

I OVERVIEW

A. Description

Program name:	IDB-PPP MIF Public-Private Partnership Program		
Countries:	Latin America and Caribbean		
GEF ID:	4959	Implementing Agency:	IADB
Objective:			
Fiscal Year of Reporting:	FY 2025	Program Approval Date:	6/7/2012

II OUTCOME PROGRESS

A. Progress by Component

Progress and achievements by component (outcomes and outputs):

At this point, for Eco Enterprises II is closing and MSEF Fund is under a strategy for paying back investors. There are no additional changes in risk management for these two projects.

HREFF: The Fund is finishing its investment phase and continues to finance projects with leverage potential and innovation across regions with significant underinvestment (e.g. Central America). H-REFF fund has invested in carbon reduction projects that deliver measurable benefits and has enhanced private sector participation in such projects while catalyzing funding. The Fund has 42% of its portfolio in Honduras, 21% in Dominican Republic, 19% in Panama, 11% in Guatemala and 7% in Trinidad & Tobago, with very innovative energy projects for its context and creating a very inclusive portfolio within the region.

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More in detail about Q3, Q4 2024 and Q1, Q2 2025: During Q2-2025, the construction of the 5.3 MWp Chalatenango solar PV project in El Salvador continued advancing with planned completion in August 2025. As mentioned in the previous quarterly report, this is the last project to be built in the Fund's portfolio and with it 310 MWp of new renewable energy capacity are being added in Central America and The Caribbean distributed in 24 clean energy generation plants, combining distributed generation and grid-connected projects.

On the asset management front, the GP has been working on the refinancing of the Panasolar 12 MWp solar plant in Panama, with the intention of refinancing the existing senior debt with Cifi, that has a high interest rate of more than 11% p.a. with a new loan from another commercial bank in Panama. The project has been pitched to 5 commercial banks, and Banco Mercantil has indicated that they could reach a decision by the end of August. The intention is to reduce the cost of financing and extend the repayment term such that net cash flows after debt service could allow dividend distributions to the Fund. With respect to early exits, an initial agreement has been reached with the Fund's minority shareholder in the Soleco Energy distributed generation investment in

Jamaica. An offer has been received which includes an up-front payment for approximately 44% of the invested amount, and the balance over 4 years with 4 annual payments. The UK-based fund Ashmore has signed a binding term sheet with investee company Hybrico for an injection of fresh equity to further support the regional growth of the company, but to also acquire secondaries from existing shareholders as a means of reaching a controlling interest in the company. This is considered an opportunity for an early exit, and it is likely that the Fund would be exiting this investment with a profit, close to 2X, by the end of 2025.

Information about Reflows:

Sub Funds reflows as of June 30, 2025: **[INFORMATION NOT TO BE PUBLICLY DISCLOSED]** *

1. HREEF: The reflows were updated according to the last information of the Fund Manager. It was calculated based on the NPV of the Fund total Assets under management, and the value of the portfolio. This is calculated according to the percentage of ownership of GEF in the Fund. The Fund works in a complex and unstable economic context, and the present situation results in a lower reflow projection. However the Fund is working on a strategy to materialize the divestment phase of the Fund.

2. EcoEnterprises II: The Fund has closed = there is complete certainty about the loss. Interim return and dividends are also final.

3. MSEF: The Fund is developing a strategy to pay back to the investors. Additionally, IDB Lab has been analyzing and exploring secondary sales for this Fund, but without success at this point.

The only change in actual reflows are from the MGM Sustainable Equity Fund (MSEF I) (Subproject 3), building up over the last year reported. At this point is still difficult to estimate the potential total reflows of the remaining two Funds with reflows opportunities.

*Please, refer to 2025 Yearly Report and 2025 NGI Reflow for further information on actual and estimated reflows.

B. Progress on Cross-cutting Priorities

Update on Gender-Responsiveness:

1) MSEF: No further updates since last year's (2024) PFD Yearly Report, as follows:

- At the corporate level, MSEF is committed to building gender awareness within its team and ensuring diversity at all levels, with a significant percentage of team members and directors identifying as women. This internal commitment is reflected in their investment management practices, where they engage with companies that provide essential services to women and girls throughout the region. MSEF's approach to investing in gender equality is multi-faceted, as they incorporate gender considerations and metrics at every step of the investment process to assess, monitor, and advance companies' gender business practices. They believe in the importance of gender equality for achieving a better future for all, including improved quality of life in underserved communities and climate resilience.
- MSEF's investment in gender equality extends beyond internal practices to the projects they finance. In 2022, MSEF developed a capacity-building workshop on the Intersection of Gender and Energy for companies in its investment portfolio. This workshop aimed to encourage companies to report impact

gender-disaggregated data and to recognize how advancing gender equality can improve business performance, reduce risks, and provide economic opportunities in the communities they operate.

- Additionally, MSEF has completed gender engagement projects with portfolio companies, such as Soleco Energy, and plans to initiate projects with other companies to further advance gender equality.
- MSEF's portfolio company Bright, a firm commitment to the United Nations Women Empowerment Principles is evident. Bright has set specific targets for employing women and is receiving a financial incentive for meeting these targets, reflecting a direct translation of gender-focused corporate policies into actionable project-level outcomes. Additionally, Runa LLC showcases gender diversity within its workforce and board composition, indicating the fund's influence in ensuring gender-balanced representation in its investment ventures.

2) Eco Enterprises II: The Fund is closing. No further updates since last year's (2024) PFD Yearly Report, as follows:

- At the corporate level, the fund is pioneering in the sphere of gender-smart investments, particularly noteworthy given its focus on Latin America. It proudly stands as the first women-owned and managed impact fund in the region, showcasing a leadership model that is predominantly female. By aligning with the Women's Empowerment Principles, EcoEnterprises ensures that gender equality is actively promoted within its workplace, marketplace, and community. This approach is reflected in their internal governance structure, where women hold executive committee positions, ensuring that female perspectives are integral to decision-making processes.
- EcoEnterprises Fund has also cemented its dedication to gender inclusivity by exceeding its commitments to international initiatives like the 2X Challenge, which focuses on empowering women. The fund has supported a range of women-led and operated companies, recognizing the crucial role that gender-inclusive financing plays in fostering equitable growth and empowerment.
- In terms of project engagement, EcoEnterprises has actively promoted gender-inclusive companies and has been involved in several gender-focused initiatives. The fund participated in the Gender Smart Investment Summit and contributed to the ANDE initiative to bridge the gender gap in financing for women entrepreneurs in Latin America. Moreover, EcoEnterprises Fund is also recognized in Project Sage 4.0, a publication by the Wharton Social Impact Initiative and Catalyst at Large that assesses gender lens investing. Within its portfolio, EcoEnterprises Fund has supported companies that exemplify its gender focus. For instance, the fund has invested in businesses that are either led by women or directly benefit women in local communities they serve. The commitment to gender equality extends to the projects EcoEnterprises selects and supports, ensuring a strong representation of women suppliers and fostering programs that support the well-being of women and children in these communities.

3) HREFF: The project focuses on gender and aims to build beekeeping capacity for a group of women in the Boyá community, which neighbors the Monte Plata Solar project, one of the projects of the in the Fund's portfolio. The technical assistance consists of a six-month training and advisory period. This will aim to produce value-added products and generate income from selling bee products. As a follow-up to the project, the following activities were carried out during the reporting period 2025:

- Signing of the agreement for the reception of the apiary between Soventix, Innovación Rural, and Cooperativa Boyá.
- Installation of the apiary on the property guarded by Cooperación Boya, Opening of the apiary.
- Theoretical and practical training sessions.

In the last year's (2024) PFD Yearly Report, HREF reported as follows:

- At the corporate level, H-REFF has launched the Ilu Women's Empowerment Fund, which is dedicated to investing in companies that promote gender equality and empower women across the region. They have established gender considerations and metrics as integral parts of their investment process, seeking to assess, monitor, and advance gender business practices of the companies they invest in. This reflects a firm belief that gender equality is essential for a better future, including an improved quality of life in underserved communities and climate resilience.
- Furthermore, H-REFF has strengthened its impact measurement system to include a comprehensive set of gender metrics. They have actively worked with their portfolio companies to improve gender business practices. For example, H-REFF conducted a technical assistance project designed to help a portfolio company in Jamaica achieve gender milestones established by a multilateral bank. These milestones are linked to financial incentives that reduce the cost of capital and include completing the UN WEP Gender Gap Analysis Tool and developing corporate policies that address gender gaps.
- H-REFF also emphasizes capacity-building initiatives. For instance, they held a workshop for its clients to advance gender equity in the energy sector, which covered topics like gender gaps and opportunities, fundamental gender concepts, and how to incorporate a gender perspective in energy projects. Their investment practices are also aligned with the Sustainable Development Goals, which include gender equality as a key objective. Their approach is hands-on and rigorous, incorporating gender considerations at every step of the investment process, including milestones to advance gender business practices over the investment period.
- Moreover, H-REFF's partnership with Pro Mujer reflects their commitment to gender lens investing, focusing on companies committed to advancing gender equality within their operations and communities of influence. They also aim to mobilize private sector investment to support job creation and address root causes driving irregular migration, with a strong focus on supporting gender equity across all business activities.

Update on Stakeholder Engagement: No further updates since last year's (2024) Yearly Report, as follows: MSEF I, HREFF and Eco Enterprises II maintain their responsible and close engagement with their stakeholders. At their maturity phase of all three funds, the main challenge will be to finalize exits generating the higher return on investment to Limited Partners, and best success opportunities for all companies involved.

Update on Knowledge Management: No further updates since last year's (2024) Yearly Report, as follows:

The evaluation of knowledge products across the MIF-IDB PPP Platform reveals that the funds EcoEnterprises, H-REFF, and MSEF have made substantive efforts to integrate sustainability into their investment processes. These funds have concentrated on creating systems and tools to enhance their operational efficiency and impact assessment capabilities. EcoEnterprises has solidified its role in impact investing with a suite of tools for environmental and social monitoring, while H-REFF has leveraged its knowledge management system to stay informed on industry trends and outcomes. MSEF's focus has been on developing practical solutions such as its online monitoring software, which has streamlined the maintenance and management of energy projects.

1) MSEF I: developed a number of Innovative Solutions and Tools that have become critical in the financing and implementation of their portfolio projects:

- Developed a software for online monitoring of project performance, notably in energy efficiency projects. This tool alerts if any equipment, like a boiler, shuts down, ensuring immediate response and maintenance.

- Created a platform for monitoring not only energy consumption but also water use, aiding in overall efficiency improvements.
- Developed and adopted tailored Energy Efficiency Leasing Contracts and Energy Service Contracts that have worked as effective financing models compared to traditional energy savings contracts used in the industry.

2) EcoEnterprises II: The Fund developed a number of solutions and tools that have become critical in the financing and implementation of their portfolio projects:

- **Knowledge Management System:** A Knowledge Management (KM) system encompassing the gathering and systematizing of publications on market information, participation in seminars and conferences, and information collection on financial structures' outcomes.
- **Impact Management Tools and Systems:** EcoEnterprises Fund has developed tools for impact measurement and their Environmental and Social Management Systems (ESMS) have evolved to reflect industry advances. They adhere to the Operating Principles for Impact Management and the Principles for Responsible Investment.
- **Systematization of Knowledge Management:** The systematic coordination of an organization's resources is emphasized to add value through reuse and innovation. This involves creating, sharing, applying knowledge, and integrating lessons learned into corporate memory.
- **Scientific and White Papers on Agroforestry:** A scientific paper and a white paper have been published on agroforestry's role in climate change mitigation and adaptation in Napo, Ecuador. Additionally, a long-term participatory research program in Napo, Ecuador, has been established.
- **Impact Investing for a Sustainable Planet:** A book that guides investors in supporting entrepreneurs to scale business models which maximize positive impact outcomes, including climate- and nature-based solutions. EcoEnterprises Fund is a long-standing leader in the impact investing industry, which helps advance sustainable entrepreneurial ventures and promote environmental stewardship in Latin America.
- **Environmental and Social Assessments and Tools:** EcoEnterprises' Monitoring and Evaluation Tool, based on their Impact Metrics Guidelines, covers various environmental and social areas.
- **Environmental and Social Value-Added Services:** Technical assistance is provided to companies for developing sustainability practices and high-impact projects. This includes conducting biodiversity impact assessments/studies and developing E&S monitoring plans.
- **Environmental Impact Studies and Certification Reports:** Environmental impact studies, certification reports, and other relevant documentation are collected for portfolio companies.
- **GIIRS Evaluations for Portfolio Companies:** GIIRS (Global Impact Investing Rating System) evaluations are incorporated for assessing the social and environmental impact of companies and funds. GIIRS Ratings & Analytics is noted as the largest database for private companies' and impact funds' social and environmental performance data.

3) HREFF:

- **Development of a Comprehensive Knowledge Management System:** H-REFF has implemented a sophisticated Knowledge Management (KM) system. This system is pivotal in organizing and synthesizing a vast array of information, ranging from market research and industry publications to data on financial structures and outcomes. Such a system ensures H-REFF stays at the forefront of industry knowledge and trends.
- **Provision of Specialized Technical Support and Consultancy:** H-REFF has offered critical technical support and consultancy services across various projects. For instance, their involvement in the Betulia

hydro project and the Environmental and Social Management Systems (ESMS) training highlights their commitment to both environmental responsibility and project efficacy.

- **Conducting and Supporting Studies in the Energy Sector:** H-REFF has been instrumental in conducting significant market and environmental studies. These studies, such as the biomass market study and the environmental study for the Panasolar Solar PV project, demonstrate H-REFF's dedication to understanding and mitigating the environmental impacts of energy projects.
- **Organizing and Facilitating Educational Workshops:** H-REFF recognizes the importance of continuous learning and has organized internal training workshops. These workshops are designed to enhance the skills and knowledge of team members, fostering a culture of collaborative problem-solving and continuous improvement.
- **Advancing Gender Equity Through Workshops:** In a notable effort to address gender equity in the energy sector, H-REFF hosted a comprehensive workshop. This workshop tackled various critical aspects, such as identifying gender gaps, understanding unconscious bias, and implementing gender-sensitive business practices. The workshop's content was made accessible to a broader audience by sharing recordings with portfolio companies.
- **Active Participation in Industry Forums and Seminars:** H-REFF has shown a commitment to industry engagement and knowledge exchange by participating in various prestigious forums and seminars. These include events hosted by the World Resource Institute, UEBT Digital Dialogue, and the Latin America Impact Investment Forum, among others. Participation in these events underlines H-REFF's role as a thought leader in the energy sector.
- **Collection and Reporting of Environmental Impact Data:** H-REFF has been meticulous in collecting environmental impact studies and various certifications. This diligent documentation and reporting process, evident in their Annual Environmental and Social Portfolio Reports, underscore their commitment to transparency and accountability in environmental and social governance.

Links to examples of knowledge products and events (2023-2025)

Book	https://www.routledge.com/Impact-Investing-for-a-Sustainable-Planet-Insights-from-EcoEnterprises/Newmark-Pena/p/book/9781032314259
Book	https://www.routledge.com/Portfolio-for-the-Planet-Lessons-from-10-Years-of-Impact-Investing/Newmark-Pena/p/book/9780415696630
Book Global sustainability as a Business Imperative	https://link.springer.com/book/10.1007/978-0-230-11543-9
Launch event Association for emerging Impact Managers	https://www.linkedin.com/posts/activity-7199024210441027588-zXNA?utm_source=share&utm_medium=member_desktop
Event Panel Connections for climate investment: Innovation and sustainability in Colombia	https://www.linkedin.com/posts/duartejonathan_climatefinance-colombia-sustainability-activity-7234202785959849985-1GNA?utm_source=share&utm_medium=member_desktop
Event / climate solutions summit	https://www.linkedin.com/posts/activity-7203372568605511680-1-JI?utm_source=share&utm_medium=member_desktop

Event Panel

Biodiversity Credits - Integrity at the forefront https://www.linkedin.com/posts/activity-7203372568605511680-1-JI?utm_source=share&utm_medium=member_desktop

Event: BID Invest Sustainability Week 2024 https://www.linkedin.com/posts/st%C3%A9phanie-emond-6a84614_idbinvestsustainabilityweek-amazonia-blendedfinance-ugcPost-7207147690936139777-xI5R?utm_source=share&utm_medium=member_desktop

C. Contribution to the Levers for Change

This section is specific to GEF-7 Impact Programs and GEF-8 Integrated Programs.

Not applicable. This is a **GEF-5 Project** with no child projects. Instead, the program was composed by three funds.

D. Partnerships and Trends

This section is specific to GEF-7 Impact Programs and GEF-8 Integrated Programs.

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III IMPLEMENTATION PROGRESS

A. Challenges and Adaptive Management

Challenges during Implementation:

HREEF cleantech companies in Central America and the Caribbean, persistent economic volatility, inflationary pressures, and currency fluctuations create a challenging environment for HREEF. These dynamics raise project risk profiles, extend payback horizons, and can undermine investor confidence making it harder to mobilize the long-term, patient capital required for renewable energy and energy efficiency ventures.

Risks during Implementation:

There have been no changes to the project risks since the Mid-Term Review. The risk rating remains as Modest (M).

B. Proposed Actions

For the corresponding 2025 Fiscal Report, there are no further actions proposed for Eco Enterprises II (as the Fund is closing) and MSEF (under a strategy for paying back investors). In further detail:

- 1) HREFF: This period reflects the divestment period of the Fund. Reflows can take place at any time within this 7-year time window.
- 2) ECOENTERPRISES II: The Fund has closed with no further actions. Interim return and dividends are also final.
- 3) MGM Sustainable Equity Fund (MSEF I): This period reflects the divestment period of the Fund. Reflows can take place at any time within this 5-year time window.

PROGRAM PROGRESS MONITORING REPORT (PPMR)

C. Child Project Implementation Progress

GEF ID - Project Name	Country	Agency	Rating (IP DO)	Financing	Disbursed	CEO Endrst. Date	MTR date	Completion Date	Expected Completion Date	TE Date
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Note: The rating scale for the Implementation Progress (IP) and Development Objective (DO) ratings is: Highly Satisfactory (**HS**), Satisfactory (**S**), Moderately Satisfactory (**MS**), Moderately Unsatisfactory (**MU**), Unsatisfactory (**U**), Highly Unsatisfactory (**HU**) and Not Rated (**NR**).

PROGRAM PROGRESS MONITORING REPORT (PPMR)

D. Program Results

Indicator Name (Unit of measure)	Latest value (Actual)	Closing target (Expected)
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E. Program Co-financing

Co-financing Type	Latest amount disbursed (Actual)	Closing target (Expected)
Total	0.00	0.00

Co-financing Source	Latest amount disbursed (Actual)	Closing target (Expected)
Total	0.00	0.00

ANNEXES

A. Results Framework

GEF indicators to which Program will contribute	Unit of Measure	Target - CEO Endorsement/Approval doc	Actual Results achieved to date (MidTerm 1/29/2024)			Total	Source/ Verification means for Actual Results	Rating
			MGM SEFI	ECO II	HSEFF			
CCM2: Energy Efficiency	#	At least 3 programs registered under UNFCCC and Issuing Certified Emission Reductions.	38 sustainable energy and energy efficiency projects	Some may have obtained carbon certifications / not confirmed at this point	15 sustainable energy and energy efficiency projects	53 sustainable energy efficiency projects	MidTerm Evaluation, and Funds annual and quarterly reports	Satisfactory
	%	A hurdle rate of 6% is achieved for investors.	Gross IRR 4,59%	Gross IRR 4,05%	Gross IRR 3,9%	The total (Program) will be communicated at the closing of the three Funds		Moderate Satisfactory
CCM-3: Renewable Energy	tons CO2	At least 3,500,000 tons CO2-Avoided	315 kt GHG Avoided	SMM Acres Protected Instead of CO2-Avoided	2,192M Tons	From energy:	MidTerm Evaluation, and Funds annual and quarterly reports	Satisfactory
	MW	100 MW of new renewable energy capacity operational	36.6 MW	Focus Biodiversity	153 MW	188.6		Highly Satisfactory
	ons of carbon emissions	At least 150,000 tons of carbon emissions reduced or avoided	315 k Tons	SMM Acres protected 1Acre=0.40 Hectares 0.5 t C/ha/year = 1.0 M T C avoided / year	2,192M Tons	From energy 2,758 Mtons From Protected Land: 12.8 M T C avoided / year		Highly Satisfactory
	#	400 jobs supported	310	4417	2023	2333		Highly Satisfactory
BO-2: Mainstreaming Bio-diversity	USD	USD 50 million to USD70 million of annual revenues generated by portfolio companies	Inferred: LP-IRR 4,59% (AUM USD70MM)	1,400 MM	Inferred: LP-IRR 3,90% (AUM USD33MM)	The total (Program) will be communicated at the closing of the three Funds	MidTerm Evaluation, and Funds annual and quarterly reports	Satisfactory
	USD	USD 40 million to USD 60 million annual revenues generated by portfolio companies	Inferred: LP-IRR 4,59% (AUM USD70MM)	1,400 MM	Inferred: LP-IRR 3,90% (AUM USD33MM)	The total (Program) will be communicated at the closing of the three Funds		Satisfactory
	#	800 – 1,000 jobs created	310	4417	2023	2333	MidTerm Evaluation, and Funds annual and quarterly reports	Highly Satisfactory
	#	9-12 companies formalized	26	18	14	40		Highly Satisfactory
	%	A hurdle rate of 6% per annum is achieved for the investors.	Gross IRR 4,59%	Gross IRR 4,05%	Gross IRR 3,09%	The total (Program) will be communicated at the closing of the three Funds		Satisfactory

B. Uploaded document

Document Title

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