NDA and, through the NDA, inviting other relevant authorities (e.g., ministries of agriculture and environment, public development finance entities and other sector institutions as appropriate) to share progress, pipeline evolution, and lessons learned, and to ensure ongoing alignment with national priorities.

Efficiency and effectiveness

EcoEnterprises Fund notes iTAP's Medium-High rating under "Efficiency and effectiveness" and welcomes iTAP's recognition that the proposed structure maintains commercial discipline through pari passu terms and avoids pricing distortions. We take note of iTAP's comments on proportionality and the need to further substantiate why the requested GCF anchor size is necessary. EcoEnterprises Fund notes that progress in fundraising has been supported by the advancement with GCF, which provided important signaling effects to other investors. GCF's commitment remains critical to our strategy, as GCF's role as a climate-focused investor enables Fund IV to deploy capital more deeply in the targeted countries, particularly in segments where there is a persistent gap in appropriate climate adaptation and mitigation financing for iSMEs. This anchoring role supports our ability to achieve scale in these underserved sectors and countries while maintaining strong alignment with GCF's climate objectives.

EcoEnterprises Fund will strengthen transparency on catalytic effect and mobilization attribution consistent with ring-fencing, complemented by explicit reporting on how GCF participation improves programme efficiency (e.g., enabling timely deployment in NOL markets and strengthening climate/E&S integrity and MRV through the grant-funded TAF).

Overall remarks from the independent Technical Advisory Panel:

EcoEnterprises Fund welcomes iTAP's overall positive assessment and is grateful for the recommendation that the GCF Board approve the proposal. We appreciate iTAP's recognition of the programme's strong climate rationale, alignment with Fund IV's nature-based solutions strategy, and the team's capacity and track record to deliver climate-relevant investments:

EcoEnterprises Fund takes note of iTAP's recommendation regarding the need to strengthen climate governance at the final investment decision stage. We will address this recommendation through the governance and screening enhancements as proposed under "Impact Potential." We look forward to the opportunity for continued partnership with GCF.



Annex 8:
Gender Assessment
EcoEnterprises Partners IV

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1. Gender Assessment

1.1. Objectives

The overarching of this gender assessment is to provide a tool to integrate and accelerate gender-responsive and transformative investment through EcoEnterprises Partners IV framework.

The gender assessment will deliver two outcomes: first, to incorporate an analysis of the gender and the sociocultural context in the eight partner countries and the factors underlying gender inequality that are exacerbated by climate change; and second, to optimize the potential contributions of women to build individual and collective resilience to climate change. Therefore, this assessment will serve to inform the formulation, implementation, monitoring, and evaluation of the project.

Finally, the assessment will establish the foundation for the Gender Action Plan (GAP). The GAP is designed to ensure, through specific measures, that the challenges faced by women and vulnerable groups in accessing and benefiting from the project are meaningfully addressed.

1.2. Methodology

This gender assessment was developed using the guiding questions and approach provided in the GCF gender guidance documents and templates, including the Mainstreaming Toolkit. It also aligns with the principles and requirements outlined in the GCF Gender Policy. The assessment framework ensures consistency with global standards and provides a comprehensive basis for analyzing gender-related issues across the eight partner countries.

To review the gender issues in the eight partner countries several steps were carried out. First, EcoEnterprises Fund conducted a thorough review of official gender databases, addressing three global gender indicators: the Human Development Index (HDI), the Gender Inequality Index (GII), and the Gender Development Index (GDI). These indicators, developed by the United Nations Development Programme, are part of several global human development reports and aim to monitor countries' progress toward gender-inclusive and sustainable development goals. In this section, general conclusions about aspects of human development in each country, gender issues, progress, and challenges are presented.

Next, EcoEnterprises Fund developed a comprehensive analysis about the gender perspective in Latin America and the Caribbean region (LAC) in key areas of interest for EcoEnterprises Partners IV, LP, such as micro, small and medium businesses (MSMEs), financial inclusion, agriculture and rural areas, and vulnerability to climate change and climate action. This analysis provided reflections on gender equality and inequality addressing these issues with a broad and regional approach.

Then, country profiles were developed to deepen gender analysis, using the three previously mentioned indicators to highlight key aspects of each target nation. This analysis was complemented by the Social Institutions and Gender Index (SIGI) from the Organization for Economic Cooperation and Development (OECD), which provides data on discrimination related to social norms and institutional structures. Additionally, the Global Gender Gap Index (OECD) was incorporated, which annually compares the evolution of gender parity in four key dimensions: Economic Participation and Opportunities, Educational Attainment, Health and Survival, and Political Empowerment. The World Bank's Doing Business and

Law Index was also consulted, which measures the legal environment for women's economic opportunities, enriching the economic perspective of the analysis.

In addition, the analysis conducted by EcoEnterprises Fund for the Concept Note was incorporated, in which a risk detection checklist was developed for each of the target countries within the framework of laws and policies related to gender-based violence (GBV) and sexual harassment. This analysis covered key areas such as the prevalence and impact of GBV, legal rights and protection for women, as well as economic conditions and the global standing of the countries.

Also, EcoEnterprises Fund conducted a detailed analysis for each selected country on gender topics related to micro, small, and medium-sized enterprises, agriculture and rural areas, financial inclusion, and climate vulnerability, that provided an integrated view of the gender situation in these areas of interest in the countries analyzed. Finally, EcoEnterprises Fund identified the main barriers faced by women that are common across all the countries. These gender barriers are more prominent in rural areas, where the project is expected to have its major impact. As a result of this analysis, and based on EcoEnterprises Fund gender approach, experience, and lessons learned, a Gender Action Plan was proposed.

Finally, an intersectional analysis was conducted that addresses how multiple forms of discrimination affect different groups of women. The groups of women considered in this analysis are rural women (campesinas) Indigenous women, and Black or Afro-descendant women. A brief analysis in this regard was included for each of the partner countries in the project.

1.3. Human and gender indexes in partner countries

Gender equity is a fundamental goal for sustainable development, as outlined in the United Nations' Sustainable Development Goal (SDG) No. 5. Various indicators have been developed to measure progress towards gender equality across multiple dimensions. Key indices include the Gender Development Index (GDI), the Gender Inequality Index (GII), and the Social Institutions and Gender Index (SIGI). These indices assess aspects such as health, education, political participation, access to economic resources, physical security, and civil liberties, providing a comprehensive view of gender dynamics worldwide.

Progress in these indicators is tracked using data collected by institutions such as the United Nations Development Programme (UNDP), the World Economic Forum (WEF), and the Organization for Economic Co-operation and Development (OECD). These tools help identify gender gaps and guide the development of public policies and private initiatives aimed at achieving gender equality.

This section provides a general analysis of gender dynamics in the eight target countries: Belize, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Panama, and Peru. Using gender indicators, it offers a comparative and contextualized perspective. Each indicator will be introduced and discussed to highlight both achievements and remaining challenges within the partner countries. EcoEnterprises Fund further approaches these indicators in more depth in each country's profile.

1.3.1. Human Development Index (HDI) – UNDP (2022)

The HDI scores presented here are derived from the 2024 Human Development Report. The Human Development Index (HDI) is a composite indicator that measures progress in three fundamental areas of human development: a long and healthy life, access to knowledge, and a decent standard of living. The HDI is calculated as the geometric mean

of normalized indices for each of these three dimensions (UNDP, 2023). The HDI values should be interpreted as indicative rather than definitive, offering an overview of relative human development in each country. However, it is essential to note that the HDI remains a "synthetic indicator" that simplifies complex development realities (UNDP, 2023).

Recent research and evolving discourse underscore the importance of supplementing the HDI index with additional indicators that assess social and economic cohesion, the sustainability of growth models, and the robustness of development strategies. These complementary metrics provide a broader context for understanding the challenges and opportunities within development frameworks (UNDP, 2023).

Table No. 1 presents the latest HDI rankings for the target countries reflecting their development in key areas such as health, education, and income.

Table 1. Human Development Index (HDI) in partner countries

Country	Latest HDI Score 2022	Rank / 193 countries	Tier
Belize	0,700	118	High human development
Costa Rica	0,806	64	Very High human development
Dominican Republic	0,766	82	High human development
Ecuador	0,765	83	High human development
El Salvador	0,674	127	Medium human development
Guatemala	0,629	136	Medium human development
Panama	0,820	57	Very High human development
Peru	0,762	87	High human development

Source: (UNDP, 2024)

In terms of gender and human development, HDI scores help to reveal structural inequalities that persist despite overall national progress. Among the countries analyzed, **Panama (0.820)** and **Costa Rica (0.806)** are classified as having *very high human development* according to the **UNDP Human Development Report 2023/24 (UNDP, 2023)**, suggesting more favorable conditions for gender equality, particularly in education, health, and access to services. However, even in these contexts, women—especially those in rural or Indigenous communities—often continue to face unequal access to income, leadership roles, and decision-making spaces.

Ecuador (0.765), **Dominican Republic (0.766)**, **Peru (0.762)**, and **Belize (0,700)** all within the *high human development* tier, have made significant progress in legal and policy frameworks that promote gender equality (UNDP, 2023). Yet persistent gaps remain, especially outside urban centers, where access to land, financial services, and formal employment is limited for women. These countries also struggle with wage inequality and underrepresentation of women in both political and economic leadership positions.

In contrast, **El Salvador (0.674)** and **Guatemala (0.629)**, classified as having *medium human development* (UNDP, 2023), display more pronounced gender disparities. In these contexts, lower HDI scores are often associated with restricted access to basic rights and services for women—such as education, healthcare, and employment—due to structural

and cultural barriers. In rural areas, women face limited agency, minimal participation in public life, and few pathways for economic empowerment.

Therefore, it is important to complement the HDI with gender-specific indicators, like the Gender Inequality Index (GII), to provide a fuller understanding of gender disparities in countries' development.

1.3.2. The Gender Inequality Index (GII)-2022

The Gender Inequality Index (GII) measures gender-based disparities in three key areas: reproductive health, empowerment, and labor market participation. It shows the loss in potential human development due to gender inequality across these dimensions. The GII is calculated using a composite approach, which incorporates the geometric mean for the individual dimensions and aggregates them using a harmonic mean across genders. This index ranges from 0 (no inequality) to 1 (complete inequality), making it a valuable tool for assessing the extent to which gender inequality impacts human development outcomes.

The GII should be treated as an indicative, rather than a conclusive, measure. It gives an overview of gender disparities but has been critiqued for potential issues with the inclusion of both relative and absolute gender-specific indicators. These concerns highlight the complexities of capturing gender inequality across diverse societies, where the effects of inequality are not always equally distributed. Critics argue that the formula's functional form may undermine the real impacts of gender inequality, particularly in the context of diverse social, cultural, and economic realities (UNDP, 2024).

Based on most recent 2022 data, countries with lower GII scores typically show higher levels of gender equality in areas such as access to healthcare, education, political participation, and economic opportunities. However, persistent gaps remain, particularly in rural areas and among marginalized communities. Table No. 2 displays the GII scores for the eight target countries.

Table 2. Gender Inequality Index (GII) in partner countries

Country	Latest GII Score (2022)	Rank / 193 countries
Belize	0,454	113
Costa Rica	0,232	58
Dominican Republic	0,433	107
Ecuador	0,371	89
El Salvador	0,369	87
Guatemala	0,474	117
Panama	0,392	95
Peru	0,360	85

Source: (UNDP, 2024)

According to the latest data (UNDP, 2024), the region presents a diverse picture—some countries have made significant institutional strides, while others continue to grapple with entrenched structural and cultural barriers. Based on GII values, the countries can be grouped into three categories of inequality:

1. **Highest Inequality: Guatemala (0.474), Belize (0.454), Dominican Republic (0.433)** exhibit the highest levels of gender inequality among the countries analyzed.

These scores reflect deep-rooted challenges in guaranteeing women's rights and access to opportunities across sectors. In these contexts, women—particularly in rural, Indigenous, or Afro-descendant populations—face severe constraints in political participation, wage equality, reproductive autonomy, and access to land or credit. Despite the existence of gender policies or institutional efforts, the persistence of traditional gender norms and weak enforcement mechanisms undermines progress, perpetuating cycles of exclusion and inequality.

2. **Intermediate Scores: Ecuador (0.371) and Panama (0.392)** fall within the intermediate range of inequality. Both countries have made notable institutional and policy advances—such as support for female entrepreneurship in Ecuador and improvements in gender mainstreaming in public administration in Panama. However, significant disparities remain, particularly outside urban centers. Women in rural and marginalized communities continue to face limited access to land tenure, financial inclusion, quality reproductive health services, and political representation. These structural challenges hinder the full realization of gender equality, despite national-level improvements in education and employment indicators for women.
3. **Lowest Inequality: Costa Rica (0.232), Peru (0.360), and El Salvador (0.369)** demonstrate relatively lower levels of gender inequality. Costa Rica stands out for its inclusive public policies, strong healthcare system, and comparatively high female participation in education and decision-making spaces. In Peru and El Salvador, positive developments such as gender quotas and expanded reproductive services have contributed to narrowing gaps, although critical issues like wage disparities, underrepresentation in executive positions, and gender-based violence persist. While these countries show better overall outcomes, sustained efforts are still required to ensure these gains reach all segments of the population.
4. **Regional Trends:** Across the LAC region, gender inequality is shaped by intersecting barriers including geographic location, ethnicity, and socioeconomic status. Common challenges include limited reproductive rights, persistent wage gaps, unequal access to leadership, and insufficient political representation of women. Even in countries with lower GII scores, structural inequities remain entrenched, underscoring the importance of implementing comprehensive, context-sensitive policies that promote intersectional gender equality (UNDP, 2024).

1.3.3. The Gender Development Index (GDI)

The Gender Development Index (GDI) is a metric that assesses gender disparities in three fundamental aspects of human development: health, education, and economic resources. Specifically, it measures life expectancy, educational attainment, and estimated earned income for both women and men. This data highlights the gender gap between women and men in development achievements.

The GDI is calculated as the ratio of female to male Human Development Index (HDI). The indicators used for health include life expectancy at birth, with adjustments made for the biological differences between males and females. Education is measured by the expected years of schooling for children and mean years of schooling for adults. The economic dimension is reflected through the income earned by women and men, considering factors such as wages, economic participation, and overall national income levels. Countries are grouped into five categories based on the absolute deviation from gender parity, ranging from high equality to low equality in HDI achievements. This allows for a better understanding of gender-based disparities across countries and informs policy makers aimed at closing these gaps.

Table No. 3 presents the Gender Development Index (GDI) scores (2022) for the eight countries. The GDI measures gender disparities in key dimensions of human development—health, education, and income—by comparing achievements between women and men. The index categorizes countries into three groups: Group 1 (high equality in HDI achievements), Group 2 (medium to high equality), and Group 3 (medium equality). A higher GDI score indicates smaller disparities between women and men. Countries in **Group 1**—such as Belize, Costa Rica, Ecuador, and Panama—demonstrate relatively high levels of gender equality, with small gaps between women and men in education, health, and income. Panama and Costa Rica stand out for their robust public health systems and educational access, while Ecuador shows significant progress in female economic participation. Belize, despite a slightly lower GDI score, still falls within the high-equality category but shows wider gender gaps in rural areas and labor market access. **Group 2** includes the Dominican Republic, El Salvador, and Peru, which exhibit medium to high gender equality. Dominican Republic has the highest GDI score in this group, but challenges remain in economic empowerment and political participation, particularly for marginalized groups. El Salvador and Peru face more pronounced gender disparities, particularly in access to formal employment, land tenure, and leadership roles, despite legal and policy advances. **Group 3** includes Guatemala, which has the lowest GDI score, reflecting broader gender inequalities in education, health, and income. Rural and Indigenous women face significant structural barriers that limit their access to opportunities.

Table 3. Gender Development Index in partner countries

Country	GDI Score (2022)	Group	Definition of groups
Belize	0.982	1	Comprises countries with high equality in HDI achievements between women and men
Costa Rica	0.995	1	Comprises countries with high equality in HDI achievements between women and men
Dominican Republic	1,029	2	Comprises countries with medium to high equality in HDI achievements between women and men
Ecuador	0,990	1	Comprises countries with high equality in HDI achievements between women and men
El Salvador	0.972	2	Comprises countries with medium to high equality in HDI achievements between women and men
Guatemala	0.931	3	Comprises countries with medium equality in HDI achievements between women and men
Panama	1,017	1	Comprises countries with high equality in HDI achievements between women and men
Peru	0,952	2	Comprises countries with medium to high equality in HDI achievements between women and men

Source: (UNDP, 2024)

1.3.4. General indices overview.

The following Table No. 4 table summarizes the analysis conducted on the countries across the three key indicators: Human Development Index (HDI), Gender Inequality Index (GII), and Gender Development Index (GDI). This table allows for a comparison of development levels and equity gaps among the countries, facilitating a comprehensive analysis of their relative performance in terms of well-being, gender equality, and socioeconomic disparities. The information serves as a foundation for identifying strengths, challenges, and opportunities for improvement in the regional context.

Table 4. Summary of Gender equality indicators in partner countries

Country	Latest HDI Score 2022	Rank (Total countries 193)	Latest GII Score (2022)	Rank / 193 countries	GDI Score (2022)	Group
Belize	0,700	118	0,454	113	0.982	1
Costa Rica	0,806	64	0,232	58	0.995	1
Dominican Republic	0,766	82	0,433	107	1,029	2
Ecuador	0,765	83	0,371	89	0,990	1
El Salvador	0,674	127	0,369	87	0.972	2
Guatemala	0,629	136	0,474	117	0.931	3
Panama	0,820	57	0,392	95	1,017	1
Peru	0,762	87	0,360	85	0,952	2

The following general conclusions can be derived from Table No. 4:

- **El Salvador, Peru, and Costa Rica** have some of the lowest **Gender Inequality Index (GII) scores** reflecting better conditions for women. These countries also lead in the **Human Development Index (HDI)** and global rankings, indicating higher overall well-being and smaller gender disparities in key areas like health, education, and economic participation.
- **Countries in GDI Group 1** (Belize, Ecuador, Costa Rica, and Panama) show higher equality in **HDI** achievements between women and men, with relatively smaller gender gaps in education, health, and economic participation, suggesting better gender equity.
- **Dominican Republic** has the smallest gender gap in development (highest GDI) yet still faces challenges in other gender-related indicators, ranking **low in gender equality (GII rank 107)**, indicating that while progress has been made, there are still barriers to gender equity in areas such as political representation and economic empowerment.
- **Dominican Republic and Ecuador** have similar HDI scores, but Dominican Republic faces greater gender inequality with a higher GII compared to Ecuador. While Ecuador shows relatively lower gender inequality, both countries still face challenges in achieving full gender equity, particularly in areas like economic participation and political representation, though sectors such as health and education have shown improvements over time.
- **Guatemala** is the country with the highest inequalities, both in human development and gender, reflected in its **lowest GDI** and **highest GII** scores. It has the poorest

indicators in both **HDI** and **gender inequality**, underscoring significant challenges in development and equity.

Sources 1.3

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1.4. Gender in EcoEnterprises Fund's areas of interest

In this section, we review the topics of gender and MSMEs, gender and financial inclusion, gender in agriculture and rural areas, and gender and climate action. This section offers a more general and regional approach. Specific statistics for each country are included in the following section on country profiles.

1.4.1. Gender and MSMEs

Micro, small, and medium-sized enterprises (MSMEs) are vital to the economies in the LAC region. They constitute 99.5% of businesses, with almost nine out of ten companies falling under the category of microenterprises (IDB, 2021). Furthermore, SMEs account for 60% of formal productive employment in the region (OECD, 2019). In the Caribbean specifically, MSMEs represent between 70–85% of businesses and contribute 60–70% of Gross Domestic Product (GDP). Critically, they account for an estimated 50% of total employment (Invest in Caribbean, 2023).

Despite their significance, MSMEs in LAC face persistent challenges, such as low productivity, limited competitiveness, and structural inefficiencies. To address these gaps, institutions like CAF – Development Bank of Latin America and the Caribbean have deployed target financial instruments: between 2020 and the end of 2022, more than 320,000 microenterprises and over 110,000 SMEs in the region benefited from credit lines (CAF, 2022). Female entrepreneurship is particularly prominent in the region. LAC has the highest percentage of female-founded firms globally at 21.2% (Wharton Women, 2021). However, many of these businesses are started out of necessity, not opportunity: in 2022, over 84% of female entrepreneurs in six Latin American countries started their business due to lack of better employment options (Statista, 2023).

The eight countries targeted by EcoEnterprises are home to millions of MSMEs that form the backbone of their national economies. In Guatemala, MSMEs represent around 90% of businesses and generate about 80% of employment, playing a critical role in inclusive growth. Dominican Republic shows a similar trend: 98% of enterprises are MSMEs, contributing 27% to national GDP and employing over 50% of the working population. In El Salvador, MSMEs make up 99.3% of registered companies and account for 66.5% of employment, making them indispensable to the labor market.

In Ecuador, MSMEs play a substantial role in both urban and rural development, contributing significantly to employment creation and entrepreneurship opportunities, especially for women and youth. The country has one of the highest rates of women entrepreneurs in Latin America, with 33.4% of firms having female participation in ownership, though only 10.2% have women in top management (World Bank Gender Data, 2024). In Peru, MSMEs account for 99% of businesses and have shown rapid growth, reflecting both institutional support

and market dynamism. Costa Rica and Panama show similarly strong engagement of women in MSMEs, while Belize, although data-scarce, shares many of the structural characteristics of small, enterprise-driven economies in the region. These patterns underscore the economic importance and social potential of MSMEs in achieving inclusive development and gender-responsive economic transformation.

Table 5. MSMEs and Gender relevance in targeted countries

Country	% Businesses ¹	% GDP ²	% Employment ³	% Women participation ⁴
Belize	99%	40%	79%	50%
Costa Rica	99%	36%	47%	33%
Dominican Republic	98%	39%	54%	35%
Ecuador	99%	27%	60%	13%
El Salvador	99%	35%	70%	13%
Guatemala	90%	40%	60%	13%
Panama	97%	35%	57%	61%
Peru	99%	31%	61%	32%

Sources: (Inter-American Development Bank, 2023), (UNDP, 2019), (World Economic Forum, 2023), (World Bank, 2020), (García & Villafuerte, 2015), (SEGIB, 2023), (Unpyme & Ampyme, 2021) (Banco Centroamericano de Integración Económica, 2024), (CAF - Banco de Desarrollo de América Latina y el Caribe, 2022)

Therefore, supporting MSMEs, particularly those led by women, is crucial for economic development in LAC. Efforts to enhance access to financing, improve productivity, and foster competitiveness are essential to unlock the full potential of these enterprises and promote inclusive growth in the region.

Women represent a significant portion of the workforce in MSMEs across the Latin America and the Caribbean region, yet they continue to face systemic challenges that limit their economic participation and growth. In 2022, women accounted for 50.7% of the population in the region, yet their labor force participation rate (53%) lagged significantly behind that of men (78%) (ILO, 2023). These disparities are further pronounced in rural areas, where women own less than 20% of agricultural land, despite their crucial role in food production and agricultural sustainability (FAO, 2021). In the MSME sector, businesses led by women have up to 30% less access to credit than those managed by men, constraining their growth and resilience (World Bank, 2020).

Additionally, gender dynamics exacerbate vulnerabilities in the face of climate change. Women entrepreneurs and smallholder farmers often lack access to technology, market networks, and financial resources, making them more susceptible to the impacts of extreme weather events (UN Women, 2022). Despite these challenges, Latin America and the Caribbean boast the highest percentage of female-founded firms globally (21.2%), underscoring the entrepreneurial spirit of women in the region (Wharton Women, 2022). Addressing these structural barriers through targeted strategies that improve access to financing, technical training, and productive resources is crucial to fostering gender equality, empowering women economically, and building resilience within MSMEs.

¹ MSMEs % contribution to business sector.

² MSMEs % contribution to GDP.

³ MSMEs % contribution to Employment.

⁴ % women entrepreneurs and female participation in MSMEs ownership.

1.4.2. Gender and financial inclusion

Gender and financial inclusion remain critical challenges in Latin America, where persistent gender disparities hinder equitable access to financial services. Across the region, women are less likely than men to have bank accounts, credit, or formal savings mechanisms. According to the Global Findex Database (World Bank, 2021), only 49% of women in Latin America and the Caribbean had an account at a financial institution in 2021, compared to 57% of men. This gap is even more pronounced in rural areas and among low-income populations, where traditional barriers such as cultural norms, lack of financial literacy, and limited access to digital infrastructure exacerbate the exclusion of women. Additionally, women entrepreneurs in the region face unique obstacles, including restricted access to credit and lower levels of venture capital investment, which hinder their ability to grow and sustain their businesses (International Finance Corporation, 2022). Addressing these disparities is vital to unlocking the full economic potential of the region, as studies have shown that closing the gender gap in financial inclusion could boost GDP by up to 3% (OECD, 2020).

In the target countries, gender financial inclusion is essential for promoting sustainable development and reducing poverty. However, women face significant challenges in accessing formal financial services, limiting their ability to fully participate in the economy. In countries like Guatemala, El Salvador, Panama, the Dominican Republic, Ecuador, and Peru, women are disproportionately excluded from financial systems, with rural and indigenous populations facing even greater obstacles. The lack of access to credit, savings accounts, insurance, and other financial products prevents women from capitalizing on economic opportunities that could improve their well-being and contribute to inclusive economic growth.

While efforts to improve financial inclusion have been implemented, significant gaps remain. In Guatemala, for example, only 30% of women have access to formal financial services, compared to 50% of men (Global Findex, 2021). In Panama and Dominican Republic, despite national policies promoting gender equality, women still face legal and institutional barriers limiting their access to credit and entrepreneurship programs. In Ecuador and Peru, while progress has been made in specific areas, such as access to basic financial products, women still face significant barriers, especially in rural areas. Cultural norms, low educational levels, and the lack of financial products tailored to women's needs exacerbate these inequalities. Initiatives such as women-targeted microcredit programs and financial literacy campaigns in countries like El Salvador, Guatemala, Ecuador, and Peru have shown progress, but scaling these efforts requires greater inter-institutional collaboration and increased investments to make financial services more accessible and better suited to the needs of women in the region. By addressing these gaps, countries in the region can unlock the economic potential of women, promoting inclusive and resilient growth that benefits the entire population.

1.4.3. Gender in agriculture and rural areas

Agriculture is a cornerstone of the economy in Latin America and the Caribbean, with rural areas playing a pivotal role in both economic development and food security. Women represent approximately 40% of the rural workforce in the region (FAO, 2021), yet they face substantial gender-specific barriers that hinder their economic opportunities and productivity. These include limited access to land, financial services, and technology, compounded by traditional gender roles that confine them to unpaid domestic and care work (ECLAC, 2020). For instance, in rural Central America, structural biases in national policies continue to favor urban areas, which deepens inequalities for rural women. Participation

rates for women in economic activities remain far behind those of men, ranging from 40% to 49%, compared to men's 79% to 86% (IFAD, 2014). Here, more than 40% of poor households are headed by women, underscoring the crucial role women play in rural economies. Increasing their income potential could significantly improve family well-being, particularly through better educational outcomes and child nutrition (ECLAC, 2024).

One of the primary challenges for rural women is land ownership. Women are less likely to hold formal land rights and, when they do, they often possess smaller plots compared to men. Additionally, restrictive collateral requirements for accessing credit further hinder women's ability to develop agricultural ventures (World Bank, 2021). These barriers, along with the disproportionate burden of unpaid labor that rural women shoulder, including caregiving and domestic work, severely limit their opportunities to engage in entrepreneurial activities or expand agricultural businesses. Addressing these inequalities requires targeted policies and programs that promote women's access to land, financial resources, and technology, while also challenging harmful social norms. These actions will foster more equitable and sustainable rural development across the region (UN Women, 2021).

Furthermore, the lack of tailored financial products and services for rural women is a major hurdle. Financial institutions often fail to consider the unique needs of women farmers and entrepreneurs, particularly in rural areas. This lack of tailored services, combined with limited access to financial literacy programs, further exacerbates women's exclusion from formal financial systems. Initiatives that promote financial inclusion, such as microcredit programs targeted at women, have shown promise in some regions. However, these efforts must be scaled up and accompanied by policy reforms that ensure rural women have equal access to credit, land, and markets. Strengthening women's role in agriculture not only benefits them individually but also contributes to the resilience of rural economies and the broader goal of achieving sustainable development.

Table 6. Indicators associated with agriculture and rural areas.

Indicator	% GDP from Agriculture, forestry, and fishing ⁵	% Employment in Agriculture	% Rural Poverty Rate	Women in Agriculture (% of workforce)
Belize	8%	16%	41%	23%
Costa Rica	4%	10%	21%	18%
Dominican Republic	7%	11%	27%	22%
Ecuador	8%	26%	25%	25%
El Salvador	5%	20%	37%	25%
Guatemala	10%	30%	59%	24%
Panama	3%	14%	28%	20%
Peru	7%	27%	40%	26%

Sources: FAO (2023), World Bank (2021), UN Women (2022), ONE (2023), DIGESTYC (2023), UNDP (2023), (UN Women, 2024) (ALIGN,2024).

Although the selected countries share certain structural similarities in their agricultural sectors, they reveal significant contrasts in terms of agriculture's contribution to GDP, rural poverty levels, and the participation of women in the agricultural workforce. Guatemala, Peru, and Ecuador exhibit the highest levels of agricultural employment, while together with

⁵ This data was approximated to integer values. Source: [World Bank](#).

Belize, they also have the highest rural poverty, highlighting a strong reliance on the primary sector in contexts marked by socioeconomic vulnerability (ECLAC, 2023; FAO, 2022). Dominican Republic, Costa Rica, and Panama exhibit a lower agricultural share of GDP and relatively lower rural poverty rates compared to regional averages, which may reflect more diversified economies and potentially better rural infrastructure, though infrastructure quality varies depending on targeted investments and policy frameworks (World Bank, 2023). The combination of high women agricultural employment, rural poverty, and female participation in countries such as Guatemala and El Salvador reflect a heavier structural burden on rural women in less economically diversified territories.

- **Guatemala reports the highest agricultural employment (30%) and rural poverty (59%),** indicating strong dependence on agriculture and high levels of vulnerability (ECLAC, 2023).
- **Countries with a lower agricultural share in GDP—such as Costa Rica (4%) and Panama (3%)—tend to have lower rural poverty rates (21% and 28%),** reflecting broader economic diversification (World Bank, 2023).
- **Women's participation in the agricultural workforce ranges from 18% to 26%,** with the highest figures in El Salvador (25%) and Guatemala (24%) (FAO, 2021).
- **Rural poverty remains a widespread issue across the region,** even in countries where the agricultural sector plays a smaller economic role, such as Dominican Republic (27%) and Panama (28%) (World Bank, 2023).

1.4.4. Gender intersectional analysis – Latin America & the Caribbean

Indigenous, Afro-descendant, and rural (*campesinas*) women in Latin America and the Caribbean face compounded discrimination across gender, race, age, and place. For example, maternal mortality among Afro-descendant women is notably higher—up to three times the rate for non-Afro women in countries like Ecuador and Peru. Similarly, maternal mortality rates for Indigenous women are systematically higher, with mortality gaps amplified in rural, under-resourced areas.

These interlocking inequalities are further reflected in other key development indicators. In Guatemala, 8 out of 10 Indigenous girls experience exclusion from secondary education, while in Panama, Indigenous women face severe barriers to accessing reproductive health services, especially in comarcas (autonomous Indigenous territories). In El Salvador and the Dominican Republic, young rural women show elevated rates of adolescent pregnancy and unemployment, often resulting from limited access to sexual education and formal employment opportunities. Meanwhile, in Belize, Maya and Garifuna women report higher food insecurity and land tenure insecurity, despite strong cultural ties to land and natural resources. These dynamics call for tailored interventions that not only target women as a homogenous group but also respond to the specific structural and cultural disadvantages that affect distinct subgroups of women in each national context.

Rural and Afro-descendant women, in particular, face severe economic and environmental vulnerabilities. In Costa Rica, *campesinas* play a key role in smallholder agriculture and biodiversity stewardship, yet they face gender-biased land titling systems and limited access to credit and extension services. In Peru, Afro-Peruvian rural women—especially in the

northern coastal regions—experience higher levels of informality and lack social protection, despite their key contributions to fisheries and subsistence farming. In the Dominican Republic, Afro-descendant women living in bateyes (former sugar plantation settlements) suffer from compounded legal invisibility and economic exclusion, with limited access to water, sanitation, and citizenship rights. Across these contexts, rural and Afro-descendant women’s agency and knowledge systems remain undervalued, even though they are critical actors in local food systems, climate adaptation, and cultural resilience. Addressing their needs requires intersectional approaches that are informed by their lived experiences and structural position in society. The following table presents the percentage representation of three groups of women relevant to this project in each country:

Table 7. Indicators associated with intersectional gender analysis

Country	Rural Women (<i>campesinas</i>) (%)	Indigenous Women (%)	Afro-descendant Women (%)	Source and Year
Belize	50.8%	≈8–9%	≈13%	Census 2022 / WB 2023
Costa Rica	~47%*	2.4%	8%	Census 2022
Dominican Republic	~27%*	<1% (≈0.5%)	~11%*	WB 2020, Wikipedia
Ecuador	36%*	7%	7.2%	WB 2020, Ministry of Health 2021
El Salvador	34%*	~1%	<1%	WB 2020
Guatemala	42%*	~40.5%	<1%	WB 2020
Panama	38%*	12.3%	9%	WB 2020
Peru	18%*	≈25%	3.6%	WB 2020

Note: Percentages for women are approximated based on general population proportions unless stated otherwise. Most data sources assume gender parity within the demographic groups. Asterisks (*) indicate estimations based on available national statistics and demographic distributions.

1.4.5. Gender and climate action

Women in Latin America and the Caribbean face heightened vulnerabilities and unique challenges at the intersection of gender and climate change. As climate change exacerbates existing inequalities, women in rural areas—who are often more dependent on natural resources for their livelihoods—face additional barriers due to limited access to resources such as credit, training, and technology (UN Women, 2022). This situation is further compounded by pre-existing social and economic disadvantages, which make women more susceptible to the negative impacts of climate-related disasters. These disadvantages hinder their ability to recover and rebuild after events such as floods, droughts, or storms (World Bank, 2021).

Despite these challenges, women are critical climate action agents in the fight against climate change, spearheading community-based adaptation efforts and promoting sustainable practices. Recognizing and addressing the gendered impacts of climate change is vital for developing inclusive policies that foster resilience and enhance adaptive capacity in the region. Research indicates that women’s involvement in decision-making processes, particularly in rural communities, is still limited, although their role in agricultural production and climate adaptation remains essential.

Table No. 7 presents key gender-related indicators for climate resilience and rural workforce participation, derived from a recent report (World Bank, 2021; CAF, 2022). These indicators provide valuable insights into women's participation in the rural workforce, their access to climate funds, and involvement in climate training programs. This data highlights disparities in access to resources and training for women, which are critical to enhancing community resilience to climate challenges and promoting gender equity in climate action.

Women's participation in the rural workforce varies significantly across targeted countries. The lowest rate is observed in the Dominican Republic, where women represent only 10% of the rural labor force, followed by Costa Rica (15%) and Panama (15%). Moderate participation rates are found in Belize (20%), Ecuador (25%), El Salvador (18%), and Guatemala (20%). In contrast, Peru (30%) shows higher inclusion with the strongest rural female workforce participation. Despite these levels of involvement, women's contributions remain underrecognized, and they continue to face substantial barriers in accessing opportunities and resources linked to climate resilience.

Access to climate funds—critical for implementing adaptation and mitigation strategies—also reveals significant gender gaps. Across the eight countries analyzed, Costa Rica and Peru hold the highest estimated female access (15%), while Ecuador show slightly lower rates (12%). Belize, Dominican Republic, El Salvador, Guatemala, and Panama all report low levels of access at 10% or below, underscoring a structural gap in financing mechanisms that support women-led resilience initiatives.

Table 8. Gender-climate resilience indicators

Country	% Women in Rural Workforce	% Women with Access to Climate Funds	% Women in Climate Training	% Women's leadership in climate adaptation initiatives
Belize	20%	10%	20%	30%
Costa Rica	15%	15%	30%	60%
Dominican Republic	10%	10%	25%	35%
Ecuador	25%	12%	25%	40%
El Salvador	18%	10%	20%	35%
Guatemala	20%	8%	15%	25%
Panama	15%	10%	20%	30%
Peru	30%	15%	30%	40%

Fuentes: FAO. (2022, 2023), UN Women. (2022, 2023), UNDP. (2022, 2023), World Bank. (2021, 2022), UNEP. (2023) & Statistical data from respective National Surveys (2022, 2023), (CEPAL, 2023), (IDB, 2023), (UNDP, 2024), (PLACA, 2024), (Inter-American Development Bank, 2023), (YAPU Solutions et al., 2024), (UN Women, 2023), (Georgetown Institute for Women, Peace and Security, 2023), (Natural Resources Defense Council, 2024), (UN Women, 2024).

In terms of participation in climate training programs, which are key to building local capacity and enabling informed engagement in climate action, Costa Rica and Peru lead with 30%, followed by Ecuador (25%) and Dominican Republic (25%). Belize, El Salvador, and Panama present intermediate levels at 20%, while Guatemala shows the lowest participation rate at 15%. These figures indicate progress in promoting climate education for women, but the disparities among countries reflect uneven institutional support and outreach efforts.

Regarding leadership in climate adaptation initiatives, women have a particularly strong presence in Costa Rica (60%), where they play key roles in decision-making and local resilience projects. Peru (40%) and Ecuador (40%) show medium to medium-high levels of female leadership, with Peru benefiting from women's rural organizations in national adaptation planning and conservation, and Ecuador reflecting active community engagement but limited institutional recognition. El Salvador (35%), Dominican Republic (35%), Belize (30%), and Panama (30%) exhibit more moderate levels of participation, while Guatemala (25%) has the lowest, constrained by socio-cultural norms and limited representation in climate-related governance mechanisms (UN Women, 2024).

These findings reinforce the need to design and implement inclusive policies and targeted programs that enhance the visibility, agency, and leadership of women in rural and climate-related sectors. Gender equity in climate resilience not only advances social justice but also strengthens the adaptive capacity of communities across the region.

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1.5. Country-level gender issues

Country profiles provide a comprehensive view of key indicators reflecting human development, gender gaps, and other relevant aspects. By breaking down metrics like the Human Development Index (HDI), the Gender Development Index (GDI), and the Social Institutions and Gender Index (SIGI), these profiles identify progress toward gender equity and highlight areas needing improvement.

Additionally, other key indicators were reviewed, such as the Business and Law Index developed by the World Bank, which assesses how laws and regulations affect women's economic opportunities, providing a gender perspective from the economic realm. Complementarily, the analysis conducted in the Concept Note was incorporated, in which a risk detection checklist was developed within the framework of laws and policies related to gender-based violence (GBV) and sexual harassment. This analysis addressed the following key areas: the prevalence and impact of GBV, legal rights and protection for women, as well as economic conditions and the global standing of the countries. This comprehensive approach enriches gender analysis and information for the selected countries.

In this section EcoEnterprises Fund examines the eight targeted countries: Belize, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Panama, and Peru. The selected gender indicators and topics of analysis reflect both progress and challenges in the pursuit of gender equality and sustainable development. The country profiles showcase not only the differences among nations but also the initiatives and strategies each country could adopt to address persistent inequalities. The information presented in this section aims to

provide a foundation for comparing national contexts, exploring regional trends, and reinforcing EcoEnterprises Partners IV, LP's Gender Action Plan.

1.5.1. Belize

Belize faces significant gender disparities in various dimensions of development, particularly in terms of economic participation, access to resources, and decision-making. According to the latest data, women in Belize encounter notable challenges in accessing financial services, owning land, and engaging in formal employment, especially in agriculture, which remains a key sector in the country's economy. The Gender Inequality Index (GII) reflects these gaps, with Belize ranking 118th in human development, which shows how gender-based disadvantages affect both economic outcomes and social opportunities. Women often face barriers to owning agricultural land, a critical asset for economic advancement, with less than 20% having direct access to land, limiting their capacity to fully participate in agricultural production and income generation. Additionally, women's lower levels of participation in the labor market, coupled with heavy domestic responsibilities, restrict their ability to fully engage in income-generating activities and access financial tools such as credit (OECD, 2023).

Moreover, the gender gap is evident in areas like education and health. While Belize has made strides in improving education for both genders, women still encounter socio-cultural barriers that affect their educational achievements, particularly in rural areas. In the labor market, despite the importance of agriculture in Belize, women are often relegated to lower-paying, less secure jobs and struggle to access technologies or training that could enhance their productivity and resilience in the face of climate change. The poverty rate in Belize also disproportionately affects women, particularly those in rural and marginalized communities, where their economic contributions are undervalued and unrecognized (UNDP, 2022).

On the other hand, Belize has a moderate score on the Women, Business and Law Index, around 60 points. The country has made legislative advances regarding women's inclusion in business, but challenges persist in key areas like access to property and credit. Policies need to be strengthened to ensure equal opportunities for women, and effective implementation is crucial to achieving greater economic inclusion (World Bank, 2024).

The government, along with international organizations, has started to address these disparities through targeted policies and programs aimed at increasing women's access to education, financial resources, and agricultural training. However, substantial challenges remain. The country's efforts to promote gender equality are crucial in closing these gaps, particularly in rural areas, where women's roles in agriculture are fundamental to food security and economic stability. With the proper interventions, Belize has the potential to foster a more inclusive and equitable society, improving the well-being of its female population and contributing to broader national development goals.

The GII for 2022 measures gender inequalities across three key dimensions: reproductive health, empowerment, and labor market participation. Belize has an index score of 0.454, ranking 113th out of 170 evaluated countries. This score indicates moderate to high inequality, with the following challenges (UNDP, 2022). These findings highlight ongoing gender equity challenges, particularly in political and economic representation, despite progress in other areas:

- **Economic participation:** There is a significant gap between men and women in access to employment.
- **Political empowerment:** Women's representation in parliament remains low.

- **Reproductive health:** While adolescent fertility rates are high, access to reproductive health services has improved in recent years.

SIGI 2023 evaluates social institutions that restrict gender equality through laws, norms, and cultural practices (OCDE, 2023). For Belize, the analysis shows:

- **Legal frameworks and rights protection:** Belize has made strides in enacting laws that ensure gender equality, yet legal gaps persist in areas such as inheritance rights and gender-based violence.
- **Access to resources:** Women face barriers in accessing economic resources like land and credit, largely due to cultural and legal norms.
- **Social norms:** Patriarchal attitudes continue to limit opportunities for women, particularly in rural areas.

The report emphasizes that strengthening legal frameworks, coupled with transforming social and cultural norms, is essential to closing gender gaps in Belize. Country social and gender statistics are displayed in Figure 1 below.

Figure 1. Belize social statistics

Belize social statistics							
Population	410.919		Poverty rate	43,40%			
Human Development Index-2022							
HDI rank	118		Classification	High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita	GNI per capita rank minus HDI rank		
(years)	(years)	(years)		(2017 Purchasing power parity[PPP] \$)			
2022	2022	2022		2022			
71	12,4	8,8		9,242			
Gender Inequality Index-2022							
Value	0.454		Rank	113			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
130	56,6	19,6	54,5	49,8	48,6	75,6	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				18.27			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	10.4	Restricted Physical Integrity	20.6	Restricted Access to Productive and Financial Resources	19.5	Restricted Civil Liberties	22,1

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 8 highlights gender-related findings in Belize.

Table 9. Summary of findings on gender issues in Belize

Topics	Information
Political participation 	Belize does not have specific legislation regarding gender-based violence or sexual harassment, which impacts political participation. However, the National Gender Policy and National Plan for the Elimination of Gender-Based Violence indicate that there is governmental recognition and action toward gender equality in the public sphere. The country's Global Gender Gap Report (2023) suggests that gender inequalities are still present in political and leadership roles, despite improvements in addressing gender-based violence.
Labor force participation 	- Belize faces gender disparities in the labor market, particularly in terms of sexual harassment and intimate partner violence. There is no specific labor law addressing workplace sexual harassment, which may limit women's ability to fully participate in the workforce. - The gender gap index (Rank 91st) reflects that women in Belize still face challenges in achieving equality, particularly in terms of economic participation and decision-making power.
Access to financial resources/knowledge and skills/other 	- Women in Belize face structural barriers in accessing financial resources. They have limited access to credit, often lacking legal guarantees over land, which restricts their ability to access loans. The Women's Department and other NGOs provide psychosocial support and limited financial assistance, but the reach and resources are constrained. - Women are also involved in gender-based violence prevention and intervention programs, which could offer some knowledge and skill-building opportunities in the context of economic empowerment.
Vulnerability to Climate change and needs of the beneficiaries 	- Women in Belize are particularly vulnerable to climate change impacts, including natural disasters like hurricanes. These vulnerabilities are compounded by gender-based violence, which limits their capacity to recover and participate in climate change adaptation and mitigation efforts. - Women in rural areas, where child marriage is still an issue, may not have access to the resources, skills, and decision-making power necessary to effectively deal with the challenges posed by climate change.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

• Gender and MSMEs

In Belize, the government has implemented initiatives to foster the growth of MSMEs, with a particular emphasis on supporting women entrepreneurs. In 2018, the government launched a policy that mandates that 20% of government procurement contracts be awarded to MSMEs, and at least 10% of these should go to women-led businesses (Government of Belize, 2018). Women play a crucial role in Belize's MSME sector, with approximately 55% of microenterprises owned by women (World Bank, 2020). However, despite this significant

participation, women-led businesses often face challenges in accessing formal credit. Studies have shown that women in Belize typically rely on informal financial sources such as family loans, savings, and community-based organizations (IDB, 2020).

The lack of access to formal financial services remains a barrier for many women entrepreneurs. In 2020, only 35% of the adult population in Belize had access to a bank account (World Bank, 2021). Furthermore, women in Belize are disproportionately impacted by limited financial literacy, which further hinders their ability to grow and scale their businesses. As part of Belize's commitment to improving financial inclusion, the government has been working on a National Financial Inclusion Strategy with gender equity goals, aiming to reduce the barriers to financial access for women (Government of Belize, 2021). Initiatives like the Belize Women's Business Center and support from local NGOs are vital in providing women entrepreneurs with the necessary resources and education to succeed.

A study by the Inter-American Development Bank (IDB) indicates that in Belize, approximately 18% of microfinance institutions have female general managers, and 45% of women hold senior management positions in these institutions (IDB, 2021). This growing female leadership is crucial for enhancing gender equity in the financial sector and promoting greater financial inclusion for women entrepreneurs in Belize.

- **Gender and financial inclusion**

Financial inclusion is essential for fostering economic development and gender equality, especially in developing economies like Belize. This analysis examines the participation of men and women in formal and informal financial services, focusing on access to bank accounts, saving habits, financing options, and digital payment usage. Gender disparities in this area highlight structural inequalities and cultural barriers that restrict opportunities for women. Understanding these gaps and their implications is crucial to designing inclusive policies that enhance economic autonomy and improve livelihoods for all.

Table 10. Global Findex Database for Belize

Indicator	Women (%)	Man (%)	Source
Account at a financial institution	52%	44%	Banco Mundial, Global Findex 2014- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	25%	19%	
Borrowed from a financial institution	21%	17%	
Borrowed from family or friends	30%	33%	
Received payments for agricultural products	13%	17%	
Digital payments made or received	32%	25%	

Some key findings are:

- The analysis of financial inclusion in Belize reveals a shift in disparities between men and women in accessing and using formal financial services. According to most updated data, 52% of women have accounts at financial institutions compared to 44% of men, indicating improved access for women. However, women still face barriers due to cultural limitations, domestic responsibilities, and reduced access to formal employment, which may limit their ability to fully leverage these accounts for

economic independence, a pattern common in contexts where gender roles restrict women's economic participation.

- Regarding saving habits, 25% of women save with financial institutions compared to 19% of men, showing a positive trend for women. Despite this progress, challenges remain, as women often face unequal access to initial capital and difficulties in securing loans, though they are increasingly formalizing their saving habits compared to men, who may rely more on informal mechanisms.
- Additionally, data shows that women have greater access to formal loans (21% versus 17% for men) but are less likely to borrow from family or friends (30% versus 33% for men), indicating a shift toward formal financial systems. However, both men and women report low income from self-employment or agricultural activities, with only 13% of women and 17% of men receiving payments for agricultural products, highlighting structural limitations in the rural economy. In the digital realm, women lead in the use of digital payments (32% versus 25% for men), a reversal from previous trends, presenting a significant opportunity to further promote financial inclusion through digital technologies.

• Gender in agriculture and rural areas

Agriculture in Belize and gender dynamics in rural areas present significant challenges. Rural women play a crucial role in agricultural activities but face substantial inequalities in access to resources such as land, water, financing, and technology. According to the Food and Agriculture Organization (FAO), less than 20% of women have direct access to agricultural land, limiting their ability to generate income and participate in productive decision-making (FAO, 2023a; FAO, 2023b).

In terms of access to financing, female farmers in Belize face structural and cultural barriers that hinder their financial inclusion. Often, credit and subsidy programs are not designed with their needs in mind, and many women lack legal guarantees over land, a common requirement for accessing loans. This contributes to their reliance on informal savings practices and community support networks to finance agricultural activities (FAO, 2023a; FAO, 2023b).

On the other hand, caregiving and unpaid labor responsibilities in rural households disproportionately fall on women, limiting their time and active participation in agricultural activities and technical training. However, recent programs such as those promoted by CRESAP and the World Bank have started prioritizing gender approaches in their interventions. These initiatives aim to empower rural women through training in climate-smart agriculture, market access, and inclusion in climate information systems. These actions represent a step toward gender equality and sustainability in the sector (FAO, 2023a; FAO, 2023b).

Table 11. Indicators associated to agriculture and rural areas in Belize.

Indicator	Data/Information	Source
Gender gap in productivity	Female-managed farms are less productive by 24% compared to male-managed farms of the same size.	FAO (2023b)

Indicator	Data/Information	Source
Wage gap in agriculture	Women in agricultural wage employment earn 82 cents for every dollar that men earn.	
Extra work hours	Women work an additional hour per day compared to men in agricultural tasks.	
Policy recognition	75% of agricultural and rural development policies acknowledge women's roles, but only 19% have actual gender-related policy goals.	
Training and empowerment	Efforts are being made to increase the availability of gender-transformative training and resources, but challenges persist in access to financing and technology.	

These realities underscore the persistent gender disparities in agriculture, despite the growing recognition of women's roles in the sector. Programs and policies aimed at closing these gaps are being pursued by international organizations such as FAO, with a focus on increasing women's access to training, resources, and gender-responsive policies.

- **Gender intersectional analysis**

Poverty intersects with ethnicity in Belize: 26.4% of rural households are multidimensionally poor, compared to 8.3% in urban areas. Maya and Garifuna households experience poverty rates above 50%, in contrast to just 9% among Creole households. At the same time, women's unemployment remains high, with a 2024 rate of 3.1% for women versus 1.4% for men. Across the region, young rural women and ethnic minorities face compounded disadvantages—including lower educational attainment, higher rates of teenage pregnancy, insecure land tenure, and limited access to labor markets—forming a web of inequality that calls for intersectional policy responses.

Indigenous (Maya) and Afro-descendant (Garifuna, Creole) women in rural Belize face structural exclusion—higher poverty, limited healthcare, and employment discrimination. Rural living intensifies isolation from services and infrastructure. Discrimination in maternal and public health contexts discourages healthcare access, resulting in poorer outcomes. Tackling these gaps requires gender-responsive rural social protection, culturally-sensitive healthcare, and economic inclusion through affirmative action.

Table 12. Intersectional gender analysis in Belize

Indicator	Value	Source
Rural poverty (MPI)	39.9% rural vs. 8.3% urban	SIB MPI Sep 2023
Female unemployment	3.1% (vs. male 1.4%)	SIB Labour Force Survey Sep 2024
Indigenous poverty (Maya)	60.2%	SIB MPI Sep 2023
Maternal mortality gap	Not specific, but structural discrimination noted	UN Women Belize

- **Gender and climate action**

Belize, like many countries in Central America, faces significant climate-related challenges, particularly in its coastal and agricultural sectors. Over 40% of the population lives in rural areas, with many dependent on agriculture and natural resources for their livelihoods. Climate change poses a severe threat, especially in areas like the agricultural sector, where

droughts and flooding can disrupt crop production. Women in rural Belize play a crucial role in agriculture, often responsible for managing family farms and ensuring food security. However, they have limited access to resources such as credit, land rights, and technological support, which hinders their capacity to adapt to climate change (UN Women, 2022). Gender-sensitive policies focusing on education, training, and access to financial services are critical for strengthening women's resilience to climate-related impacts and ensuring their active participation in decision-making processes regarding climate action and natural resource management (World Bank, 2021).

Belize, with its reliance on agriculture and fishing, faces significant threats from climate change. Rural women, often engaged in small-scale farming, are disproportionately affected by rising sea levels, storms, and unpredictable weather patterns (UN Women, 2023; FAO, 2022).

- Women involved in small-scale fisheries face challenges in accessing credit and modern fishing technologies.
- Female farmers are leading diversification efforts but lack institutional support for scaling these practices.
- Women are underrepresented in national climate funds, limiting their ability to invest in resilience-building measures.
- Only 25% of rural women have participated in climate-resilience workshops or agricultural extension services.

1.5.2. Costa Rica

Costa Rica has made significant strides in advancing gender equality in various sectors, including education, health, and political participation. The country is often recognized for its progressive policies regarding women's rights, such as the legal framework supporting reproductive health and gender-based violence prevention. Costa Rica's commitment to gender equality is reflected in its high rankings on global indices like the Gender Equality Index (GEI), which evaluates the progress of countries in closing gender gaps across multiple domains (EIGE, 2023).

In terms of economic participation, Costa Rica has a relatively high female labor force participation rate compared to other countries in the region. However, challenges remain, particularly in the areas of wage inequality and women's representation in leadership positions. According to the United Nations Development Programme (UNDP, 2023), despite high levels of education among women, they still face obstacles in accessing top-tier positions in both the public and private sectors. Additionally, gender-based violence remains a persistent issue, with Costa Rica taking steps to address it through laws and initiatives aimed at supporting victims and holding perpetrators accountable (UN Women, 2023).

On the other hand, Costa Rica has a high score on the Women, Business and Law Index, reflecting significant progress in the inclusion of women in the business sector. With an index score of around 80 points (according to the latest measurements), the country stands out for its legislation promoting gender equality, particularly in areas such as access to property, credit, and employment. However, challenges remain in the effective implementation of policies in leadership sectors, which could improve if barriers in these areas are removed (World Bank, 2024).

The country also benefits from strong civil society participation and governmental support for gender initiatives. These efforts are aligned with the United Nations' Sustainable Development Goal 5 (SDG 5), which aims to achieve gender equality and empower all women and girls by 2030. Costa Rica's progress in this area shows that while gender

equality has advanced, significant work remains, particularly in addressing cultural and economic barriers that continue to affect women's full participation in all areas of society (OECD, 2023).

Human Development Index (HDI 2022): Costa Rica's high HDI reflects significant strides in gender equality through its comprehensive healthcare and education systems. The relatively small gender gap in HDI suggests equitable development opportunities for men and women in terms of education and health, though economic disparities remain.

- Costa Rica has a very high HDI score (0.806), ranking 64th globally, reflecting substantial achievements in education, health, and income.
- Costa Rica shows low gender disparities, particularly in education and health. The country's social policies ensure relatively equal access to healthcare and education for both genders.
- Despite good progress in health and education, women still face economic disparities, particularly in wage gaps and leadership positions.

Gender Inequality Index (GII 2022): Costa Rica faces moderate gender inequality, especially in economic and political participation. Women have lower representation in leadership positions and face wage gaps, despite advances in education and health. This signals a need for further efforts in gender-inclusive economic policies.

- Costa Rica scores 0.232 on the GII, ranking 58th globally, indicating moderate gender inequality.
- The gender gap remains noticeable in economic participation, with women earning less than men on average and having lower representation in higher-paying industries.
- Women's political participation has improved, yet women remain underrepresented in top leadership positions.
- Costa Rica has a relatively low maternal mortality rate, but reproductive health issues continue to affect women, especially in rural areas.

Social Institutions and Gender Index (SIGI 2023): Costa Rica shows progressive legal frameworks supporting gender equality, yet social norms and cultural barriers still limit women's access to resources such as land and credit. There are ongoing challenges in achieving gender equality in rural areas due to entrenched patriarchal norms.

- Costa Rica has progressive laws supporting gender equality, including laws on non-discrimination, access to education, and women's right to own property.
- Despite the legal advancements, patriarchal cultural norms limit women's access to resources such as land and credit, especially in rural areas.
- There are still barriers in the labor market and access to leadership roles due to these entrenched cultural norms.

Country social and gender statistics are displayed in Figure 2 below.

Figure 2. Costa Rica social statistics

Costa Rica social statistics							
Population	5.4 million people		Poverty rate	23.2%			
Human Development Index-2022							
HDI rank	64		Classification	Very High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita		GNI per capita rank minus HDI rank	
(years)	(years)	(years)		(2017 Purchasing power parity [PPP] \$)			
2022	2022	2022		2022		2022	
77,3	16,1	8,8*		20.248		2,0	
Gender Inequality Index-2022							
Value	0,232		Rank	58			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
22	35,7	47,4	50,2	48,1	50,1	72,9	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				10.9			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	4.7	Restricted Physical Integrity	20.8	Access to productive and financial asse	13.8	Restricted Civil Liberties	3.3
*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).							

*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 11 highlights gender-related findings in Costa Rica.

Table 13. Summary of findings on gender issues in Costa Rica

Topics	Information
Political participation 	- Costa Rica has made notable progress in gender equality in political representation, ranking 40th globally in the 2023 Global Gender Gap Report. - The National Plan for Gender Equality (2022-2026) continues to support policies aimed at enhancing women's participation in politics and leadership roles. - Despite progress, women remain underrepresented in high-ranking political positions.
Labor force participation	- Costa Rica has achieved significant strides in closing the gender gap in economic participation, but women still face challenges in wage parity and leadership roles in the workforce. - Gender-based violence and sexual harassment remain issues in the workplace, though legal protections exist, such as the Labor Code's provisions on harassment.

Topics	Information
	Women, particularly in rural areas, face barriers to economic participation due to limited access to resources and training.
Access to financial resources/knowledge and skills/other 	- Costa Rica has a relatively high level of financial inclusion for women, supported by legal frameworks that ensure equal property rights. - However, women still face cultural barriers in accessing financial resources such as land and credit, limiting their ability to start or expand businesses. - Initiatives like the National Institute for Women (INAMU) and support from organizations like UNICEF focus on improving women's financial literacy and access to economic opportunities.
Vulnerability to Climate change and needs of the beneficiaries 	- Costa Rica is relatively stable politically and socially, but its vulnerability to climate change remains a significant concern, particularly for women in rural and marginalized communities. - Women in these communities are often the most affected by climate-related disruptions, as they are responsible for family care and household food production. - The country has a robust system of shelters and support services for women survivors of gender-based violence, which can be essential in post-disaster recovery and climate change adaptation. However, the long-term impacts of climate change could exacerbate gender inequalities, especially in rural areas.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

• Gender and MSMEs

In Costa Rica, the promotion of MSMEs is a key part of the country's economic strategy, with a strong focus on empowering women in business. Women-owned businesses represent about 40% of all MSMEs, with a growing number of women entering the entrepreneurial space, especially in sectors such as retail, services, and agriculture (World Bank, 2020). The government has introduced several policies to support female entrepreneurship, including tax incentives and specialized credit lines for women-led businesses. The Costa Rican government also created the Women's Entrepreneurship Program, which provides mentorship, training, and access to financial resources for women entrepreneurs (Central Bank of Costa Rica, 2021).

Despite these efforts, women in Costa Rica still face challenges accessing financing, especially in rural areas. According to a 2020 study by the Inter-American Development Bank (IDB), women-led businesses in Costa Rica are less likely to receive formal credit compared to those run by men. This is due to factors such as limited assets, insufficient credit history, and gender-based biases in financial institutions (IDB, 2020). In Costa Rica, approximately 60% of women entrepreneurs rely on personal savings and informal sources of financing, such as family loans and community-based microfinance institutions (World Bank, 2021). The government's commitment to financial inclusion, however, is evident in its efforts to provide training and create financial products designed to address these barriers and help women-led businesses thrive.

In Costa Rica, women are increasingly assuming leadership roles within microfinance institutions, with 25% of microfinance institutions being led by female general managers. Additionally, 55% of women occupy senior management positions in these institutions (IDB, 2020). This trend reflects Costa Rica's commitment to improving gender equality within the financial sector and ensuring that women have greater access to the resources they need to grow their businesses.

- **Gender and financial inclusion**

In Costa Rica, women's participation in financial services continues to lag behind that of men. While 76% of men have an account at a financial institution, only 61% of women do, widening the gender gap in access to formal financial services. This disparity extends to other areas, such as savings, where men (26%) are more likely to save at financial institutions than women (18%). Women are also less likely to borrow from financial institutions, with a borrowing rate of 13% compared to 22% for men. These challenges are particularly significant for women running MSMEs and smallholder farms, as access to finance remains critical for business expansion and farm sustainability.

Table 14. Global Findex Database for Costa Rica

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	61%	76%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	18%	26%	
Borrowed from a financial institution	13%	22%	
Borrowed from family or friends	19%	21%	
Received payments for agricultural products	3%	7%	
Digital payments made or received	53%	66%	

Additional key findings are:

- The gender gap in saving persists, with women saving less than men at formal institutions. Men also have greater access to formal credit sources, limiting women's ability to invest in business expansion (Global Findex, 2024).
- Women are less likely to receive payments for agricultural products, with only 3% of women compared to 7% of men, highlighting barriers in the agricultural sector (Global Findex, 2024).
- Costa Rican women are less likely to engage in digital payments than men, with 53% of women making or receiving digital payments compared to 66% of men, though this area presents an opportunity for closing the financial inclusion gap (Global Findex, 2024).

- **Gender in agriculture and rural areas**

In Costa Rica, despite notable progress in reducing rural poverty, many rural communities still face significant socio-economic challenges. Vulnerable groups, particularly women, youth, and indigenous populations, continue to encounter barriers to full economic participation. Rural youth often struggle with limited access to quality education, which restricts their entry into the formal labor market. Additionally, the lack of financial assets hinders their ability to establish sustainable businesses. Agriculture, while central to rural

life, is perceived as an unprofitable and physically demanding sector, further discouraging youth involvement. Consequently, migration remains a common strategy for rural young people seeking better opportunities, leaving them vulnerable to social and economic marginalization (FAO, 2020; ECLAC, 2021).

Some key findings:

- Agriculture contributes approximately 4% to Costa Rica's GDP and employs around 10% of the population. Key crops include coffee, bananas, and pineapples (FAO, 2023).
- Rural poverty rates are higher in rural rather than urban areas, with significant disparities in access to education and health services (World Bank, 2021).
- Women in agriculture represent about 18% of the rural workforce but face limited access to land and financing. Gender-targeted initiatives aim to enhance their participation and productivity (FAO, 2023).
- Agriculture is vulnerable to climate change, with frequent floods and droughts impacting rural areas. Adaptation strategies, such as agroforestry and crop diversification, are being promoted (UNDP, 2023).

• Gender intersectional analysis

In Costa Rica, Indigenous and Afro-descendant women—especially Bribri and Ngäbe-Buglé communities—face geographic and cultural barriers to healthcare, education, and employment. Rural and Indigenous women have limited access to reproductive health services and land tenure. Young women, particularly in rural areas, experience higher school dropout rates and early motherhood, reinforcing cycles of poverty and exclusion. Intersectional strategies are needed to address layered discrimination, including intercultural healthcare and targeted youth employment policies.

Table 15. Intersectional gender analysis in Costa Rica

Indicator	Value	Source
Rural poverty (MPI)	18.1% rural vs. 10.6% urban	INEC, 2023
Female unemployment	11.6% (vs. 8.6% male)	INEC Labour Survey 2023
Indigenous poverty (Maya)	30.1%	UNDP Costa Rica, 2022
Adolescent pregnancy rate	35 births per 1,000 girls (15–19)	UNFPA 2022

• Gender and climate action

Costa Rica is recognized for its progressive environmental policies, but climate change still presents significant challenges, especially for rural communities. A large portion of the population depends on agriculture, making it vulnerable to changing weather patterns and natural disasters. Women in rural areas often carry the burden of managing household resources, including water and food, while also engaging in subsistence farming. Despite their critical role, women have historically been underrepresented in climate adaptation decision-making. Costa Rica has made strides in gender equality, but further efforts are needed to ensure that women have equal access to climate resilience resources, such as training in sustainable farming techniques and participation in policy development (UNDP, 2021). Supporting women's leadership in climate action is essential for enhancing resilience at the community level and achieving sustainable development goals.

Costa Rica faces significant climate challenges, particularly in rural areas. Women, especially in smallholder farming, are disproportionately affected due to limited access to land, financing, and technology. Climate resilience policies have highlighted the role of women in sustainable agriculture and adaptation practices (FAO, 2023; UNDP, 2022).

Some key findings are:

- Women own only 20% of agricultural land, limiting their ability to benefit from climate adaptation initiatives.
- Women are more likely to adopt sustainable farming practices but face barriers in accessing climate adaptation funding.
- Women in coastal regions are disproportionately affected by rising sea levels and extreme weather events, increasing vulnerability.
- Despite policies promoting gender inclusion, women are underrepresented in local climate governance.

1.5.3. Dominican Republic

In the Dominican Republic (hereafter referred to as DR), gender inequality persists despite advancements in women's rights. Women face significant challenges in terms of political participation, with low representation in leadership roles. Economic participation also shows disparities, as women often work in lower-paid, informal sectors. Gender-based violence remains widespread, though the government has enacted laws to protect women, such as the Family Code and specialized programs for survivors. Although progress has been made, including improvements in female educational access, the country still works toward closing the gender gap across various sectors (UN Women, 2021; World Economic Forum, 2023).

Efforts to address gender inequality in the DR have seen mixed results. While women have gained greater access to education and healthcare, their economic participation remains constrained, particularly in rural areas where cultural norms limit their opportunities. Gender-based violence continues to be a significant issue, despite legal frameworks like the Domestic Violence Law and the creation of support services. DR's progress in closing gender gaps is reflected in initiatives like the National Gender Equality Plan, but challenges persist, particularly in political and economic spheres (UNDP, 2021; World Bank, 2023).

On the other hand, the DR is in an intermediate position on the Women, Business and Law Index, with a value around 65 points. While there are ongoing policies supporting gender equality, legislation regarding access to business and financial resources is still insufficient to eliminate structural barriers limiting opportunities for women. Areas like property and business leadership present challenges that require attention to promote greater equity in access to business opportunities (World Bank, 2024).

Human Development Index (HDI) 2022: The DR has a high HDI ranking, but gender disparities persist, particularly in economic participation and educational attainment for women. The country needs continued focus on gender equality to bridge the gaps in areas like healthcare, education, and economic opportunities for women. Key findings are:

- The DR has a moderate HDI ranking, with notable gender disparities, especially in economic participation and education.
- Women face more significant challenges in securing formal employment and achieving equal educational outcomes compared to men.

Gender Inequality Index (GII) 2022: The DR's GII score reflects moderate gender inequality, especially in reproductive health and political empowerment. Women face significant barriers in political participation, with underrepresentation in decision-making positions, while challenges in reproductive health persist, including high maternal mortality rates. Some key findings are:

- High maternal mortality rates and limited access to reproductive health services remain significant barriers for women.
- Political participation is limited, with low female representation in leadership positions across government and business sectors.

Social Institutions and Gender Index (SIGI) 2023: The SIGI legal survey shows that the DR has made progress in laws addressing gender equality but still faces challenges in legal protections, especially related to inheritance rights and access to financial resources for women. Traditional gender norms continue to limit women's opportunities in rural areas. Some key findings are:

- Legal advancements have been made in gender equality laws, but gaps remain in inheritance rights and economic independence for women.
- Gender norms, particularly in rural areas, continue to hinder women's access to economic resources and leadership roles.

Country social and gender statistics are displayed in Figure 3 below.

Figure 3. Dominican Republic social statistics

Dominican Republic social statistics							
Population	11 million people		Poverty rate	23.4%			
Human Development Index-2022							
HDI rank	82		Classification	High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita	GNI per capita rank minus HDI rank		
(years)	(years)	(years)		(2017 Purchasing power parity [PPP] \$)			
2022	2022	2022		2022	2022		
74,2	13,6	9,2*		18.653	-9,0		
Gender Inequality Index-2022							
Value	0,433		Rank	107			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
107	63,2	25,7	67,5	64,2	50,9	76,9	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				14.8			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	3.9	Restricted Physical Integrity	29,0	Access to productive and financial asse	16.4	Restricted Civil Liberties	7.9
*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).							

*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 13 highlights key gender-findings in the DR.

Table 16. Summary of findings on gender and issues in the Dominican Republic

Topics	Information
Political participation 	- The DR has made progress in political participation for women, but women remain underrepresented in high political positions and leadership roles. - Efforts are in place, but there are significant barriers to women achieving full political equality.
Labor force participation 	- Women face challenges in accessing equal opportunities in the labor market, with barriers to higher-paying jobs and leadership roles. - Gender pay gaps are prevalent, and women are often employed in informal, lower-wage sectors.

Topics	Information
Access to financial resources/knowledge and skills/other 	- Women face disparities in accessing financial resources, property ownership, and entrepreneurship opportunities. - There are ongoing efforts to improve financial inclusion for women, with programs focused on increasing their business leadership and entrepreneurial capacities.
Vulnerability to Climate change and needs of the beneficiaries 	- Women, especially in rural areas, are more vulnerable to the impacts of climate change due to their roles in agriculture and caregiving. - Efforts are underway to build resilience and provide gender-specific support in addressing climate change impacts.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

• Gender and MSMEs

In the DR, MSMEs are a vital component of the national economy, representing over 90% of all businesses. Women in Dominican Republic own about 35% of MSMEs, particularly microenterprises (World Bank, 2020). The government has recognized the importance of women in business and has made strides to increase their participation in the formal economy. A key initiative is the creation of the "National Program for Women's Entrepreneurship," which aims to provide women entrepreneurs with access to training, financial resources, and market opportunities (Ministry of Industry, Commerce, and MIPYMES, 2020).

Despite these advancements, women-led businesses face barriers in accessing credit and expanding their operations. According to a 2019 report by the Inter-American Development Bank (IDB), women-led MSMEs in Dominican Republic receive 30% less credit than those run by men (IDB, 2019). Additionally, women entrepreneurs in rural areas face even greater challenges due to limited access to financial services, higher illiteracy rates, and traditional gender roles that limit women's economic opportunities. Efforts to close the gender gap in financial inclusion are being made through the National Financial Inclusion Strategy, which emphasizes supporting women in accessing credit and other financial services (Central Bank of the Dominican Republic, 2021). By fostering a more inclusive environment, the government hopes to create opportunities for women to overcome the structural barriers they face in the MSME sector.

The DR shows a similar pattern, with 22% of microfinance institutions led by women and 50% of women holding senior roles in management (IDB, 2020). This growing representation of women in leadership positions plays a pivotal role in fostering gender inclusion and enhancing the capacity of microfinance institutions to better serve women entrepreneurs across the country.

• Gender and financial inclusion

In the DR, gender issues are closely tied to disparities in access to financial resources, knowledge, and skills, especially for women entrepreneurs and smallholder farmers. While

women play a significant role in the country's economy, they are underrepresented in leadership positions and face barriers to formal credit, limiting their ability to grow their businesses or invest in agricultural production. The country has made some progress through legal frameworks, such as laws addressing gender-based violence and discrimination. However, significant gender gaps in digital payments, savings, and borrowing persist, reflecting ongoing challenges in achieving financial inclusion and economic equality.

Table 17. Global Findex Database for Dominican Republic

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	48%	52%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	10%	15%	
Borrowed from a financial institution	22%	22%	
Borrowed from family or friends	24%	26%	
Received payments for agricultural products	1%	3%	
Digital payments made or received	36%	42%	

The following are some key findings:

- Women in the DR have a lower percentage of accounts at financial institutions (48%) compared to men (52%), revealing persistent gender disparities in financial inclusion (Global Findex, 2021).
- Women are slightly less likely to borrow from family and friends than men, with 24% of women reporting borrowing in this manner compared to 26% of men, and both genders show equal access to formal loans at 22% (Global Findex, 2021).
- Women save less at financial institutions (10%) compared to men (15%), indicating a gap in formal saving habits (Global Findex, 2021).
- Women's participation in digital payments is lower (36%) than men's (42%), highlighting a continued gap in access to digital financial services, while only 1% of women receive payments for agricultural products compared to 3% of men, reflecting limited financial engagement in agriculture (Global Findex, 2021).

• Gender in agriculture and rural areas

In the DR, rural poverty remains a persistent issue, with vulnerable groups such as women, youth, and rural communities facing disproportionate levels of poverty. Rural youth are particularly affected by limited access to education and resources, which impedes their ability to enter the formal economy and engage in entrepreneurial activities. The agricultural sector is seen as low-income and arduous, making it less attractive to the younger population. Many young people in rural areas are thus compelled to migrate to urban centers in search of employment, often leading to increased vulnerability to crime and social exclusion (IDB, 2021; ECLAC, 2021).

The following are some key findings:

- Agriculture accounts for 5.4% of GDP and employs about 11% of the workforce. Key products include rice, sugar, and cocoa (World Bank, 2021).
- Rural areas experience higher poverty rates (27.4%) compared to urban areas (19.7%) (ONE, 2023). Limited infrastructure hinders agricultural growth.

- Women play a crucial role in small-scale farming but often lack decision-making power and access to financial services (FAO, 2023).
- Hurricanes and unpredictable rainfall patterns have disrupted agricultural cycles. Initiatives focus on disaster risk reduction and sustainable practices (UN Women, 2022).

• Gender intersectional analysis

In the Dominican Republic, rural and Afro-descendant women—especially in bateyes and border zones—face deep structural inequality. They have limited access to quality education, maternal health services, and formal employment. High adolescent fertility and weak social protections perpetuate exclusion. These intersecting barriers are compounded for Haitian-descendant women, who often face legal invisibility and statelessness. Inclusive policy responses must tackle racialized gender poverty with attention to youth and migrant status.

Table 18. Intersectional gender analysis in Dominican Republic

Indicator	Value	Source
Rural poverty	28.6% rural vs. 17.6% urban	ONE, 2023
Female unemployment	12.8% (vs. 6.2% male)	ENFT 2023
Afro-descendant marginalization	Not quantified, but recognized in coastal areas	UN Women LAC
Adolescent pregnancy rate	86 per 1,000 girls (15–19)	UNFPA 2023

• Gender and climate action

The DR, with its high vulnerability to hurricanes and floods, faces increasing challenges due to climate change. Approximately 38% of the population lives in rural areas, where agriculture remains a primary livelihood. Women in rural communities are heavily involved in agricultural production, yet they face considerable barriers to accessing resources like land ownership, technology, and credit. Climate change exacerbates these challenges, as extreme weather events disrupt crops and livelihoods. The United Nations Development Programme (UNDP) emphasizes the importance of integrating gender considerations into climate change adaptation strategies to address these vulnerabilities (UNDP, 2021). Empowering rural women with access to resources and decision-making roles can significantly improve their ability to adapt to the changing climate, enhance food security, and contribute to sustainable community development.

The DR is vulnerable to hurricanes, droughts, and rising sea levels. Women in agriculture and fishing communities experience heightened risks due to systemic gender inequalities, including unequal access to resources and training (World Bank, 2022; UN Women, 2022). The following are some key findings:

- Female smallholder farmers are less likely to recover economically from climate disasters compared to men.
- Only 15% of women in rural areas receive agricultural training on climate resilience.
- Women involved in fisheries have limited access to weather forecasting tools, impacting their livelihoods.
- Women-led initiatives are gaining recognition but remain underfunded.

1.5.4. Ecuador

In Ecuador, gender equity has been incorporated into national legal and institutional frameworks as a state priority; however, effective implementation faces challenges linked to structural inequalities, social disparities, and a culture still marked by patriarchal practices. The country has adopted several public policies aimed at reducing gender gaps, including the National Plan for Equality between Men and Women (2018–2021) and the most recent roadmap for mainstreaming the gender approach in national development planning. These policies are led by the National Council for Gender Equality (CNIG), the governing body that coordinates actions with the national planning system and subnational governments.

The legal framework is based on the 2008 Constitution, which guarantees women's rights to live a life free from violence and promotes equal participation. The Comprehensive Organic Law to Prevent and Eradicate Violence against Women (2018) marked a milestone by establishing mechanisms for prevention, care, protection, and reparation for victims. Nonetheless, implementation has been slow and uneven, particularly in rural and peri-urban areas where access to services and justice remains limited.

According to the Global Gender Gap Report 2023, Ecuador ranks 58th out of 146 countries, having closed 74.1% of its overall gender gap (WEF, 2023). While significant progress has been made in education and health access, economic participation and political representation for women remain limited. For instance, the female labor force participation rate stands at 51.7% compared to 79.8% for men, and women continue to face high levels of informality, wage discrimination, and underrepresentation in leadership roles. Moreover, gender-based violence remains a critical issue: in 2022, more than 300 femicides were reported nationwide (Feminicide Monitoring Alliance, 2023), reflecting the urgent need to strengthen protection mechanisms and accountability.

In 2022, Ecuador achieved a **Human Development Index (HDI)** of 0.765, placing it at 83rd globally. This score reflects improvements in life expectancy, education, and per capita income. Notably, Ecuador's HDI surpassed the global average of 0.727, indicating progress in human development over recent years.

Despite these gains, disparities persist, particularly in rural and Indigenous communities where access to quality education and healthcare remains limited. These inequalities underscore the need for targeted policies to ensure equitable development across all regions and populations.

- Ecuador's HDI of 0.765 in 2022 reflects steady human development progress.
- The country ranks 83rd globally, surpassing the world average.
- Persistent regional and demographic disparities highlight areas for policy intervention.

Ecuador's Gender Inequality Index (GII) stood at 0.384 in 2022, ranking it 86th out of 191 countries. This index measures disparities in reproductive health, empowerment, and economic activity. While Ecuador has made strides in female political representation and education, challenges remain in labor market participation and wage equality.

The high prevalence of gender-based violence and unequal distribution of unpaid care work further exacerbate gender disparities. Addressing these issues requires comprehensive policies that promote women's economic empowerment and protect their rights.

- GII of 0.384 places Ecuador at 86th globally, indicating moderate gender inequality.

- Progress in political representation contrasts with challenges in economic participation.
- Gender-based violence and unpaid care responsibilities remain significant concerns.

In 2023, Ecuador recorded an overall score of 17 on the Social Institutions and Gender Index (SIGI), indicating a low level of structural discrimination compared to other countries in the region. SIGI evaluates legal, normative, and social barriers to gender equality on a scale from 0 (no discrimination) to 100 (absolute discrimination). Ecuador has made progress in reducing inequalities, especially regarding civil liberties, where it achieved a value of 8.2, reflecting an institutional openness to women's rights and participation.

However, significant challenges persist in key dimensions such as physical integrity (scoring 23.7) and discrimination in the family (18.1). These figures point to the persistence of patriarchal norms, gender-based violence, and unequal distribution of responsibilities within the household. While access to productive and financial assets shows a relatively moderate score (17.4), structural and cultural barriers still hinder women's economic autonomy, particularly in rural and Indigenous communities.

- SIGI value indicates a low level of institutional discrimination.
- Family discrimination shows persistent patriarchal norms.
- Physical integrity reflects high rates of gender-based violence.
- Access to assets indicates barriers to women's economic empowerment.
- Civil liberties demonstrate progress in legal rights and participation.

Country social and gender statistics are displayed in Figure 4 below.

Figure 4. Ecuador social statistics

Ecuador social statistics							
Population	17.98 million people		Poverty rate	27,00%			
Human Development Index-2022							
HDI rank	83		Classification	High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita		GNI per capita rank minus HDI rank	
(years)	(years)	(years)		(2017 Purchasing power parity[PPP] \$)			
2022	2022	2022		2022		2022	
77,9	14,9	9,0		10.693		-25,0	
Gender Inequality Index-2022							
Value	0,371		Rank	89			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
66	62,1	38,7	54,1	54,2	53,6	76,9	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				17			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	18,1	Restricted Physical Integrity	23,7	Access to productive and financial asse	17,4	Restricted Civil Liberties	8,2

Table No. 15 highlights key gender-findings in Ecuador

Table 19. Summary of findings on gender issues in Ecuador

Topics	Information
Political participation 	- As of 2024, women held 43.1% of seats in the national parliament, showing significant progress toward parity (UN Women, 2024). - The 2020 Parity Law mandates progressive quotas: 15% in 2021, 30% in 2023, and 50% by 2025 (IFES, 2021). - Despite legal advances, practices such as using female “placeholder” candidates who are later replaced persist (IFES, 2021). - Initiatives like the Violet Coalition, supported by the National Democratic Institute (NDI), promote women’s political participation (NDI, 2022).
Labor force participation 	- In 2021, 66.07% of women over 15 participated in the labor force (Index Mundi, 2021). - Women spend 19.2% of their time on unpaid work, compared to only 4.8% for men (UN Women, 2024). - A gender pays gap remains, not fully addressed by current policies (UN Women, 2024).

Topics	Information
Access to financial resources/knowledge and skills/other 	- Efforts are underway to improve sex-disaggregated data systems to address labor inequality (UN Women, 2024). - Women face barriers to accessing financial services, with little data available on asset ownership (UN Women, 2024). - Although educational attainment has improved among women, rural and Indigenous populations still face inequality (UN Women, 2024). - Programs have been implemented to promote financial literacy and women-led entrepreneurship (UN Women, 2024). - Digital skills training initiatives are being advanced to enhance women's economic autonomy (UN Women, 2024).
Vulnerability to Climate change and needs of the beneficiaries 	12% of Ecuadorian hospitals are located in coastal zones vulnerable to climate change, affecting women's access to healthcare (Reuters, 2024). - The Amazonian Women's movement has led environmental and Indigenous rights advocacy. - Climate change exacerbates gender-based structural inequalities, especially in rural areas (UN Women, 2024). - Integrating gender into climate policies is crucial to ensure inclusive adaptation strategies (UN Women, 2024).

Sources: (UN Women, 2024), (IFES, 2021).

• Gender and MSMEs

In Ecuador, women constitute a significant portion of the entrepreneurial landscape. According to the Global Entrepreneurship Monitor (GEM), approximately 51.1% of entrepreneurs in the country are women, with about 54% of them planning to become microentrepreneurs within the next three years (Moncayo Carreño et al., 2024). This trend underscores the growing prominence of female entrepreneurship in Ecuador's economy.

Despite this encouraging participation, rural women face substantial barriers to accessing formal financial services. The Central Bank of Ecuador reports that only 35% of rural women have access to such services, limiting their ability to invest in and sustain their businesses. This financial exclusion hampers the growth potential of women-led enterprises, particularly in rural areas (Farnworth et al., 2024).

Moreover, gender inequality persists in various aspects of economic and social life. Ecuador ranks 94th out of 153 countries in the Global Gender Gap Index 2022 (Farnworth et al., 2024), reflecting ongoing disparities in access to opportunities and resources between men and women. Addressing these inequalities through inclusive policies and targeted support programs is crucial for fostering a more equitable environment for female entrepreneurs.

• Gender and financial inclusion

In Ecuador, financial inclusion with a gender perspective reveals significant gaps that reflect structural inequalities in access to and use of financial services between men and women. According to the Global Findex 2021 data from the World Bank, 71% of men reported owning an account at a financial institution, compared to 58% of women. This 13-percentage-point gap highlights a lower level of financial inclusion among women, which may be linked to

factors such as informal employment, lower incomes, and social or cultural barriers that restrict women's access to formal financial services.

Regarding formal savings, only 8% of women reported saving at a financial institution, compared to 18% of men, reinforcing the perception that women face greater obstacles in accumulating assets and engaging in financial planning. The data also show a big difference in borrowing from financial institutions (32% men, 15% women), however, slight difference in doing so from family or friends (30% men, 28% women). These differences reflect a trend where women have more limited access to both formal and informal credit sources.

Digital payments—an increasingly important indicator of modern financial inclusion—also show a marked gender gap: 54% of men made or received digital payments, compared to 40% of women. This 13-percentage-point gap may hinder women's economic opportunities, particularly in rural settings or among female entrepreneurs. Finally, income from the sale of agricultural products or self-employment is also lower for women, which limits their active participation in the productive economy.

Table 20. Global Findex Database for Ecuador

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	58%	71%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	8%	18%	
Borrowed from a financial institution	15%	32%	
Borrowed from family or friends	28%	30%	
Received payments for agricultural products	8%	13%	
Digital payments made or received	40%	54%	

The following are some additional key findings:

- Only 8% of women received payments for agricultural products, compared to 13% of men, reflecting limited financial engagement in agriculture for women.
- Women are less likely to borrow from financial institutions (15%) compared to men (32%), though borrowing from family or friends is more balanced, with 28% of women and 30% of men relying on informal networks.

• Gender in agriculture and rural areas

In Ecuador, 38% of the economically active population in the agricultural sector are women, many of whom are engaged in subsistence farming or family farming (MAG, 2022). Despite their key role in food production and seed conservation, rural women face structural barriers such as lack of land ownership, limited access to credit, and inappropriate technologies.

According to data from the National Institute of Statistics and Censuses (INEC, 2021), only 20% of agricultural properties are owned by women. This inequality limits their access to technical assistance programs and rural financing, affecting their productivity and resilience. Moreover, rural women spend an average of more than 30 hours per week on unpaid care work, which restricts their time for productive activities (INEC, 2021).

However, the government has implemented policies to improve this situation. The Ministry of Agriculture and Livestock has launched gender-sensitive programs promoting women's

inclusion in field schools, agricultural fairs, and producers' associations. In addition, special funds have been created to foster women's entrepreneurship in rural areas, as part of the National Gender Equality Strategy (MAG, 2023).

- **Gender intersectional analysis**

In Ecuador, Indigenous and Afro-Ecuadorian women face entrenched inequality. Rural and Indigenous territories experience poor healthcare infrastructure, limited economic opportunity, and higher maternal mortality rates. Kichwa and Shuar women face language and cultural barriers that hinder access to public services. Youth in these communities also report lower educational attainment and limited digital inclusion. Solutions must incorporate Indigenous rights, intercultural healthcare, and economic inclusion pathways.

Table 21. Intersectional gender analysis in Ecuador

Indicator	Value	Source
Rural poverty	38.3% rural vs. 17.9% urban	INEC 2023
Female unemployment	5.6% (vs. 3.1% male)	INEC Labour Market Survey, 2023
Indigenous poverty	58.4%	INEC 2023
Maternal mortality gap	2.5x higher among Indigenous women	UNFPA Ecuador, 2023

- **Gender and climate action**

Climate change exacerbates preexisting gender inequalities in Ecuador, particularly in rural and mountainous areas. Women, who are often responsible for providing water, food, and energy in rural households, face greater risks from extreme climate events such as droughts, floods, and landslides (MAATE, 2022).

The National Climate Change Strategy (ENCC) acknowledges that incorporating a gender perspective is crucial for effective climate policies. However, studies by the UNDP (2021) warn that there are still significant gaps in women's participation in climate governance. For instance, only 25% of local risk management committees are composed of women, limiting the integration of gender considerations in climate action.

In response, initiatives such as the "Amazonía Sin Fuego" program and community-led conservation and agroecology projects led by women have emerged. These experiences show that empowering rural women can generate positive outcomes for environmental sustainability and climate adaptation (MAATE & UNDP, 2022).

1.5.5. El Salvador

Gender equality in El Salvador remains a significant challenge despite various legal and policy measures aimed at improving the status of women and other gender minorities. The Salvadoran Institute for the Advancement of Women is tasked with developing and overseeing the National Policy for Women. Between 2016 and 2020, the National Equality Plan, a comprehensive policy framework, guided progress toward gender equality with national and regional adaptations. Recent legal reforms have focused on improving maternity protection, preventing violence against women, and promoting workplace equality, including equal pay for equal work and creating violence-free environments. These measures reflect El Salvador's commitment to advancing gender equality across various sectors (World Bank, n.d.; UN Women, 2021).

The country has made notable progress with the introduction of laws like the "Law on Integral Protection for Women" (2008), which addresses violence against women and aims to ensure gender equality. However, according to the United Nations Development Programme (UNDP) 2022 report, violence against women continues to be a pervasive issue, with high rates of femicide, domestic violence, and sexual abuse. The National Institute for Development of Women (ISDEMU) reports that over 500 women were victims of femicide in 2022 alone, underscoring the persistent gender-based violence challenges that women face in El Salvador. These issues are exacerbated by deeply entrenched cultural norms and socioeconomic inequalities, which limit women's access to education, healthcare, and economic opportunities (ISDEMU, 2022).

On the political and economic front, El Salvador has made progress in some areas. The number of women in positions of political power has grown, albeit slowly, as women's participation in the workforce has increased.

Institutional changes have been made, resulting in greater participation of women across various levels of public service. In the executive branch, the representation of women in decision-making roles rose significantly from two female ministers between 2009 and 2014 to seven in the current presidential term, representing 43.8% of key positions. At the municipal level, 11% of mayor's offices were held by women in 2021. Economically, the country has made strides, with the Women, Business and Law Index reaching a score of 88.8. However, legal barriers remain, particularly in areas such as equal pay (where the law does not mandate equal remuneration for work of equal value), marriage, parenthood, and pensions. Access to assets, on the other hand, is equitable.

In terms of employment, the IGUALES program was launched to encourage businesses to establish inclusive, equal, and decent workplaces, with a "gender equality seal" serving as certification. Since 2018, employers are legally required to provide childcare services for their employees' children between 4 months and 3 years old during working hours.

According to the World Economic Forum's Global Gender Gap Report (2023), El Salvador ranks 67th globally for gender equality, but significant gaps persist, particularly in economic participation and leadership roles. The country has a Gender Equality Policy in place, which focuses on promoting equal opportunities in education, healthcare, and employment, but implementation and access to these resources remain uneven. Economic disparities are particularly stark in rural areas, where women often have limited access to land, credit, and technological resources, further hindering their ability to achieve economic independence (World Bank, 2023).

Human Development Index (HDI) in 2022: reflects the country's ongoing struggle to address poverty, inequality, and access to services, with gender disparities influencing overall outcomes. With an HDI value of 0.674, El Salvador is classified as a medium human development country.

Despite some progress in education and life expectancy, the country's economic challenges, combined with entrenched gender inequality, limit the full potential of its human development. Women, particularly in rural areas, still face significant barriers to accessing quality education, health services, and economic opportunities. This is particularly evident when looking at labor force participation, where women are often concentrated in lower-paying, informal sectors.

- HDI score: 0.674 (medium human development).
- Gender disparities in labor force participation and educational attainment.

- Rural women experience greater challenges in accessing services and resources.
- Economic inequality persists, impacting overall development outcomes for women.

Gender Inequality Index (GII) for 2022 reveals significant challenges in achieving gender equality, especially in reproductive health, political participation, and labor force participation. With a GII value of 0.369, the country ranks poorly compared to other nations in the region. The GII reflects a high maternal mortality rate and a lack of political representation for women. Moreover, gender-based violence remains a pervasive issue, affecting women's ability to participate equally in economic and social life. Although women in El Salvador have made strides in education and political rights, social and economic barriers continue to hinder their full participation in development processes.

- GII score: 0.369, indicating moderate gender inequality.
- High maternal mortality rate and limited access to reproductive health.
- Limited political participation of women, with low representation in national and local governments.
- Gender-based violence remains a critical issue affecting women's well-being and opportunities.

The Social Institutions and Gender Index (SIGI) indicates that while El Salvador has made some legal advancements in promoting gender equality, significant gaps remain, particularly in the areas of legal protections against gender-based violence and women's economic empowerment. El Salvador scores 19.6 on the OECD SIGI, and a significant 27% of the population believes that men should have more rights to a job than women and that men make better business executives. The gender gap in management positions is only 3 points, but only 28% of firms have women in top management positions.

Laws such as the Comprehensive Law on Women's Access to a Life Free of Violence and provisions for sexual harassment in the workplace have been implemented, but their enforcement is weak. Women face legal and institutional barriers in accessing land rights, credit, and inheritance. Despite the legal frameworks in place, traditional norms and underreporting of abuses continue to hinder progress in gender equality.

- El Salvador has legal frameworks addressing gender-based violence and sexual harassment.
- Enforcement of laws is weak, particularly in rural areas.
- Women face legal barriers to land rights and inheritance.
- Traditional gender norms and underreporting hinder the effectiveness of gender equality policies.
- These indicators highlight the continuing challenges El Salvador faces in achieving gender equality. Legal frameworks exist but are often ineffective due to weak enforcement and cultural barriers. Addressing these issues requires stronger legal implementation, greater access to economic opportunities, and cultural shifts towards gender equity.

Country social and gender statistics are displayed in Figure 5 below.

Figure 5. El Salvador social statistics

El Salvador social statistics								
Population	21.6 million people		Poverty rate	30,30%				
Human Development Index-2022								
HDI rank	127		Classification	Medium Human Development				
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita		GNI per capita rank minus HDI rank		
(years)	(years)	(years)		(2017 Purchasing power parity [PPP] \$)				
2022	2022	2022		2022				
71,5	11,9*	7,2**		8.886		-7,0		
Gender Inequality Index-2022								
Value	0,369		Rank	87				
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate			
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)			
			Female	Male	Female	Male		
2020	2022	2022	2022	2022	2022		2022	
43	54,5	27,4	42,7	51,4	46,4	77,7	76,9	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey								
Value				19.6				
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)								
Discrimination in the Family	15.2	Restricted Physical Integrity	27.1	Access to productive and financial asse	22.1	Restricted Civil Liberties	13.3	
*Updated by HDRO based on data from CEDLAS and The World Bank (2023) and UNESCO Institute for Statistics (2023). **Updated by HDRO based on data from UNESCO Institute for Statistics (2023) and SEDLAC (CEDLAS and The World Bank) (2023).								

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 17 highlights key gender-findings in El Salvador.

Table 22. Summary of findings on gender issues in El Salvador

Topics	Information
Political participation 	- El Salvador has made some progress in increasing women's participation in politics, but there are still significant barriers. Women remain underrepresented in political office, both at local and national levels. The Global Gender Gap Report 2023 ranks El Salvador 84th out of 146 countries in terms of gender equality, with political participation being one of the weaker areas. Legal frameworks, like the National Gender Equality Plan (2022-2026), aim to increase women's participation and address violence against women, but practical implementation is still lacking, and women continue to face discrimination in political spaces. - Low representation of women in political offices. - Legal frameworks in place, but limited enforcement. - Gender equality plans aim to address these challenges.

Topics	Information
Labor force participation 	- Women's participation in the labor force remains a major issue, with women disproportionately engaged in informal sectors and lower-paying jobs. The Comprehensive Law for a Life Free of Violence for Women addresses sexual harassment in the workplace, yet women still face significant barriers to accessing equal economic opportunities. Furthermore, women in rural areas face additional challenges, such as lack of access to education and job opportunities. Gender-based violence also affects women's ability to work and achieve economic independence. - Women are often in lower-paying, informal sectors. - Legal protections against workplace harassment exist, but enforcement is weak. - Barriers to accessing economic opportunities persist, especially for rural women.
Access to financial resources/knowledge and skills/other 	- In terms of access to financial resources, El Salvador faces challenges in ensuring women have the same opportunities as men. Rural women, in particular, struggle with access to credit, land rights, and entrepreneurial opportunities. The Family Code and other legal frameworks have provisions to protect women's rights, but cultural norms and economic structures continue to limit women's access to financial resources. Additionally, the National Gender Equality Plan aims to address economic empowerment, but implementation is inconsistent. - Women face significant barriers in accessing financial resources and land rights. - Legal frameworks exist, but social and cultural barriers limit their effectiveness. - Economic empowerment efforts are underway but face challenges in rural areas.
Vulnerability to Climate change and needs of the beneficiaries 	- Women in El Salvador are disproportionately affected by climate change, especially in rural areas where they are heavily involved in agriculture. Climate change exacerbates existing gender inequalities, as women have less access to resources and decision-making power. Vulnerability to climate change is also linked to increased poverty and gender-based violence, as women are often tasked with water collection and other resource management duties that become more difficult as resources become scarcer. The country's Comprehensive Law for a Life Free of Violence for Women addresses violence, but the intersection with environmental stressors complicates the response to women's needs. - Women are disproportionately affected by climate change, especially in rural areas. - Increased vulnerability linked to poverty and gender-based violence. - Legal frameworks need to integrate environmental factors to fully address women's vulnerabilities.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

• Gender and MSMEs

In recent years, El Salvador has taken significant steps to support the growth of MSMEs, with a particular focus on promoting women-led businesses. In 2019, the Legislative

Assembly approved a measure allocating 25% of the national procurement and contracts budget to goods and services provided by MSMEs, with at least 10% of this set aside for businesses owned or led by women (Legislative Assembly of El Salvador, 2019). This initiative is part of a broader strategy to empower women in business, with the Women's Entrepreneurship Programme at the forefront, aiming to strengthen women's economic opportunities through education and support. In El Salvador, women own 64% of microenterprises and 29% of medium and large enterprises, indicating their significant role in the economy (World Bank, 2020).

Women entrepreneurs in El Salvador are notably more active in rural areas, where their businesses outnumber those led by men by more than double. Despite these contributions, challenges remain, particularly in accessing formal financial resources. A lack of assets in women's names is one of the main barriers preventing access to credit. According to national data, less than 30% of the population has an account with a formal financial institution, and the gap in financial product usage between men and women stands at 13 percentage points (National Financial Inclusion Survey, 2021). However, women tend to rely on alternative financial sources such as community banks, NGOs, cooperatives, and seed capital programs like those offered by the National Commission for Micro and Small Enterprises (CONAMYPE) (National Financial Inclusion Survey, 2021).

El Salvador's National Policy for Financial Inclusion prioritizes gender equity, aiming to close the financial access gap for women. Additionally, studies, such as one by the Inter-American Development Bank (IDB), highlight that 20% of microfinance institutions are led by women, with 50% of senior management positions held by females, reflecting growing female leadership in the financial sector (IDB, 2020). These efforts are crucial for addressing the structural barriers women face in accessing the capital and resources needed to scale their businesses and contribute more significantly to the national economy.

- **Gender and financial inclusion**

El Salvador displays significant gender gaps, with men having higher rates of access to financial services compared to women. For example, 41% of men in El Salvador have an account at a financial institution, compared to only 23% of women, widening the gap in access to formal financial services. This disparity severely impacts women's ability to engage in savings, borrowing, and other financial activities crucial for MSMEs and smallholder farming. Moreover, access to agricultural resources remains a critical issue, as women face limited opportunities to expand their businesses or farms, with only 1% of women receiving payments for agricultural products compared to 11% of men. This inequality in financial access, combined with high rates of gender-based violence, restricts women's ability to engage fully in economic activities. The government has started addressing these issues by creating support networks and financial products targeted at women.

Table 23. Global Findex Database for El Salvador

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	23%	41%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	5%	12%	
Borrowed from a financial institution	11%	10%	
Borrowed from family or friends	17%	16%	
Received payments for agricultural products	1%	11%	

Indicator	Women (%)	Men (%)	Source
Digital payments made or received	22%	35%	

The following are some additional key findings:

- El Salvador shows a notable gap in account ownership, with 41% of men and 23% of women having accounts at financial institutions (Global Findex, 2021).
- Women are significantly less likely to save at a financial institution compared to men (5% of women versus 12% of men) (Global Findex, 2021).
- Women's participation in agricultural financing and investments remains extremely low, with only 1% of women receiving payments for agricultural products compared to 11% of men (Global Findex, 2021).
- In El Salvador, women engage in digital payments at a lower rate (22%) than men (35%), further demonstrating the gender gap in financial inclusion (Global Findex, 2021).

- **Gender in agriculture and rural areas**

In recent years, efforts have been made in El Salvador to promote women's rights to access and control land, housing, and property, particularly in rural areas. For instance, in 2018, the Salvadoran Agrarian Reform Institute updated its user service guidelines to incorporate a gender perspective and provided information on Legislative Decree No. 719, which recognizes land as a family asset. Additionally, the Ministry of Agriculture has undertaken initiatives to include women in agricultural services, such as agricultural packages, technical assistance programs, and training. Despite these steps, gender disparities remain significant in rural agricultural sectors, and women's participation in these areas continues to be limited (UN Women, 2020).

While rural poverty in El Salvador decreased by 18% between 2000 and 2013, many rural populations still live in poverty. Vulnerable groups, including youth, women, indigenous people, and seniors, continue to face significant challenges. Young people in rural areas are particularly affected by the lack of access to education, which hinders their ability to enter the formal labor market. In addition, they often lack the assets needed to launch sustainable businesses. The agricultural sector is perceived as unprofitable and labor-intensive, making it less appealing to young people. As a result, many rural youths are forced to migrate in search of better opportunities and are increasingly vulnerable to crime (ECLAC, 2021).

El Salvador has designed the National Policy for Rural, Indigenous, and Campesina Women to guarantee their human rights and promote their autonomy. Women and girls represent 52.1% of the rural population, and 32.1% of households are headed by women. However, women constitute only 9% of the rural population actively engaged in agricultural activities, with nearly 30% working as unpaid family laborers. Furthermore, 75% of rural women identify as economically inactive, and 50.8% have no income of their own, compared to just 17% of men in the same situation (FAO, 2020).

The illiteracy rate among rural women is particularly high, standing at 17.4%. In 2019, rural women's labor force participation rate was 36.8%, compared to 84.4% for men. Wages reflect a clear gender gap: while the national average monthly salary was \$344.29, women earned \$306.11, and men earned \$373.40 on average. In rural areas, this gap is even more pronounced, with women earning \$213.23 and men earning \$276.34 on average (World

Bank, 2020). These statistics underscore the persistent gender disparities in access to economic resources, education, and labor market participation.

The following are some key findings:

- Agriculture contributes 10% to GDP and supports 20% of employment. Key exports include coffee, sugarcane, and corn (World Bank, 2021).
- Rural poverty affects approximately 37% of the population, with subsistence farming predominant in these areas (DIGESTYC, 2023).
- Women comprise 25% of the agricultural workforce but have limited access to productive resources and training (UNDP, 2022).
- El Salvador faces recurrent droughts and land degradation. Programs promoting climate-resilient farming practices are underway (FAO, 2023).

• Gender intersectional analysis

Indigenous identity in El Salvador remains institutionally invisible, worsening access to services for Nahua-Pipil women in rural areas. Rural young women face high risks of early pregnancy and gender-based violence, particularly in areas affected by organized crime. Limited childcare services and conservative gender roles restrict labor force entry. Policies must focus on rural youth empowerment, inclusive education, and maternal health access.

Table 24. Intersectional gender analysis in El Salvador

Indicator	Value	Source
Rural poverty	33.8% rural vs. 21.7% urban	DIGESTYC, 2023
Female unemployment	7.3% (vs. 4.1% male)	EHPM 2023
Indigenous recognition	Weak institutional data and representation	UN Women El Salvador
Adolescent pregnancy rate	62 per 1,000 girls (15–19)	UNFPA 2022

• Gender and climate action

El Salvador is situated in one of the most vulnerable regions to natural hazards globally. Approximately 2.2 million people live in poverty and are highly susceptible to climate change impacts in the 114 municipalities that comprise the "dry corridor" (FAO, 2021). These regions are experiencing significant displacement due to the adverse effects of climate change and environmental degradation. Despite the limited research on the intersection of gender and climate change in El Salvador, there is growing recognition of the need for targeted strategies. For instance, women often take on key roles in subsistence farming and rural water management, areas that are increasingly affected by climate-related stresses.

In response, UN Women advocates for strategies to empower women in these sectors by improving their access to land, credit, agricultural inputs, technology, and training services. These measures are essential to enhancing women's ability to manage and sustainably use natural resources, thus strengthening their resilience to climate impacts (UN Women, 2020). Empowering women in these areas not only supports climate adaptation efforts but also contributes to overall community resilience.

El Salvador faces recurring droughts and floods due to climate variability. Rural women, particularly in the Dry Corridor, experience significant livelihood challenges. Climate change exacerbates existing inequalities, such as limited access to water and productive resources (FAO, 2022; UNEP, 2023).

The following are some key findings:

- Women often bear the brunt of water collection during droughts, reducing time for economic activities.
- Female farmers are adopting agroforestry practices, though uptake is constrained by lack of funding.
- Climate-induced displacement disproportionately affects women, increasing their vulnerability to economic insecurity and violence.
- Programs like "Vida Mejor" integrate women into reforestation and soil conservation projects.

1.5.6. Guatemala

In Guatemala, gender inequality remains a significant challenge despite some advances in policy and legal frameworks aimed at promoting equality. The country ranks 92nd in the Global Gender Gap Report 2023, indicating that while there has been some progress in closing gender gaps in health and education, there are persistent issues in economic participation and political representation for women (World Economic Forum, 2023). Women continue to face barriers in accessing economic resources, land ownership, and financial services, particularly in rural and indigenous communities, where gendered social norms and legal restrictions limit their opportunities (MARN, SEPREM & UICN, 2024).

Gender-based violence remains a critical issue in Guatemala. Approximately 70% of women in Guatemala have experienced some form of gender-based violence, as reported by the National Survey on Gender-Based Violence 2020, with domestic and sexual violence being the most prevalent forms (National Institute of Statistics, 2020). Legal protections such as the Law Against Femicide and Other Forms of Violence Against Women aim to address these issues, but enforcement remains a challenge, especially in rural and indigenous areas where women face heightened vulnerabilities.

Additionally, child marriage continues to be a serious issue in Guatemala, particularly in rural regions. According to the United Nations Population Fund (UNFPA), about 25% of girls are married before the age of 18, a situation that perpetuates gender inequality and limits opportunities for young women (UNFPA, 2020). Indigenous women face multiple forms of discrimination, with lower levels of education and limited access to healthcare and employment opportunities. While there have been efforts to improve gender equality, the country's socio-economic disparities and the prevalence of gender-based violence demonstrate the continued need for comprehensive policy implementation and societal change.

In response, Guatemala's Constitution enshrines the right to non-discrimination, and the Constitutional Court has upheld this right, particularly in the workplace and family settings, guided by a perspective of intersectionality and equality (Constitutional Court of Guatemala, 2021). The Presidential Secretariat for Women (SEPREM) plays a key role in advising and coordinating public policies to promote the comprehensive development of women.

The National Policy for the Promotion and Comprehensive Development of Women for 2021-2024 focuses on three main priorities: education, the eradication of violence against women and girls, and women's economic development. In 2021, Guatemala adopted a strategy to implement the National Plan for the Prevention and Eradication of Violence Against Women (2020-2029) (Presidential Secretariat for Women, 2021). Moreover, in 2017, the Ministry of Labour and Social Security introduced a protocol to prevent and

address workplace harassment for women in both public and private sectors (Ministry of Labour and Social Security, 2017).

These national efforts to promote gender equality and combat violence against women are also reflected in Guatemala's approach to climate action. Recognizing that gender disparities intersect with environmental challenges, the country has developed the Gender and Climate Change Action Plan (ccGAP), an initiative that bridges national policies and international commitments to address gender disparities in the context of climate change. This plan integrates a gender analysis across five key priority sectors: agriculture, marine-coastal zones, forest resources and protected areas, water resource management, and energy. Through targeted measures, the ccGAP seeks to reduce gender inequalities within these sectors and enhance women's participation in environmental and climate-related activities (MARN, SEPREM & UICN, 2024).

Despite these efforts, the Women, Business and Law Index for Guatemala scores 73.8, highlighting legal constraints in key areas. These include issues in the workplace, where discrimination is not explicitly prohibited, and the lack of laws against sexual harassment. The law does not mandate equal pay for equal work or prohibit discrimination in access to credit, though access to assets is equal (Source: World Bank, 2023). To address these challenges, the 2017–2032 National Policy for Decent Employment has incorporated gender equity as a priority, aiming to provide women with access to fair, productive work that respects their freedom, security, and human dignity (Ministry of Labour and Social Security, 2017).

Even though Guatemala has made progress in increasing women's representation in politics and the workforce, barriers remain. Furthermore, gender-based violence remains a pervasive issue, with a high percentage of women experiencing violence during their lifetime. The National Survey on Gender-Based Violence (2020) shows that nearly 70% of women in Guatemala have been victims of some form of violence, particularly domestic and sexual violence. Legal reforms, such as the Law Against Femicide and Other Forms of Violence Against Women, have been enacted to address these issues, but enforcement and implementation remain inconsistent.

Building on this framework, EcoEnterprises Fund's investment strategy and Gender Action Plan aligns with Guatemala's ccGAP by supporting gender-responsive investment strategies in sustainable agriculture, forestry, eco-business, and climate adaptation initiatives. The Fund's approach emphasizes increasing women's access to climate finance, technical training, and leadership opportunities within climate-smart businesses—areas that directly contribute to Guatemala's objectives of promoting women's financial inclusion, resilience-building programs, and participation in natural resource governance. Furthermore, EcoEnterprises Fund's commitment to venture capital for female-led enterprises complements Guatemala's efforts to expand economic opportunities for women in agriculture, fisheries, and biodiversity conservation. By aligning its investment strategies with Guatemala's national gender and climate goals, EcoEnterprises Fund enhances gender equity in key sectors affected by climate change, ensuring that women have greater access to resources, decision-making, and economic opportunities in sustainable industries. For more details on EcoEnterprises Fund's gender lens approach, please refer to section 2. Lessons learned from EcoEnterprises Fund and for the Gender Action Plan, please refer to Section 4.

Guatemala's Human Development Index (HDI) is classified as medium human development with a value of 0.629 in the 2022 report. While it reflects a positive trajectory, it is still below the Latin American and Caribbean regional average. HDI considers three

dimensions—health (life expectancy), education, and income—which are all relevant to gender equality. Women's life expectancy is lower than men's, a notable gap indicating unequal access to healthcare and gendered health disparities (UNDP, 2022). Although gender parity in education has improved, with women having a higher educational enrollment rate than men, challenges remain in the economic and political spheres. Women's participation in the workforce and political representation remains disproportionately low. Women's earnings are lower than men's, and their representation in leadership positions is minimal.

- Women have a lower life expectancy compared to men, reflecting gaps in access to healthcare and reproductive health services.
- Gender gaps in education have narrowed, with more women completing primary and secondary education than men, yet higher dropout rates persist in rural areas due to early pregnancy and economic barriers.
- Women continue to face significant barriers in entering and advancing in the labor market, contributing to the relatively low HDI score.

Guatemala's Gender Inequality Index (GII) score for 2022 is 0.474, ranking it at 117th out of 191 countries, indicating moderate gender inequality. The GII measures disparities between men and women in reproductive health, empowerment, and labor market participation. Guatemala shows significant gender inequality, particularly in reproductive health, as evidenced by its high maternal mortality rate and adolescent birth rate. Women in Guatemala also have limited representation in political leadership, with only 18% of seats in the National Congress held by women (UNDP, 2022). Women's participation in the workforce is limited, and their wages are lower than those of men, reflecting gender disparities in the economic sector.

- Guatemala faces a high maternal mortality rate and adolescent pregnancy, indicating limited access to reproductive health services and education.
- Women's political representation is low, and they are underrepresented in leadership positions across both public and private sectors.
- Women's participation in the labor market is constrained by gendered social norms and economic barriers, leading to wage inequality.

Guatemala's performance on the Social Institutions and Gender Index (SIGI) 2023 The OECD SIGI score stands at 25.7, with 22% of the population believing that men should have more rights to a job than women, and 18% perceiving men as better business executives. Additionally, only 19% of companies have women in senior management roles, and women make up 37% of managerial positions. This index assesses gender-based discrimination in social institutions, including legal frameworks, family laws, and workplace policies. The legal framework for gender equality in Guatemala is relatively weak, with limited laws aimed at eliminating violence against women, although there are some provisions in the Law Against Femicide. Despite these laws, their enforcement is inconsistent, particularly in rural and indigenous communities, where women face double discrimination. Child marriage remains a prevalent issue, particularly in rural areas, with a high percentage of girls married before the age of 18, perpetuating gender inequalities in education and economic opportunity. Women also face disproportionate impacts from environmental degradation and climate change, as they are often responsible for food production, water collection, and natural resource management, yet lack access to climate adaptation resources (MARN, SEPREM & UICN, 2024).

The following are some key findings:

- While laws against gender-based violence exist, they are often inadequately enforced, particularly in rural regions.
- Child marriage remains widespread, undermining girls' educational attainment and economic prospects.
- Social and cultural norms in Guatemala often contribute to the marginalization of women, despite the existence of legal measures.

Country social and gender statistics are displayed in Figure 6 below.

Figure 6. Guatemala social statistics

Guatemala social statistics							
Population		11 million people		Poverty rate	59,00%		
Human Development Index-2022							
HDI rank	136		Classification	Medium Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita	GNI per capita rank minus HDI rank		
(years)	(years)	(years)		(2017 Purchasing power parity[PPP] \$)			
2022	2022	2022		2022	2022		
68,7	10,8*	5,7*		8.996	-17,0		
Gender Inequality Index-2022							
Value	0,474		Rank	117			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
96	63,2	19,4	31,1 **	37,8 **	41,5	82,8	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				25.7			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	29.2	Restricted Physical Integrity	29.9	Access to productive and financial asse	28.4	Restricted Civil Liberties	14.6
*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).							
**Updated by HDRO based on data from UNESCO Institute for Statistics (2023).							

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 19 highlights key gender-findings in Guatemala.

Table 25. Summary of findings on gender issues in Guatemala.

Topics	Information
Political participation 	- Guatemala has seen improvements in women's political participation, though challenges persist. Women hold only 18% of seats in the National Congress (UNDP, 2022). - The National Plan for the Prevention, Care, Sanction, and Eradication of Violence Against Women aims to increase women's empowerment, but the impact on political representation remains limited. Cultural and social barriers prevent women from assuming leadership roles at both local and national levels.
Labor force participation 	- Women's participation in the workforce is lower than men's, and they face barriers to equal opportunities, resulting in gender wage gaps. The Law against Sexual Harassment in the Workplace (Decree 9-2022) aims to combat workplace harassment, but enforcement remains a challenge. The National Survey on Living Conditions 2022 indicates that a significant proportion of women experience gender-based violence, which often disrupts their economic participation (World Bank, 2022). - The Decree 9-2022 tackles sexual harassment, but implementation is uneven. - Women's lower workforce participation and wage inequality persist, compounded by gender-based violence.
Access to financial resources/knowledge and skills/other 	- Women in Guatemala continue to face limited access to financial resources and business opportunities. Gender-based violence and cultural norms restrict women's mobility and economic independence. Educational gaps also persist, with women in rural and indigenous areas facing further obstacles. The National Gender Equality Plan seeks to address these issues, but progress has been slow. - Women face financial exclusion, particularly in rural areas. - Educational and skills gaps persist, limiting women's economic empowerment.
Vulnerability to Climate change and needs of the beneficiaries 	- Guatemala is highly vulnerable to climate change, particularly in rural and indigenous communities. Women, who are often responsible for household food security, are disproportionately affected by environmental changes. Access to climate adaptation resources for women is limited. Additionally, child marriage remains a significant issue, especially in indigenous communities, exacerbating women's vulnerability to climate change impacts (World Bank, 2022). - Women, especially in rural areas, face greater climate-related risks due to structural inequalities. In Guatemala, women face barriers to accessing economic resources, land, and climate adaptation programs, limiting their ability to recover from climate disasters. These inequalities are even more pronounced among indigenous and rural women, who have lower levels of education, economic autonomy, and land ownership (MARN, SEPREM & UICN, 2024). - Child marriage remains prevalent, hindering girls' resilience to climate-related shocks.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

- **Gender and MSMEs**

In Guatemala, the country stands out in entrepreneurship rankings, ranking 1st in Total Early-Stage Entrepreneurial Activity (TEA), 5th in Entrepreneurial Business Ownership (EBO), and 2nd in informal investment out of 49 economies (Global Entrepreneurship Monitor, 2022). Women in Guatemala own 40.37% of microenterprises and 16.27% of small and medium-sized enterprises (World Bank, 2021). The proportion of adults engaging in entrepreneurship is high, with Guatemala being one of the top five countries in Latin America and the Caribbean for entrepreneurial activity. Additionally, Guatemala is one of the seven countries where one in five women are involved in starting or running a new business (GEM, 2021). Over the course of the pandemic, the percentage of adults starting a business increased from 25% in 2019 to 29% in 2022, although the rate of established businesses (EBO) decreased slightly from 15% in 2019 to 12% in 2022. In 2022, for every adult running an established business, there were over two adults starting a new one, with men slightly more likely to be running the new businesses.

Guatemala's entrepreneurial landscape is characterized by a focus on consumer services, which account for 78% of startups (GEM, 2022). Despite these positive trends, women continue to face barriers in accessing financial resources. The Women's Economic Development Act was introduced to facilitate women's access to economic, productive, and technological resources for entrepreneurial projects. However, statistical data from 2020 show that women still have limited access to the formal financial system. When they do receive financing, it tends to be in smaller amounts and with higher interest rates than those granted to men, despite women having a lower default rate (Guatemala National Bank, 2020). In 2020, women received 40% of loans, with an average interest rate of 21.2%, compared to 19.4% for men, while the default rate for women was 1.8%, compared to 2.6% for men. Between 2017 and 2021, 35.1% of loans from the Fund for the Development of MSMEs were granted to women (Guatemala Ministry of Economy, 2021).

Guatemala scores 28.4 in access to productive and financial resources, reflecting significant challenges in gender equity. Although women have equal ownership rights to property, the gender gap in land ownership remains at 26 percentage points (FAO, 2021).

According to the IDB study on female leadership, 38% of microfinance institutions in Guatemala are led by women as general managers, and 33% of senior management positions are occupied by women, highlighting a growing trend of female leadership in the microfinance sector (IDB, 2021).

- **Gender and financial inclusion**

Only 32% of women have access to financial institutions, compared to 38% of men, indicating a persistent gender gap in financial inclusion. This disparity is also evident in savings and borrowing, where women's participation remains lower. Women, especially in rural areas, face significant obstacles in accessing capital for business development, and the lack of financial literacy compounds these challenges. Additionally, Guatemala has some of the highest rates of gender-based violence in the region, which further hinders women's ability to engage in economic activities like MSMEs and smallholder farming. Legal frameworks such as the Law Against Sexual Harassment in the Workplace (Decree 9-2022) aim to address gender-based violence and improve women's rights, but implementation and cultural changes are slow.

Table 26. Global Findex Database for Guatemala

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	32%	38%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	9%	12%	
Borrowed from a financial institution	10%	13%	
Borrowed from family or friends	22%	23%	
Received payments for agricultural products	3%	9%	
Digital payments made or received	23%	30%	

The following are some key findings:

- Only 32% of women in Guatemala have accounts at financial institutions, compared to 38% of men, signaling significant gender gaps in financial inclusion (Global Findex, 2021).
- In general, financial inclusion in Guatemala is still low:
 - A slightly lower percentage of women (22%) rely on borrowing from family or friends compared to men (23%), while only 10% of women borrow from financial institutions compared to 13% of men, reflecting barriers to accessing formal credit (Global Findex, 2021).
 - Women's saving patterns show a gap, with only 9% saving at a financial institution compared to 12% of men (Global Findex, 2021).
 - Only 23% of women in Guatemala use digital payments, compared to 30% of men, highlighting a gap in digital financial service usage, while just 3% of women receive payments for agricultural products compared to 9% of men, underscoring limited financial engagement in agriculture (Global Findex, 2021).

• Gender in agriculture and rural areas

In Guatemala, women represent just 8.3% of employers in the agricultural sector as of 2019. Despite this low representation, significant efforts have been made to improve women's access to land and other assets. In 2018, the government approved the State Land Regularization and Allocation Programme, aimed at providing legal certainty to peasant families. This initiative grants land titles to both applicants and their spouses, ensuring more secure land ownership for rural families (FAO, 2020).

Additionally, the Ministry of Agriculture, Livestock, and Food (MAGA) has focused on empowering women by offering training, technical guidance, and the distribution of supplies to improve agricultural practices and household finances. Between 2017 and 2021, 60.9% (538,014) of the beneficiaries of MAGA's programs were women. These initiatives are crucial in advancing equal opportunities for women in rural areas, particularly in enhancing nutrition within households. Targeting female producers is seen as a vital strategy for addressing food security and improving the quality of life for rural families (MAGA, 2021).

In line with Guatemala's national policies to promote gender equity in the agricultural sector, the ccGAP introduces specific measures to integrate women into climate-resilient farming practices. These include facilitating access to training, technical assistance, and financial resources for sustainable agricultural activities, as well as improving women's land

ownership and participation in agricultural cooperatives to strengthen food security and economic resilience. For rural areas, the ccGAP outlines gender-responsive initiatives aimed at improving women's access to marine resources, training opportunities, and active involvement in conservation efforts within marine-coastal zones. Similarly, in forest resources and protected areas, the plan seeks to increase women's participation through capacity-building programs, equitable access to forestry incentives, and engagement in community-led conservation projects (MARN, SEPTEM & UICN, 2024).

However, despite these efforts, rural women continue to face systemic labor inequalities, particularly as agricultural workers. According to CODECA (2013, as cited in Solano Garrido & Ochoa, 2019), women make up 25% of agricultural laborers, yet they often work under highly precarious conditions. 53% of female agricultural workers receive no wages at all, as their labor is considered a complement to that of male workers, and 73% of women receive wages far below those of men and well below the legal minimum wage. Furthermore, female laborers have limited access to technical assistance and resources, preventing them from improving agricultural productivity and economic security.

Beyond economic challenges, rural women also face additional challenges due to the deep-seated structural inequalities of exclusion, racism, and institutional violence. These issues are particularly evident among indigenous women and those living in marginalized rural communities. Furthermore, Guatemala is one of the 20 countries most affected by the severe impacts of climate change. Natural disasters, including floods and droughts, disproportionately affect vulnerable populations such as women, the elderly, and children in rural areas, exacerbating poverty and food insecurity (ECLAC, 2021).

The following are some key findings:

- Agriculture is the backbone of the Guatemalan economy, contributing 13% to GDP and employing over 30% of the workforce. Main crops include coffee, bananas, and vegetables (INE, 2023).
- Rural areas are home to 75% of the poor population. Indigenous groups are disproportionately affected by poverty and malnutrition (World Bank, 2021).
- Women play a significant role in agriculture but face systemic barriers in land ownership and access to technology (FAO, 2023).
- Extreme weather, such as hurricanes and droughts, exacerbates food insecurity. Programs focus on water management and climate-smart agriculture (UN Women, 2022).
- **Gender intersectional analysis**

Guatemala presents severe disparities. Indigenous Maya and Xinka women in rural areas suffer extreme poverty, malnutrition, and limited political voice. Cultural discrimination and language barriers hinder access to health and education. Rural girls are vulnerable to child marriage and sexual violence, with limited protection mechanisms. A strong intercultural and multilingual rights-based approach is essential for addressing compounded gender-ethnic inequalities.

Table 27. Intersectional gender analysis in Guatemala

Indicator	Value	Source
Rural poverty	61.6% rural vs. 29.1% urban	ENCOVI 2020
Female unemployment	2.7% (vs. 2.0% male, but 67% of women in informal economy)	ILO/ENCOVI 2020

Indigenous poverty	79.2%	UNDP Guatemala, 2022
Maternal mortality gap	2.5x higher in Indigenous communities	MSPAS 2022

• Gender and climate action

Guatemala, located in Central America's Dry Corridor, is highly vulnerable to climate change, particularly through droughts and floods. These environmental stresses disproportionately affect women, who are often the primary caregivers and food producers in rural households. Recognizing this intersection between gender and climate vulnerability, Guatemala developed the Gender and Climate Change Action Plan (ccGAP) as a framework to integrate gender-responsive climate strategies across key sectors.

In the Dry Corridor, these challenges are already manifesting. According to Guatemala's ccGAP, women are traveling increasingly long distances to obtain water, as prolonged droughts deplete local sources, and the rise in temperature and extreme weather events has led to more frequent outbreaks of diseases such as Zika and dengue, affecting women as the time spent fetching water or taking care of sick family members has increased (Trutmann, 2020). These effects pose a greater challenge for rural and indigenous women, as they often have less access to resources, healthcare, and economic opportunities to mitigate climate risks.

Women in rural Guatemala face multiple barriers, including limited access to education, credit, and training opportunities, which impedes their ability to manage the impacts of climate change on their agricultural livelihoods. The Food and Agriculture Organization (FAO) highlights that women's limited access to land and resources is a significant obstacle to achieving climate resilience (FAO, 2021). However, women are also pivotal in driving climate adaptation initiatives within their communities, such as implementing sustainable farming practices and promoting water conservation. Addressing gender inequality in climate change policies and promoting women's participation in decision-making processes are crucial for enhancing the resilience of rural communities in Guatemala.

Guatemala's agricultural sector, heavily affected by climate change, employs many rural women. However, gender-based disparities limit their capacity to adapt to changing climatic conditions. Women are integral to food security but often lack resources to implement adaptive strategies (UNDP, 2023; FAO, 2023).

The following are some key findings:

- Women contribute to 60% of subsistence farming but are highly vulnerable to crop failures due to extreme weather.
- Female farmers are less likely to access loans for climate-resilient technologies.
- Women have lower participation rates in climate training programs compared to men, creating knowledge gaps.
- Women-led cooperatives have shown strong potential for scaling sustainable practices.

1.5.7. Panama

In Panama, the foundation for gender equality is rooted in the Political Constitution of the Republic, specifically Article 19, which ensures that there will be no privileges or discrimination based on race, birth, social class, sex, religion, or political views. According to UN Women, Panama has established 83.3% of the legal frameworks needed to promote,

enforce, and monitor gender equality, with a particular focus on combating violence against women.

A significant development was the creation of the National Institute for Women (INAMU) through Law No. 71 on December 23, 2008, as a decentralized public entity tasked with ensuring the enforcement of legal instruments, international agreements ratified by Panama, and national laws related to women's equal opportunities.

Although Panama has made notable strides in gender equality and ranks better than many Latin American countries in terms of gender disparities, challenges remain. The National Strategic Plan 2020-2024 acknowledges that forms of discrimination against women persist, particularly in employment opportunities (with only 39% of the workforce being women), wage inequality, domestic violence, and femicide. The gender labor income disparity in Panama stands at 0.61. The government is dedicated to implementing public policies for gender equality and has created an Action Plan for the Equal Opportunities for Women from 2014 to 2024. However, the country still faces challenges in terms of inter-institutional coordination, allocating specific budgets for gender-related policies, and investing in initiatives such as cooperative financing, microcredit programs, and education for rural development and climate change adaptation.

According to the Women, Business and Law Index, Panama scores 79.4, with legal barriers identified in areas such as pay (the law does not mandate equal remuneration for work of equal value), marriage, parenthood, entrepreneurship (gender-based discrimination in access to credit is not prohibited by law), and pensions. On the other hand, access to assets is equal for both genders.

Despite the progress, obstacles remain in the labor market that hinder women's full participation and development. A notable productivity gap exists, with 76.1% of women working in low-productivity sectors compared to 53.7% of men. As productivity levels increase, the representation of women in these sectors continues to diminish. Gender-based violence remains a significant issue, despite legal measures like the Law 82 of 2013, which aims to prevent and punish violence against women. The law provides protections and promotes awareness, but violence against women persists, particularly domestic and sexual violence. The government has been making efforts to address these issues through policies like the National Plan for Gender Equality, but gaps in implementation and enforcement remain.

Panama has made notable progress in improving gender equality, particularly in education and health, yet women continue to face significant challenges in political participation, economic empowerment, and gender-based violence. The country ranks 60th in the Global Gender Gap Report 2023, showing progress in education, where women's enrollment in schools surpasses that of men. However, significant gender gaps remain in economic participation and political representation, with women holding only about 30% of seats in the national legislature (World Economic Forum, 2023). Domestic violence remains a serious concern, and while Panama has established legal measures such as Law 82 of 2013 to address violence against women, its implementation has been inconsistent (Inter-American Commission on Human Rights, 2019). The law aims to provide legal protections, but many women continue to suffer from domestic and sexual violence.

Moreover, Panama's indigenous and Afro-descendant women face compounded discrimination, with higher rates of poverty, lower educational attainment, and fewer employment opportunities than non-indigenous women. The National Plan for Gender Equality 2022-2026 aims to address these disparities, promoting women's participation in

the workforce and political life. However, progress remains slow, particularly for marginalized communities. Gender-based violence, particularly within indigenous communities, remains prevalent, exacerbated by limited access to legal protections and healthcare in rural areas. Panama's legal frameworks need better implementation, and more attention must be paid to the intersectional challenges faced by marginalized women.

The Human Development Index (HDI) for Panama, which ranks countries based on indicators of health, education, and income, is 0.82, positioning the country in the high human development category (UNDP, 2022). However, there are disparities when these figures are disaggregated by gender. Women in Panama experience greater inequality in access to economic opportunities and face a persistent gender wage gap, despite high overall human development.

- Life expectancy for women in Panama is higher than for men, contributing positively to HDI.
- Panama has made significant strides in education, with women outnumbering men in tertiary education enrollment.
- Women continue to earn less than men, which reduces their overall contribution to the HDI.

Panama's Gender Inequality Index (GII) stands at 0.392, which is relatively low, suggesting moderate gender disparities (UNDP, 2022). The GII takes into account reproductive health, empowerment, and economic activity. While Panama has made improvements, especially in terms of women's representation in politics and education, challenges remain in closing the gender gap in economic participation.

- Maternal mortality is relatively low, and access to reproductive health services is improving.
- Women hold around 38% of seats in the National Assembly, a positive trend in terms of political participation.
- Women's participation in the labor market has been increasing, but they continue to face barriers to achieving equal pay and securing high-status jobs.

The Social Institutions and Gender Index (SIGI) Legal Survey for Panama highlights significant advances in legal gender equality but also underscores areas where progress is still required. Panama has a legal framework that supports gender equality, including laws against gender-based violence and provisions for equal pay. However, there are challenges in the enforcement of these laws and the deep-rooted cultural norms that hinder gender equality, particularly in rural and indigenous areas.

- Panama has made substantial progress with laws such as the Comprehensive Law for a Life Free of Violence Against Women, which provides protection against gender-based violence, including domestic violence and sexual harassment.
- The Family Code mandates 18 as the minimum legal age for marriage, helping to address issues such as child marriage.
- While the legal framework has improved, social and cultural norms still perpetuate gender inequalities, particularly affecting indigenous and Afro-descendant women in Panama.

Country social and gender statistics are displayed in Figure 7 below.

Figure 7. Panama social statistics

Panama social statistics							
Population	5.8 million people		Poverty rate	25,00%			
Human Development Index-2022							
HDI rank	57		Classification	Very High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita		GNI per capita rank minus HDI rank	
(years)	(years)	(years)		(2017 Purchasing power parity[PPP] \$)			
2022	2022	2022		2022			
76,8	13,2*	10,68*		32.029		-6,0	
Gender Inequality Index-2022							
Value	0,392		Rank	95			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
50	68,5	22,5	67,6	65,6	49,7	77,0	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				15.2			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	1.9	Restricted Physical Integrity	25.2	Access to productive and financial asse	3.4	Restricted Civil Liberties	40.1
*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).							

*Updated by HDRO based on data from UNESCO Institute for Statistics (2023).

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

Table No. 21 highlights key gender-findings in Panama.

Table 28. Summary of findings on gender issues in Panama.

Topics	Information
Political participation 	- Panama has made significant strides in political participation with women holding 38% of seats in the National Assembly. - Despite these improvements, women remain underrepresented in top political positions. - Panama is ranked 61st in the Global Gender Gap Report (2023), showing moderate progress but indicating room for further gender equality in governance.
Labor force participation	- Women's participation in the labor force is increasing, but they still face barriers such as wage gaps and unequal access to senior positions. - Laws like Law No. 82 of 2013 on sexual harassment aim to create safer workplaces, but enforcement challenges persist.

Topics	Information
	Women continue to bear a higher proportion of unpaid domestic labor, affecting their overall economic empowerment.
Access to financial resources/knowledge and skills/other 	- Women have access to financial resources through various initiatives, yet they face obstacles like limited access to credit and financial products. - Panama has laws supporting women's access to education, and women outnumber men in tertiary education. - However, economic inequalities persist, limiting women's full economic potential despite educational advances.
Vulnerability to Climate change and needs of the beneficiaries 	- Women, especially in rural areas, are more vulnerable to the impacts of climate change, facing challenges such as limited access to adaptive resources and technology. - Gender-sensitive approaches in disaster preparedness and climate action are needed to reduce the impact of climate change on women, particularly in vulnerable communities.

Sources: (UNDP, 2024), (UNDP, 2022) & (OCDE, 2023)

• Gender and MSMEs

In Panama, women own 12.44% of microenterprises and 11.04% of small and medium enterprises (World Bank, 2021). The country ranks 3rd in Total Early-Stage Entrepreneurial Activity (TEA), 28th in Entrepreneurial Business Ownership (EBO), and 8th in informal investment out of 49 economies (Global Entrepreneurship Monitor, 2022). Notably, Panama is one of the top five countries in Latin America and the Caribbean for entrepreneurial activity, with one in twenty adults either starting or running a new business and planning to hire six or more employees within five years. However, a significant gender gap remains in entrepreneurship, with men leading in both TEA (31.2%) and EBO (7.9%) compared to women at 24.6% and 3.7%, respectively (GEM, 2022).

MSMEs and smallholder farmers account for 96% of all businesses in Panama, generating 45% of total employment (AMPYME, 2021). While 51% of these businesses are concentrated in Panama City, over 57% of microenterprises are led by women, demonstrating the importance of women in the entrepreneurial landscape. Despite these achievements, access to credit remains a significant challenge for women entrepreneurs. The limited availability of microfinance services and the need for more flexible credit conditions for women entrepreneurs are ongoing obstacles. These challenges are

compounded by a lack of gender-specific financial products that fail to meet the high demand from women (AMPYME, 2021).

In addition to financial barriers, women entrepreneurs in Panama face regulatory challenges, as many standards are designed in a gender-neutral manner. This often leaves women feeling less prepared to navigate the complexities of business registration and compliance. Furthermore, traditional gender roles continue to place a disproportionate burden of family and domestic responsibilities on women, limiting their time and resources to manage and grow their businesses (UN Women, 2021).

Despite these challenges, women are increasingly taking leadership roles in the microfinance sector. According to the IDB, 51% of microfinance institutions in Panama are led by female general managers, and 55% of senior management positions are occupied by women, reflecting a positive trend toward female leadership in the financial sector (IDB, 2021).

- **Gender and financial inclusion**

Panama currently presents a less favorable scenario in terms of financial inclusion compared to previous estimates, with 47% of men and 43% of women having an account at a financial institution, reflecting a notable decline in access for both genders. Despite this, women in Panama continue to face challenges in savings and business expansion, with lower participation in formal financial services compared to men. Women are equally likely to borrow from informal sources but face greater barriers in accessing formal credit, and their engagement in digital payments is now nearly on par with men, offering a potential avenue for improvement.

Table 29. Global Findex Database for Panama

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	43%	47%	1. Banco Mundial, Global Findex 2021- World Bank 2. FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	14%	16%	
Borrowed from a financial institution	7%	14%	
Borrowed from family or friends	18%	18%	
Received payments for agricultural products	2%	5%	
Digital payments made or received	37%	36%	

Additional key findings are:

- Women save slightly less at financial institutions (14%) compared to men (16%), indicating a small gap in formal saving habits (Global Findex, 2021).
- Women are less likely to borrow from financial institutions (7%) compared to men (14%), but both genders borrow equally from family or friends (18%), suggesting persistent barriers to formal credit access for women (Global Findex, 2021).
- The gender gap in digital payments has closed, with 37% of women and 36% of men engaging in digital payments, while only 2% of women receive payments for

agricultural products compared to 5% of men, highlighting disparities in agricultural financing (Global Findex, 2021).

- **Gender in agriculture and rural areas**

In Panama, gender inequality in agriculture and rural areas remains a significant challenge, despite efforts to promote gender equality. Women in rural areas often face limited access to resources such as land, technology, and credit. According to the 2021 National Institute of Statistics and Census (INEC), only 23% of rural women own agricultural land, compared to 39% of rural men (INEC, 2021). This disparity is partly due to social and cultural norms that limit women's participation in decision-making processes regarding agricultural activities. Additionally, a 2023 FAO report highlighted that rural women in Panama are more likely to be engaged in unpaid family labor, with many working on family farms without formal compensation, which further perpetuates their economic vulnerability (FAO, 2023).

Despite these challenges, there are initiatives in Panama that aim to enhance gender equality in agriculture. A 2022 survey by the Ministry of Agricultural Development (MIDA) found that 40% of rural women participated in agricultural training programs, compared to 30% of rural men, indicating progress in closing the gender gap in agricultural knowledge and skills (MIDA, 2022). Furthermore, Panama has implemented programs to increase women's access to financing for agricultural activities. The National Financial Assistance Program for Small Producers, for instance, reports that 25% of loans granted for agricultural activities in 2023 went to women (MIDA, 2023). However, women still face considerable challenges in accessing financial resources due to gender biases and the lack of collateral. Continued efforts are needed to further integrate women into the rural economy and ensure they have equal access to resources and opportunities.

Some key findings are:

- Agriculture contributes around 2.5% to GDP and employs 14% of the labor force. Key products include bananas, coffee, and rice (INEC, 2023).
- Rural poverty is at 28%, with indigenous communities most affected. Infrastructure and market access are critical challenges (World Bank, 2021).
- Women in agriculture often engage in unpaid family labor and lack access to credit. Empowerment programs are slowly gaining traction (UNDP, 2023).
- Panama faces risks from rising sea levels and erratic weather. Agricultural adaptation measures include crop rotation and disaster-preparedness strategies (FAO, 2023).

- **Gender intersectional analysis**

Indigenous women in Panama's Comarcas—especially Ngäbe-Buglé and Guna—face multidimensional exclusion: poor education, poor health, and high adolescent birth rates. Geographic isolation, cultural bias, and language barriers further marginalize them. Youth are especially affected, with limited access to secondary schooling and reproductive services. Policies must focus on culturally relevant healthcare and rural education infrastructure, alongside women's leadership promotion.

Table 30. Intersectional gender analysis in Panama

Indicator	Value	Source
Rural poverty	34.2% rural vs. 10.7% urban	INEC 2023
Female unemployment	9.6% (vs. 6.2% male)	INEC 2023
Indigenous poverty (Comarcas)	Over 90%	UNDP Panama, 2022
Maternal mortality gap	High in Guna Yala and Ngäbe Buglé	MINSA/UNFPA 2022

• Gender and climate action

Panama, with its biodiversity and strong dependence on agriculture, faces climate-related risks such as coastal erosion, droughts, and flooding. Rural communities, especially those in the agricultural sector, are highly susceptible to these impacts. Women, who are central to agriculture and household management, are particularly vulnerable due to their limited access to land and financial resources. The World Bank (2021) emphasizes that women's economic and social empowerment in rural areas is essential for effective climate adaptation. Panama has made progress in gender equality, but further efforts are needed to ensure that women have equitable access to resources, training, and decision-making opportunities related to climate resilience. Integrating gender-sensitive approaches into national climate strategies will empower women to take on leadership roles in climate adaptation, ensuring sustainable practices that benefit both families and the wider community.

Panama's unique geographical position makes it highly susceptible to climate change, with rising temperatures and erratic rainfall patterns impacting agriculture and rural livelihoods. Women are at the forefront of household adaptation strategies but remain marginalized in policymaking (World Bank, 2022; UN Women, 2022).

Some key findings are:

- Female farmers are adopting agroforestry techniques to combat soil degradation, but support remains inadequate.
- Women are more engaged in community-level disaster preparedness, yet their contributions are often informal.
- Women-led microenterprises are diversifying rural incomes, playing a critical role in community resilience.
- Despite government subsidies, only 30% of female farmers report access to irrigation systems.

1.5.8. Peru

Peru has made significant progress in institutional recognition of gender equality, although structural and social limitations still prevent deep transformative change. The Ministry of Women and Vulnerable Populations (MIMP) leads gender equity strategies, including the National Gender Equality Plan (PLANIG 2023–2030), which aims to reduce gaps in political, economic, social, educational, and cultural domains. Peru is also a signatory to international frameworks such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the 2030 Agenda for Sustainable Development.

National legislation includes key measures such as Law No. 30364, which seeks to prevent, punish, and eradicate violence against women and family members. Despite this, gender-based violence remains widespread: according to INEI (2022) data, 54.8% of women aged

15 to 49 have experienced some form of intimate partner violence. The situation is even more severe in rural, Indigenous, and Amazonian areas where services and access to justice are scarce.

The Global Gender Gap Report 2023 ranks Peru 36th out of 146 countries, with 76.7% of its gender gap closed (WEF, 2023). Although this reflects improvement from previous years, the largest gaps remain in the economic dimension—particularly in access to resources, land, and credit—as well as in the disproportionate burden of unpaid care work borne by women. These inequalities are more pronounced in rural contexts, highlighting the need for intersectional and territory-based gender policies.

Human Development Index (HDI) – 2022. Peru's HDI in 2022 was 0.762, ranking it 87th globally. This score reflects improvements in health, education, and income levels. However, the slight decline from previous years suggests challenges in sustaining development gains, particularly in the wake of economic and social disruptions.

Significant disparities exist between urban and rural areas, with Indigenous populations often facing limited access to essential services. These inequalities necessitate targeted interventions to ensure inclusive development.

- HDI of 0.762 places Peru at 87th globally, indicating high human development.
- Recent declines highlight vulnerabilities in sustaining progress.
- Addressing regional and ethnic disparities is crucial for equitable development.

Gender Inequality Index (GII). In 2022, Peru's GII was 0.360, ranking it 87th globally. This reflects ongoing challenges in reproductive health, empowerment, and labor market participation. While women's representation in parliament has improved, economic disparities and high rates of gender-based violence persist.

Efforts to combat these issues include legislative measures and national plans aimed at promoting gender equality. However, effective implementation and cultural shifts are necessary to achieve substantial progress.

- GII of 0.395 places Peru at 87th globally, indicating moderate gender inequality.
- Improvements in political representation contrast with persistent economic and social challenges.
- Comprehensive strategies are needed to address deep-rooted gender disparities.

Peru registered a **Social Institutions and Gender Index (SIGI)** score of 18.6 in 2023, slightly higher than Ecuador, indicating a moderate level of institutional gender discrimination. Although the total score remains relatively low, the disaggregated analysis reveals critical issues. The most concerning dimension is discrimination in the family, with a high score of 36.7, reflecting deeply rooted cultural norms that reinforce domestic inequality—such as male preference in inheritance, social tolerance of domestic violence, and limited autonomy in family decision-making.

In terms of physical integrity, Peru scored 21.3, highlighting a high incidence of gender-based violence and gaps in effectively protecting women. On the other hand, the country performs better in civil liberties (4.5) and access to productive and financial assets (8.6), indicating legal progress in economic inclusion and civic rights. However, these formal improvements are not always matched by substantive change, especially in contexts where traditional social norms remain dominant.

- SIGI values indicate a moderate level of institutional discrimination.

- Family discrimination shows strong persistence of patriarchal norms.
- Physical integrity reflects high levels of gender-based violence.
- Access to assets progress in women's economic inclusion.
- Civil liberties favorable legal environment for participation and rights.

Country social and gender statistics are displayed in Figure 8 below.

Figure 8. Peru social statistics

Perú social statistics							
Population	33.85 million people		Poverty rate	29,00%			
Human Development Index-2022							
HDI rank	87		Classification	High Human Development			
Life expectancy at birth	Expected years of schooling	Mean years of schooling		Gross national income (GNI) per capita		GNI per capita rank minus HDI rank	
(years)	(years)	(years)		(2017 Purchasing power parity[PPP] \$)			
2022	2022	2022		2022		2022	
73,4	14,8	10,0		11.916		14,0	
Gender Inequality Index-2022							
Value	0,36		Rank	85			
Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education		Labour force participation rate		
(deaths per 100,000 live births)	(births per 1,000 women)	(% held bywomen)	(% ages 25 and older)		(% ages 15 and older)		
			Female	Male	Female	Male	
2020	2022	2022	2022	2022	2022	2022	
69	56,1	40,0	55,6	66,7	66,7	82,4	
Social Institutions and Gender Index (SIGI) 2023 Legal Survey							
Value				18,6			
Combined measurement unit: scale 0-100 (0=No discrimination and 100=Absolute discrimination)							
Discrimination in the Family	36,7	Restricted Physical Integrity	21,3	Access to productive and financial asse	8,6	Restricted Civil Liberties	4,5

Table No. 23 highlights key gender-findings in Peru

Table 31. Summary of findings on gender issues in Peru

Topics	Information
Political participation	• In 2021, women held 41.5% of parliamentary seats (IPU, 2021). • Peru maintains a 30% legal quota for women on electoral lists (IPU, 2021). • The Peruvian Women Parliamentarians Group fosters female leadership in politics (IPU, 2021). • Despite progress, women remain underrepresented in high-level decision-making roles (IPU, 2021).

Topics	Information
	
Labor force participation 	• In 2023, women made up 46.29% of the labor force (The Global Economy, 2023). • Roughly 41% of women leave the workforce after having their first child, a long-standing pattern (BBVA Research, 2023). • The gender wage gap is around 25% (BBVA Research, 2023). • Women are overrepresented in low-income sectors and carry heavier unpaid care responsibilities (CFR, 2023).
Access to financial resources/knowledge and skills/other 	• While access to financial tools is relatively balanced, many women operate in the informal economy, limiting economic security (CFR, 2023). • 70% of women entrepreneurs work informally, lacking access to credit and social protection (CFR, 2023). • Only 15% of these women have access to healthcare, and just 4% to pension schemes (CFR, 2023). • Financial literacy and business formalization programs are needed to empower women economically (CFR, 2023).
Vulnerability to Climate change and needs of the beneficiaries 	• In 2024, dengue-related deaths in Peru more than tripled compared to the previous year, with 117 fatalities and over 135,000 suspected cases. The outbreak disproportionately affected impoverished areas and was intensified by climate change, which accelerated the reproduction of the Aedes aegypti mosquito (Reuters, 2024) • Climate disasters have led to a surge in gender-based violence. In Piura, 2,640 incidents were reported between January and April 2023, nearly half the total number recorded in 2022 (UNFPA, 2023). • Indigenous women in Laramate have revived ancestral farming techniques to combat climate change, leading to more resilient crops and improved food security. This initiative has also enhanced women's participation in public decision-making and boosted their economic empowerment (International Organization for Migration, 2023)

Sources: (IPU, 2021), (CFR, 2023) & (UNFPA, 2023)

• Gender and MSMEs

Peru has made notable strides in promoting female entrepreneurship. As of recent data, women lead approximately 40% of micro and small enterprises (MSEs) in the country, amounting to over 1.3 million female entrepreneurs (Worldys News, 2024). These women predominantly operate in commerce (38.8%), agriculture (30.5%), services (24.2%), and manufacturing (6.2%). This diverse participation highlights the integral role of women in Peru's MSE sector.

However, access to financing remains a significant challenge for women-led MSMEs. The Inter-American Development Bank (IDB) has addressed this issue by providing a \$100 million loan to Peru's Corporación Financiera de Desarrollo. This initiative aims to benefit over 8,500 MSMEs, with more than 5,000 led by women, by facilitating access to productive investment financing (IDB, 2024).

Similarly, the International Finance Corporation (IFC) has partnered with Mibanco to support women-owned MSMEs in underserved regions of Peru. Through a \$100 million loan, the project seeks to enhance financial inclusivity and provide better-quality financial products tailored to the needs of female entrepreneurs (IFC, 2022). These efforts are crucial, considering that women-owned enterprises often face constraints such as limited credit histories and lack of collateral.

Despite these initiatives, challenges persist. Women-led social enterprises in Peru, which constitute about 45% of such entities, often encounter difficulties in accessing financing and support networks. These obstacles, coupled with unshared family responsibilities and gender cultural biases, can hinder the sustainability and growth of women-led businesses. Addressing these issues through comprehensive policies and support systems is essential for empowering female entrepreneurs in Peru (MDPI, 2024).

- **Gender and financial inclusion**

In Peru, gender disparities in financial inclusion remain a persistent challenge, reflecting both systemic inequalities and socio-economic barriers that limit women's access to financial services. Based on the Global Findex 2021 data from the World Bank, 62% of men reported owning an account at a financial institution, compared to 51% of women, revealing an 11-percentage-point gap. This difference illustrates the restricted access women face in the formal financial sector, often due to lower financial literacy, informality in employment, and limitations on asset ownership.

When it comes to saving behaviors, the gap becomes even more pronounced: 19% of men saved at a financial institution, compared to 11% of women, which indicates women's reduced capacity to accumulate capital through formal mechanisms. Similarly, the proportion of individuals borrowing from financial institutions is slightly lower among women (21%) compared to men (23%), and the gender gap in informal borrowing has widened slightly, with 25% of men and 22% of women turning to family or friends for credit. However, women continue to show a stronger presence in the agricultural sector: 7% of women reported receiving payments for agricultural products, surpassing the 4% of men, suggesting greater formalization of women's roles in agricultural value chains in certain regions.

In terms of digital payments—a key indicator of participation in the digital economy—women continue to lag. About 54% of men made or received digital payments, compared to 44% of women, a 10-point gap that reflects barriers in digital access or literacy, particularly in rural and marginalized areas.

Table 32. Global Findex Database for Peru

Indicator	Women (%)	Men (%)	Source
Account at a financial institution	51%	62%	Banco Mundial, Global Findex 2021- World Bank FinDev Gateway, análisis regional- FinDev Gateway
Saved at a financial institution	11%	19%	
Borrowed from a financial institution	21%	23%	
Borrowed from family or friends	22%	25%	

Indicator	Women (%)	Men (%)	Source
Received payments for agricultural products	7%	4%	
Digital payments made or received	44%	54%	

- **Gender in agriculture and rural areas**

In Peru, rural women play a key role in food security and the agricultural economy, although they face structural inequalities that limit their autonomy and productivity. According to the Ministry of Agriculture and Irrigation (MINAGRI, 2020), women represent about 30% of the agricultural labor force, but have limited access to land, technology, credit, and technical training. Only 7 out of every 100 titled hectares are in women's names, revealing a significant gender gap in access to productive resources.

Furthermore, rural women's work is often invisible or unpaid. The National Institute of Statistics (INEI, 2023) reports that many women participate in family farming activities without receiving their own income, contributing to their economic dependence and reducing their entrepreneurial opportunities. Additionally, unpaid care and domestic work falls disproportionately on women, limiting their full participation in rural economic activities.

Despite these barriers, rural women show high levels of resilience and are increasingly being recognized as key agents of sustainable development. Initiatives like the Rural Agricultural Productive Development Program – AGRO RURAL have begun to incorporate a gender perspective in their interventions, promoting women's inclusion in value chains, technical training, and market access (AGRO RURAL, 2021).

- **Gender intersectional analysis**

In Peru, Quechua, Aymara, and Amazonian Indigenous women in rural areas experience persistent exclusion. Barriers to maternal health, education, and economic opportunity are acute in the Andes and Amazon. Rural youth face digital and transport-related exclusions. Gender-based violence remains widespread. Empowerment strategies must include intercultural and mobile health services, Indigenous land rights, and rural youth employment initiatives.

Table 33. Intersectional gender analysis in Peru

Indicator	Value	Source
Rural poverty	39.8% rural vs. 21.1% urban	INEI 2023
Female unemployment	7.9% (vs. 5.3% male)	ENAH0 2023
Indigenous poverty (Quechua, Aymara)	46.7%	INEI 2023
Maternal mortality gap	2.4x higher for Indigenous women	MINSa 2022

- **Gender and climate action**

Rural women in Peru are among the most vulnerable populations to the impacts of climate change due to their high dependence on natural resources and limited adaptive capacity. According to the National Strategy on Climate Change (ENCC, 2021), a gender perspective is essential to ensure effective and equitable climate governance. The ENCC explicitly

acknowledges that women suffer disproportionately from extreme climate events, such as droughts and frosts, and that their voices must be integrated into policymaking.

Despite this recognition, women's participation in environmental governance remains low. For instance, only 3 out of 10 members of local environmental management committees are women, according to the Ministry of Environment (MINAM, 2022). This limits the inclusion of their traditional knowledge and differentiated needs in climate adaptation and mitigation strategies.

Nonetheless, good practices are emerging. Programs such as FONAM Mujeres y Clima support rural women leaders through clean energy, water management, and sustainable agriculture projects. These initiatives not only enhance the adaptive capacity of communities but also empower women as key actors in local climate action (FONAM, 2022).

1.5.9 Country progress in gender policies and compliance with SDGs

In recent years, gender equality has become a key component of public policy agendas across Latin America and the Caribbean. Governments have developed national gender strategies and action plans aimed at promoting women's rights, reducing gender-based disparities, and advancing women's participation in economic, political, and social spheres. These policy frameworks vary in scope and implementation capacity but generally reflect a growing regional commitment to achieving Sustainable Development Goal 5 (Gender Equality). Understanding the strengths and gaps of these national gender policies is essential to identifying opportunities for alignment with climate finance and sustainable development initiatives.

This section provides an overview of the gender-related policy landscape in each of the eight countries included in this assessment. It highlights key government institutions leading gender efforts, national gender equality plans or strategies, and relevant legal and policy instruments. This analysis helps contextualize the broader enabling environment for gender-responsive investment and programming.

Table 34. Gender policies in countries

Country	Gender Policies	Description	Sources
Belize	National Gender Policy, Gender and Development Framework	The National Gender Policy focuses on empowering women and addressing gender-based violence, with an emphasis on rural women's development.	Ministry of Human Development
Costa Rica	National Policy for the Promotion of Gender Equality, National Women's Institute (INAMU)	Costa Rica's policy aims to reduce gender inequality by promoting women's leadership and participation in the economy, politics, and society.	INAMU (National Women's Institute)
Dominican Republic	National Gender Equality Policy, Law 1-12 on Gender Equality and Women's Empowerment	This policy focuses on achieving gender equality, particularly in political participation, economic inclusion, and protection from violence.	Ministry of Women
Ecuador	National Plan for Gender Equality (2017-2021), Women's Empowerment and Gender Equality Strategy	Ecuador's strategy aims to reduce gender disparities, especially in rural areas, with a focus on women's participation in decision-making.	Ministry of Economic and Social Inclusion (MIES)

Country	Gender Policies	Description	Sources
El Salvador	National Policy for Women's Equality, Law on Equality, Equity, and Gender Equality (2011)	The policy aims to improve women's access to education, economic opportunities, and health care, particularly in rural areas.	National Institute for Women (INAM)
Guatemala	(i) National Policy for the Promotion and Integral Development of Women and Equal Opportunities Plan 2008–2023 (ii) Institutional Policy for Gender Equality and Strategic Implementation Framework 2014–2023) (iii) Institutional Gender Equity Policy and Implementation Plan 2022–2026 (MARN)	The national policy, led by SEPREM, promotes the comprehensive development of women and equal opportunities across all sectors. MAGA's institutional policy focuses on mainstreaming gender into rural development, enhancing participation and rights of rural women. More recently, MARN has implemented a gender equity policy aiming to integrate gender considerations into environmental governance and climate change action, aligning with frameworks such as the Sendai Framework and the Women, Peace and Security Agenda.	Presidential Secretariat for Women (SEPREM) Ministry of Agriculture, Livestock and Food (MAGA) Ministry of Environment and Natural Resources (MARN)
Panama	Gender Equality and Equity Strategy, National Gender Policy 2017-2022	Panama's gender policy focuses on achieving gender parity in education, health, and the workplace, with a focus on marginalized groups.	Ministry of Social Development
Peru	National Gender Equality Policy, Law for Equal Opportunities for Women	Peru's policy focuses on eliminating gender-based violence and promoting women's rights, especially in rural and indigenous communities.	Ministry of Women and Vulnerable Populations

On the other hand, the eight countries analyzed show both progress and challenges in meeting Sustainable Development Goal (SDG) 5, which aims to achieve gender equality and empower all women and girls. In general, Costa Rica, Panama, and the Dominican Republic have made considerable progress in areas such as women's political participation, access to education and healthcare, and legislation against gender-based violence. These countries have implemented national policies that promote gender equality and have made significant strides in increasing female representation in political and economic spheres. However, important challenges remain, especially in rural areas, where women face greater barriers due to a lack of access to resources, employment opportunities, and basic services (PNUD, 2020; Global Gender Gap Report, 2023).

On the other hand, Guatemala, El Salvador, and Peru face more pronounced challenges in meeting SDG 5. In these countries, gender gaps are wider, particularly in terms of women's political participation and gender-based violence. While they have adopted policies to improve gender equality, the effective implementation of these policies remains a challenge, especially in rural areas and indigenous communities. Despite these obstacles, the adoption of laws such as equal opportunities in El Salvador and the promotion of women's empowerment policies in Guatemala and Peru show a commitment to improving the situation of women, although progress remains uneven (PNUD, 2020; World Bank, 2022; CIDH, 2022).

Table 35. Progress in achieving SDG 5⁶

Country	Overall SDG Progress (SDG Index 2023, %)	SDG 5 Progress (Gender Equality, %)
Belize	65%	50%
Costa Rica	75%	70%
Dominican Republic	68%	45%
Ecuador	70%	40%
El Salvador	66%	35%
Guatemala	62%	30%
Panama	69%	55%
Peru	71%	45%

Source: Sachs, J.D., Lafortune, G., Fuller, G. (2024)

The percentage of progress on SDG 5 (Gender Equality) for each country was calculated by averaging three key gender equality indicators: women's participation in MSME ownership, female leadership in climate adaptation initiatives, and the Gender Inequality Index (GII), where a lower GII translated to a higher progress percentage.

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1.6 Gender barriers overview

In addition to the previous analysis and the country-level analysis, EcoEnterprises Fund reviewed documents on gender equality in the region, such as the **Regional Gender Equality Profile for Latin America and the Caribbean** by UN Women (2024), the **SIGI 2020 Report for Latin America and the Caribbean** by the OECD, and the report **Women, Business and the Law**. Based on this review, the six most significant barriers affecting women in the selected countries were identified. These barriers, which are more intense in rural areas, are particularly relevant in the regions where EcoEnterprises Fund IV, LP interventions, are expected to have the greatest impact:

Barrier 1 – Economic and labor inequalities: Women face wage gaps, limited access to formal jobs, and underrepresentation in leadership roles and high-paying sectors. These barriers are particularly evident in rural areas, where women are overrepresented in informal sectors, low-productivity work, and unpaid activities related to labor responsibilities in rural households and caregiving.

Barrier 2 – Financial exclusion: Women's access to formal financial services, including credit, savings accounts, and insurance is restricted by cultural, legal, and economic norms, particularly in rural areas. The lack of property rights and legal guarantees over land exacerbates these challenges, limiting women's ability to access financing and expand businesses, especially in agriculture and other rural sectors like ecotourism.

Barrier 3 – Climate vulnerability: Gender inequalities are exacerbated by the effects of climate change, as women in rural and indigenous communities have limited access to adaptation resources and technologies. Their heightened climate vulnerability is linked to poverty, child marriage, gender-based violence, and their disproportionate role in managing scarce resources like water.

Barrier 5 – Access to education and training: Gaps persist in education and skill development, especially in rural and indigenous areas, limiting women's access to economic, labor, and leadership opportunities.

Barrier 6 – Cultural norms and gender discrimination: Cultural norms and domestic responsibilities restrict women's economic mobility and access to key resources. These socio-cultural barriers hinder their participation in labor markets, financial systems, and decision-making processes. Rural women are often expected to shoulder a disproportionate burden of unpaid labor, both in agricultural work and caregiving within the household.

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2 Gender approach for the Programme and lessons from EcoEnterprises Fund

EcoEnterprises Partners IV, LP, is aligned with GCF's Gender Policy. This section describes EcoEnterprises' approach to its institutional and investment policies related to gender. Institutionally, EcoEnterprises has clearly defined a series of gender principles, which are reflected internally through its gender policies and procedures. Strategically, the Fund has adopted a gender-lens investment approach aimed at generating a positive gender impact. To achieve this, EcoEnterprises has developed internal tools that explicitly incorporate a gender perspective throughout the investment process and the provision of technical assistance. EcoEnterprises' commitment to achieving gender-positive impacts has been recognized, as described later in this section, through global initiatives. Finally, this section includes case studies that highlight EcoEnterprises Fund gender positive impact from portfolio companies.

2.1 EcoEnterprises Fund's gender guiding principles

EcoEnterprises Fund has been a leader not only in gender-smart investing, but also in gender-lens investing. Gender-smart investing is the use of capital to simultaneously

generate financial returns and advance gender equality. Applying a “gender lens” is about integrating gender analysis into financial analysis to identify considerations usually missed.

Since 1998 when first fund was launched as a pioneering women-led impact investment firm in Latin America, EcoEnterprises Fund pioneered gender-smart investing. With women ownership, 88% of the team being women, a governance structure with women on executive committees, and the Impact Committee, EcoEnterprises Fund has been uniquely positioned to identify and invest in companies that are led by and/or benefit women in the local communities they serve. The deep network in the region along with the close engagement with partners enables identification of innovative women-led business models and promote women’s involvement at the forefront of the movement to tackle climate change, biodiversity loss, and poverty. For this reason, EcoEnterprises Fund elevates the UN Sustainable Development Goals SDG 5 (Gender Equality) as part of a commitment to achieving impact goals.

To ensure EcoEnterprises Fund embodies these values across operations, the investment process, and the portfolio companies, there is alignment with industry standards, with a specific focus on gender-smart investing in [Women’s Empowerment Principles](#), which offer a framework on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. This is a part of EcoEnterprises Fund’s gender toolbox.

EcoEnterprises Fund alignment with Women’s Empowerment Principles		
	Leadership Promotes Gender Equality	EcoEnterprises Fund is unique women-led fund; committed to supporting and promoting women in leadership roles in internal operations and in the investment portfolio.
	Equal Opportunity, Inclusion & Nondiscrimination	Equal opportunity, inclusion and nondiscrimination are integral part of EcoEnterprises Fund policies and an essential requirement for the investment portfolio.
	Health, Safety & Freedom from Violence	All investment portfolio companies count with health and safety systems and are free from violence. Appropriate grievance mechanisms (general and gender-sensitive) are in place to detect any form of abuse and take necessary corrective actions.
	Education & Training	Portfolio companies implement programs providing social services to women and children in the surrounding communities, supporting schools, medical care, improved nutrition, and financial literacy. Companies and EcoEnterprises Fund team members participate in gender-smart training.
	Enterprise Development, Supply Chain & Marketing	For 25 years through three portfolios to date, EcoEnterprises Fund targets companies that provide employment opportunities and supply chain training to women. Through Empowering Women programs, supported by technical assistance funds, complimentary courses in areas such as business and financial management, agricultural best practices, and other skills provide a strong base for women’s professional advancement.
	Community Leadership & Engagement	EcoEnterprises Fund supports leadership women roles at all levels. Participation in industry events and initiatives helps to raise awareness, build the ecosystem of women entrepreneurship, and serve as mentors and role models of female leadership in the region.
	Transparency, Measuring & Reporting	EcoEnterprises Fund’s Environmental & Social Management System reflects gender lens criteria across the investment process and ensures appropriate measurement and transparency.

2.2 EcoEnterprises Fund's internal policies and procedures related to gender

As part of its extensive operating policies and Environmental and Social Management Systems, EcoEnterprises Fund commits to providing an inclusive and nondiscriminatory working environment in which all team members are valued and empowered to succeed. Equal opportunities are available to all people, with personnel policies and practices designed in accordance with inclusive best practices. EcoEnterprises Fund does not discriminate against qualified team members, applicants, or other individuals on the basis of race, ancestry, creed, religion, color, personal appearance, national origin, citizenship, age, sex, sexual orientation, gender identity, marital status, parental status, political affiliation, family responsibilities, disability, veteran status, and any other status protected under any applicable law. Maintenance of a professional business environment free of harassment, degradation, and intimidation is an underlying principle, with a commitment to providing a professional work environment. EcoEnterprises Fund seeks to invest in companies that are aligned with these values.

2.3 Gender-lens investment strategy

EcoEnterprises Fund takes a long-term approach, patiently and progressively assisting companies to develop internal impact capacity and practices that become central to their brands. The key to motivating companies in this regard is making sure that activities are not just another task but demonstrably add value and are in sync with business needs. Identifying specific gaps and initiatives is a straightforward first step that every company can make. This is the case in point regarding EcoEnterprises Fund's investment and value-creation engagement to not only better serve women-led businesses but also boost outcomes for the women stakeholders in all portfolio companies through deepening programs to enhance diversity, equity, and inclusion practices, including portfolio company community partnerships and collaboration with local Indigenous peoples.

EcoEnterprises Fund meets portfolio companies where they are and builds from there. While portfolio companies must pass a threshold of gender practices, it is important to facilitate additional measurable actions post-investment. Communicating and planning a strategy together with a company to devise concrete steps to make progress in gender-smart policies is essential. EcoEnterprises Fund works to increase women ownership, encouraging C-suite or women-executive management to option a stake in their companies. EcoEnterprises Fund's involvement with companies has led to closer inspection of gender practices, institutionalized gender-smart policies and more women hires in leadership positions; this was only possible given the high-touch engagements through the provision of investment and technical assistances monies and formation of deep working relationships with the portfolio.

2.4 Gender investment approach

EcoEnterprises Fund has learned the significance of "signaling" during the data compilation process. Beyond tracking gender lens data to quantify impact, it is essential to proactively express interest and commitment to gender equity early on in the investment process. By raising questions and highlighting the focus on gender equity during initial conversations with prospective portfolio companies, EcoEnterprises Fund effectively signals the dedication to gender. This early engagement prompts companies to consider gender equity even before the investment, encouraging them to reflect on their practices and policies. It sets the stage for constructive discussions on how to improve gender equity within the company if it proceeds with the investment, leading to positive outcomes for women. Meaningful impact

can be achieved by supporting companies that may not initially demonstrate high impact on women through their metrics but still have women employees, suppliers, or other stakeholders within their ecosystem. By working with such companies, EcoEnterprises Fund can actively collaborate to enhance the working and living conditions of women within their sphere of influence.

Over the years, EcoEnterprises Fund has enhanced the Fund's investment processes as well as its Environmental & Social evaluation and monitoring to ensure insightful gender data is captured starting during due diligence and throughout the investment process. Based on that data, the Fund can better guide and support existing and future portfolio companies in developing and implementing tailored initiatives and optimize gender results across their operations.

As a result, EcoEnterprises Fund developed a proprietary gender toolbox that includes 32 tools that provide subject matter expertise and specialized tools tailored to SME realities to enhance the gender inclusive metric collection and due diligence process and to support gender lens projects at the portfolio company level. This resource allows EcoEnterprises Fund to support companies along their journey towards gender equity, equipping the Fund with practical tools to effectively guide companies from analysis to the integration gender considerations into their operations and strategies to the implementation of Gender Action Plans.

Also, EcoEnterprises Fund has formally integrated a gender lens approach into their ESMS and investment guidelines, reflected in the addition of five new gender metrics into their Impact Metrics Tool. This enables EcoEnterprises Fund to assess companies' gender-related performance more comprehensively. By applying a gender lens to all companies in the portfolio, it has ensured a consistent and systematic evaluation process. The availability of tools and resources further enhances the Fund's ability to support companies in implementing gender-responsive practices. This achievement not only benefits the current portfolio but also serves as a solid foundation for EcoEnterprises Fund IV, LP. Finally, EcoEnterprises Fund has provided a gender-lens investing training for its entire team. This strategic approach enables it to subsequently engage with companies from a position of informed expertise, leading to more fruitful conversations and outcomes. EcoEnterprises Fund has not only increased its awareness and understanding of gender lens investing but has also solidified it as a formalized strategy, moving beyond being an inherent inclination the Fund has held since its inception to become an integral part of its investment framework.

By employing these strategies of signaling, engaging with a diverse range of companies, and monitoring gender metrics that derive on gender-support actions at portfolio companies, EcoEnterprises Fund goes beyond tracking data and actively drive positive outcomes for women within our portfolio, effecting meaningful change and fostering gender equity across multiple contexts.

2.5 Commitment to gender positive impact

EcoEnterprises Fund has been at the forefront of initiatives that not only benefit stakeholders but ensure its companies contribute to solutions. In 2019, a Development Finance Institution confirmed that its US\$12.5 million investment in EcoEnterprises Partners III, LP was eligible to be recognized under the **women in senior leadership** (direct criteria for funds) and the **entrepreneurship** or **leadership** criteria (for at least 30% of EcoEnterprises Fund's Fund III portfolio companies) under the [2X Challenge](#) global initiative: a commitment by G7 Development Finance Institutions (DFIs) to mobilize USD \$3 billion by 2020 for investments

advancing women's economic empowerment. EcoEnterprises Fund's achievements in the 2X Challenge are a clear sign of the Fund's efforts and commitment to gender positive impact through its portfolio companies. Halfway through the investment period for EcoEnterprises Partners III, LP, well-surpassed the target set by the Fund's stakeholders, reaching over 90% of capital commitments aligned with the 2X Challenge at the time.

The opportunity to scale women-led businesses in the region is immense. For that reason, EcoEnterprises Fund's participation in industry initiatives like the ANDE Gender Equality Initiative (AGEI) have been essential. The Fund participated in AGEI as a regional specialist, convening throughout 2021 to identify barriers to success, improve existing solutions, and ideate new solutions to gender equality challenges in the business sector. From leading panels on gender-smart investment at conferences like #SheisWe from the European Investment Bank, to participating in accelerators for women entrepreneurs such as [WeXchange](#), EcoEnterprises Fund has been pivotal to accelerating investment in women in the region and creating a growing pipeline of investable opportunities.

In 2022, EcoEnterprises Fund was selected as a recipient of a grant from the Aspen Network of Development Entrepreneurs (ANDE), in collaboration with USAID, for its [Gender Lens Investment Pay for Results Fund](#). The grant was dedicated to further boosting gender performance across the portfolio and enhancing environmental and social evaluation throughout the investment process. As a result, and through EcoEnterprises Fund's advisory work and with capacity building monies, the Fund has supported all its portfolio companies in undertaking gender-smart actions, beginning with an analysis of current policies through the [Women's Empowerment Principles Gender Gap Analysis tool](#). EcoEnterprises Fund used the tool to identify the gender-progressive actions that the portfolio companies were implementing as well as gaps for improvement and then looked for ways that they can build strategies together to strengthen approaches for impact outcomes and financial performance.

EcoEnterprises Fund has documented case studies that highlight gender positive impact from portfolio companies. Some examples include:

- A sustainable lime producer, aims to enhance its inclusion of women in the workforce in a sector traditionally comprised of men. Through a staff survey, the company found women employees wished to boost their professional development through continued education. With EcoEnterprises Fund's technical assistance monies, the Company launched its Empowering Women program, which covered the cost of complementary courses in areas such as business and financial management, agricultural best practices, and soft skills that will provide a strong foundation for women's professional advancement on its team.
- Within its business philosophy of giving value to its people, a company in the Fund III portfolio sought to reduce violence against women and implement gender equity at all levels of the value chain. To create a work environment free of violence, the Company launched the project "Somos Semilla" (We are Seed), which was supported directly with EcoEnterprises Fund's capacity-building funds, to raise awareness among its employees, community, and smallholder farmer suppliers about the problem of violence against women. Through this work, the company obtained the Safe Workplace Certification, the highest distinction given to Ecuadorian companies that promote non-violence against women and equal opportunities between women and men. To implement such an initiative took nearly a year, beginning with baseline surveys and ultimately reaching several small producer organizations in the Amazonian and coastal communities through awareness campaigns, training, formation committees, and workshops.

- A pioneer in Brazil's carbon-neutral food movement with quality frozen and gluten-free offering with an all-female executive leadership team, a company from the Fund III portfolio is at the forefront of women empowerment and gender equity in regenerative food, with a female founder, 54% women ownership, an all-female C-Suite, 60% women on the board of directors, and 70% female employees. The Company's commitment to advancing gender equity extends from publicly emphasizing its women-ownership and commitment to an equitable workplace, to leading by example to improve conditions for working moms and hone its female managers' leadership skills. Supported by EcoEnterprises Fund's technical assistance funds, the Company provided capacity building opportunities with an external expert and a leadership coach to further professional development.

New companies that stand out for their gender commitment are being analyzed as potential investments for EcoEnterprises Partners IV, LP. One of them is a company based in Central America that produces 100% natural ingredients such as Essential Oils, Concretes, Absolutes, Extracts and Spices. These ingredients are used in the perfumery, flavors, aromatherapy, teas & spices industries, among others. Co-founded and led by a woman, this company is an extraordinary example of fast scaling, profitable impact business, that not only counts with strong female leadership but also works closely with its smallholder supplier network to eradicate poverty and create palpable benefits for women through its sourcing practices.

2.6 Investment process gender approach

EcoEnterprises Fund integrates a gender lens across the entire investment process, ensuring that gender equity considerations are embedded from pipeline building to post-investment monitoring. This approach is central to the Fund's impact strategy under Fund IV, reinforcing its long-standing commitment to gender equity and inclusive development. At each stage of the investment cycle, specific gender-related assessments and actions are undertaken:

- **Pre-screening and pipeline development:** The Fund signals its gender commitment early by incorporating gender-lens considerations during initial conversations with prospective companies. This signaling process encourages potential investees to reflect on gender practices and sets the stage for more intentional gender engagement moving forward. It also positions gender equity as a priority from the outset, laying the groundwork for further analysis and support.
- **Due diligence and in-depth analysis:** Gender assessments are conducted using tools embedded in the Fund's Environmental and Social Management System (ESMS), including a dedicated "Commitment to Diversity, Equity, and Inclusion" section in the Environmental and Social Guidelines for Investment and points on gender diversity at the Board of Directors or Non-discrimination and equal opportunity policies in the ESG Risk Rating system. Evaluations cover sex-disaggregated data on ownership, leadership, workforce, and suppliers, and assess the presence of non-discrimination and equal opportunity policies.
- **Negotiation and documentation stage:** Gender-related actions are formalized through the negotiation of **Environmental and Social Action Plans (ESAPs)**, which are incorporated into the legal documentation. These plans outline company-specific environmental and social commitments, including gender-related actions, and define key responsibilities, timelines, and accountability structures. The inclusion of gender considerations within the ESAP ensures that equity objectives are clearly defined

and formally integrated into the company's sustainability commitments from the outset.

- **Post-investment and monitoring:** Companies receive continued support to implement gender-smart initiatives, many of which are co-developed through the Fund's technical assistance offering. At this stage, the Fund may also apply its SME-oriented **Gender Lens Diagnostic Tool**, which is specifically adapted to the realities of rural and regional SMEs. This tool helps identify practical areas for improvement and informs the co-design of tailored interventions. This tool helps identify practical areas for improvement and serves as the foundation for the incorporation of tailored Gender Action Plans (GAPs). These GAPs are developed using the Fund's standardized **Gender Action Plan template**, which serves as the basis for the development and implementation of company-specific gender action plans.

Another central resource in this phase is the **People Practices Handbook**, developed with Sagana, which serves as a practical guide to strengthen HR systems through a gender lens. To support the effective roll-out of the Handbook's recommendations and ensure alignment with best practices, the Fund can also provide dedicated training workshops. These sessions are specifically designed to introduce the content of the Handbook and accompany companies as they adopt new gender-inclusive processes. Progress is monitored through the Fund's Impact Metrics Tool, which includes gender-disaggregated indicators such as the percentage of women owners, workers, suppliers, and corresponding payment data. This data is reviewed annually and used to guide continued engagement and technical assistance. Where needed, additional diagnostics or updates to the Gender Action Plan are conducted to refine and deepen gender results.

As part of its broader commitment to gender equity, Fund IV aims to maintain full alignment with the 2X Challenge. The Fund seeks to invest in companies that already meet one or more of the 2X Criteria—such as women's representation in ownership, leadership, employment, or the value chain—or to support companies in achieving these benchmarks through capacity-building efforts and technical assistance. This alignment not only reinforces the Fund's gender strategy but also strengthens its ability to catalyze inclusive growth across the region.

Gender technical assistance (TA)

The gender TA component under Fund IV prioritizes the empowerment of women across the value chain, with a focus on fostering nature-positive and inclusive business models. The Fund's close engagement with portfolio companies and deep regional network allow it to identify and invest in businesses that are led by and/or benefit women in the local communities they serve—especially those working to address biodiversity loss, climate change, and sustainable development.

Activities eligible for gender TA support under Fund IV include:

- Gender assessments
- Development and implementation of Gender Action Plans (GAPs)
- Targeted, tailored interventions addressing gaps identified in the diagnostic
- Leadership, financial literacy, and other professional development trainings for women employees and managers
- Gender pay gap analyses

- Support for women in the supply chain
- Gender violence prevention measures and trainings
- Development of gender-inclusive and non-discriminatory HR policies and SEAH policies
- Design and implementation of gender-sensitive grievance mechanisms that include specific protocols to ensure confidentiality, safe access for women in vulnerable or conservative contexts, and the use of culturally appropriate communication channels.

This structured TA approach ensures that gender-smart actions are not only promoted but effectively implemented across portfolio companies, reinforcing the Fund's long-standing role as a catalyst for gender equity and inclusive impact in the region.

2.7 Gender takeaways from EcoEnterprises Fund's experience

Gender has been a bedrock for environmental and social sustainability in EcoEnterprises Fund's investment portfolio. Over the years, EcoEnterprises Fund has learned that to effectively stimulate gender action in SMEs, easy-to-use tools specifically designed for portfolio companies must be provided. These tools should offer practical guidance and actionable steps for implementing gender-responsive practices. This is part of the gender-lens strategy. One such tool found particularly effective was a comprehensive company-wide assessment, tailored to the realities of the companies which enable companies to identify areas for improvement, prioritize resources, and develop targeted initiatives that address the unique circumstances of their workforce, fostering a more inclusive and equitable environment. An example identified was that providing portable bathrooms to field employees immediately improves the life of their female workers. For EcoEnterprises Partners IV, LP, the establishment of baselines immediately following investment using a gender-smart approach, and monitor improvement is achieves gender-positive outcomes.

Women have a pivotal role in implementation and deliver stronger environmental and business outcomes:

- **Women are at the core of climate action.** They are important participants in sectors that are critical to transitioning to a net-zero economy including agriculture and forestry; over the decades of working in rural communities in Latin America, it is primarily women who are involved in the sustainable management of natural resources, such as drinking water, land utilization, fuelwood or agroforestry, and women are the primary holders of community knowledge. For this reason, strengthening their leadership in these sectors not only advances social outcomes for women and their families, but it is a necessary part of creating rapid and effective climate action. Promoting women to positions of leadership and at the Board level leads to better outcomes for local communities and the environment. Moreover, over 20 years, EcoEnterprises Fund has witnessed the upswing in women-led businesses in the region, key to a transformative push for change, encouraging more women hires for executive and leadership functions. These groundbreaking women have stood as exemplary models to mentor next-generation women-led businesses and pave the way for other women leaders.
- Over the years, at EcoEnterprises Fund's portfolio companies we have seen an increasing number of women represented as founders or owners, in the governance structure, senior management, and the workforce. Moreover, women have been gaining leadership as independently managing their families' farms and assuming authority in

the decision-making process of community arrangements. Within portfolio companies, women access greater executive and managerial functions and serve on board of directors. Sustainable business models hold resonance for women to achieve socioeconomic gains and reduce inequities. EcoEnterprises Fund has found that promoting gender equity across the supply chain is crucial; when women are supported in the value chain, stronger and larger supplier networks are created that can increase input quality and more competitive prices over time. With additional pressures on supply chains complicating access to staple food products, regenerating landscapes and encouraging alternative production practices is a key component to achieving the objectives laid out in UN SDG 2 (Zero Hunger).

- Women constitute just over half the world's population, but are responsible for feeding much of it, producing between 60% and 80% of food in developing countries. EcoEnterprises Fund invests in community-based models in regenerative agriculture, agroforestry, and aquaculture that aim to strengthen local food systems and increase incomes of farmers, contributing to food security for all.

Solutions must be multi-faceted:

- Gender inequality is an extremely complex issue, requiring solutions that address various contributing factors. Climate considerations will leave out potential actions that could drive sustainable impact for women. Adopting a gender and climate lens is not always simple, but addressing these challenges together can go a long way toward solving some of the core systemic challenges in global development. We feel the conviction of portfolio companies to drive change in their dedication to female stakeholders and in how companies focus on improvements for women.

Meet companies where they are and build from there:

- While portfolio companies must pass a threshold of gender practices, it is important for us to encourage further measurable actions post-investment. Communicating and planning a strategy together with a company to devise concrete steps to make progress in gender-smart policies is essential. EcoEnterprises Fund's involvement with companies has led to closer inspection of gender practices, institutionalized gender-smart policies and more women hires in leadership positions; this was only possible given our high-touch engagements and formation of deep working relationships with our portfolio. Identifying gaps is a straightforward first step that every company can make.

3 Conclusions

1. Gender inequality not only affects women but also limits societal progress. Gaps in access to education, health, and employment perpetuate cycles of poverty and reduce human development capacity. Therefore, gender equity is a crucial factor for balanced and inclusive human development, especially in rural areas where EcoEnterprises Fund's IV interventions are expected to take place.
2. Women experience climate change very differently than men due to the intersections between gender, power dynamics, socio-economic structures, and societal expectations.⁷ However, women are also essential players in climate action; despite

⁷ Andrijevic, M., Crespo Cuaresma, J., Lissner, T. et al. (2020) 'Overcoming gender inequality for climate resilient development'. Nature Communications 11, 6261 <https://www.nature.com/articles/s41467-020-19856-w>

being vastly under-represented in climate financing processes, women's leadership increases the effectiveness of climate funding, strengthens climate innovation and delivers stronger climate, environmental and business outcomes.⁸ There has been notable growth in research on women as change agents. Compilations such as the [2X Collaborative](#) gender-smart climate finance toolkit includes significant research on the impact of climate change on women and the importance of their work in climate mitigation, adaptation, conserving biodiversity and food security.

3. Women also are important participants in sectors that are critical to transitioning to a net-zero economy including agriculture and forestry; in many rural communities, it is primarily women who are involved in the sustainable management of natural resources, such as drinking water, land utilization, fuelwood or agroforestry, and women are the primary holders of community knowledge concerning species diversity, usage of indigenous plants, and different uses of such resources.⁹ For this reason, strengthening their leadership in these sectors not only advances social outcomes for women and their families, but it is a necessary part of creating rapid and effective climate action.
 - 3.1. Despite agriculture's importance in national employment—particularly in countries like Guatemala (30%), Peru (27%), Ecuador (26%), and El Salvador (20%)—women's participation in the agricultural workforce remains low, ranging from 18% to 25%. Structural barriers such as limited access to land, credit, technology, and training continue to restrict women's ability to fully engage and benefit from the sector.
 - 3.2. In countries with high rural poverty rates—Guatemala (59%), Belize (41%), Peru (40%), and El Salvador (37%)—rural women face compounded challenges: they work in low-productivity sectors and experience gender-based exclusion from development programs and basic services. This dual vulnerability reinforces poverty cycles and limits women's economic empowerment.
 - 3.3. In countries like Costa Rica and Panama, where agriculture represents a smaller share of employment, women's participation in the sector is also low (18% and 20%). In contrast, in more agriculture-dependent economies like El Salvador and Guatemala, closing the gender gap in rural areas is essential for equitable development and improved resilience.
4. The correlation between the Human Development Index (HDI) and the Gender Inequality Index (GII) in all eight partner countries is illustrated in Figure No. 9 below. This correlation shows that:
 - 4.1. Countries with lower gender inequalities tend to have higher levels of human development. Costa Rica exemplifies how including women in economic, social, and political spheres can enhance overall well-being, highlighting gender equality as both an ethical and strategic imperative for development. Costa Rica stands out among the eight partner countries with low gender inequality and high human development. In contrast, Guatemala, Belize, and El Salvador face significant challenges, where high gender inequality limits opportunities and hinders development. Meanwhile,

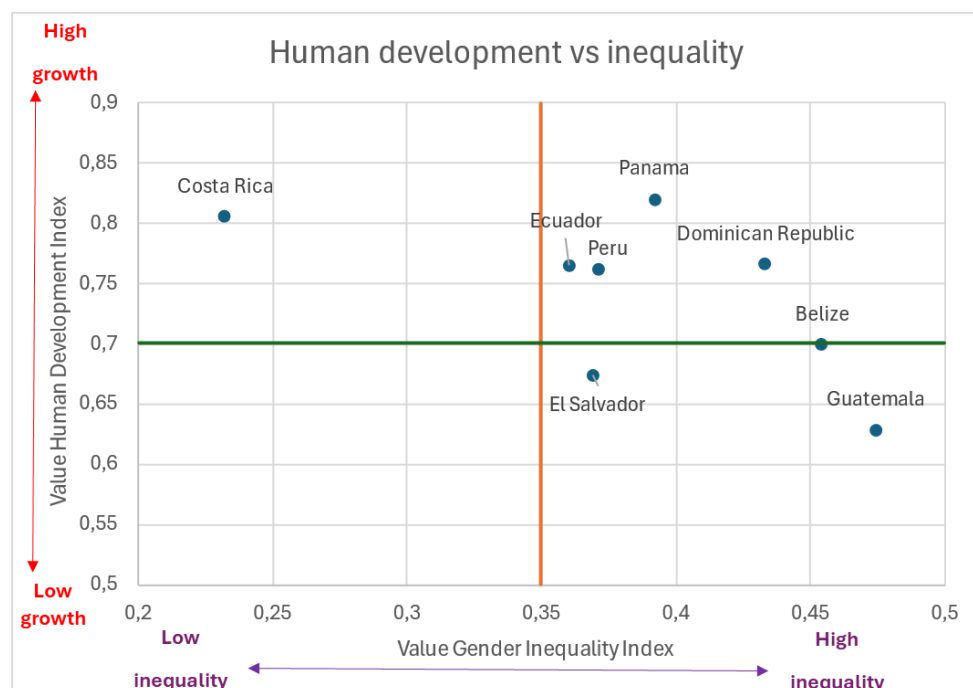
⁸ WOW, Women's Economic Empowerment and Climate Change: A Primer (2021)

⁹ UNESCO, Gender and Local Knowledge (2013)

Panama, the Dominican Republic, Ecuador, and Peru show moderate to high human development but still grapple with gender inequality, underscoring the need for policies to improve women's access to education, employment, and healthcare for more inclusive and sustainable progress.

- 4.2. Costa Rica is in the (upper left quadrant), standing out as the country with one of the highest human developments and the lowest gender inequality in the region. This performance suggests effective policies of inclusion and equitable access to resources that have improved both overall well-being and gender equity.
- 4.3. Panama, the Dominican Republic, Ecuador, and Peru are in the upper left quadrant, indicating high levels of human development but moderate gender inequality. Despite their progress, these countries exhibit persistent gender gaps, particularly in areas such as access to financial resources, participation in climate initiatives, and representation in decision-making. This highlights the need for targeted policies to reduce gender disparities and achieve more comprehensive equality across the region.
- 4.4. Guatemala, Belize, and El Salvador are in the lower right quadrant, which indicates that they face both low levels of human development and high levels of gender inequality. These countries require deeper interventions to improve both equitable access to opportunities and overall development, especially in terms of education, health, and economic participation for women.
- 4.5. None of the partner countries is in the lower left quadrant, reflecting that a low level of gender inequality is not, in these cases, associated with lower human development factors.

Figure 9. HDI and GII correlation in partner countries



Source: EcoEnterprises Fund IV, LP



Annex 8b:
Gender Action Plan
EcoEnterprises Partners IV

Gender Action Plan

The insights into the situation of women in each targeted country derived from the gender assessment, together with the extensive experience of EcoEnterprises Fund and the lessons learned over its 25 years of addressing gender issues, are the foundation for proposing a Gender Action Plan. This plan aims to address the gender barriers and challenges prevalent across the region, as well as those specific to the targeted countries

EcoEnterprises Partners IV Gender Action Plan is based on the 2X Criteria through the following:

- A. At portfolio level, it commits to 50% of total portfolio companies meeting the applicable 2X Criteria¹ by the end of the Fund's life; and
- B. At the EcoEnterprises Fund level, it fulfills the 2X Criteria below and commits to maintain performance on these criteria over the life of the investment as per the table below:

Table 1. 2X Criteria

Gender Action Category	Commitment
Entrepreneurship & Ownership - Share of women ownership	Maintain GP ownership by women at 51% or more. Baseline: 100%
Leadership - Share of women in senior management	Maintain women's representation in senior management (i.e., Managing Partners and Partners) at 40% or higher. Baseline: 100% (CEO and COO)
Leadership - Share of women on the Investment Committee	Maintain women's representation in senior management (i.e., Managing Partners and Partners) at 40% or higher. Baseline: 33% (1/3)
Employment - Share of women in the workforce	Maintain women's representation in the team at 45% or higher. Baseline: 88% including senior management (7/8) and 83% excluding senior management (5/6).
Employment - Quality employment indicator beyond compliance	Maintain a quality employment indicator. Baseline: Recruitment: targeted recruitment, especially in traditionally underrepresented roles; ensure gender-balanced interview panels; ensures job descriptions use gender neutral language and images Retention: flexible work arrangements (remote); maternity and paternity leave above ILO convention (14 weeks) Career advancement: mentoring programs for women; development trainings and educational opportunities; access to professional networks (internal and/or external) with specific support for women.
Products & Services	EcoEnterprises Partners IV maintains an intentional gender lens investment thesis by ensuring: 1. Gender is explicitly stated, and front and center in the fund's investment thesis

¹ (i) the Basic ESG Criteria, and ii) one 2X Criterion using the variable thresholds for leadership and employment as applicable.

	2. The fund pursues a gender lens investing strategy and gender is incorporated along the investment cycle.
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EcoEnterprises Fund is committed to driving sustainable, inclusive growth across sectors that are vital for addressing climate change and fostering economic resilience. With a strong focus on biodiversity conservation, sustainable agriculture, and eco-businesses, the Fund seeks to promote innovative solutions that contribute to environmental sustainability while also prioritizing gender equity and empowerment. In alignment with the 2X criteria, the EcoEnterprises Fund's Gender Action Plan (GAP) aims to integrate gender-lens investing practices throughout the investment cycle. This approach recognizes the significant role that women play in building resilient and sustainable economies, particularly in sectors such as agriculture, eco-businesses, and natural climate solutions. The Fund's strategic commitment to gender equality is embedded in its operations, from portfolio company selection to leadership roles, workforce participation, and access to finance for female-led enterprises.

The Gender Action Plan sets clear targets and measurable outcomes that reflect the Fund's dedication to improving gender equity within its portfolio. These include increasing female representation in leadership, ensuring women's access to employment and training opportunities, and fostering an environment where women can thrive as entrepreneurs and leaders in sustainable sectors. By working with portfolio companies, local organizations, and partners, the EcoEnterprises Fund is committed to ensuring that women are not only beneficiaries but also active contributors to the transition towards a more sustainable, climate-resilient future.

Table 2. EcoEnterprises Fund's Gender Action Plan

EcoEnterprises Fund's Gender Action Plan	
Impact statement	To enhance women's integration, responsiveness, and participation in the sustainable business ecosystem in target countries by supporting female-led iSMEs focused on natural climate solutions; increasing women's representation in employment at the Fund's and portfolio companies; promoting senior female leadership in climate-resilient businesses; and improving women's access and involvement in biodiversity conservation, sustainable agriculture, and eco-business value chains.
Outcome Statements	1. Enhance the economic empowerment and livelihoods of women by fostering the development of sustainable and climate-resilient iSMEs focused on natural solutions in agriculture, forestry, and eco-businesses across the targeted countries. 2. Increase access to venture capital and climate financing for female-led and owned iSMEs, enabling women's entrepreneurship in sectors crucial for climate action, biodiversity conservation, and food security. 3. Promote women's access to low-carbon and climate-smart technologies through gender-responsive product design, distribution channels, and capacity-building in rural and vulnerable communities. 4. Expand women's participation and leadership in climate action initiatives within agriculture, sustainable land management, and ecotourism, sectors critical to achieving a net-zero economy in the region. 5. Reduce the gender gap in skills development and technical training in climate-resilient sectors, including sustainable agriculture, agroforestry, and biodiversity conservation, to empower women and enhance their roles as change agents in climate adaptation and mitigation.
Outputs	
Output 1	Assess gender inclusion in EcoEnterprises Fund's portfolio, focusing on women's leadership and access to climate finance for female-led iSMEs.

Output 2	Promote women's employment and leadership in sustainable businesses by partnering with portfolio companies and local training programs to enhance skills in climate-smart agriculture, forestry, and eco-businesses.			
Output 3	Increase venture capital and climate financing for female-led iSMEs in biodiversity conservation, sustainable agriculture, and natural climate solutions.			
Output 4	Expand women's access to low-carbon and climate-resilient technologies through gender-responsive product design, distribution, and industry collaborations.			
Fund Level Activities (Mgmt. fee funded)	Indicators and Targets	Timeline	Responsibilities	Costs
(1) Promote gender inclusion in the EcoEnterprises Fund's internal structure	(i) Maintain 51% female ownership in the GP of the fund. (ii) Maintain female representation in senior management (Managing Partners and Partners) at 40% or more.	Throughout the Fund's life	EcoEnterprises Fund Management	No cost
(2) Promote women's participation in the Fund's portfolio companies	(i) Ensure that at least 50% of the portfolio companies comply with 2X Criteria at the end of the fund's life (at exit). (ii) Collect sex-disaggregated data from portfolio companies and conduct due diligence on policies and procedures for a safe and equitable workplace.	Throughout the Fund's life	EcoEnterprises Fund Management and Portfolio Companies	(i) No cost (ii) Up to \$6,000 of EcoEnterprises Fund's internal budget
(3) Develop and monitor Gender Action Plans (GAPs) for each portfolio company ²	(i) Develop a Gender Action Plan for each portfolio company, or include gender action points in the general Environmental and Social Action Plan (ESAP). (ii) Monitor the companies' performance on gender inclusion and continuous improvement annually. (iii) Monitor and report on SEAH and GBV mitigation.	GAP or ESAP to be developed within 1 year	EcoEnterprises Fund Management in collaboration with Portfolio Companies	(i) Up to \$150,000 (assuming 10 companies) (ii) Up to \$6,000 of EcoEnterprises Fund's internal monitoring budget (iii) Up to \$6,000 of EcoEnterprises Fund's internal monitoring budget

² GAP format should differentiate among different groups of women.

Portfolio Level Activities ³ (TAF Funded)	Indicators and Targets	Timeline	Responsibilities	Costs
(1) Portfolio gender assessments	(i) 1 Initial portfolio gender assessment report completed; (ii) 1 Follow-up portfolio gender assessment report completed.	By 2028 (3 years after Fund's launch); By 2031 (6 years after Fund's launch).	EcoEnterprises Fund Management as part of monitoring and evaluation activities	Up to \$30,000 from TAF budget, assuming \$15,000 per assessment.
(2) Support increased employment and skill development of women by EcoEnterprises Fund portfolio companies	(iv) At least 3 TA projects in portfolio companies focused on professional development for women, with a particular focus on leadership roles (including senior management and Board of Directors).	By 2035	EcoEnterprises Fund Management and Portfolio Companies	Up to \$45,000 from TAF budget, average of \$15,000 per project.
	(vi) All portfolio companies to develop and implement gender-inclusive policies for recruitment, retention, and the well-being of women in the workplace within one year of investment.	Within one year of investment	EcoEnterprises Fund Management and Portfolio Companies	Up to \$50,000 from TAF budget (assuming 10 companies) average of \$5,000 per project.
	(viii) Ensure all EcoEnterprises Fund portfolio companies are trained on gender-based violence policies, including SEAH (Sexual Exploitation, Abuse, and Harassment), focusing on gender-sensitive, survivor-centered approaches.	Within two years of investment	EcoEnterprises Fund Management Portfolio Companies Third-Party Trainer	Up to \$50,000 from TAF budget (assuming 10 companies) average of \$5,000 per project.
Ecosystem Activities ⁴ (TAF Funded)	Indicators and Targets	Timeline	Responsibilities	Costs
(1) Provide technical training for women in	(i) At least 2 TA projects implemented focused on training	By 2035	EcoEnterprises Fund Management	Up to \$60,000 from TAF budget, average of

³ Differentiated among different groups of women if relevant.

⁴ Differentiated among different groups of women if relevant.

sustainable sectors	women in climate-smart agriculture, biodiversity conservation, and other sustainable eco-businesses across the life of the program. (ii) At least 2 TA project focused on training on gender-based violence policies, including SEAH, with a focus on gender-sensitive and survivor-centered approaches.		Portfolio Companies	\$15,000 per project
(2) Support female participation in eco-entrepreneurship networks and industry associations	(iii) Ensure all women entrepreneurs from portfolio gain access to industry networks, mentorship programs, or associations in the fields of sustainable businesses.	By 2035	EcoEnterprises Fund Management Portfolio Companies	No cost
(3) Promote gender-responsive policies and practices in portfolio companies	(iv) Ensure all portfolio companies develop and implement gender-responsive policies and practices focused on women's recruitment, retention, and advancement in sustainable industries.	Within two years of investment	EcoEnterprises Fund Management Portfolio Companies	Up to \$50,000 from TAF budget (assuming 10 companies), average of \$5,000 per project.