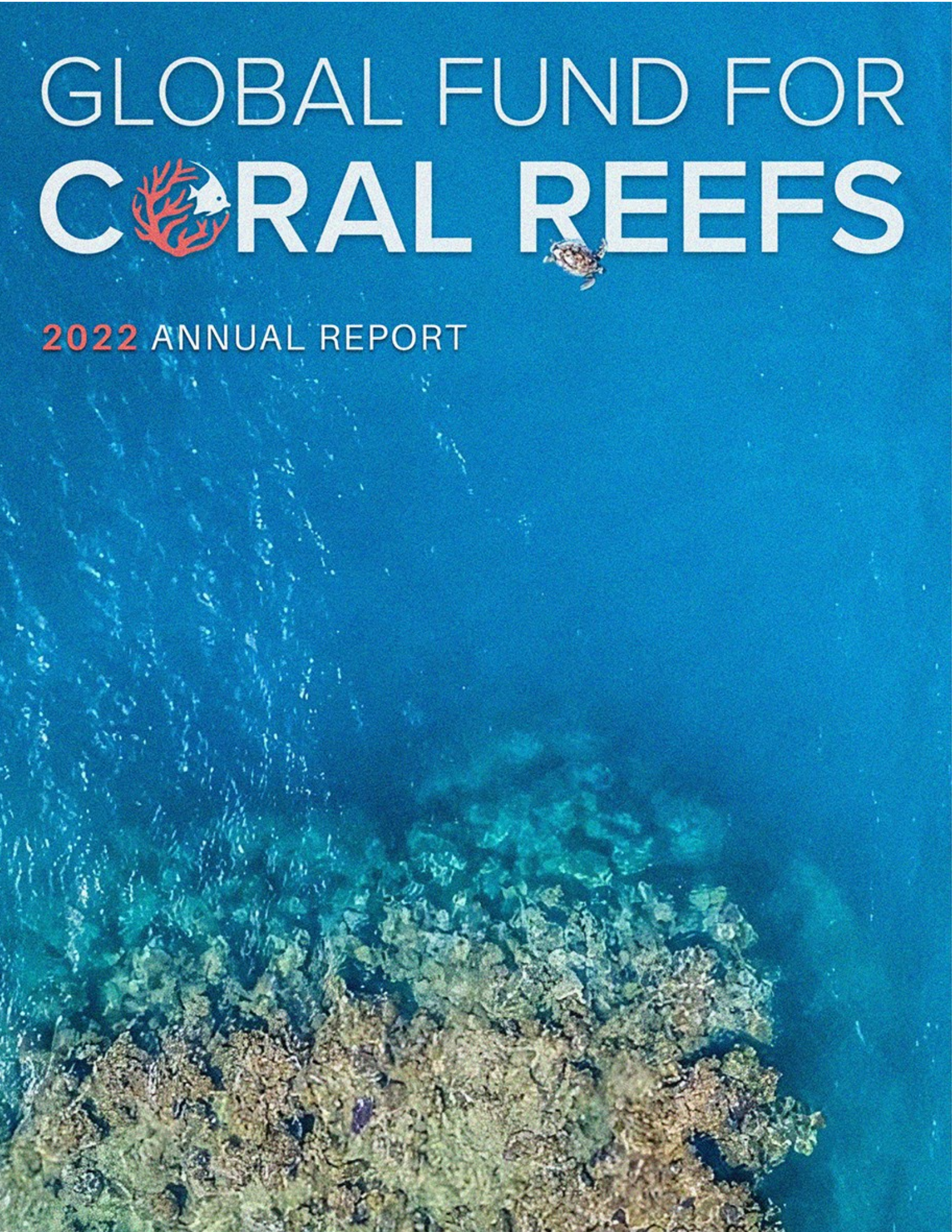


GLOBAL FUND FOR CORAL REEFS

2022 ANNUAL REPORT



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I. Executive Summary

Launched during UNGA75 in September 2020, The Global Fund for Coral Reefs (GFCR) is a unique blended finance coalition dedicated to coral reefs globally. To protect coral reefs from extinction, the GFCR: i) Convenes a global coalition of partners dedicated to bridging the coral reef funding gap; ii) Facilitates an innovative 'Reef-Positive Investment Ecosystem' with a broad set of financial tools designed to incubate, de-risk and unlock public and private market-based investments aligned to coral reef climate refugia conservation; and iii) Offers an implementation tool for national marine biodiversity conservation and blue economic transition ambitions. During 2022, GFCR saw a greater emphasis on activities implementation, while also aiming at the continued growth of its reef positive solutions portfolio.

Executive Summary sections below provide a condensed version of the main accomplishment in 2022.

A Growing Coalition

Over the course of 2022, the GFCR public-private coalition grew to include nearly 50 partners, including states, philanthropies, impact investors, UN agencies, NGOs and alliances. New coalition members include Builders Vision, Bloomberg Philanthropies, Coral Research & Development Accelerator Platform (CORDAP), UN Decade of Ocean Science, Race to Resilience led by the High-Level Climate Champions, the United States Government through a commitment from the United States Agency for International Development (USAID), Blue Nature Alliance (BNA), United Nations Educational, Scientific and Cultural Organization (UNESCO), as well implementing partners, including Fondo Acción, MAR Fund, Konservasi Indonesia, and coral nations including Indonesia, Mexico, Belize, Honduras, and Guatemala. This growth reflects the progress made by the GFCR coalition during the year and the demand for a coalition like this one to continue to grow and strengthen.

Building a Reef Positive Investment Ecosystem

Through an innovative and science-based approach, the GFCR deploys two main instruments – a Grant Fund and an Investment Fund- to catalyse private sector investments to sustainably reduce local drivers of degradation affecting coral reef ecosystems that are resilience to climate change. The Grant Fund focuses on building an enabling environment for market-based investment in businesses and financial mechanisms aligned to the GFCR's conservation aims, while the Investment Fund builds upon the enabling environment by investing in large impactful deals that can leverage significant capital for reef-positive businesses. Through partnerships at the global and local level, the GFCR intends to demonstrate how blended finance can unlock sustainable revenue streams and investment at various scales in priority coral reef countries.

Lessons learned from 2022, informed the activities of the GFCR coalition and shed light on the challenges that need to be addressed in building reef positive business solutions. Key lessons include:

1. **Programmes Complexity** - A pattern identified was the complexity of developing Grant Fund programmes that aim to achieve impact across environmental, social and financial objectives. In terms of environmental baselines, the state of coral reef conservation is such that baseline information is often out of date, collected in small/localised areas, and/or fragmented in terms

of the biological indicators being assessed. There is also lack of harmonisation across initiatives that hinders that ability to compare sites and data.

2. **Local Communities Engagement** - Engagement with local communities can be a complex process with significant efforts and time required to socialize the concepts of blended finance and linking this to the benefits of sustainable marine resource management. Thus, the blended finance concept and approach continues to be a relatively new concept that requires permanent engagement with local actors. Moving ahead GFCR will place a greater emphasis on consultations and engagement of local communities at all stages of activities development and implementation
3. **Government Engagement** – While Grant Fund country/regional programmes and Investment Fund approach have been socialized with relevant government agencies, it has been identified that government engagement efforts need to increase to ensure success. This is related to ensuring support for building the enabling condition for reef-positive businesses and financial mechanisms. In addition, having a closer relationship with governments is also important to ensure GFCR’s success in having an impact at the global policy level and international fora. Ensuring governments’ collaboration with the GFCR coalition at the global level in turn will further support GFCR activities implementation as government partners can understand more clearly how GFCR advances national priorities and their compliance with international commitments. As a result, GFCR will increase its capacity in government and global policy engagement to fill this gap.
4. **ODA Countries Risk Profile** - While there is significant interest in impact investing, the risk profile of ODA countries is still a barrier to overcome even when projects and businesses are supported by grants and concessional finance instruments. Additionally, while there are opportunities in the blue economy sector, there are still limited scalable opportunities with a direct positive impact on coral reefs. This significantly limits the pipeline of viable businesses that are identified during scoping conducted at the proposal development stage.
5. **Early Stage of Pipeline** – A 2020 analysis by Credit Suisse found that while investors are interested in the blue economy, there is a lack of investment-grade projects. This is reflected by the pipeline being identified by the GFCR country and regional Grant Fund programmes. Although reef-positive businesses are identified, navigating areas like the regulatory environment and high borrowing costs are significant challenges to overcome. While the GFCR and its implementing partners are well equipped to overcome these barriers, it takes time before these opportunities are investor ready. There is a need for tailored and flexible technical assistance that can support reef-positive businesses throughout the portfolio.
6. **Investment Size** - Investments required in the country/regional Grant Fund programmes are typically smaller than large institutional investors’ minimum investment size, yet having difficulties accessing impact accelerators. To address this, local financial institutions may be the best audience for some reef-positive business. The GFCR will provide more guidance to support country/regional Grant Fund programmes to develop an investment strategy, as was done in Fiji,

to map out the type of businesses to support and the target investors to approach.

7. **Investment Fund** - There is a clear need for flexible technical assistance for the GFCR Investment Fund (IF). The IF identifies time-sensitive business opportunities that have sector-specific needs to become reef-positive. Such needs are pre- and post- investments costs that impact investors need to see accounted for prior to contributing to the GFCR Investment Fund. Deal-specific technical assistance capacity may fall outside the activities of the Grant Fund country/regional programmes. Through flexible technical assistance, Grant Fund programme implementers can adapt to the impact needs of the GFCR Investment Fund, or source additional expertise when it is missing. In addition, also allowing the IF access to deal-specific and impact drive technical assistance will serve to provide investors with confidence that their investment is de-risked and will attain its impact objectives.
8. **Impact Monitoring** – There is a need to harmonise the presentation of data and results across the portfolio. Measuring and reporting on environmental, social and financial indicators is a multi-faceted challenge that needs to be standardised across the GFCR portfolio to communicate achievements. This includes project-specific indicators to assess impact, when the longer-term impacts on indicators such as coral cover and reef fish biomass will take years to be observed. Through the strengthened support of UNEP via a dedicated M&E global service to the GFCR, the aim is to work with implementing partners to build their capacity in this regard.
9. **Delays in Implementation** – Grant Fund programmes are taking time to begin implementation as they need to establish their teams and onboard additional experts. It is not uncommon for the programmes to begin implementation six months after the programme is approved by the GFCR Executive Board. While the Secretariat now requires a terms of reference for the programme management unit at proposal submission, the start-up phase still takes time. However, once the team is onboard, the GFCR does observe considerable acceleration in implementation and pipeline incubation. This is evidence by the pilot programme in Fiji which has been able to identify and incubate more than seven reef-positive businesses.

Grant Fund Portfolio

The GFCR Secretariat led the expansion and progress of GFCR's Grant Fund (GF) programme portfolio. As of December 31st, 2022, the portfolio is composed of 18 country and regional programmes, covering 23 countries, of which eight have been approved by the GFCR Executive Board and ten are in the proposal development stage (see Section III for details). In addition, the portfolio includes 3 Global Programmes on: 1) Monitoring and Evaluation (led by UNEP), 2) the GFCR Grant Fund Blue Bridge (led by UNCDF), and 3) Partnerships and Knowledge Facility (led by UNDP). The portfolio is divided into four regions: Africa, Americas, Oceania, Asia, with the regional composition of the portfolio reflecting a well-balanced global portfolio.

The GFCR Secretariat maintained the approach of the Convening Agent portfolio composition being diverse and balanced, while integrating locally based organisations to build in-country capacity. Within the eight approved GFCR programmes, there are over 23 additional partnerships with co-implementers. These co-implementers are part of the core partnerships of the specific programmes and reflect the multi-disciplinary nature of GFCR Grant Fund programmes.

Resource Mobilization

Over the course of 2022, the GFCR Secretariat and Coalition partners secured pledges of USD 32.5 million for the Grant Fund and its catalytic finance modalities, including concessional loans and recoverable grants. The grant fund donor commitments and pledges included £3 million GBP from the Government of the United Kingdom, USD 8 million from Bloomberg Philanthropies, USD 5 million from Builders Vision, and a pledge of up to USD 5 million from USAID for an Egyptian Red Sea programme currently under development. These new pledges helped increase capitalization of the Grant Fund to USD 47 million by the end of 2022. Further, the GFCR Investment Fund (IF) increased capitalization to USD 130 million, including a USD 5 million investment from Builders Vision following the initial USD 125 million first loss tranche commitment of the Green Climate Fund (GCF).

Partnerships and Communications

GFCR's partnerships continued to advance strongly and were a key part of the coalition's strategic engagement approach. In 2022, key new partners with which formal collaboration was established included Builders Vision, Bloomberg Philanthropies, Coral Research & Development Accelerator Platform (CORDAP), UN Decade of Ocean Science, Race to Resilience led by the High-Level Climate Champions, the United States Government, Blue Nature Alliance (BNA), and the United Nations Educational, Scientific and Cultural Organization (UNESCO). In addition, GFCR continued to strengthen its collaboration with ICRI, ORRAA and IUCN.

The GFCR Coalition also accelerated efforts to raise awareness, encourage support, and promote collaboration among key stakeholders in 2022. Overall, GFCR was recognized through several multi-lateral declarations and statements, featured in over global 25 events and numerous publications, and was widely recognized by renowned institutions, donors, investors and media outlets. Visibility was further increased through GFCR's social media presence where published various public updates and appeals rose the platform's viewership rose to over 500,000 during 2022.

Policy Architecture, Monitoring & Evaluation, and Knowledge Management

During 2022, GFCCR also achieved important milestones related to its policy architecture with the approval of the general investment principles, a risk management system and policies on social and environmental safeguards and gender. In addition, efforts to develop the Monitoring and Evaluation Framework continued to move forward with the development of draft indicators and methodologies for measuring progress, the draft M&E Toolkit, and the establishment of the GFCR's Scientific Technical Advisory Group.

Finally, developed as the bespoke global coral reef knowledge management (KM) system coral reef-positive business solutions, REEF+ was launched during the CBD COP15 in December in Montreal Canada.

II. GFCR's Growing Coalition

Over the course of 2022, the GFCR public-private coalition grew to include nearly 50 partners, including states, philanthropies, impact investors, UN agencies, NGOs and alliances. New coalition members include Builders Vision, Bloomberg Philanthropies, Coral Research & Development Accelerator Platform

(CORDAP), UN Decade of Ocean Science, Race to Resilience led by the High-Level Climate Champions, the United States Government through a commitment from the United States Agency for International Development (USAID), Blue Nature Alliance (BNA), United Nations Educational, Scientific and Cultural Organization (UNESCO), as well as programme implementers, including Fondo Acción, MAR Fund, Konservasi Indonesia, and coral nations including Indonesia, Mexico, Belize, Honduras, and Guatemala.



This growth reflects the progress made by the GFCR coalition during 2022 and the demand for a coalition like this one to continue to grow and strengthen.

III. Building a Reef-Positive Investment Ecosystem

A. Approach Overview

The Global Fund for Coral Reefs (GFCR) is a unique blended finance coalition dedicated to coral reefs globally. Through an innovative and science-based approach to build a ‘Reef-Positive Investment Ecosystem’, the GFCR deploys two main instruments – a Grant Fund and an Investment Fund- to catalyse private sector investments to sustainably reduce local drivers of degradation affecting coral reef ecosystems that are resilience to climate change. Achieving the outcomes of the GFCR requires the identification, development, financing, and successful implementation of a range of business models and finance instruments (or mechanisms) that support coral reef conservation and reduce the drivers of reef degradation.

The Grant Fund focuses on building an enabling environment for market-based investment in businesses and financial mechanisms aligned to the GFCR’s conservation aims, while the Investment Fund builds upon the enabling environment by investing in large impactful deals that can leverage significant capital for reef-positive businesses. Through partnerships at the global and local level, the GFCR intends to

demonstrate how blended finance can unlock sustainable revenue streams and investment at various scales in priority coral reef countries.

B. Creating an Enabling Environment

Through country and regional programmes the Grant Fund is establishing a network of partners to accelerate an enabling environment for sustainable revenue streams and investment into reef positive solutions. These programmes are driven by Convening Agents, who bring together a coalition of partners with diverse areas of expertise to achieve environmental, social and financial impact.

Creating an enabling environment is inclusive of the following:

- Harnessing science & knowledge – Inform solutions through science by assessing coral reef climate refugia, biodiversity and identifying key drivers of coral reef degradation. This also includes building on traditional knowledge of marine resource management.
- Strengthening stakeholder engagement – Understanding, respecting and responding to the needs, customs and aspirations of local communities as the primary beneficiaries.
- Establishing partnerships – Building understanding and modes of collaboration between public and private sector actors.
- Advising on policy and regulatory frameworks – Designing projects that align with country National Biodiversity Strategies and Action Plans (NBSAPs) and advising the public sector on how to safeguard and benefit in a sustainable manner from their natural resources. Additionally, supporting the establishment and improvement of Marine Protected Areas (MPAs)
- Building capacity – Support businesses and communities to have the capacity to operate and manage coral reef ecosystem resources in a sustainable and positive manner.
- Financial de-risking – Reduce financial risk to investors by supporting business growth through concessional finance instruments.

C. GFCR Investment Fund – Overview & Functions

To achieve GFCR’s mission to mobilize capital towards SDG 14, the GFCR Investment Fund (IF) was formally established on April 25th, 2022. Pegasus Capital Advisors (PCA), L.P. (www.pcalp.com) is the asset manager of the GFCR Investment Fund. As a leading global private markets impact investment manager and the first U.S. private equity fund manager accredited by the Green Climate Fund, Pegasus is dedicated to fostering sustainable and inclusive growth while providing attractive returns for investors. Founded in 1996 by Craig Cogut, Co-Founder of Apollo Global Management, Pegasus has invested over USD 2.6 billion across five private equity funds that focus on impact, sustainability, and health and wellness and two impact-focused funds backed by the GCF.¹ In 2022, PCA partnered with the Deliberate Capital to manage the IF. The Deliberate Capital team is expected to provide its experience related to investing on behalf of oceans and coastal communities in emerging markets, while Pegasus provides its experience with larger

¹ The Sustainability and Health sectors are not strictly defined and whether an investment qualifies as an investment in the Sustainability and Health sector has been determined based on Pegasus’ beliefs about the characteristics of such investments. Although Pegasus believes that sector determinations are reasonable, they are inherently subjective in nature.

ticket opportunities, particularly those related to coastal hotel developments in climate-vulnerable islands.

The IF held its first closing on limited partner capital commitments on June 27th, 2022, with the Green Climate Fund (GCF) as its anchor investor. The GCF has committed up to USD 125 million in the form of a concessional, junior tranche (first-loss) for the IF to catalyze commercial-scale, private sector investments with the impact goals to increase the survival and protection of coral reefs and coastal habitats, and support the communities that depend on them in 17 countries across Africa, Asia-Pacific, Latin America and the Caribbean.² During the 2022 calendar year, the GFCR Investment Fund was primarily focused on building out its potential investment pipeline, growing its team and fundraising.

Investment Fund Strategy

The objective of the investment strategy is to deliver simultaneously market-based financial returns while providing benefits to coastal ecosystems, climate-vulnerable communities, and coral reef habitats. The GFCR IF aims to develop a geographically and sector-diversified portfolio of 10 to 15 projects or companies across Latin America and the Caribbean, Africa, and Southeast Asia, with target investment amounts between USD 5-75 million per investment and a net return of 15%+ to its Limited Partners (LPs).³ While recognizing that the IF seeks to achieve commercial returns for all investors, the GCF's concessional investment seeks to provide additional incentives for investors that may be new to the targeted sectors or geographies.⁴

The IF identified three high impact sectors to address local pressures on reefs as part of its investment strategy: Sustainable Ocean Production (e.g. sustainable fisheries and aquaculture), Sustainable Tourism, and Circular Economy and Pollution Management. Investments are new greenfield companies/projects or growth capital investments, and financial instruments are primarily private equity or hybrid debt (convertible and mezzanine debt) and, to a limited extent, venture capital.

By addressing key local stressors that impact coral reefs and investing to transition communities away from practices that degrade reef habitats over the long term, the GFCR aims to provide social, environmental, and economic benefits for coastal societies. Investments made by the GFCR Investment Fund are expected to directly create jobs in sustainable local businesses and indirectly in the wider supply chain and local economy and sustain the critical ecosystem services that coral reefs provide to local communities, including coastal protection and fish stocks for subsistence and income.

As of December 31, 2022, the GFCR Investment Fund has made its first investment to fund development expenses and land acquisition for an ecotourism resort on the island of Grand Bahama in The Bahamas. Coral reefs in The Bahamas are currently threatened by climate change, storms and hurricanes, stony coral tissue loss disease, and unsustainable coastal development and fishing practices. The ecotourism

² \$25 million of the GCF's commitment was unconditional at the first close, with the remaining becoming unconditional as and when certain fundraising targets are achieved.

³ Target net return is provided for illustrative purposes only. There can be no guarantee that the target return will be achieved.

⁴ GCF provided its commitment in the form of a first-loss tranche, meaning other investors receive their return of capital plus a preferred return before the GCF receives any distributions.

resort aims to develop a hurricane-insulating coastline, while minimizing environmental impacts through implementing self-sufficient energy and waste management programs and will also act as an exemplar for future sustainable tourism models in the Caribbean and across the globe. The project also seeks to integrate the principles of payments for ecosystem services whereby coral reef conservation and restoration initiatives are paid for the services they provide in terms of tourism, stable fish stocks, and coastal protection through the revenues from the ecotourism resort. The GFCR Investment Fund intends to collaborate with the Bahama Reefs Grant Fund Programme managed by The Nature Conservancy to mobilize conservation actors – including Coral Vita (a partner of the Grant Fund Programme), and engage stakeholders, to ensure the unlocked financial flows will have long-term conservation and restorative impacts.

D. Lesson Learned and adaptive actions

Over the course of 2022, lessons learned informed the activities of the GFCR coalition. Key lessons include:

1. **Programmes Complexity** - A pattern identified was the complexity of developing Grant Fund programmes that aim to achieve impact across environmental, social and financial objectives. In terms of environmental baselines, the state of coral reef conservation is such that baseline information is often out of date, collected in small/localised areas, and/or fragmented in terms of the biological indicators being assessed. There is also lack of harmonisation across initiatives that hinders that ability to compare sites and data.
2. **Local Communities Engagement** - Engagement with local communities can be a complex process with significant efforts and time required to socialize the concepts of blended finance and linking this to the benefits of sustainable marine resource management. Thus, the blended finance concept and approach continues to be a relatively new concept that requires permanent engagement with local actors. Moving ahead GFCR will place a greater emphasis on consultations and engagement of local communities at all stages of activities development and implementation
3. **Government Engagement** – While Grant Fund country/regional programmes and Investment Fund approach have been socialized with relevant government agencies, it has been identified that government engagement efforts need to increase to ensure success. This is related to ensuring support for building the enabling condition for reef-positive businesses and financial mechanisms. In addition, having a closer relationship with governments is also important to ensure GFCR’s success in having an impact at the global policy level and international fora. Ensuring governments’ collaboration with the GFCR coalition at the global level in turn will further support GFCR activities implementation as government partners can understand more clearly how GFCR advances national priorities and their compliance with international commitments. As a result, GFCR will increase its capacity in government and global policy engagement to fill this gap.
4. **ODA Countries Risk Profile** - While there is significant interest in impact investing, the risk profile of ODA countries is still a barrier to overcome even when projects and businesses are

supported by grants and concessional finance instruments. Additionally, while there are opportunities in the blue economy sector, there are still limited scalable opportunities with a direct positive impact on coral reefs. This significantly limits the pipeline of viable businesses that are identified during scoping conducted at the proposal development stage.

5. **Early Stage of Pipeline** – A 2020 analysis by Credit Suisse found that while investors are interested in the blue economy, there is a lack of investment-grade projects. This is reflected by the pipeline being identified by the GFCR country and regional Grant Fund programmes. Although reef-positive businesses are identified, navigating areas like the regulatory environment and high borrowing costs are significant challenges to overcome. While the GFCR and its implementing partners are well equipped to overcome these barriers, it takes time before these opportunities are investor ready. There is a need for tailored and flexible technical assistance that can support reef-positive businesses throughout the portfolio.
6. **Investment Size** - - Investments required in the country/regional Grant Fund programmes are typically smaller than large institutional investors' minimum investment size, yet having difficulties accessing impact accelerators. To address this, local financial institutions may be the best audience for some reef-positive business. The GFCR will provide more guidance to support country/regional Grant Fund programmes to develop an investment strategy, as was done in Fiji, to map out the type of businesses to support and the target investors to approach.
7. **Investment Fund** - There is a clear need for flexible technical assistance for the GFCR Investment Fund (IF). The IF identifies time-sensitive business opportunities that have sector-specific needs to become reef-positive. Such needs are pre- and post- investments costs that impact investors need to see accounted for prior to contributing to the GFCR Investment Fund. Deal-specific technical assistance capacity may fall outside the activities of the Grant Fund country/regional programmes. Through flexible technical assistance, Grant Fund programme implementers can adapt to the impact needs of the GFCR Investment Fund, or source additional expertise when it is missing. In addition, also allowing the IF access to deal-specific and impact drive technical assistance will serve to provide investors with confidence that their investment is de-risked and will attain its impact objectives. To address this, the Secretariat and PCA have been collaborating on identifying more specifically the TA needs required and exploring options for expanding TA resources availability for the GFCR coalition.
8. **Impact Monitoring** – There is a need to harmonise the presentation of data and results across the portfolio. Measuring and reporting on environmental, social and financial indicators is a multi-faceted challenge that needs to be standardised across the GFCR portfolio to communicate achievements. This includes project-specific indicators to assess impact, when the longer-term impacts on indicators such as coral cover and reef fish biomass will take years to be observed. Through the strengthened support of UNEP via a dedicated M&E global service to the GFCR, the aim is to work with implementing partners to build their capacity in this regard.
9. **Delays in Implementation** – Grant Fund programmes are taking time to begin implementation as they need to establish their teams and onboard additional experts. It is not uncommon for

the programmes to begin implementation six months after the programme is approved by the GFCR Executive Board. While the Secretariat now requires a terms of reference for the programme management unit at proposal submission, the start-up phase still takes time. However, once the team is onboard, the GFCR does observe considerable acceleration in implementation and pipeline incubation. This is evidence by the pilot programme in Fiji which has been able to identify and incubate more than seven reef-positive businesses.

In addition to the specific actions for each of the lessons learned above, the GFCR Secretariat systematised a phased approach for GFCR Grant Fund programmes that allows for adaptive management as context specific challenges and opportunities are identified during the early stages of implementation. Programme proposal templates and GFCR Secretariat have advised Convening Agents to develop a long-term vision that will be better informed through information gathered during an 18-month initial phase. This initial phase focuses on a better understanding of the drivers of coral reef degradation, engaging communities, developing key partnerships and further pipeline scoping. The latter often materializes in the form of open calls for proposals whereby broad landscape analysis can be conducted to better understand the technical assistance and financing needs of businesses that can be reef positive.

IV. Grant Fund Portfolio

A. Portfolio Overview

The GFCR Secretariat led the expansion and progress of GFCR's Grant Fund (GF) programme portfolio. As of December 31st, 2022, the portfolio is composed of 18 country and regional programmes of which eight have been approved by the GFCR Executive Board and ten are in the proposal development stage (see Table below). In addition, the portfolio includes 3 Global Programmes on: 1) Monitoring and Evaluation (led by UNEP), 2) the GFCR Grant Fund Blue Bridge (led by UNCDF), and 3) Partnerships and Knowledge Facility (led by UNDP).

Eight (8) Programmes in Implementation		Ten (10) Programmes in Proposal Development	
Country/Region	Convening Agent	Country/Region	Convening Agent
The Bahamas	The Nature Conservancy (TNC)	Brazil	Fundo Brasileiro para a Biodiversidade (FUNBIO)
Colombia	Fondo para la Acción Ambiental y la Niñez (Fondo Acción)	Indonesia	Yayasan Konservasi Alam Nusantara (YKAN), affiliate of TNC
Fiji	United Nations Development Programme (UNDP)	Maldives	United Nations Development Programme (UNDP)
Indonesia	Konservasi Indonesia, affiliate of Conservation International (CI)	Micronesia	The Nature Conservancy
Kenya-Tanzania	Wildlife Conservation Society (WCS)	Mozambique	Fundação para a Conservação da Biodiversidade (BIOFUND)
Mesoamerican Reef	MAR Fund	Gulf of Aqaba	United Nations Development Programme (UNDP)
Papua New Guinea	United Nations Development Programme (UNDP)	Northern Red Sea	United Nations Development Programme (UNDP)

Eight (8) Programmes in Implementation		Ten (10) Programmes in Proposal Development	
Philippines	Blue Finance	Seychelles	Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)
		Solomon Islands	World Wildlife Fund (WWF)
		Sri Lanka	International Union for Conservation of Nature (IUCN) Sri Lanka

The growth of the GFCR country/regional portfolio is highlighted in the table below. Of the five programmes that were in the proposal development stage, three were approved in 2022 and moved to implementation. The exceptions are the Maldives programme led by UNDP and the Solomon Islands programme led by WWF. The Maldives programme is expected for submission to the GFCR Executive Board in 2023 Q1, after the EB deferred its approval and requested UNDP to incorporate changes to the proposal. The Solomon Islands programme delayed the start of their proposal development programme to align with the parallel and complementary submissions to the GEF and GCF. This programme development timeline was also heavily affected by the COVID pandemic.

All seven country/regional programmes that were in the Concept Note stage have been approved by the GFCR Executive Board and have moved to the proposal development stage. To note, the Gulf of Aqaba and Northern Red Sea Concept Note was approved for the development of two full programme proposals due to an opportunity to collaborate with USAID in Egypt.

Programme Stage	December 2021	Programme Country/Region	December 2022	Programme Country/Region
Implementation	5	The Bahamas, Fiji, Kenya-Tanzania, Philippines, Papua New Guinea	8	The Bahamas, Colombia, Indonesia (#1), Fiji, Kenya-Tanzania, Mesoamerican Reef, Philippines, Papua New Guinea
Proposal Development	5	Indonesia (#1), Mesoamerican Reef, Maldives, Philippines, Solomon Islands	10	Brazil, Indonesia (#2), Gulf of Aqaba, Northern Red Sea (Egypt), Micronesia, Mozambique, Maldives, Seychelles, Solomon Islands, Sri Lanka
Concept Note	7	Brazil, Indonesia (#2), Micronesia, Mozambique, Seychelles, Sri Lanka, Gulf of Aqaba and Northern Red Sea	0	

For the Global Programmes, the GFCR Secretariat continued to coordinate and collaborate with UN partner agencies serving as the lead implementers.

Based on portfolio development progress, financial resources availability and lessons learned, the Secretariat is expected to focus in the immediate future, and working with the Executive Board, Convening Agents, and UN agencies leading global programmes; on guaranteeing the current portfolio's implementation including ensuring capacity and resources for the successful implementation of a robust reef-positive pipeline of businesses and financial mechanisms. Thus, no additional Concept Notes were pursued for GFCR Grant Fund programmes in 2022.

Geographic Distribution

The country/regional GF programme portfolio aims to build coral reef resilience in 23 coral countries. The portfolio is divided into four regions: Africa, Americas, Oceania, Asia.

Region	# of Countries with a Grant Fund Programme	Countries
Africa	5	Egypt, Kenya, Mozambique, Seychelles, Tanzania
Americas and Caribbean	7	Bahamas, Belize, Brazil, Colombia, Guatemala, Honduras, Mexico
Asia	5	Indonesia, Jordan, Maldives, Philippines, Sri Lanka
Pacific Islands	6	Fiji, Marshall Islands, Micronesia, Papua New Guinea, Palau, Solomon Islands

The regional composition of the portfolio reflects a well-balance global portfolio. However, if brought down to the sub-regional level, there is a noteworthy underrepresentation of smaller Polynesian countries like Niue, Samoa, Tuvalu, Tonga, and Vanuatu. These countries are faced with the socio-economic challenges common to Small Island Developing States (SIDS), but these challenges are more pronounced due to their remoteness. The GFCR Secretariat is exploring with partners how to develop a strategy to support these countries through a blended finance approach which will likely need to be regional and rely on larger financial mechanisms, rather than reef-positive businesses.

The countries within the GFCR portfolio also highlight the mandate to support countries that are most in need of development finance. Of the 23 countries in the programme portfolio, 20 are eligible for Official Development Assistance (ODA), 12 are SIDS or Least Developed Countries (LDCs). Of note, most GFCR Grant Fund activities in non-SIDS or non-LDC countries focus mainly on island related ecosystems.

Convening Agents and Implementing Partners

In 2022, the GFCR Secretariat maintained the approach of the Convening Agent portfolio composition being diverse and balanced, while integrating locally based organisations to build in-country capacity.

Convening Agent Typology	Number	Organisation
United Nations	5	UNDP (x5)
Big International Non-Governmental Organisation (BINGO)	4	TNC (x2), WCS, WWF
Local Chapter of BINGO	3	IUCN Sri Lanka, Konservasi Indonesia (CI), YKAN (TNC)
Small/National NGO	6	BIOFUND, Blue Finance, Fondo Accion, FUNBIO, MAR Fund, SeyCCAT

Within the eight approved GFCR programmes, there are over 23 additional partnerships with co-implementers. These co-implementers are part of the core partnerships of the specific programmes and reflect the multi-disciplinary nature of GFCR programmes. The GFCR Secretariat has advised Convening Agents to develop relationships with diverse organisations across development, conservation and finance sectors to establish a foundation of expertise for successful blended finance programmes. Co-implementers are provided below to highlight how partnerships are fundamental to GFCR programmes.

Country / Convening Agent	Implementing Partner(s)
The Bahamas / TNC	Bahamas National Trust, Bahamas Protected Area Fund, Coral Vita, Perry Institute of Marine Science, Elizabeth Harbour Conservation Partnership, UNCDF
Colombia / Fondo Acción	CORALINA, McBean Lagoon National Park, ProSeaLand
Fiji / UNDP	Blue Finance, Matanataki, UNCDF

Country / Convening Agent	Implementing Partner(s)
Indonesia / CI	CI Ventures, EON Engineering, MICRA Indonesia
Kenya-Tanzania / WCS	Conservation Capital, Okavango Capital, UNCDF
Mesoamerican Reef / MAR Fund	Fondo Conservacion de Mexico, GOAL, Healthy Reefs Initiative, New Ventures, Viwala, UNCDF
Philippines / Blue Finance	Blue Alliance, Uba Sustainability Institute, UNCDF
Papua New Guinea / UNDP	PNG Biodiversity and Climate Fund, UNCDF

- The 13 sections below (B through H) provide summaries of all GFCR grant fund programmes that are currently under implementation. Colombia is not included as the Convening Agent's (Fondo para la Acción Ambiental y la Niñez) programme was approved in Q4 2022. Section I provides an overview of I provides an overview of programmes in proposal development.

B. Fiji – Investing in Coral Reefs and the Blue Economy (CRBE)

Overview

The Investing in Coral Reef and the Blue Economy (ICRBE) seeks to create a blended finance facility and build capacity to mobilize private and public investment capital for initiatives that have a positive impact on Fijian coral reefs and the communities that rely on them. The ICRBE is meant to construct a pipeline of bankable projects providing a blend of technical assistance, performance grants and concessional capital for de-risking. The ICRBE focuses on supporting reef positive initiatives in and around the biosphere of the Great Sea (Cakaulevu) Reef, the Shark Reef Marine Reserve, Korolevu-i-Wai reef system, Beqa Lagoon reef system, and Kuata Lagoon reef system.

Snapshot	
Convening Agent	UNDP
Approval Date	February 2021
Programme Lifetime	2021-2030
Approved Allocation (USD)	\$5,164,331
Disbursed (USD)	\$2,662,325
Co-recipient	UNCDF
Co-implementers	Beqa Adventure Divers, Blue Finance, Matanataki

Reef positive solutions

Technical Assistance Facility (TAF)

Matanataki, the local Technical Assistance Facility (TAF) of the programme, was able to refine its investment criteria and processes with inputs from the GFCR Secretariat, Investment Fund and the Joint SDG fund (JSDGF) to select the most appropriate deals to meet global KPIs of both the GFCR and JSDGF.

Each of the 7 businesses identified by Matanataki needed to prove their relation to reef positive solutions and how they are connected to each other. In this regard, Matanataki also created an "Investment Bible" which provides a financing roadmap and intervention templates for all TAF deals. This created better understanding amongst Fiji programme stakeholders.

Investment readiness of four business to go, eventually, through pre-assessment by UNCDF is on final stages with critical activities undertaken in the last quarter of 2022 to complete the process. This includes presentation to the local development bank to secure co-financing, financial guarantors from the iTaukei Development Trust Fund (local indigenous financier mandated by Fiji Government), vision boarding with

resource owners, finalization of business models, business plan and pitch decks, and technical trials and monitoring on Sea Cucumber and Seaweed Farming.

Two projects are now entering into pre-assessment stage of potentially receiving funding from the ICRBE's debt financing component – these businesses are Mango Fish Aquaculture Project and the SeaLink Sustainable Fisheries distribution business. The Mango Fish Aquaculture Project is now a strong contender for receiving co-financing from Tranche 1 of Fiji's blue bond issuance. The Convening Agent is brokering deal structuring between Kelton Group (parent business owners of Mango Fish Project) and the Fiji Government estimated to be around US 2 million.

SeaLink, a women led business, has secured partial credit guarantee from the iTaukei Development Trust Fund which has helped to secure better lending terms to secure a loan of US 500,000 from the HFC Bank (Fiji owned bank) – however, HFC has a low risk appetite and discussions are now being held between UNCDF and FDB to use TAF funds to top up the credit guarantee from the iTaukei Development Trust Fund up to 80 – 85% of the total lending amount. This approach could demonstrate a more innovative way of unlocking domestic financing for reef positive businesses.

Korolevu-i-Wai (KiW) Special Purpose Entity

Further to MPA and LMMA management work under the Fiji programme, the Special Purpose Entity (SPE) work at Korolevu-i-Wai (KiW) progressed slowly in 2022. The project is being conducted in the Customary Fishing Ground of the Vanua Davutukia, in the Korolevu-i-wai District of Nadroga/Navosa Province, Fiji Islands.

Important feasibility work, marine conservation enhancement, Korolevu-I-Wai & Resource Management Plan review and relevant training (Fish Warden) was completed with the full active participation of the local community. However, willingness from the community was not sufficient to engage in tourism activities that Blue Finance is suggesting and there was no interest in having Blue Finance play an active role in the management of such tourism activities.

This is not aligning well with Blue Finance's business principles and investors which has resulted in Korolevu-i-Wai being deemed not fit for investment anytime soon. PUNOs have tried the best to seek a mutual way forward but the entire Blue Finance business model is not being accepted by the community, largely due to limited business acumen, an existing eco-tourism business in the village and strong push back from multinational hotels who do not want to partner with a new community owned business. The risk was foreseen at the design stage, but the low level of engagement is a lesson learned.

Blue Finance is now focusing on new investment opportunities with boutique hotels who already have strong LMMA and MPA activities on-going but are in need of sustainable investment financing. In this regard, pre-feasibility studies for Beqa Lagoon Resort (Pacific Blue Foundation) and Barefoot Kuata Island Resort (Barefoot Foundation). Both Beqa Lagoon Resort and Barefoot Kuata Resort already have a private foundation operating to protect the marine biodiversity around the resorts, maximise traditional community involvement and attract sustainable revenue streams to continue conservation initiatives. The foundations can relatively easily be set up as SPEs with daily operational involvement of Blue Finance. Working with a private sector foundation avoids the need to go through complex communal and traditional processes of setting up a community owned SPE – a hard learned lessons for the PUNOs and Blue Finance with the KiW experience.

Learning from the shortfalls of KiW, the Convening Agent to have a more involved role in structuring the two new LMMA deals by Blue Finance. Plan is to hire local engagement partner called Fiji Locally Managed Area Network (FLMMA) to be a local counterpart for Blue Finance, help navigate complex traditional approval processes, and ensure community buy-in for Blue Finance's approach.

Beqa Adventure Divers (BAD)

ICRBE is supporting the sustainability of management of enforcement of the Shark Reef Marine Reserve (SRMR) on the south coast of Vanua Levu threatened by illegal poaching. This initiative was made possible through a unique public-private partnership between the Fiji Government and BAD which, under the Fiji Fisheries Act of 1942 (Cap 158), enables BAD to act as a custodian of the SRMR MPA while being able to conduct its sustainable dive operations. Galoa village, the traditional steward of the marine area, replenished their fishing rights in the SRMR, in exchange for a community benefit sharing component whereby the village receives periodic pay outs from BAD's profits.

BAD has been consistent with its poaching patrols to educate and deter would-be poachers. The work ensures that conservation, protection and maintaining shark species and marine organisms and coral within the MPA. By reducing poaching and other illegal fishing activities, poaching patrols can help to protect coral reefs and promote their recovery. This can in turn help to support the health of marine ecosystems and the many communities that depend on them for food, income, and other resources. Due to its core business, BAD is always present on the reef and this assists in deterring poachers as well. BAD continues to work with the Ministry of Fisheries on joint patrols and collaboration in the management of the MPA.

BAD also made a FJD 10k payment as partial compensation for the lack of Shark Reef Marine Reserve (SRMR) levy revenue due to the pandemic. The FJD 10K payment was disbursed as follows: \$1k to each Mataqali (clan). For a total of \$5k; a further \$5k inclusive of a new brush cutter (as per direct request by the Village) to the Village Account.

The construction of the new Dive Base & Conservation Lab has continued despite increase in Covid cases and Ukraine War. This has led to an increase in prices and a shortage of building materials. The Lab has been progressing well and BAD is looking at early Quarter 2, 2003 to open its doors. The facility will allow scientists and researchers to work and study about ways to protect coral reefs. This will also allow them to study coral reefs to understand their ecology, biology, and behavior.

The Fertile Factory Company (TFFC)

The Fertile Factory Company (TFFC) is being incubated by the programme, with efforts led by Matanataki, to produce cost-competitive non-synthetic fertilizer integrated with principles of circular economy. This new fertilizer product, paired with farmer training, intends to reduce erosion and eutrophication of waterways leading to Fiji's coral reef ecosystems.

To date, the ICRBE project has supported Matanataki to: 1) mentor TFFC management team on market awareness & validation, business planning and set-up; 2) negotiating terms with Blue Bridge team; 3) conducting Environmental Impact Assessment and following-up on DOE requirements; 4) designing a watershed trial to assess the impact of TFFC's fertilizer on reducing pollutant run-off into waterways.

TFFC became the second business to secure financing from ICRBE's lending facility. Waste Clear Fiji PTE Limited and its equity investors have agreed to the commercial terms of a USD 750,000 debt financing through UNCDF. This is expected to catalyse the commencement of TFFC facility construction by quarter three of 2023 as there are still some minor issues around land lease for the Naboro Landfill.

The Environment Impact Assessment has been cleared and approved by the Department of Environment (DoE) with certain conditions that need to be met before land lease can be approved by the Department of Lands.

Two successful high-level meetings were to get Government officials and the Implementing Partners to agree on a mutually amicable way forward in commencing construction works. Meetings have also been held with the new Fiji Government in December consisting of productive discussions with the Fiji Prime Minister and the Minister for Trade and Commerce.

Soil samples for the watershed trials have been sent to Australia for baseline trials. These trials will help ascertain the actual viability of TFFC projects in reducing agricultural runoffs that harm coral reefs.

Matanataki also runs training for farmers. The mission of Vakabula Vanua: Soil School is to support sustainable and inclusive livelihoods, food security and community wellbeing through the teaching of regenerative agricultural practices, respecting island peoples' religious, economic, and cultural roots. The educators share their extensive knowledge on Regenerative Farming; empowering farmers with stewardship tools to preserve and enhance their environments and support the earth's natural resources.

Western Landfill (Vulavulasara) Project

The Vulavulasara project's aims to address Fiji's waste management challenges impacting coral reefs through leeching. Fiji generates around 200,000 tons of municipal solid waste annually. Much of this is disposed of at the landfill at Naboro, located some 24 km from the capital Suva City. This project will be the second sanitary landfill in Fiji, helping to divert waste to service 350,000 people in the Western Division, and eventually 900,000 tourists that come to Fiji. Jobs will be created through the construction work and operations of the landfill and refuse transfer stations. For example, the Materials Recovery Facility which will be built in Phase II will create approximately 30 construction jobs and 18 operational jobs. The vision of the landfill is to create a space for adjacent businesses such as those in recycling/upcycling to incubate their business ideas and integrate into the landfill value chain. About 100,000T/y of waste is expected to be redirected away from coastal dumpsites that are currently directly causing coastal pollution which affects Fiji's reef systems. As a result, 560MT fish stock on a 1,000ha area is expected to be replenished and 30,000 t/y in GHG emissions offset.

Depending on the project progress with the Fiji Government, the project will be investment ready by February 2024. Matanataki expects to have the project financial model, business plan and pitch deck ready by 15th May 2023. They will present this to the Ministry of Local Government, who will commence their independent business case review. Matanataki will also be overseeing the strategic and economic case review, which will be lead by Tonkin and Taylor and will take the UN, Government, investors and stakeholders through a guided process which hopes to result in a contractual agreement with Government. UNDP, through the ICRBE, will be providing finance for this work and the Government's independent business case review. Additionally, a waste stream audit and the first draft of the transport

and materials recycling concept has been completed and Matanataki is about to commission a drone topographical land survey.

Regular meeting updates have been held with stakeholders from relevant government ministries. The Fijian Government agreed to an independent business case review approach, as opposed to a tender process proposed earlier for the Sanitary Landfill project (Vulavulasara Project). Further discussions with the new government need to be carried out in 2023 – this is being arranged by the Convening Agent.

Matanataki team is now working towards delivering on investment readiness. It will deliver a high-level investment ready concept as per its UNCDF grant agreement in early 2023. Matanataki has also sought a reimbursable grant from the GFCR in order to develop a comprehensive preliminary business case. This will involve the onboarding of consortium partners which will provide a level of granularity on the financial detail and concept design.

Matanataki has selected a site and its landfill EPC contractor, HG Leach, has noted that the site is highly suitable. The technical details (powerline clearance, road dust management, drainage formation/bunding/leachate control, adjacent land use) will be ironed out at the preliminary and detailed design stages.

Other Activities

Following discussions with the Department of Environment and the Deputy Prime Minister of Fiji (Hon. Manoa Kamikamica), the proposed way forward for this initiative is to develop an integrated blue town model, known as the Savusavu Blue Town Model (SBTM), that addresses all direct local and indirect drivers of coral reef degradation in a township development as per the GFCR Theory of Change. There are plans under the 'Integrated Coastal Management Programme ('Ridge to Reef') component of the SBTM to preserve marine ecosystems, manage wastewater, and undertake activities that have a positive impact on ocean health by looking at the sources of pollution and reasons for over-fishing and environmental degradation. There are also plans to monitor LMMAs and liaise with nearby residents on the threats and opportunities associated with these areas. The SBTM is national priority for Fiji which is expected to be replicated in all township developments in the next 4 years. The ICRBE funding will be used to develop a SBTM Framework and a SBTM Investment Plan and Package that would be jointly marketed by the Fiji Government and UNDP to philanthropic investors.

The Fiji Sovereign Blue Bond Project, also led by UNDP in support of Fiji Government, seeks to invest heavily in modernizing Fiji's coastal communities using a holistic approach to urban development. Through tranche 2 of the Fiji Blue Bond scheduled for issuance in 2024-2025 financial year, the Fiji Government seeks to fund investment projects identified under SBTM. With the help of the GFCR funding support the following steps have been submitted to Fiji Government for review with tentative approval received. More details to be provided during quarterly calls with the GFCR Secretariat.

Baseline and Monitoring and Evaluation

M&E Impact Framework Strategy

The Monitoring and Evaluation will measure socio-economic, management and ecological impacts of project activities. A consultant hired by UNEP is already working with different stakeholders, Ips and PUNOs to finalize the Framework. The Framework should be ready by Q2, 2023.

The monitoring framework builds on the output of the initial testing of the indicators' feasibility where all GCFR, JSDGF and project document indicators are longlisted and tested based on relevance/causality, data availability, and capacities and resources to monitor the indicators, as a result, a total of 17 indicators are assessed to be feasible (including proxy indicators) for the specific case of the ICRBE. The framework also defines data collection plan including responsibilities, frequency and methods of data collection.

The Fertile Factory Company: Watershed Trials

A yield and impact measurement trial are already underway. The TFFC transition blend products are organic, and calcium based, rich in available Phosphorus, Calcium, Silica, Organic Carbon, and a high CEC (Cation Exchange Capacity). GFCR has approved the research grant funding to TFFC to conduct a watershed trial near the Dreketi River and this will assist in the development of the impact framework for the whole Monitoring and Evaluation Impact Framework Strategy for the Fiji Programme.

BAD: Benthic Survey and Fish Count

Benthic Biodiversity Assessment and Fish Count – Beqa Adventure Divers (BAD) has consulted and successfully completed the Benthic Biodiversity Assessment by an external Consultant. The Fish Count has also been completed with Hawaiian Ichthyologist team. The full Report of the Survey and the Fish Count will be submitted in early 2023. The two Reports will form the framework for impact assessments in other LMMA and MPA identified in this project. The Fish Count Report includes a comprehensive checklist of all fish species observed at SRMR compiled over the course of 18 years of diving activities and summarizes qualitative comparisons of the fish assemblages documented during surveys before and after the COVID-19 global pandemic.

Community Engagement and Gender Mainstreaming

UNDP and UNCDF are working on the ICRBE M&E Framework by March 2023 after which a gender consultant will be hired to develop the ICRBE's GESI Action Plan. The Terms of Reference for the Gender Equality and Social Inclusion (GESI) Action Plan has been reviewed by UN Women, UNDP Gender experts and a local women's group that is a beneficiary of a separate UNDP initiative. The consultant is to be recruited by end of April 2023 and GESI report completed within eight weeks (by June 2023). The GESI Action Plan is expected to guide the programme to better incorporate and monitor gender, youth and disability considerations and knowledge management that lead to inclusive ICRBE outcomes.

The ICRBE is working with Matanataki to empower women led business development. Of the 2 businesses earmarked for financing via the TAF and currently undergoing pre-assessments by UNCDF, one is a women lead marine and agricultural logistics business called Sealink, that supports women fishers in coastal communities to transport their produce freshly to markets. While investment due diligence by UNCDF remains impartial of gender, the PUNOs have been working with Matanataki to provide tailored support to Sealink to have it investment ready. The Convening Agent is working on signing an MoU with Women in Fisheries, an NGO that looks at supporting women fishers and businesses, to identify promising businesses that can be referred to Matanataki or other parallel initiatives run by the Convening Agent such as the Blue Accelerator Grant Scheme.

Results and Targets

Programme-Level Indicators	Targets	2022 Progress
Reef Fish Biomass	20% increase biomass and abundance by 2024 in area of intervention as opposed to unmanaged areas	BAD Benthic survey analysis as baseline and to be interpreted in Q2 2023.
Live Coral Cover	Percent increase hard coral cover by 2024 in area of intervention as opposed to unmanaged areas.	<p>Data at SRMR: Source: Shark Reef Marine Reserve (SRMR) Benthic Biodiversity Assessments, Serua, Viti Levu, Fiji. Helen Sykes, Marine Ecology Consulting, September 2022</p> <ul style="list-style-type: none"> - On the SRMR Front Reef 1, at the feed site, live hard coral (orange) remained between 40 and 60% cover, with higher cover always on the shallower section (5m). - On the SRMR Back Reef. Coral cover was very high, between 51 and 63%, with a slight drop from 2014 to 2022 at 10m and a slight rise from 2014 and 2022 at 5m but was not majorly changed over the eight-year period. - On the SRMR Front Reef 2, remote from the feed site, coral cover was lower than the other sites over both survey periods, although the coral cover at 10m was slightly higher in 2022 than seen in 2014.
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	2 MPAs with METT score >70 30,000 ha by 2024 covering 30 MMAs (10,000 ha for first 10 MMAs)	Total of 200 ha are managed by BAD (business as MPA)– of which 100 ha designated as no-take-zone. Another 50 -70 ha are expected to be add by mid 2023 from the Kuata Reef System
Investment capital leveraged	Investment Leverage: USD 50M	USD 392,000 as cash and equity contribution from TFFC
Grant co-financing leveraged	(1:5 ratio as per Prodoc)	Joint SDG Fund: USD 5,339,438
Beneficiaries	(>70,000 beneficiaries) and coral reefs, of which 50% will be women and youth respectively.	<p>BAD Households benefitted from goodwill payment to the village which benefits the whole village with more than 50% being women and youth.</p> <p>1112 villagers of which more than 50% are women and youth</p> <p>Employment of villagers as Divers in BAD</p> <p>Other projects targets are TBD</p>
Coral-positive Enterprises	10	4
Livelihoods Impacted	The LMMA project is expected to generate of +100 community jobs benefiting large number of women (e.g. resource monitoring, eco-tours, animal care taker) within LMMA Network jobs by 2025. Other projects targets are TBD	

Investment Leverage

As of 2022, a 1:3 leverage is expected based on the pipeline invested so far and businesses that are ready for investment due diligence. Fiji has the potential to raise financing domestically either through local banks or through Government co-financing, through the issuance of the blue bond. The feasibility studies financed through the Blue Bond TA project funded through the UNDP Building Back Blue Project and the regular advocacy role that UNDP plays is crucial in getting these projects shaped up into a PPP financing arrangement (landfill, tilapia aquaculture). Additionally, UNCDF is working closely with two local banks to build their capacity on lending to sustainable blue businesses through the Blue Bond project. This too improves the chances of more TAF businesses to be considered for investment by these banks.

The table below provides an overview of investment needs and target investors:

Source of funding	Project	Amount
Private	TFFC	\$350k
Government	Tilapia aquaculture co-funding through Blue Bond	\$4.5M
Private	Tilapia aquaculture – sponsor’s own land	\$2.5M
Private	Tilapia aquaculture – sponsor’s working capital debt	\$700k
Private	Sealink – seafood processing ; sustainable sourcing	\$50k
Private	Sealink – seafood processing ; sustainable sourcing	\$850k
Government	Landfill co-funding	\$1.2M
Government	Landfill co-funding	\$12.75M
TOTAL		\$22.95M
GFCR+JSDGF investment readiness + investment capital		\$7.6M
Leverage Ratio		1:3

C. The Bahamas – Impact Funding for BahamaReefs (BahamaReefs)

The Bahamas is highly dependent on the goods and services provided by coral reefs. However, the climate crisis has outpaced global and local efforts to protect and restore these fragile ecosystems. *Impact Funding for BahamaReefs (BahamaReefs)* was launched in response to this challenge with the support of the GFCR. BahamaReefs is designed to operationalise innovative financial mechanisms by leveraging blended finance to unlock the resources needed to develop and fund reef positive solutions that tackle the drivers of reef degradation.

To increase the resilience of corals and reef-dependent communities, BahamaReefs is targeting reef positive solutions in at least four key implementation areas based on climate refugia science: Grand Bahama, Abaco, Andros, and Exuma.

The programme is supporting the development of seven reef-positive solutions described in the next section.

Reef positive solutions

Accelerator

To accelerate the identification and incubation of micro-, small and medium enterprises, TNC is collaborating with the Access Accelerator Small Business Development Centre (AASBDC). A series of events and activities spearheaded by the Access Accelerator Small Business Development Centre (AASBDC) were held throughout the month to support the evolution of MSMEs, maximise the creation of economic impact through strategic partnerships, increase the ability of the small business sector to provide employment, create wealth and drive the development of a robust and resilient Blue Economy in The Bahamas. During National MSME month TNC signed a Memorandum of Understanding (MOU) with AASBDC to formalize a mutual collaboration, with the purpose of supporting the development of and investment in MSMEs in the Blue Economy that protect, restore, transform, and increase the resilience of priority coral reef sites, associated ecosystems, and local reef-dependent communities in The Bahamas. The Conservancy also worked closely with AASBDC to develop and refine the Blue Economy Accelerator scope to access financing from Blue Bridge.

During this period, TNC also was actively engaged in the screening of new opportunities for inclusion in the BahamaReefs Programme. TNC held preliminary discussions with four (4) prospective partners (Blue Action Lab, Clean Marine Group, Rotary Club of East Nassau and Abaco Zero Waste). TNC also learned about each organization, their work and proposed interventions.

Increased long-term funding for management of priority sites

Although several iterations of a project workplan were submitted to TNC by Blue Finance (BF) and the Bahamas National Trust (BNT), little progress was made during the second half of the reporting period. Despite several interventions by the Conservancy, BF and BNT were unable to agree on the scope of the sustainable financing MPA project for Andros including budgetary allocation, roles and responsibilities

Snapshot	
Convening Agent	TNC
Approval Date	October 2021
Start Date	January 2022
Programme Lifetime	2021-2030
Approved Allocation (USD)	\$7,975,669
Disbursed (USD)	\$1,400,000
Co-recipient	Blue Bridge (UNCDF)
Co-implementers	Coral Vita (CV), Access Accelerator Small Business Development Centre (AASBDC), Bahamas Protected Areas Fund (BPAF), Bahamas National Trust (BNT), Blue-Finance, Elizabeth Harbour Conservation Partnership (EHCP), Perry Institute for Marine Science (PIMS)

and project implementation. It was agreed that the parties would reconvene, agree on next steps and provide TNC and Blue Bridge with an update in early 2023.

Partner discussions with the Bahamas Protected Areas Fund (BPAF) on identifying and implementing new financial mechanisms to support the protection of climate resilient corals and the effective management of MPAs are advancing. This includes a promising financial mechanism identified by BPAF to develop a voluntary opt-in program which will allow visitors to make donations to BPAF for the effective management of the Bahamas Protected Areas Network. Implementation is expected to begin in 2023.

Elizabeth Harbour Conservation Partnership (EHCP)

A detailed scope of work was vetted and approved for EHCP to mitigate the impacts of boating by establishing mooring and pump out services in Exuma. EHCP will use the funding to address the threat of pollution in the harbor and the physical damage caused by indiscriminate anchoring to seagrass beds, corals and other benthic habitats. EHCP will also include a monitoring and evaluation program to track progress against their interventions.

Reef Insurance

TNC is building off their previous work to develop a parametric reef insurance mechanism for the Bahamas. TNC is taking a coordinated approach by engaging government authorities, private sector and local communities to establish and facilitate successful post-storm recovery efforts to strengthen the resilience of priority coral reefs.

In 2022, TNC invited public and private sector stakeholders in the BahamaReefs focal areas to participate in a series of virtual calls to learn about TNC's post-storm response model including financing options and provide initial feedback. Other progress made includes: prioritization of potential reef insurance sites based on spatial data and stakeholder consultations; a draft report submitted on response capacity to repair reef damage after a storm; a contractor selected to conduct economic assessment of losses to The Bahamas economy and livelihoods as a result from hurricane reef damage; a report on mangrove insurance for the Caribbean and The Bahamas; and a preliminary legal assessment of laws and regulations governing mangrove and reef insurance in The Bahamas.

In 2023, TNC plans to hold meetings with key government agencies, insurers, the national trust fund and other stakeholders to build the case for reefs to be repaired and insured. The GFCR also recommends TNC consider Grand Bahama as a priority site for reef insurance to align with the GFCR IF investment in a hospitality project.

Blue Carbon Resilience Credits (BCRC)

BahamaReefs is developing a Blue Carbon Project to protect coral reef associated ecosystems and generate revenue for conservation. It intends to combine blue carbon with insurance products to make by offsetting impacts and improving coastal protection. During the reporting period, the Government of The Bahamas requested all matters relating to Blue Carbon and the development of Carbon Credits be managed by the Office of The Prime Minister and its consultants. Therefore, The Bahamas Government has the exclusive right to explore the development and sale of Blue Carbon Credits in The Bahamas. This may have implications for TNC's plans to "Take Blue Carbon Credits to Market". Consequently, TNC has pivoted and is primarily focused on providing technical advice to the government (when solicited); mapping mangrove habitats in focal areas (Grand Bahama and Abaco); completing feasibility studies for project pilot sites in Grand Bahama and Abaco; establishing a mangrove restoration partnership/alliance with key stakeholders to help restore degraded habitats; facilitating work planning sessions and

workshops with partners in the alliance to advance project activities; and finalizing carbon project documents to guide restoration work.

Coral Restoration

In November, the Perry Institute for Marine Science (PIMS) successfully received approval and funding from the Blue Bridge to scale up Reef Rescue Network (RRN) operations and create a financially sustainable business model. Specifically, PIMS will use the funding from the GFCR to,

- consider alternative revenue streams for financing coral restoration through the network-making RRN sustainable and more profitable for partners;
- add new partners to the RRN to scale up impact; and
- build local capacity within the dive industry to restore degraded reefs.

PIMS' capacity building efforts will emphasize gender equality and empowering women to become PADI Dive Masters and Instructors.

Coral Vita is the only for-profit company in the BahamaReefs Pipeline. The company built the world's first commercial land-based coral farm for reef restoration in Freeport, Grand Bahama. Coral Vita will take a commercial approach to unlock critically needed sustainable financing to support ecosystem-scale restoration. The land based farm will also serve as an educational center, R&D hub, and a revenue-generating eco-tourist attraction.

To unlock the GFCR funding, Coral Vita submitted several iterations of a project workplan for review and approval by TNC and the GFCR. Since then, the GFCR recommended Coral Vita couples its restoration services with the hospitality investment in Grand Bahama led by the GFCR Investment Fund. It is anticipated the Blue Bridge will approve Coral Vita's project and will provide an initial preparation grant in mid-2023.

Baseline and Monitoring and Evaluation

TNC completed a climate refugia model for the Northern Caribbean, hosted a virtual climate refugia webinar to share results of the model, and conducted a series of virtual stakeholder meetings to select the top 3-4 climate refugia sites for each of the focal areas.

The climate refugia model for the Northern Caribbean, inclusive of The Bahamas and Turks & Caicos Islands, was successfully completed in February, 2022. Coral reefs across The Bahamas were ranked based on their ability to survive the impacts of climate change. The model was analyzed by TNC's Caribbean Science Team and the top 25% of climate resilient corals were pre-selected for each of the four implementation sites within the BahamaReefs Program.

During the reporting period, TNC worked with UNEP to draft a monitoring and evaluation guidance document for tracking program success. Concurrently, TNC developed a Performance Monitoring Plan (PMP) for the BahamaReefs Program. The PMP outlines proposed targets, indicators of success, milestones, timelines for reporting, and includes a Logframe matrix to monitor the program's interventions.

In October, TNC recruited a new M&E officer, to finalize the PMP and lead the development of the monitoring, evaluation and learning component of the project. Since then, TNC and UNEP held several discussions on the draft GFCR M&E Guidance document, proposed PMP for the BahamaReefs Program

and the way forward. Based on the GFCR’s feedback and an updated list of Fund core indicators, TNC revised the BahamaReefs PMP and facilitated a virtual meeting with BahamaReefs Consortium Partners in December.

During the meeting, TNC shared with partners the GFCR’s core indicators, reviewed the draft PMP, and discussed methodologies and timelines for data collection and reporting on the BahamaReefs Program. Based on partner feedback, the PMP was amended to include revised metrics for the GFCR’s further consideration. TNC is currently waiting on the GFCR’s list of finance indicators for the Investment Fund and final review of the PMP supported by UNEP.

As next steps, an in-person M&E meeting is planned for March 2023 to,

1. update consortium partners on GFCR M&E framework and indicators; and
2. agree on monitoring activities and the creation of an M&E working group.

The M&E working group will be responsible for coordinating monitoring activities and collecting and analyzing data for reporting back to the donor. A final PMP with revised project indicators, targets and timelines will be submitted to the GFCR for approval by June 2023.

Community Engagement and Gender Mainstreaming

During the reporting period, TNC used several platforms and mediums to bring awareness to the challenge of coral reef degradation, raise the profile of BahamaReefs, and solicit local support and identify project champions. The primary avenues used to reach stakeholder groups were local media outlets, social media platforms, and messaging apps.

To increase community awareness and support, TNC shared presentations with audiences from various sectors. These included key government agencies, civic organizations, corporate Bahamas, financial institutions, and the public.

The BahamaReefs Program is developing their Gender Action Plan to create economic opportunities for women while encouraging gender equality through project interventions and solutions. The project management plan will include specific gender metrics and indicators.

Results and Targets

Missing baselines and targets are to be established in year 2023.

Program -Level Indicators	Targets	2022 Progress
Reef Fish Biomass	TBD	0
Live Coral Cover	TBD	0
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	3,615	0
Investment capital leveraged	US\$ 15,500,000	0
Grant co-financing leveraged	US\$ 2,024,331	US \$1,145,480
Beneficiaries	83,000	0
Coral-positive Enterprises	25	0

Investment Leverage

The programme was primarily focused on project planning and pipeline development, which were delayed due to changes in staff, and thus no progress has been made in leveraging private sector investment at this time.

D. Kenya-Tanzania – Miamba Yetu: Sustainable Reef Investments

The Miamba Yetu: Sustainable Reef Investments programme is supporting sustainable businesses and

ventures that have a positive impact on coral reefs and the communities that rely on them. The programme covers Kenya and Tanzania including the Zanzibar archipelago, focusing on the proposed Transboundary Conservation Area (TBCA) between southern Kenya and northern Tanzania. The TBCA was identified by the Wildlife Conservation Society (WCS) as a coral climate refuge and is an area that the two governments are seeking to co-manage.

The programme is undertaking this work in partnership with conservation finance experts – Okavango Capital Partners and Conservation Capital, as well as other

stakeholders engaged in coral reef conservation and improved fisheries. Miamba Yetu aims to bring significant investment of new resources into both coastal Kenya and Tanzania, helping the countries to realize their climate and SDG commitments. The programme also aims to empower entrepreneurs, coastal communities and fishers alike by incubating and scaling new and promising enterprises respectively. The programme is designing a venture support mechanism for smaller scale enterprises that have reef-positive potential. These structures are expected to be operational within the first half of 2023.

Snapshot	
Convening Agent	WCS
Approval Date	October 2021
Start Date	January 2022
Programme Lifetime	2021-2023 (Pilot Phase)
Approved Allocation (USD)	\$3,235,394
Disbursed (USD)	\$2,905,394
Co-recipient	Blue Bridge (UNCDF)
Co-implementers	Okavango Capital Partners, Conservation Capital

Reef Positive Solutions

Okavango Capital Partners (OCP), in collaboration with WCS, was awarded \$1.2M to design, launch and manage a Special Purpose Vehicle to serve as an investment facility to foster growth of early-stage companies with a coral positive business model. OCP is an experienced conservation investment team, and the collaboration will equip OCP with expertise from WCS in the Blue Economy Sector, and augment WCS' experience in investment tools used for conservation outcomes. No dedicated SPV for coral reef conservation exists in the region and its establishment is expected to significantly attract and catalyse co-investments and blended finance transactions and scaling impact. A first tranche of funding from GFCR has been disbursed to the implementing partner – Okavango Capital Partners – and will finance the establishment of that SPV and financing facility, expected to be completed in the first half of 2023.

Venture Studio

In Q4 2022, the programme further engaged IUCN, Ocean Hub Africa and TechnoServe – who have been collaborating on a regional venture studio concept to support smaller-scale livelihood businesses that are

not targeted by the SPV. The programme proceeded to explore more options to support smaller-scale business initiative including identifying new partners to collaborate with on the venture model which is expected to be completed in early 2023. The programme will be able to fund start-up ventures coming out of the Venture Studio and identify a partner organization with solid experience in incubating new initiatives.

Kwanini Project

The Kwanini project below uses ecotourism revenues to support a community fisheries closure to improve coral reef ecosystems. The project is located in the north-west of Pemba Island, Zanzibar - Tanzania, and encompasses the Makangale & Tondooni Management Zones (6,500 ha), including the Kwanini Marine co-management area, a 45ha no-take zone.

The project aims to support the improved management of a marine co-managed area to establish sustainable use practices of 6,500 ha of marine biodiversity, enhancing livelihoods and increasing climate change resilience. Grant financing will support nature-based tourism initiatives and marine scientific and management equipment. Loan financing will support the construction of an underwater room for hotel guests, with contributions from the hotel and hotel guests supporting Kwanini foundation.

Implemented by Blue Finance, the project was awarded up to \$350,000 to apply its sustainable MPA management and blended finance approach. This financing will seek to implement infrastructure, a marketing strategy and a fee collection system to scale up the MPA's scientific and ranger protection capacity in a financially self-sufficient approach.

Sanivation

To mitigate solid waste and wastewater impacting coral reefs, the programme has been working with the company Sanivation. Since 2014, Sanivation has worked with local governments to ensure waste is safely managed by developing projects for public financing, largely in partnership with The World Bank, African Development Bank and other development partners. They have mobilized USD 12M of public financing, ensuring 5,000 tons of waste can be safely managed and are currently interested in being financed by Miamba Yetu to mitigate solid waste and wastewater pollution from damaging Kenya's coral reefs.

Sanivation has submitted an investment memo, detailed budget and survey plan for coral reefs to integrate into their city-wide inclusive sanitation plan. The programme intends to support the business in mobilizing public financing to enable waste to be safely managed with Sanivation's existing project pipeline, along with TA support to quantify the impact of waste being safely managed on the reefs. The waste to value treatment plants in Malindi and Watamu are under construction.

Mr. Green Africa

To reduce plastic waste and promote proper management and recycling, the programme is collaborating with Mr. Green Africa. It is a tech-enabled plastic recycling company that tackles waste management problems. This company incorporates the concept of shared value—creating economic value while addressing social and environmental challenges- into its core, by harnessing the untapped potential of an

existing informal waste management industry. The business sells pre-processed recycling materials with a traceable social and environmental impact.

The business aims to not only reduce the impact of plastic pollution by doubling plastic waste collection and processing in Mombasa in key hotspots such as the Mombasa Marine Park and Reserve, but also create income opportunities for the marginalized workers who will collect the plastic for a fee. It will also inspire a transformation mindset that encourages awareness of plastic pollution in the ocean and critical coral reef ecosystems. There is the possibility of being acquired by a global waste management company looking to enter the East African region. The company is seeking UDS 9M in this round of investment.

Baseline and Monitoring and Evaluation

WCS has conducted a baseline ecological survey within the Kwanini MPA in 2020 and will support Blue Finance in conducting a baseline social survey, fisheries patterns mapping, catch data survey and litter deposition survey once the project is launched. WCS also evaluated the last five years of existing data for coral reefs in Kenya (coastwide) for the following data types: coral and benthic cover, fish biomass, sea urchin biomass, fishing patterns maps, fish catch, and plastic trash on beaches. To fill gaps in our data on coral reefs status and threats, and ensure long-term data collection on reefs, the programme is establishing survey sites for fish biomass, coral cover, and sea urchin abundance. These have been completed with GFCR support for four priority sites in Kenya and two in Tanzania (both for the Kwanini project) and gap filling will continue in 2023 as a baseline and way to assess emerging risks and improvements to reefs.

Based on a real quantification of threats to reefs, the threats affecting most the reef areas in Kenya and Tanzania are overfishing (artisanal fishing), poor wastewater treatment, harmful runoff and poor water quality, and coastal development. All coral reefs in the Kenya TBCA area (~9,000 ha) and Tanzania TBCA and Zanzibar (~64,500 ha) are affected by at least three threats. It is challenging to quantify the level of damage caused by each of these threats. Based on the programme's expert knowledge, amongst the threats, overfishing and use of harmful fishing gear are causing the most damage to reefs.

The national marine parks in Kenya are highly enforced and serve to mitigate these threats but over very small geographic areas. The programme intends to address this issue by mitigating additional threats in addition to the primary threats in the assessment. The threats analysis shows that reefs in both Kenya and Tanzania are exposed to multiple pressures that likely have cumulative impacts on reef systems.

Community Engagement and Gender Mainstreaming

The programme is designed to ensure participation in the decision-making phase by representative members from all sectors of each community. In line with SDG 5: achieve gender equality, the programme will use WCS' existing social safeguards to build on efforts towards social equity through investments that improve livelihoods and assure access to opportunities and benefits for women. WCS has a regional social safeguards coordinator who is working with the GFCR programme and has experience with the private sector. The regional social safeguard coordinator – with the support of both WCS Africa and WCS global rights and community directors – supports the programme by developing, implementing and where necessary updating environment and social safeguard policies and procedures and plans. The policies serve in in project screening and work together with project implementers in making sure that all social safeguard aspects are included and complied to throughout the project cycle.

The programme's gender mainstreaming strategy speaks to the GFCR Global Gender Policy by adopting the gender responsive approach starting from deal origination. Specifically, Miamba Yetu is adopting a 3-tier strategy to address gender equity:

- 1) During project scoping: in the open calls, special consideration will be given to enterprises that are women-led or support development of women in business. Further, for the venture initiative, women entrepreneurs will also be given special consideration for support.
- 2) As projects are evaluated in the review checklist, there are specific criteria for women in leadership positions and development of women-led enterprises.
- 3) For projects that are funded or financed, the programme will amplify how women in leadership positions within the project and advance gender equity.

It is WCS's standard procedure, and in accordance with the GFCR Gender Policy's programme-level requirements, to record gender in attendance lists which ensures traceability and allows to monitor impact. The number of men and women fishers benefiting from the business venture will be determined as part of the evaluation process and will contribute to the overall scoring of a project thus favouring projects that promote female participation. Further, the programme seeks to create new leadership opportunities for women through training and establishment of management committees in communities.

Results and Targets

Programme-Level Indicators	Targets	2022 Progress
Reef Fish Biomass	550 kg/ha to >1000 kg/ha depending on starting point ⁵	0
Live Coral Cover	>20%-40% depending on starting point ¹	0
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	50 ha of protected reefs ^{Error! Bookmark not defined.} (based on improve patrolling & reduced number of violations per patrol)	0
Investment capital leveraged	1:3	1:0.1
Grant co-financing leveraged	1:1	-

⁵ These are baselines for the first project (Pemba) and will be updated (tracked and reported) with changes from M&E activities. The project area's inclusion in part of the TBCA is expected as it is within the climate refuge area. The ecosystem status and environmental conditions vary considerably in the TBCA and along the coastlines of Kenya and Tanzania. The programme will strive to improve coral cover and fish biomass, and levels feasible will depend on starting conditions (hence the range provided). In the case of fish biomass, 550 kg/ha is the threshold for sustainable fished biomass and >1000 kg/ha is what is expected in well enforced long-term fisheries closures. In terms of coral cover, we used 20% as the minimum desirable level for Kenya where cover tends to be lower, but in some cases, there are reefs at higher levels especially in Tanzania, and we seek to maintain or improve from existing status when above the minimum.

Beneficiaries	1100 ⁶	0 ⁶
Coral-positive Enterprises	10 new SMEs	0
Livelihoods Impacted	5% of total households in the area ⁷	0

Investment Leverage

As part of our pipeline development work in 2022, the programme secured 5 high-priority proposals seeking approximately USD 5M in investments against grants of USD 1.5M to be considered for approval and deployment in tranches between 2023 and 2025.

Additionally, the grant for the Kwanini project is blended with a private capital injection of USD300k in the form of a committed senior debt from Mirova Capital which is awaiting disbursement. This is a 1:1 ratio of grant to debt committed for this project.

E. Papua New Guinea – Gutpla solwara, gutpla bisnis ('Good oceans, good business')

Overview

Papua New Guinea (PNG) is classified as one of seventeen “megadiverse” countries in the world and its marine ecosystems are of international significance. Kimbe Bay, the first pilot site of the “Gupla Solwara, Gupla Bisnis” (GSGB) UNDP/UNCDF joint programme (JP) has recorded presence of over half of the world’s recorded coral species. These reefs are under serious threat – not only indirectly from anthropogenic climate change and bleaching events, but also population pressures and unsustainable practices from widespread palm oil blocks lining the coasts.

Snapshot	
Convening Agent	UNDP
Approval Date	October 2021
Start Date	January 2022
Programme Lifetime	2021-2025
Approved Allocation (USD)	\$4,494,248
Disbursed (USD)	\$1,978,825
Co-recipient	Blue Bridge (UNDF)
Co-implementers	Conservation and Environment Protection Authority

With a few exceptions, there is no revenue being generated by marine protected areas in PNG for active conservation management and little incentive to manage natural resources sustainably. At the same time, local communities lack the skills, knowledge and finance to develop conservation-first business models connected to the marine and coastal environment, which could provide both livelihoods and conservation outcomes. Kimbe Bay’s 14 Locally Managed Marine Areas (LMMAs) are under-resourced and threatened without effective protection, education, and enforcement measures in place. The programme intends to address these barriers by developing a Blue Investment Strategy aligned with PNG’s Ocean policy,

⁶ Manta Resort and Kwanini Foundation. The funds were disbursed to the Kwanini Foundation in 2022 with the co-financing debt to Manta Resort pending deployment.

⁷ The KPIs for the Kwanini project, are currently under revision to match the updated M&E Guidelines from GFCR

generate pipeline of reef-positive solutions through a Blue Economy Enterprise Incubation Facility (BE-EIF). The programme intends to promote the effective management of 1.33M ha of marine area, encompassing 23,236 ha of coral reefs, create 250 sustainable ocean-based jobs, and deliver five new women-led blue economy initiatives through the BE-EIF.

2022 was the first year of implementation for the programme, which had several challenges to overcome. These included significant changes to the project document due to outdated information (ex. The sale of the Conflict Islands), national general election related violence and unrest in Kimbe, the slow recruitment of the UNDP PMU and leadership vacuum at UNCDF, and the delay in recruitment of the PMU.

Reef-Positive Solutions

Blue Economy Enterprise Incubation Facility (BE-EIF)

In 2022, UNDP worked to establish the groundwork for a women-focused Blue Economy Enterprise Incubation Facility (BE-EIF) to accelerate sustainable livelihoods opportunities for women and marginalized groups linked to the marine environment in Kimbe Bay. The BE-EIF will demonstrate proof of concept for the blue economy in PNG, particularly the potential to offer transformative livelihoods to MSMEs which can employ women, youths, and marginalized groups. Tied to the BE-EIF, the PNG National Biodiversity and Climate Fund (BCF) was successfully launched in September 2022 alongside the BE-EIF. The BCF, which will be incubated by UNDP for the first two years of implementation before becoming a legally independent institution, will provide an important vehicle for fundraising future iterations of the BE-EIF technical assistance and financial incubation facilities. The BCF has already programmed the first round of grants targeted towards supporting business management plans for protected areas.

From the business investment side the national Investment Promotion Authority and SME Corporation have shown a high level of interest in the programme, particularly as the establishment of the BE-EIF in Kimbe Bay occurs in parallel with the nation's first government-supported provincial SME incubation facility in West New Britain. The SME Incubation Facility will assist businesses in registration and payroll and conduct trainings targeted towards terrestrial commodities. Therefore, the programme's BE-EIF will complement the Facility by assisting businesses in learning about the blue and green transition, particularly in parallel with the women's blue business network.

The key ambitions for the next year of implementation will be to identify and incubate 5 Micro, Small, Medium or Enterprise (MSME) businesses in Kimbe Bay through the BE-EIF. A firm will be hired in early 2023 to short-list 5 women-led blue MSMEs in Kimbe Bay, and provide incubation through the BE-EIF 'Blue Accelerator' program. By 2025, 10 businesses will be incubated across the 2 pilots sites. Further, a Gender-sensitive 5-year business and revenue plan for the BE-EIF. This will be completed in mid-2023.

The programme will seek to increase awareness of the blue economy nationally, including by holding a Blue Economy / Blue Demo Day event falling on or close to World Oceans Day, June 8th 2023. As the consultations have shown relatively little awareness about the blue economy both at the partner and community level, the programme will also seek to publish a communication campaign to highlight the value of a "blue" approach in PNG's business trajectory. Finally, the JP will look to select the second pilot site which will host both the second cohort of the BE-EIF 'Blue Accelerator' program and seek innovative financing instruments to develop a new MPA or LMMA.

Blue Bridge

To de-risk the businesses from the BE-EIF portfolio, UNCDF will begin groundwork on the blue risk guarantee in 2023, with a view that disbursement will begin in 2024.

Other Activities

Throughout the entirety of the programme, the following feasibility studies and planning activities are planned:

- **National Blue Economy Investment Strategy.** This is in draft as of Q1 2023, with a plan to seek endorsement from government and publish in late 2023.
- **MPA gazettal plans.** UNDP and CEPA will scope potential pilot sites and develop a report detailing recommendations, for the review of both the JP board and GFCR. The report will include potential avenues for sustainable financing through private sector investment, likely needing to be channelled through an implementing partner until the BCF is legally independent. Revenues generated for the BE-EIF will support the management of the MPA and the technical facility for women-focused SMEs and MSMEs.

Baseline and Monitoring and Evaluation

The monitoring and evaluation framework has grown considerably since project proposal stage, the project team assessed the indicators in the context of the Kimbe Bay pilot site. Whilst WCS is the global lead for the monitoring and evaluation framework, nationally WCS has noted that they do not have the capacity or ability to increase their capacity to implement further the M&E framework.

To address these challenges, a M&E consultant was hired in December 2022 to draft the monitoring and evaluation framework, including consulting with WCS and other local partners who may be capable of carrying out the biodiversity monitoring at the pilot sites, and providing oversight to the collection of baseline/Year 1 data in 2023. As this consultant is also engaged with the Fiji programme for M&E, it is hoped that the programme in PNG will be able to learn from the best practices and lessons learned from Fiji's monitoring framework, to provide a more coherent picture to the GFCR Executive Board at the global level. Biodiversity-related monitoring can be conducted by alternative partners, including the Seawomen of Melanesia, a local NGO consisting of women in marine conservation who conduct coral reef awareness and monitoring across PNG, or by the research team at the James Cook University, who have a 20-year history of coral studies in Kimbe Bay.

For the identification of climate refugia, the Blue Economy Investment Strategy (Output 1.1) will include a mapping analysis of threats and key ecosystems across PNG, including coral reefs and key marine ecosystems, shipping lanes and port activity, sites of land-based pollution, and estimated coral reef fisheries catch. This mapping analysis will assist in identifying areas of climate refugia and will be used as criteria in the selection of the second pilot site. The GIS data will be made available on the PNG Biodiversity and Climate Geoportal: www.png-geoportal.org

Community Engagement and Gender Mainstreaming

Linked to the larger strategy for the blue economy in PNG, a two-week mission was held in November 2022 to inform the programme's development of a national Blue Economy Investment Strategy. This mission served dual purpose as the programme management unit (PMU) also consulted with provincial and national government, private sector, civil society and community-based organizations in Port

Moresby and Kimbe. Some of the stakeholders had been consulted about the project originally in 2021 during the proposal process but felt left out of the implementation process, largely due to the long delay between pre-proposal and implementation, delays in the PMU establishment and inability to travel to project sites during the election period. Other had not been consulted, largely because of COVID restrictions and the short field mission allocated for pre-proposal interviews, and were greatly interested by the new 'blue economy' concept and requested regular progress updates to the project.

During these consultations the JP was able to gain a more nuanced perspective of the blue economy in Papua New Guinea, particularly pertaining to how the potential investment pipeline varies between different provinces depending on the presence of large-scale industry and local culture, and how best to implement the establishment of the BE-EIF and the blue credit guarantee. In Kimbe specifically, many women are only informally engaged in fishing for protein and rely largely on their smallholder oil palm blocks and terrestrial commodities for income when needed.

The PMU also visited Kimbe to provide an official presentation on the programme to the West New Britain (WNB) Provincial Administrator, who has endorsed the project pilot site in Kimbe. The provincial government also noted a lack of an official Inception Meeting to launch the project, which the PMU committed to holding in early 2023. This has paved the way for the establishment of the local hub of the BE-EIF and consultations were also held with women's business and groups, including the Women in Fisheries cooperative to start to develop a 'long-list' of women's blue business opportunities. Over 40 women were consulted who were actors in the informal and formal economy, and the programme also held a session for over 15 provincial government counterparts to discuss the challenges and opportunities in the blue economy in Kimbe Bay. This included representatives from Community Development, Tourism Promotion, Environment and Climate Change, Fisheries, and Commerce and Industry.

Results and Targets

During this inception phase, clearer and more detailed targets will be set as baselines and solutions are further identified.

Programme-Level Indicators	Targets	2022 Progress
Reef Fish Biomass	Biomass of commercially significant fish TBD	Biomass of commercially significant fish (g/100m2) (baseline)
Live Coral Cover	TBD	
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	23,286 ha of coral reef under protection and 1.33M hectares of marine space under protection by 2026. Conflict Islands could not longer be included in the programme due to its sale. Under GEF-6, the Kimbe Bay MPA component has been scaled down and will not meet the estimated target of 1.3 million hectares by 2025. The programme will identify second pilot site in 2023.	No progress at this time

Investment capital leveraged	\$4M from domestic financial institutions	1 enterprise is being connected with different sources of commercial capital. Capital requirement is 5 M USD.
Grant co-financing leveraged	\$4.5M	700,000 from the Joint SDG Fund (baseline) <u>National Biodiversity and Climate Fund</u> Officially launched in September 2022, the first call for proposals went out in late 2022 to support a total of \$250,000 USD (11 grantees) in developing business and management plans for marine and terrestrial 33usines protected areas. The Fund will aim to deliver \$1million USD in 2023 including for protected area development grants of marine protected areas. Therefore co-financing will be provided in-kind through support to marine biodiversity and climate projects across PNG, including in Kimbe Bay.
Beneficiaries	10,000 community members	None to date
Coral-positive Enterprises	5 new blue economy initiatives demonstrating proof of concept from the BE-EIF	Scoping started but businesses not yet selected
Livelihoods Impacted	250 local sustainable ocean-based jobs created	None to date

Investment Leverage

The ambition of the programme strategy is 1:4. The target source has been complicated by the removal of the Conflict Islands from the project and thus the resource commitments stated in the original proposal. Raising capital in Papua New Guinea is extremely complex and will require time to investigate and cost out. However, conversations have been held about different institutions and funders who would potentially look to support the GFCR activities.

There is interest from the private sector in PNG to invest in conservation and biodiversity, however several challenges need to be explored and overcome. PNG has several large extractive companies including Newcrest, Total, and Exxon, who are all programming funding into conservation initiatives and biodiversity

offsets. Whilst this could be a potential high-value resource for funding for the BE-EIF, there are challenges to be overcome including avoiding ‘greenwashing’ of PNG’s extractive actors, and the low change of these actors to pass UNDP’s risk screening assessments. Steamships and SWIRE are the largest maritime businesses in PNG and have their own sustainability programs and community grant schemes. As the both companies have activities in Kimbe port, early stage conversations have been held with sustainable development managers to understand if the community grants could target BE-EIF recipients in the future. This is to be developed in 2023.

Work is also being done at the UN level, led by UNDP PNG, to scope and potentially implement new financing instruments for GoPNG. Based on a request from the GoPNG Treasurer in Q3 2022, briefs and presentations have been delivered to GoPNG on the potential for PNG to implement a debt for nature swap or blue bonds. Internal UNDP funding was successfully fundraised to contract the development of an instrument in 2023 which could assist the GoPNG in achieving and sustainably financing the SDGs. If a blue bond or debt for nature swap could be negotiated, revenues could potentially be ringfenced for the BCF and marine conservation through the technical assistance facility of the BE-EIF. However, this remains to be analyzed in 2023.

F. Philippines – Mamuhunan sa mga MPAs (‘Responsible investment in MPAs’)

Overview

To enhance the management of the MPAs in Philippines, the GFCR supports an 8-year programme led by Blue finance. Launched in July of 2022, the programme named ‘Mamuhunan sa mga MPAs (‘responsible investment in MPAs’) is setting up a facility aimed at building well managed and financially sustainable MPAs. The objectives for 2030, are to:

- Enhance the management capabilities and financial sustainability of more than 80 MPAs
- Regenerate approximately 54,000 ha of high-biodiverse coral reefs and overfished fishing grounds
- Have a positive impact on the livelihoods of an estimated 300,000 fisher and coastal community members (the majority of whom are below the poverty level)

Snapshot	
Convening Agent	Blue Finance
Approval Date	December 2021
Start Date	July 2022
Programme Lifetime	2022-2030
Approved Allocation (USD)	\$3,094,520
Disbursed (USD)	\$2,798,264
Co-recipient	Blue Bridge (UNCDF)
Co-implementers	Blue Alliance, Blue you, Rare, Uba Sustainability Institute

The initiative commenced with a pilot site in North Oriental Mindoro, in the Verde Island Passage (VIP) area, where innovative long-term delegation of management agreements have been signed for a network of MPAs. These agreements are arranged between local governments and Blue Alliance (BA), a sister company of Blue finance. BA is a special purpose entity (SPE) created specifically for the management of the MPAs. BA board includes well-embedded local community partners.

The MPAs aim to become financially sustainable by creating tangible revenue streams that are reinvested directly back into each MPA through Blue Alliance. The tangible revenue streams are described in the

following section. For North Oriental Mindoro MPA network, first revenues are expected by end-2023 until financial sustainability of the MPAs is attained by 2026 (i.e., covering their annual operational expenditures). By 2030, the programme intends to replicate the model in LMMA in the Calamian Island Group (CIG) and the Tanon Strait Protected Seascape (TSPS).

In parallel, Blue finance has designed an innovative “**MPA blended finance facility**” to provide adequate upfront and early-stage capital for the establishment of sustainable MPAs. The facility leverages the support from the GFCR and syndicates catalytic funding from other donors with concessional loans from impact investors.

Reef positive solutions

Responsible ecotourism to generate revenue for Blue Alliance

Responsible ecotourism programmes generating contributions to the MPAs through new product development and facilities, destination & product marketing, tourism awareness and engagement campaigns; Revenues are expected to start in Q4 2023. More precisely, the following progress has been made.

The programme is incubating a highly engaging visitor centre, ‘The Sea Sensorium’, where guests can interact with fascinating marine life in new and exciting ways, through high-tech interactive experiences. The creative concept has been developed, a site lease has been signed with local government ([aerial photo](#)) in Puerto Galera and architect and project manager engaged ([draft building perspectives](#)). Next steps include final designs, permits, production & construction, pre-opening operations. Pre-opening is expected in Q3 2024;

In Puerto Galera, the programme has been raising awareness and engagement with tourism stakeholders with the objective of raising voluntary donations. For scuba diver visitors, Blue Finance is initiating partnerships with dive resorts and opening the opportunity to present management and protection work, along with various donation options to resort guests. For non-diver visitors, Blue Finance is developing audio/visual visitor centre’s and virtual reality experiences, and the fees charged for these experiences contribute directly to MPA management. Voluntary donations are preferred over mandated user fees, which can be seen as a tax, to mitigate the risk of changing political will and long process to establish user fees with the SPEs.

For San Teodoro Punta Ilag MPA, a high-potential dive site, close enough to Puerto Galera to attract scuba visitors, the programme is developing a deeply immersive and intimately guided underwater experience to attract divers.

At Calapan Harka Piloto MPA, a site with exceptional dive potential, but with negligible tourist volumes and little suitable infrastructure, the challenge is more long-term. The programme is engaging with local government in exploring infrastructure options, and once decided a destination marketing exercise will be initiated.

The programme is also exploring and documenting new dive sites in the area, with the objective of drawing new divers and generating revenue for MPA protection, but also with the objective of attracting divers from high density dive areas to lower overall diver densities across the MPA network. The destination marketing portal is in development (example: <https://www.visitturneffe.org/>).

The following solutions will generate financing for the Blue Alliance SPE.

Blue Carbon

Restoration and conservation of mangroves serve as major carbon sinks and key ecosystems for coastal management. The programme will generate Blue-carbon credits through a close partnership with communities and Uba Sustainable Institute, an international carbon credit expert company. First activities, following the preparatory works, have focused on the recruitment of the local project management team, satellite-based analysis of the historical situation of mangrove in VIP, ownership assessment of the different mangrove plots and desktop analysis of sea level rise in the region; Next steps include the seedling-planting programme, agreements with owners as well as the certification of credits. First revenues coming from potential credit off-taker are expected by Q2 2024.

Mangrove Crab hatchery

A hatchery/nursery company of mangrove crabs (*S. serrata*) aims to provide crablets to fishpond owners and local communities through a extensive grow-out approach. The solution prevents the over-exploitation of wild stocks, generates incomes for coastal households and regenerates mangroves in fishponds. The solution is implemented in VIP Or. Mindoro with Blueyou, an international aquaculture expert company. The project has started with a 18-month grow-out pilot phase broken down in three cycles of growth and harvest. The pilot will confirm biological and physical conditions of the extensive grow-out approach while the final design and construction of the hatchery/nursery facility is completed. Activities implemented so far include the recruitment of a local project management team and local experts; farming agreements have been with two initial local fishpond owners for the pilot and initial locations identified for the hatchery/nursery facility. First revenues from the sales of the adult crabs are expected in Q3 2024.

Sea cucumber hatchery

A hatchery/nursery company of sea cucumber (*H. scabra*) providing fingerlets to local communities through a extensive grow-out approach in shallow coastal areas. The pre-feasibility study has been completed confirming the potential for sea cucumber aquaculture in & around VIP and Calamian MPA areas. The best areas for sea cucumber grow-out have been pre-identified as well as potential locations for the hatchery and nurse facility. The feasibility study with comprehensive field assessment will now confirm exact locations and finalise detailed financial models.

Other solutions

Other revenue streams are being explored from plastic recycling, fishery improvement projects and other small scale aquaculture businesses. Their feasibility is expected to be completed before Q3-2023 with potential development starting in Q4 2023 for selected solutions.

Baseline and Monitoring and Evaluation

During the reporting period, work focused on determining sensible baselines from which MPA impacts can be determined as well as Key Performance Indicators (KPIs), following discussion with UNEP. Guidelines for metrics for Impact Investment were also developed.

Data was collected on a range of indicators, however live hard coral cover, physical damage index, fish biomass and diversity which are most relevant to reef health and the impact of our management efforts

are reported here. Fish productivity monitoring (outside MPAs) is in process and will be reported on in the 2023 progress report.

Monitoring was completed at 22 stations in Oriental Mindoro. Sites were established at known existing monitoring locations and other areas that were deemed representative of general reef conditions. Four types of monitoring sites were established.

These include:

- Core: No-take zones within MPAs,
- Control Sites: Fishing-allowed zones outside MPAs
- Sustainable Use: Limited fishing allowed (only in Puerto Galera) inside MPAs
- Potential MPAs: Areas proposed by either the Blue Alliance or the government as MPAs, but not yet designated

In MPAs in VIP-Or. Mindoro, baseline ecological data has been collected on coral reefs and fish populations as well as baseline socio-economic data including through fish catch landing campaigns.

Baseline data from the MPA stations show an average of:

- Live coral cover: 27% inside the MPAs
- Commercial reef fish biomass: 23mt/km² inside the MPAs

Water quality monitoring is planned for May 2023 in association with the University of Oriental Mindoro. Physical parameters as well as nitrates, phosphates, DO will be carried out during the warm water month (May) and cold month (February).

Socio-economic indicators are to be measured in terms of livelihoods. The metrics allow for measuring either directly or indirectly, improvements that will allow individuals to better secure the basic necessities of life. Indicators monitored are number of jobs (equivalent full time), beneficiaries (direct & indirect), and Catch per Unit Effort (CPUE) –described in the Monitoring section.

Community Engagement and Gender Mainstreaming

In general, the support to the programme remains high with active participation of the Ministry of Environment (DENR-BMB), provincial governments, local governments, community organisations and fishery cooperatives. A GFCR development facility Steering Committee (SC) has been held in Jan 2022 to provide overall direction and oversight, approve the annual work plans and budget and review technical and financial reporting of the Development Facility. Members of the committee are: SPE board members, Government representatives from DENR, provincial governments and local governments, UNCDF, BF and UNDP. This committee is chaired by Bf and meet once a year.

Regarding engagement at the local level, the following challenges have been highlighted. The political will to enforce fishery regulation in one of the MPAs remains weak (even if it has improved with a new technical team incorporated lately). Local Government is still very loose with prosecutions but with the other three Local Government Units there are no concerns. The discussions to develop the new co-management agreement in Calamian islands have progressed following Blue Finance's visit but more meetings are needed to explain properly the approach and reduce potential concerns.

In order to inform our Gender Action Plan, Blue finance and co-management partner in the Philippines, Blue Alliance, carried out extensive consultations with communities prior to the start of our programme, in order to understand the gender context and especially the needs of women in the coastal communities surrounding the Marine Protected Areas. Identified challenges, concerns and needs are included in the plan and are continually updated.

Blue Alliance is in the process of developing a Gender Policy that incorporates the empowerment of not only women and girls, but all manifestations of inequality. In the Philippines for example, young boys are perhaps as much at risk of exploitation as young girls and women. With our core focus on daily MPA management across four interrelated areas – Science & Conservation, Community Development, Enforcement and Sustainable Revenues – there is currently no dedicated capacity to lead gender reform. Instead the programme will partner with specialist organisations such as the Stairways Foundation that lead the way in aiding at risk children, especially boys. Blue Alliance staff are actively involved in training children from the foundation on marine conservation and ecology, with plans to integrate them into our bio-physical monitoring programmes, starting with dive training. We also have mapped out activities to reach school children through school programmes, which will be implemented later this year.

To date, women have participated in all MPA meetings, often with them making up the majority of meeting participants. Even in cases such as our blue economy mangrove crab project meetings, where the fishpond owners are all men with the exception of one woman. Women are targeted to play major roles in the maintenance of ponds and growing of crabs.

There is increasing discourse about women in the field and the programme’s Community Resource Monitors (CRM) coordinators are primarily female, however the majority of people the projects – including government officials are men. The reality is that, in spite of our Gender Action Plan which seeks to ensure greater participation of women in biodiversity conservation, participatory management, community development, enforcement and revenue generation, so far many of these activities continue to be male-dominated.

Blue Alliance encourages the inclusion of women in enforcement and training primarily through word of mouth. The intention is not to coerce women into roles such as patrols, in which, to date, there seems to be little interest, but to ensure that they have the exposure to and training if they wish to participate. Of note, there are 31 female members of the sea stewards called Bantay Dagat. However, even within the Bantay Dagat, women have tended to keep to traditional roles of cooking and other means of revenue generation. The programme has offered to train the female Bantay Dagats to dive and are actively encouraging young women to join the team as providers of our Blue Talks – environmental talks presented to hotel guests.

Results and Targets

Programme-Level Indicators	Targets (2029)	2022 Progress
Commercial Fish Biomass	Increase commercial reef fish biomass to >40 mt/km2 in MPAs	Average Baseline commercial reef fish biomass in MPAs (mt/km2): 20.2 (min: 2.5 ; max: 36.7)

Live Coral Cover	Ensure no decline in coral cover over time inside MPAs	Average live coral cover in MPAs: 26.7% (min: 9.8%-max:43%)
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	53 822ha	5 200ha in VIP-Oriental Mindoro
Investment capital leveraged	US\$23m (14M debt + 9.3M equity)	US\$0.7m Debt + refundable grant
Grant co-financing leveraged	US\$1m	US\$0.32m
Beneficiaries and Livelihoods Impacted	585 new jobs in total 1,200 individuals with increase in incomes 75,000 fishers benefiting from greater yields 250,000 individuals with greater coastal protection (Approx. 5% of 5,000,000 individuals benefited from enhanced protection against coastal flooding and erosion)	25 new full time equivalent jobs (MPA + community rangers) + 20 resource monitors with monthly benefits 20,000 fishers (incl. families) potentially benefitting from greater fishery yields (through spillover and larval export) 60,000 individuals with greater coastal protection through mangrove and coral reef conservation
Coral-positive Enterprises	~40 (20 fish farmers, 10 mangrove owners, 4-5 sea cucumber communities, 4-5 other projects)	2 fish farmers

Investment Leverage

By 2030, the programme seeks to unlock USD 23.5M from impact investors and other funding partners. The total investment capital leverage is then 2.3X leverage.

Achievements in 2022

Investment readiness of the MPA in Oriental Mindoro has progressed with USD 700k secured from Genesis and UBS optimus. Additional interest has been confirmed from BNP Paribas and Mirova (up to USD 2M) through the Blue finance MPA financing facility. Other funders are reviewing the proposal (such as Triodos, SocGen, Builders vision, etc.). If funds are confirmed, the total investment capital leverage will be then 3X leverage.

The lessons learned during this period are that conservation projects, particularly around marine ecosystems, are not attracting impact capital at the same pace as the rest of the impact investment market largely due to a shortage of investment-ready projects. Further, investments required are typically smaller than large institutional investors' minimum investment size, yet larger than many individual impact investors' desired allocation. Also, limited data on financial performance and expected returns paired with a limited understanding from donors of how marine resources can be structured to generate returns.

G. Indonesia – Terumbu Karang Sehat Indonesia

Overview

Yayasan Konservasi Cakrawala Indonesia (KI) Global Fund for Coral Reefs (GFCR) programme in Indonesia seeks to promote inclusive, equitable, and coral reef-positive economic development and investment actions that are aligned with national and subnational marine conservation and sustainable development policy objectives. The CI programme in Indonesia has two coral reef ecosystem priorities: 1) the Bird’s Head Seascape (BHS) in South-West Papua and West Papua Provinces; and 2) Sumba Island in East Nusa Tenggara Province. The BHS represents 75% of the world’s known species with over 600 species of hard coral and 1,850 species of reef fish and has some of the highest levels of endemism globally.

In the BHS, the programme seeks to reduce existing funding gaps associated with effective protection of the globally significant coral reef and associated ecosystems in the BHS MPA network. The programme seeks to replicate this success of the MPA in Raja Ampat to Fakfak-Kaimana MPAs. In Sumba, the programme seeks to leverage strong government and local industry support in seaweed and other favorable enabling conditions to collaboratively design, pilot, and implement reef-positive blue economic development models that generate significant reef conservation outcomes alongside sustainable livelihood development pathways that can be replicated at a provincial-scale.

Reef Positive Solutions

Pipeline Scoping

During the reporting period, programmatic activities to establish a dedicated GFCR Indonesia investment window within CI Ventures were undertaken. Due to the timing of final administrative matters associated with the closing of CI international operations in Indonesia and the establishment of an affiliate agreement with Konservasi Indonesia, the timing of formal legal due diligence associated with CI Ventures activities in Indonesia (primarily concerning direct investments in Indonesian firms) and hiring of Indonesia based personnel were delayed until early 2023. As of this writing, local counsel RFPs have been issued and personnel related matters have been addressed.

However in 2022, preliminary scoping and identification of prospective blue economy investments was still conducted for both priority sites. Intentionally broad sectoral eligibility criteria were applied with the goal of identifying the investment opportunity landscape. For both the Bird’s Head Seascape and East Sumba, enterprises within the following sectors, industries, and supply chains were evaluated:

Snapshot	
Convening Agent	Yayasan Konservasi Cakrawala Indonesia (KI)
Approval Date	March 2022
Start Date	June 2022
Programme Lifetime	2022-2030
Approved Allocation (USD)	\$3,000,000
Disbursed (USD)	\$3,000,000
Co-recipient	N/A
Co-implementers	Conservation International Ventures, Microfinance Innovation Centre for Resources and Alternatives, State University of Papua, Nusa Cendana University, Artha Wacana Christian University, University of Mataram

- MPA related coastal and marine tourism
- Marine and coastal fisheries and aquaculture
- Circular economy solutions addressing marine and coastal pollution and waste

Preliminary scoping activities were focused on prospective investees with direct operations (i.e., physical operations and assets) in Priority Sites and enterprises with current or potential supply chain linkages to Priority Sites and eligible sector activities and enabling and/or supporting products, services, or technologies. Results of preliminary scoping activities indicate that while the current pipeline of “shovel-ready” investment opportunities in Priority Sites is limited, there is strong demand and potential to support the transition of existing firms toward more sustainable, coral positive business operations. There is even further potential to leverage program investments to strengthen integration and alignment of prospective investees with GFCR objectives. An initial pipeline of prospective opportunities along with a brief assessment of GFCR alignment is to be submitted to the GFCR Secretariat.

Bomberai BLUD Capacity Building and Sustainable Financing

The Bomberai MAP management body which manages MPAs in Fakfak and Kaimana Regencies, established itself as a BLUD (Public Service Agency) in 2021. BLUD status allows it to seek funding from external sources as well as manage government funding. It will also ensure that revenues (e.g., retribution) generated from activities in the area will be managed by and channeled to provincial activities to strengthen MPA management.

During the reporting period, KI supported the Bomberai MPA Management Unit to apply for a grant from the Blue Abadi Fund. The BLUD received an approval for a grant of Rp 1,911,000,000 (approximately US\$ 127,000) to continue the joint community patrols and management of the MPA from May 2023-February 2024. However, the Bomberai BLUD will need regular access to funds, for which KI plans to help them secure through this GFCR programme. To achieve this, several priority governor regulations need to be developed by the BLUD: (1) BLUD revenue sources including Environmental Service Tariffs, (2) BLUD Strategic Plans, (3) BLUD Minimum Service Standards and (4) Remuneration.

KI organized several stakeholders’ consultations in support of the issuance of the Governor’s Regulation on BLUD sources of revenue. At the national level, in the annual Minister of Maritime Affairs and Fisheries (MMAF) coordination meeting, Marine Protected Areas (MPA) financing through a fisheries utilization fee was discussed. Discussions regarding funding for this conservation area were then carried out with the Marine and Fisheries (Department (DKP) of West Papua Province in October 2022. The study and engagement with government stakeholders concluded that the MPA Management Unit should seek income from entrance fees for tourism, education, and research. Other sources of income, such as fisheries utilization levies or other businesses, have never been developed or implemented by any MPA BLUD in Indonesia. With its current condition, the most feasible step for Bomberai BLUD is to copy Raja Ampat’s model for revenue: entry tariffs. With GFCR support, KI is helping the provincial government to produce the first draft of the Governor’s Regulation by June 2023.

Raja Ampat Mooring System (RAMS)

To minimize the damage to coral reefs from liveaboard boats that visit Raja Ampat in large numbers, a mooring system is needed. The programme is designing a Raja Ampat Mooring System (RAMS) to allow

the liveboards to anchor the boats safely to a mooring point. The target is to reduce by 90% the number of liveboards anchoring on coral reefs per year.

During this reporting period, all mooring points have been identified, and further surveys are needed for each mooring location. However, currently there is no government policy that regulates the mooring system in Raja Ampat. A draft of governor regulation will be produced to regulate and enforce a mooring system in this area.

As an initial step, the local government has set up a working group for the implementation of this project and policy. The work will be communicated to several national government institutions: ministries (Transport, Tourism, and Coordination Ministry of Maritime Affairs and Investment) to gain their attention and participation. This activity's objective is to ensure the sustainability of the mooring management by developing a business and financial plan. Managing stakeholders' expectations and balancing important needs such as the costs of instalment, the amount users will pay, and management of the funds collected are especially important. B42usinesss plan—which will be developed in this phase—is crucial.

KI is also preparing a draft for Governor's Regulation as a legal basis for the mooring initiative. The Governor's Regulation will oversee the management of the mooring system including—among others—monitoring, enforcement, fees and tariffs, distribution of revenues and impact to the stakeholders, especially the community. BLUD will have an operational agreement with PT EON—a private entity that executes the mooring system implementation. GFCR investment will be channeled through PT EON because BLUD cannot take debt investment and the investment will be used for maintenance, monitoring, and repair. Our activity also explores the various schemes of giving back the revenue to the community. Until the investment reaches a break event point, the payback to the community will be in the form of capacity building and education activities to help the community understand the importance of RAMS and coral reef protection.

Responsible Ecotourism Growth in BHS

To increase revenue for BHS MPAs and promote non-destructive tourism, the programme is supporting the tourism spatial plan for Raja Ampat. Blooming crown of thorns, increasing algae population and eutrophic seawater are indicators of decreasing water quality in several places in Raja Ampat. These symptoms stem from waste from tourism business actors (homestays, resorts and liveboards, etc.) that are dumped into the sea.

In the programme's kick-off at the Raja Ampat Tourism Office in August 2022, attended by the Head of the Tourism Office, KI explained in depth the Raja Ampat Spatial Plan and Raja Ampat Mooring System projects. The Regional Government of Raja Ampat is leaning on KI's support to make policies and regulations for tourism development. The discussion identified violations of MPA zoning regulations and the occurrence of tourism practices that were not environmentally friendly, such as stamping on corals, catching biota (a tourist attraction), crowded diving sites, anchoring on corals and vandalism. This threatens the health of coral reefs on a large scale. As result, the government agreed to activities regarding spatial planning for tourism development, standardizing homestays, increasing public awareness by reactivating Tourism Awareness Community Group, creating communication materials, developing codes of conduct, studying, and implementing carrying capacity, training for local guides, improving the system monitoring, controlling, and supervising tourism activities, enforcing sanctions for violations of regulations.

An ongoing study in Raja Ampat focusing on tourism spatial planning is being conducted to determine how to best improve legislation, and through comprehensive analysis, and stakeholder consultations. The preliminary survey results provide a public tourism typology model, supplemented by a series of public consultations to gauge the aspirations of the stakeholders. The overall goal of this study is to identify areas for potential tourism expansion while ensuring that heavily visited areas are well-managed and maintained, without additional pressures from increasing tourism. Results from the study will give the local government the technical guidelines and references for the tourism spatial plan and management and the draft for a spatial plan regulation. Outputs from these processes will be presented to the national government in June 2023 for further policy coherence and obtain national support to the Raja Ampat tourism spatial plan and management.

Transforming Seaweed Sector in East Sumba

The communities of East Sumba are among Indonesia's poorest and most climate vulnerable. The regional economy and employment in East Sumba are dominated by agriculture including a mix of water-intensive industrial crops (e.g., sugar cane), rainfed crops, and livestock. Trends toward more frequent and increasingly severe droughts have had devastating impacts on the local economy, livelihoods, and food security. It has caused local communities to use marine resources in coral reef areas, increasing the pressure on the reefs. Seaweed farming is seen as a coral friendly mariculture in East Sumba. Most farmers use the off-bottom method on sand substrate instead of on coral, which is considered a coral friendly activity.

Recognizing the climate resilience and sustainable development potential of seaweed mariculture for the communities of East Sumba, the programme is supporting development ambitions ensuring the protection of coral reef and seagrass. To ensure that investments are rooted in the best available science and evidence-based practices, Phase I program activities are focused on: 1) local bioecological and socioeconomic baseline assessments intended to: (a) address fundamental science, data and information gaps related to coral reef-macroalgae farming interactions, including direct and indirect physical and bioecological risks to coral reefs posed by seaweed mariculture; and (b) build a more robust understanding of the human and socioeconomic dimensions and industry and market factors that influence seaweed cultivation and management behaviors in East Sumba Regency; and 2) supporting research on systemic industry risk factors critical to industry sustainability and resilience in East Sumba, NTT Province, and nationally.

During the Reporting Period, baseline bioecological and socioeconomic baseline studies were started by Indonesian academic institutions Nusa Cendana University (UNDANA) and Artha Wacana Christian University (UKAW), respectively. The foregoing assessments have provided new insights into seaweed mariculture-coral reef interactions and impacts derived from primary data collection from a sample of 170 active seaweed cultivators across the top three seaweed-producing districts in East Sumba (select insights as follows):

- While most growers seek to avoid or minimize direct impacts to coral reefs and other sensitive habitat (seagrass beds), more than one-third (31.76%) of seaweed farms have some direct impact to coral reef substrate through the placement of ropes or anchoring stakes.
- Increased incidence of seaweed disease (ice-ice) in some locations has resulted in observed clearing of seagrass and coral reef habitat as growing areas are relocated.

- Improper management of plastic material used in seaweed cultivation (e.g., ropes, bottles/floats) and post-harvest activities (e.g., nets, tarp) pose risks to coral reefs, however, more than 80% of respondents report efforts to reuse plastic materials where possible.

Additional seaweed resilience research is being undertaken that addresses the coral reef protection and conservation objectives of the GFCR by mitigating risks associated with coral and other sensitive habitat clearing due to disease (see above) and reinforcing sustainable seaweed mariculture as a viable, low-ecological impact livelihood alternative to more ecologically adverse activities.

Together, the research activities are expected to contribute toward the development of 1) Evidence-Based Frameworks for Reef-Positive Seaweed Sector Development; and 2) a Roadmap for Investment in Reef-Positive Seaweed Development. In which these outputs are intended to strengthen the foundation for a more holistic set of seaweed related program interventions and investments that promote cultivation practices that avoid adverse impacts to coral reefs and more strongly align reef protection and economic incentives.

Baseline and Monitoring and Evaluation

KI's internal readiness to build the M&E (monitoring & evaluation) system for this programme was marked by the onboarding of the Safeguards and Monitoring & Evaluation Manager in December, 2022. The draft of M&E framework will be completed in January 2023.

During the reporting period, baseline socio-economic and ecological data collection and assessment in East Sumba was conducted by the University of Nusa Cendana (UNDANA) and Artha Wacana Christian University (UKAW), respectively. The primary objectives of these data collection and baseline assessments were to inform the design of future seaweed-related program interventions, identify key seaweed cultivation and coral-reef exposures and impacts and associated coral risk management strategies, and provide key baseline information that can be integrated into the Program Monitoring & Evaluation Framework. Baseline collection for the BHS is to begin in 2023.

Community Engagement and Gender Mainstreaming

Conservation International and its local implementing partner, Konservasi Indonesia, apply a Rights-based Approach (RBA) on gender equity principles throughout each project. The RBA is a conceptual framework based on international human rights standards and intended to promote and protect human rights. The purpose of RBA is to identify and rectify the inequalities at the core of the development problem and to rectify the processes of discrimination and unequal distribution of power that impedes progress in the development process.

Based on the results of a socio-economic study conducted by UNDANA and field observation by KI, it was found that in terms of gender mainstreaming, seaweed businesses in East Sumba have shown some gender equity. Men and women have proportional roles in the seaweed farming cycle (almost 50:50). For example, women tie seaweed seedlings to lines, and/or harvest seaweed. Women also have access and control over the seaweed harvest or revenue from selling seaweed. However, the study highlights existing gaps including limited access to finances, financial literacy, and asset ownership for women.

Meanwhile in Raja Ampat and BHS, the natural beauty of Raja Ampat and BHS provides great opportunities for the people of Raja Ampat and BHS to engage in tourism-related businesses. There are several businesses that can be undertaken by local people ranging from selling food, beverages, handicrafts, renting diving equipment, or renting out home stays. These are small, family-owned

businesses. Through partner programs and capacity building in Raja Ampat, Konservasi Indonesia has started conducting environmental educator training of trainers for women to deliver environmental education materials in local villages and schools. Likewise, KI is collaborating with several partners to facilitate snorkeling and diving training for women, aiming to provide opportunities for women to get to know the underwater world, have skills and access to become tour guides and coral health monitoring officers. Most importantly, these opportunities foster an understanding and appreciation for the underwater realm.

Results and Targets

During this inception phase, clearer and more detailed targets will be set as baselines and solutions are further identified.

Programme-Level Indicators	Targets	2022 Progress
Reef Fish Biomass	The biomass of key functional fish group is stable within the BHS MPA network.	517 kg/ ha (in BHS) (baseline)
Live Coral Cover	Live coral cover within BHS MPA network is stable	36% (baseline)
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	40% of priority coral reef ecosystems in the BHS are under more effective protection and management – 105,821 ha of coral reefs	No progress at this time
Investment capital leveraged	USD 73M (54M from private sector investment; 19M from public sector investment)	Investment by CIV of USD 500k
Grant co-financing leveraged	N/A	\$2.2M (baseline) Breakdown: \$1.5M from CIV \$500k from Margaret A Cargill Philanthropies \$200k from Private Donors
Beneficiaries	TBD	-
Coral-positive Enterprises	10	0
Livelihoods Impacted	Total jobs estimated to be created: 1,165	No created jobs to date

Investment Leverage

In December 2022, CI Ventures committed an initial investment to a Seadling, a seaweed biotechnology company for sustainable, equitable, coral-reef positive seaweed sourcing in Southeast Asia. The investment in Seadling represents an opportunity to create new, diversified, and potentially higher-value market opportunities for sustainable, “reef-positive” seaweed products grown in GFCR priority sites within Indonesia. The USD 500,000 SAFE (Simple Agreement for Future Equity) investment by CI Ventures was part of a USD 1,000,000 financing round joined by AgFunder’s GROW Impact Fund and undisclosed angel investors.

H. Mesoamerican Reef – MAR+Invest

Overview

MAR+Invest, the Business Development and Finance Facility of the Mesoamerican Reef (MAR), is a blended finance mechanism with strong monitoring and evaluation of impacts, business acceleration and a capacity building program that aims to enable conditions for a sustainable ocean-based economy in the MAR ecoregion with a positive contribution to the health and resilience of the coral reef ecosystems and communities of the MAR. The MAR has 1260 km² of coral reefs associated with the coastlines of four countries, Mexico, Belize, Guatemala and Honduras, includes the longest barrier reef in the Western Hemisphere and is home to about 65 coral species, over 500 fish species and 300 mollusc species, including 53 species listed under the IUCN Red List of threatened species such as sea turtles, whale sharks and staghorn and pillar corals. The MAR+Invest initiative focuses on 18 coastal and marine protected areas (CMPAs) as priority sites, and represents 77,084 ha of coral, or 63% (77,084 ha) of total coral area in the MAR.

Snapshot	
Convening Agent	MAR Fund
Approval Date	March 2022
Start Date	July 2022
Programme Lifetime	2022-2030
Approved Allocation (USD)	\$1,700,957
Disbursed (USD)	\$1,700,957
Co-recipient	Blue Bridge (UNCDF)
Co-implementers	New Ventures (NV)/ Viwala, Healthy Reefs for Healthy People (HRI), Sureste Sostenible (SS)/ Mexican Fund for the Conservation of Nature (FMCN)

The initiative aims to generate a coral-positive market for CMPAs to support better management and reduce financial gaps, improve livelihoods of coral reef-dependent communities with increased resilience to climate change, and grow the existing MAR Emergency Fund responding to major shocks, while also creating job opportunities for women. Targets have been set to be achieved by 2030 (improvement of reef health, creation of jobs for the community, supporting sustainable enterprises, among others), but specific targets are being refined during the inception phase of the program.

Reef positive solutions

Pipeline scoping

The first MAR+Invest request for proposals for the Acceleration Programme began to be designed, from September to December 2022. Field visits in Honduras, Mexico and Guatemala have been carried out to scout potential projects for the pipeline and identify local needs and opportunities. The team met with over 28 projects and allies including CMPA co-managers, business solutions in various stages of development, cooperatives and fellow foundations. These trips serve to map out the needs for the financial and equity products, developed by Viwala and New Ventures (NV). An initial draft of the

acceleration program was designed taking into account local needs, such as the stage of the businesses, and the local facilities, such as internet availability.

During those field visits, the Build and Connect initiative was also promoted. This MAR+Invest initiative seeks to advance coral-positive growth in the ecoregion by generating new capacities and cross-sectorial collaboration among public, private, philanthropic, and conservation actors. Build and Connect identifies leaders in the region to start developing their business ideas/projects with a positive impact on corals on the MAR and also strengthen leadership skills and networking opportunities. In 2022, the Selection Committee chose 25 leaders (17 women and 8 men) and 16 projects (5 in Honduras, 10 in Mexico, 3 in Guatemala, and one transnational) to form the 2023 and first cohort of the MAR+Invest and MAR Leadership Program. Of the 16 projects selected, 5 are focused on reef restoration, 4 on sustainable tourism, 2 on solid waste, 2 on water quality, 1 on renewable energy, and 1 on invasive species control. MAR+Invest intends that 6 of the projects will also be selected to participate in the Acceleration Programme of NV.

Sustainable fishery and ecotourism project in Honduras

In Honduras, MAR+Invest is collaborating with GOAL on a sustainable fishery and ecotourism project for the Guanaja Bay Islands. Sites included in this project are Archipelago of Cayos Cochinos Marine National Monument, Barras de Cuero & Salado Wildlife Refuge, Tela Bay Marine Wildlife Refuge, and Bay Islands National Park in Honduras. Together, these sites encompass 14,650 ha of coral reefs.

An updated detailed proposal is being developed and reviewed to start activities involving training in sustainable practices and provide capacity building to reach financial markets, for over 20 organizations in 2023. GOAL expects the project to benefit 22 fisher organizations, with about 521 fishermen and women impacted, and 5 micro and small enterprises in the tourism sector. Additionally, 2,000 families are expected to receive indirect benefits. The project estimates that the financing needed will be \$200,000 in concessional capital and \$600,000 in commercial capital.

These organizations will be able to receive loans to support the sustainable practices. If successful, this model will be replicated in other areas of the MAR. Due to the difficulty in reaching remote areas and engaging with the locals to get their commitment to the proposed activities, the project has also been slightly shifted in time. For the period 2023-2024, it is expected that at least 20 small-scale fisher organizations will be operating under improved environmental practices, and 12 will be able to receive loans.

Reef Insurance

MAR Fund has previously developed parametric reef insurance for coral reefs with Willis Towers Watson and is currently the policyholder for 7 sites along the MAR region. The insurance was triggered in November 2022 by Hurricane Lisa in Turneffe atoll, Belize, and provided a payout of 175,000 USD. MAR Fund is exploring additional parametric insurance for lost fishing days to de-risk loans to fishers. A grant from BIRDGE allowed for a feasibility study to evaluate parametric insurance for lost fishing days due to chronic bad weather as a means to de-risk loans to artisanal fishers. A second proposal is being drafted to support the exploration of potential guarantees and a parametric insurance, both to de-risk investments, including for small-scale sustainable fisheries and ecotourism enterprises in the GOAL project in Honduras.

King Crab Restorative Mariculture

Caribbean King Crab, *Maguimithrax spinosissimus*, is one of the most efficient herbivores on reefs, capable of eliminating more problematic fleshy macroalgae than even parrotfish. This solution directly addresses

the threat of macroalgal proliferation on coral reefs. This has been the most persistent “poor” indicator of reef health in the MAR over the last 15 years of monitoring.

King Crab mariculture is a coral positive solution with the potential to generate income for CMPA and for reef-dependent communities, enhancing livelihoods of fishers, due to the high value of the crab in seafood markets. Involving fishers can also reduce overfishing – by redirecting their efforts to sustainable mariculture and potentially bartering training or start-up ventures in mariculture for fishers support of more fully-protected zones within the MPAs. This solution has been researched and is being piloted by MAR+Invest partner HRI. In this Phase I, the pilot site is in Mexico’s Arrecife de Puerto Morelos National Park which encompasses 1,596 ha of coral reefs.

In 2022, HRI advanced research in breeding, hatching and cultivating King Crab juveniles to the desired carapace length. Crabs obtained from the first batch are now reaching maturity and reproducing within the research area. In 2023, the programme will complete the Research and Development of the project, and to develop a Business model. The King Crab mariculture project, and leaders, were selected to be part of the Build & Connect 2023 Program. They will strengthen their business and leadership skills in the coming months, and are part of a large network of MAR leaders and projects.

Seaweed farming

Seaweed farming is a restorative solution that can represent an opportunity to decrease the pressure on coral reefs, while generating several ecosystem restorative functions. This includes, providing a nursery/refugee habitat for reef-associated species, alternative food source of communities and even reducing seafloor temperatures. This project aims to develop a network of 17 new seaweed groups/associations in the MAR to multiply ecosystem and social benefits, through the sales of seaweed products. Women are the primary desired beneficiaries of seaweed farming. Current model is based on associations led by women in Belize.

In November 2022, Future of Fish (FoF) was contracted to update the business plan for seaweed for Belize in November 2022. FoF is working closely with TNC. As a first step, FoF will investigate all technical developments of seaweed farming and market opportunities for seaweed products. Additionally, based on early assessment from FoF, there seems to be great potential to upgrade and expand this industry in Belize. The government has developed a Blue Economy Plan, which is an excellent fit with this project. TNC will work with a regulatory consultant to make recommendations for drafting regulations in Belize. It is expected that the creation of more seaweed farms will improve the fish biomass, attract private capital to protected areas, and create employment for locals.

Blue Carbon

The percentage of mangrove loss in the MAR is 34%, 10% higher than the insular Caribbean (24%). The loss of mangroves affects the life cycles of commercial fish and coral species that need the critical interconnection between mangroves and coral reefs. Income from Blue Carbon will contribute to the restoration of mangroves and the permanence and/or recovery of their services and value for the MAR and participating communities and CMPA. Blue Carbon projects will be prioritized in sites where mangrove and coral reef ecosystems have the highest levels of connectivity. Resiliencia Azul will develop the environmental, legal and socioeconomic feasibility of 4 interconnected marine-coastal ecosystems: mangroves, seagrass, coastal dunes, coral reefs, and will identify strategies and opportunities for ventures based on the ecosystem services of the 4 MAR countries. This component links to The MAR Emergency Fund which seeks to be partly financed by profit-sharing mechanisms with some of MAR+Invest portfolio of solutions.

Initially, this project proposed to register blue carbon credits in 2023 (4 million credits). However, since the submission and approval of MAR+Invest proposal, the situation regarding blue carbon has changed dramatically in the four countries of the region, as the governments are starting to put in place the regulations and frameworks for blue carbon, as opposed to previously, where the voluntary carbon market existed without any major national regulations. For this reason, Resiliencia Azul will develop feasibility studies aiming to be completed by end of 2023, including the legal, environmental, social and economic context of blue carbon and market opportunities in the four MAR countries. In addition, and because blue carbon credits alone may not be sufficient to prevent mangrove loss and protect biodiversity, biodiversity services will be included in the feasibility study. Because of this change in strategy (combination of potential biodiversity certification and carbon credits), the proposal and activities have been slightly shifted in time to adapt to the current activities. Specific targets for this project will be included in the proposal being developed by Resiliencia Azul.

Shrimp farming

Globally, shrimp farming has been identified as a threat to coral reefs and marine ecosystems because of runoff and mangrove deforestation. For over two decades, these two threats have been affecting the coral reefs in Belize. Fleishy macroalgae cover in proximity to the targeted shrimp farming cluster (13 shrimp farms, with 9 currently operational).

Was 27% in 2018, 7% higher than the MAR average. This solution seeks a combination of loans and equity to support farms in the modernization of the technology used, to a system that uses recirculating water and that has zero discharge of harmful aquaculture runoff to the marine ecosystems. The objective is to attract capital for the Royal Mayan Shrimp Farm during MAR+Invest's inception phase. Ideally, the debt component will be tested with one or two farms. Once a model is secured it can scale to other farms. Royal Mayan is seeking to raise \$5M and approximately 1000 jobs are expected to be recovered.

Baseline and Monitoring and Evaluation

HRI has finalized the 2022 report card for the MAR Region that includes monitoring sites in the 18 priority sites, providing an updated baseline for the start of the program. The 2022 Mesoamerican Reef report card was released in each MAR country in November and December 2022, with participation of relevant government agencies in each location. HRI's major milestone to release the 2022 report cards was also published on all of their platforms, and the report is available on their website (<https://www.healthyreefs.org/cms/report-cards/>).

In addition, each grantee project of the MAR+Invest programme is required to complete a "Project Development Table", which will define for each activity, a performance indicator and for each objective an impact indicator. These indicators will be regularly checked throughout the project. Grantees are requested to report on the advances of these indicators every 3 to 6 months.

HRI reviews all project proposals to evaluate which indicators can be measured as an impact of the project activities. Based on the identified targets and indicators per project, HRI defines an M&E plan for the applicable area. Together with GFCR, HRI has developed several tables of indicators (GFCR Socio-ecological Conditions Assessment Programme, GFCR Core Indicator Framework, and GFCR Programme Assessment for M&E Capacity Costs Baseline). MAR Fund is responsible for assessing the Environmental and Social safeguards of the planned activities of every project and to plan follow-up and mitigation actions. NV, in collaboration with HRI, developed a set of criteria to select the early-stage and established businesses for the Acceleration Programme.

Community Engagement and Gender Mainstreaming

HRI invited local organizations in each MAR country to the dissemination of the 2022 reef health report card, who then through their respective networks were invited to disseminate the information to the communities. New Ventures carried out scouting trips to each MAR country to reach out to potential project partners and introduce the initiative to local organizations, who then could inform community stakeholders of the opportunities of the initiative. The information gathered through these visits is used to design the financial products with Viwala.

The Build & Connect, and Acceleration Programme call for proposals were designed with a gender, and minority group inclusion component. Each applicant has, or will be asked to develop how many women and people of minority groups are integrated, or planned to be integrated in their project, and if they occupy decision-making positions. This makes the inclusion a selection criterion for the evaluation of projects.

As part of the ESMS procedure in place within MAR Fund, a gender statement is requested and a stakeholder analysis of all projects is required including identifying vulnerable groups and how to engage with them. This process is applicable to projects selected in the call for proposals, as well as the portfolio projects, and was also applied for each partner of the initiative.

Results and Targets

During this inception phase, clearer and more detailed targets will be set as baselines and solutions are further identified.

Programme-Level Indicators	Targets	2022 Progress
Reef Fish Biomass	“Good” classification, with biomass higher than 2740g/100m2	No expected improvement yet
Live Coral Cover	>22%, classifying as good in target areas	No expected improvement yet – losses expected due to SCTLD
Proportion and Area (Ha) of reefs in associated ecosystems with effective management	Target needs to be defined in inception phase	No progress at this time
Investment capital leveraged	Catalytic capital target needs to be defined in inception phase; 45 million USD is estimated for commercial capital	1 enterprise is being connected with different sources of commercial capital. Capital requirement is 5 M USD.
Grant co-financing leveraged	TOTAL: 8,697,194.93 USD Secured: 1,149,146.93 USD	TOTAL as of 2022: 1,149,146.93 USD UNDP Small Grants Program: 450,000 USD

	<p>Green Climate Fund: 5,000,000 USD</p> <p>Lenfest Ocean: 398,048 USD</p> <p>DEFRA-IDB: 2,000,000 USD</p> <p>BRIDGE: 150,000 USD</p>	<p>The Ocean Foundation: 142,000 USD</p> <p>Smithsonian Institution: 30,000 USD</p> <p>KfW: 320,000 USD</p> <p>The Summit Foundation: 100,000 USD</p> <p>MAR Fund: 50,000 USD (Build & Connect)</p> <p>BRIDGE: 21,094.28 USD</p> <p>UK Tactical Fund: 30,000 £UK (36,052.65 USD, received by UK Embassy in Mexico, project in collaboration with MAR+Invest)</p>
Beneficiaries	<p>Total jobs estimated to be created: 1,380</p> <p>Jobs created by sectors: seaweed farming (120 for women), blue carbon projects (200), king crab mariculture (to be defined), shrimp farming (1000)</p>	<p>No created jobs to date</p>
Coral-positive Enterprises	<p>36 to 60</p>	<p>For 2022, 1 enterprise for which commercial capital is being raised, and 25 leaders with 16 market-based initiatives selected for the first cohort of the Build & Connect program. From these 16 initiatives, it is expected that some will apply to the Acceleration program.</p>
Livelihoods Impacted	<p>Targets need to be defined in the inception phase</p>	<p>None to date</p>

Investment Leverage

With pipeline identification accelerating at the end of 2022, no investment has been secured. However, during this reporting period, NV approached different funds (in addition to the GFCR Investment Fund) and has been generating a pipeline in the region for market-based solutions. NV is developing a Pitch deck based on the enterprises analysed, that will be sent to funds in the next reporting period.

Blue Bridge

New Ventures was supported through Blue Bridge with \$387,000 in funding to create a venture accelerator to build a pipeline of investment-worthy coral positive businesses in the region and attract fresh investment capital into the sector. All funding was disbursed in 2022 and the project was in the process of selecting the first cohort of companies for the accelerator as of Q2-2023.

I. Preparatory Grants for Programme Development

Preparatory grants were approved for all Convening Agents that were in the Concept Note stage in 2022. By Q1 2024, the Secretariat aims to have the remaining 10 proposals in development presented to the GFCR Executive Board for consideration. The table below lists the remaining programmes in development.

Country	Convening Agent	Programme Country/Region	Convening Agent
Brazil	FUNBIO	Mozambique	BIOFUND
Indonesia	YKAN	Maldives	UNDP
Gulf of Aqaba	UNDP	Seychelles	SeyCCAT
Northern Red Sea	UNDP	Solomon Islands	WWF
Micronesia	TNC	Sri Lanka	IUCN

During proposal development, the Secretariat continues to reinforce the need for community engagement to inform proposal design, establishment of partnerships, and building off existing baselines and initiatives. In 2022, the guidance was strengthened with the establishment of the GFCR policy framework and revised templates.

V. Resource Mobilization

Since launching in late 2020, the acceleration of GFCR portfolio development and growth has been due to the generous contributions of the GFCR grant fund's core donors and early investors.



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Over the course of 2022, the GFCR Secretariat and Coalition partners mobilized USD 32.5 million for the Grant Fund and its catalytic finance modalities, including concessional loans and recoverable grants. The grant fund donor commitments included £3 million GBP from the Government of the United Kingdom, USD 5 million from Builders Vision, and a pledge of USD 8 million from Bloomberg Philanthropies and up to USD 5 million from USAID for an Egyptian Red Sea programme currently under development. These new pledges helped increase capitalization of the Grant Fund to USD 47 million by the end of 2022. In addition to new commitments, GFCR received deposits in 2022 from the Government of the United Kingdom, the Paul G. Allen Foundation, Builders Vision, and the Government of France.

Further, the GFCR Investment Fund (IF) increased capitalization to USD 130 million, including a USD 5 million investment from Builders Vision following the initial USD 125 million first loss tranche commitment of the Green Climate Fund (GCF). With the IF team now established under the leadership of Dale Galvin, resource mobilization strategic planning was strengthened in anticipation of 2023 capitalization needs.

VI. Partnerships

Partnership management and development efforts were a key part of the GFCR during 2022. New partnerships driven and launched included:

- **Builders Vision:**

Founded by Lukas Walton, Builders Vision is an impact platform offering versatile philanthropic and investment tools to people and organizations committed to building a more humane and healthier planet. Builders Vision joined the GFCR coalition during UN Ocean Conference 2022 (UNOC 2022) with an investment of USD 10 million – USD 5 million to the Investment Fund and a contribution of USD \$5 million to the catalytic Grant Fund. With this commitment, [Builders Vision became the first private investor to the GFCR private Equity Fund](#). This milestone reinforced confidence in the potential for blended finance vehicles to attract private investors focused on accelerating nature-positive economic transitions.

“How we care for the environment is a reflection of how we care for one another. When it comes to restoring and preserving the world’s coral reefs, we have an urgent obligation to intervene and pursue innovations to create a flywheel effect to save these vibrant natural resources. Builders Vision is proud to make philanthropic and capital investments as part of the United Nations Coral Reef Fund’s powerful and growing toolbox. We also hope our support of the Equity Fund serves as a catalyst for new advocates and investors to join this critical mission,” said Lukas Walton, CEO and Founder of Builders Vision.

- **Bloomberg Philanthropies:**

As climate change increasingly threatens key ocean ecosystems, Bloomberg Philanthropies’ Vibrant Oceans Initiative works around the world to advance evidence-based conservation practices and implement data-driven policies to protect our ocean and the 3 billion people that depend on them. As part of this work, Bloomberg focuses on regions that are home to a portfolio of coral reef ecosystems, identified in the 2018 groundbreaking [50 Reefs](#) study that are most likely to survive climate change and repopulate surrounding reefs. The 50 Reefs study has since helped prioritize investment and conservation efforts to protect 60 coral reef ecosystems across over 40 countries through its clear, science-based framework. [Bloomberg Philanthropies joined the GFCR Coalition](#) during UNOC with a contribution to the Grant Fund of USD \$8 million.

“Coral reefs will require more than public resources to address this urgent crisis,” said Antha Williams, who leads environment programs at Bloomberg Philanthropies. “Working together as a coalition to accelerate private investment in these crucial ecosystems and pioneer innovative solutions is necessary

to support the resilience of coral reefs and coastal communities around the world. Bloomberg Philanthropies is glad to join the Global Fund for Coral Reefs coalition, an important step to ensure the long-term survival of our world's coral reefs and protect the world's ocean."

- **United States Government**

During UNFCCC COP27, [the United States Agency for International Development \(USAID\) announced a commitment of up to \\$15 million USD to scale coral reef-positive blue economic growth](#) and conservation finance in the Egyptian Red Sea in partnership with the GFCR. The Egypt programme funding was announced as part of a wider regional programmatic approach that includes Egypt and Jordan, led by the United Nations Development Programme (UNDP), aiming to unlock a minimum of \$50 million USD in blended finance.

"The United Nations Development Programme is proud to be part of the groundbreaking Global Fund for Coral Reefs initiative, which is mobilizing new action by countries and communities to protect and restore coral reefs across the world, some of Earth's most diverse and delicate ecosystems," said UNDP Administrator, Achim Steiner. "In the face of an intensifying climate crisis, USAID's investment in the Red Sea Initiative will help to drive a nature-positive economic transition while boosting the climate resilience of coastal communities in Egypt — demonstrating that change is possible when leadership, political will, and investment comes together."

Given their unique potential to withstand rising temperatures due to climate change, coral reefs in the Northern Red Sea and Gulf of Aqaba have been identified as potentially the most resilient on Earth. USAID Chief Climate Officer Gillian Caldwell stated: "The Red Sea is home to a rich underwater ecosystem that attracts millions of tourists who create millions of jobs for Egyptians and bring in billions in foreign currency each year. In partnership with the Government of Egypt, as well as the Global Fund for Coral Reefs, USAID is pleased to launch the Red Sea Initiative to support the resilience of Egyptian Red Sea communities and their reef ecosystems."

- **UN Decade of Ocean Science:**

In recognition of its innovative work in leveraging a science-based approach to accelerate reef-positive investment through public-private financing, [UNESCO's Intergovernmental Oceanographic Commission \(IOC\) endorsed the GFCR](#) as a contributor to the UN Decade of Ocean Science for Sustainable Development. The endorsement was formally announced during the 2022 UN Ocean Conference in Lisbon.

The collaboration between the Ocean Decade and GFCR actively seeks to reinforce the science and knowledge aspects of existing and future GFCR-supported programmes, as well as identify opportunities to raise awareness of the need to enhance the co-design and co-delivery of coral reef science. Opportunities to unlock new investment for coral reef science will also be jointly pursued.

"We are thrilled to formally welcome the Global Fund for Coral Reefs into the Ocean Decade community. The combined efforts of these two global initiatives will ensure that the global community has a unique opportunity to collectively identify and redress critical knowledge gaps in relation to coral reefs. We thank the Fund for its engagement in the Ocean Decade and look forward to working together to create rapid and lasting impact", said Dr Vladimir Ryabinin, Executive Secretary of the Intergovernmental Oceanographic Commission of UNESCO.

- **Race to Resilience:**

During COP27, the [GFCR became an official partner of the Race to Resilience](#). As a partnership of climate-smart initiatives driven by the High-Level Climate Champions (HLCC), the Race to Resilience campaign focuses on helping frontline communities build resilience and adapt to impacts of climate change. The Race to Resilience is working with GFCR specifically to shore up resilience action for coastal communities and marine ecosystems.

“I would like to formally welcome the Global Fund for Coral Reefs as a partner to the Race to Resilience. Together, we are creating a step-change in the investment and implementation of adaptation solutions for coral reefs and coastal communities. We are supporting coastal communities because they are at the forefront of climate change.” said H.E. Razan Al Mubarak, UN Climate Change High-Level Champion for COP28. “We need to mobilize non-state actors and resources to stop the loss, protect and restore coral reefs.”

- **Coral Research & Development Accelerator Platform (CORDAP)**

During the UN Ocean Conference (UNOC) 2022, [the GFCR and the Coral Research & Development Accelerator Platform \(CORDAP\) announced a global partnership](#) focused on joint target areas including:

- Advancing scientific methods to prioritize conservation efforts on climate-resilient ecosystems
- Building the capacity of actors implementing coral reefs conservation initiatives
- Contributing to the global effort to standardize and centralize data on coral reef ecosystems
- Collaborating with international, regional and national initiatives and policy-makers
- Joint awareness raising and engagement activities

GFCR's Executive Board Chair, Chuck Cooper, stated “Emerging technologies will play a critical role in addressing the existential threats facing coral reefs, including their rapid decline due to climate change, overfishing, and nutrient and plastic pollution. GFCR is excited to partner with CORDAP to identify, implement, and scale approaches for coral reef conservation and restoration that combine innovative science, technology, and engineering.”

- **Blue Nature Alliance**

At CBD COP15, [GFCR announced a new partnership with the Blue Nature Alliance](#) to advance sustainable ocean financing, including through joint programming.

“From providing nursery grounds for important fish and other marine species to helping buffer shorelines—and communities—from storm damage, coral reefs are a crucial part of coastal ecosystems,” said Laure Katz, Blue Nature Alliance Co-Lead. “The Blue Nature Alliance is thrilled to partner with GFCR to protect coral reefs, enhance their resilience to climate change and other threats, and develop innovative ways to fund their ongoing conservation for the benefit of nature and people.”

- **United Nations Educational, Scientific and Cultural Organization (UNESCO)**

The United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage coral reef ecosystems cover over half a million km² worldwide – the equivalent of the size of France – exhibiting

exceptional biodiversity. They protect coastlines from storms and erosion and support sustenance for over a hundred indigenous communities. But the scientific data concerning these coral reefs is now very alarming. Reefs are bleaching far more rapidly than the initial science suggested. Bleached corals are highly vulnerable to starvation and disease and have an increasingly high mortality rate.

A [new partnership between UNESCO and the GFCR](#) launched in 2022 will explore opportunities for joint prioritization of climate resilience support to World Heritage-listed reefs located in developing countries. The actions will focus on reducing local drivers of degradation, strengthening the sustainable management of marine protected areas and supporting local communities.

“On the occasion of the Our Ocean Conference in Palau, I call for an international mobilization to prevent coral reef extinction and announce a strong contribution from UNESCO: an emergency plan to boost the resilience of World Heritage-listed reefs, in particular those in developing countries. UNESCO is partnering with the Global Fund for Coral Reefs to help finance this commitment,” said Audrey Azoulay, UNESCO Director-General.

In terms of ongoing partnerships key highlights included:

- **International Coral Reef Initiative (ICRI)**

GFCR’s relationship with ICRI was greatly strengthened during 2022 through strong collaboration at the international level and particularly during key events such as the UN Ocean Conference, UNFCCC COP28 and CBD COP15, and collaborating on influencing global policy through joint statements and other activities (see Sections III. 2. and 3. below for additional details)

- **Ocean Risk Resilience Action Alliance (ORRAA)**

Several coordination calls were held with ORRA during the year to exchange information on common objectives which resulted in an initial joint workplan focused on identifying common priorities and collaboration potential in areas related to programming, including synergies of GFCR and ORRAA activities related to reef insurance in Bahamas and Mesoamerican Reef region, and collaborating on events in international for as well as GFCR promoting ORRA’s calls for proposals. In 2023, it is expected that the relationship will continue to be solidified as GFCR and ORRAA activities mature.

- **IUCN**

Calls between the IUCN and GFCR team were held, and some initial areas of collaboration were identified around knowledge exchange, engagement of IUCN Ocean team with IUCN regional teams working on GFCR Grant Fund programmes. However, it has been difficult to carry out specific activities.

VII. Communications and Recognition

The GFCR Coalition accelerated efforts to raise awareness, encourage support, and promote collaboration among key stakeholders in 2022. Overall, GFCR was recognized through several multi-lateral declarations and statements, featured in over global 25 events and numerous publications, and was widely recognized by renowned institutions, donors, investors and media outlets. Visibility was

further increased through GFCR's social media presence where published various public updates and appeals rose the platform's viewership rose to over 500,000 during 2022.

Multi-Lateral Declarations & Statements

a. Lisbon Declaration: Accelerating Coral Reef-Positive Investment

In June at the UN Ocean Conference, HSH Prince Albert II of Monaco convened key GFCR Coalition partners for the signing of the [Lisbon Declaration: Accelerating Coral Reef-Positive Investment](#), reiterating and reaffirming commitments to help save the world's coral reefs from extinction.

With the aim of facilitating greater collaboration and momentum to save coral reefs, among the various pledges, signatories of the Declaration committed to:

- Elevating the need for urgent action to protect coral reefs and associated marine ecosystems within global development, biodiversity, and climate agendas.
- Supporting efforts to scale-up coral reef positive investments in over 25 priority countries harbouring coral reefs.
- Increasing efforts to expand the GFCR Coalition by convening additional donors and raising the public-private resource mobilisation ambition beyond USD 625 million.
- Supporting efforts to expand partnerships dedicated to ocean action and promote further collaboration to protect climate-resilient reefs and coastal communities.

The Declaration's thirteen signatories include the Prince Albert II of Monaco Foundation; Paul G. Allen Family Foundation; Builders Vision; Bloomberg Philanthropies; Pegasus Capital Advisors; the Green Climate Fund (GCF); the Government of Canada; the Government of the United Kingdom; the Government of France; the Government of Germany; the United Nations Capital Development Fund (UNCDF); the United Nations Development Programme (UNDP); and the UN Environment Programme (UNEP).

b. Open Letter Calling for Urgent Coral Reef Action Addressed to Leaders and Policy-Makers at COP27, Ocean20 and COP15

In November of 2022, in the midst of UNFCCC COP27 and ahead of the G20 Ocean 20 (O20) and CBD COP15 convenings, the global alliance of the International Coral Reef Initiative (ICRI), the GFCR and CORDAP issued an [Open Letter Calling for Urgent Coral Reef Action](#) appealing to public and private sector leaders to urgently implement the policy change, increase the level of investment and leadership needed to ensure coral reef conservation, protection, and restoration commensurate with their value to people and the world economy.

Specifically, the open letter provides an overview of 5 key action needs for public and private leaders:

- Commit to Marine Conservation
- Accelerate Coral Reef Restoration
- Strengthen Sustainable Blue Food
- Address Marine Pollution
- Support Sustainable Blue Economy and Blended Finance

The public statement was widely shared and supported, receiving over 10,000 views and receiving media attention, including by The Guardian in an article titled [COP27: Coral Conservation Groups Alarmed Over ‘Catastrophic Losses’](#).

c. No Paris without Montreal Declaration

Ahead of CBD COP15, GFCR joined 85 organizations from civil society - NGOs, foundations, scientific institutes, IOs, UN entities, companies & financial institutions – in endorsing the [No Paris without Montreal Declaration](#). Coordinated by [Ocean & Climate Platform](#), the Declaration called on CBD Parties to establish an ambitious post-2020 GBF for the ocean and to bridge the biodiversity and climate regimes.

d. Joint Donor Statement on International Finance for Biodiversity and Nature

Notably, on 16 December during CBD COP15, the [Joint Donor Statement on International Finance for Biodiversity and Nature](#) provided a commitment by 13 countries and the European Union to collectively increase international biodiversity finance and align relevant international development flows, commensurate with ambition of the GBF. Pertinently, the countries commit to leveraging international public finance to mobilise private resources to implement an ambitious GBF. The statement further highlights and encourages investments in biodiversity by the private sector through the GFCR. The statement is supported by Australia, Canada, Czech Republic, EU, Finland, France, Germany, Japan, Netherlands, Norway, Spain, Switzerland, United Kingdom, and the United States.

Global Event Engagements

e. Our Ocean Panama

In early 2022, GFCR was presented in April at the Our Ocean Conference in Palau as a tool to support countries in saving climate-resilient reefs and transitioning to sustainable blue economic development. Our Ocean served as a platform to present the urgent needs for action to prevent coral reef loss, issue high-level announcements, and set the tone for acceleration of reef-based action early in the year.

At the Our Ocean Conference held in Koror, GFCR made several announcements, including an additional GBP £3 million contribution from the Government of the United Kingdom, through the country’s Blue Planet Fund, to support financial solutions and scale innovative business models that increase the resilience of coral reefs and coastal communities. GFCR also announced a planned partnership with UNESCO to explore opportunities to scale conservation efforts of jointly prioritized climate resilient World Heritage-listed reefs in developing countries. Finally, the GFCR announced the signing of the Green Climate Fund (GCF) funding agreement, activating the GFCR Investment Fund to scale-up solutions to strengthen reef resilience.

f. UN Ocean Conference

As the largest blended-finance mechanism dedicated to Sustainable Development Goal 14, 'Life Below Water', GFCR participated at the UN Ocean Conference (UNOC) with the aim to mobilise private and public sector action to save one of Earth's most biodiverse, yet endangered, ecosystems. Throughout UNOC, GFCR successfully convened world leaders, top experts, and ocean advocates who committed to mobilising resources and scaling efforts to help save coral reefs from extinction. Amongst a wide range of events, workshops, high-level gatherings, and awareness activities, the GFCR announced new global partnerships, multimillion dollar donor and investor commitments, and brought together coral champions from a variety of sectors and global seascapes.

During UNOC, the [Reef Action Hub](#) became the epicenter of all-things coral, in-person as well as virtually. Led by the GFCR and the International Coral Reef Initiative, the Hub facilitated over 25 events, workshops and gatherings, serving as a key meeting place for decision makers and reef community members. While amplifying the latest science-based solutions and initiatives to tackle the coral crisis, Hub events included:

- Turning the Tide #ForCoral: Launch of the International Coral Reef Initiative Plan of Action 2021 – 2024;
- Gender Equity and Coral Reef Conservation;
- Coral Reef-Positive Business Models – The Blended Finance Pipeline of the Global Fund for Coral Reefs (led by UNDP and Conservation Finance Alliance);
- UNESCO Launches Emergency Plan to Boost World Heritage-Listed Reefs' Resilience;
- XPRIZE's Growing a Future for Coral Reefs;
- Blue Finance's Expert seminar on "Bankable" Marine Protected Areas;
- The Future of Food is Blue: Thriving Through collective action for sustainable fisheries and aquaculture; and
- UNDP's Thematic Debt: Accelerating the Blue Economy in SIDS.

The Reef Action Hub was convened jointly by the International Coral Reef Initiative (ICRI) and GFCR, with support from the Pegasus Capital Advisors, Builders Vision, and Mirpuri Foundation.

Kicking off GFCR's action-driven week in Lisbon, the Reef Action Hub held a GFCR partner session with special guest, actor [Jason Momoa](#), who announced his new role as the UN Environment Programme's Advocate for Life Below Water. During the session Ambassador Thomson, the UN Secretary-General's Special Envoy for the Ocean, delivered the 'Nature's Baton' to the centre of the Reef Action Hub as its home for the week and relayed opening remarks underscoring the intrinsic link between coral, ocean, and human health.

Following the opening event, GFCR's sixth Executive Board meeting was held where members held their first-ever in-person convening since the initiative's inception. During the meeting in the Reef Action Hub, the Board took focused on reviewing and providing input to the programme pipeline underway for late 2022 and 2023, sector-based investment principles, as well as an in-depth strategic session on the future of GFCR.

Later in the week, the GFCR received two key features during the [Sustainable Blue Economy Investment Forum](#), hosted by the Governments of Kenya and Portugal, where:

Heads of Delegation for Bloomberg Philanthropies and Builders Vision announced they have joined the GFCR Coalition and pledged \$18 million USD in combined commitments during the high-level segment; and

The Executive Secretary of the United Nations Capital Development Fund conducted a GFCR “pitch session” and participated in a circular blue economy panel.

On the side-lines of UNOC, GFCR further ‘commandeered’ a sustainable VO65 sailing vessel for the ‘Racing Against Reef Extinction’ session, aiming to increase visibility for the urgent crisis facing coral reefs. The sailing boat was fitted with coral reef awareness sails and on-board GFCR branding. High-level UN representatives, government officials, private sector executives, as well as leading ocean champions took part in the awareness voyage beside the UNOC arena. Participants included representatives of the Governments of Germany, Kenya and Australia, the Mirpuri Foundation, Bloomberg Philanthropies, Builders Vision, UNCDF, UNDP, UNEP, IUCN, and Pegasus Capital Advisors.

During the UN Ocean Conference, Australian singer-songwriter and [UNDP Ocean Advocate Cody Simpson](#) joined GFCR Coalition members in calling for greater action to save coral reefs. Cody relayed "Let's seize this moment, maybe the last moment we have, to keep these vital ecosystems alive and healthy for generations to come... Join me now in supporting UNDP and the Global Fund for Coral Reefs. Together let's urge world leaders, scientists and philanthropists to join forces and take action now."

g. 27th Conference of the Parties to the UN Framework Convention on Climate Change (COP 27)

With growing recognition that climate change and biodiversity loss are closely interrelated, particularly in the case of coral reefs, the [27th Conference of the Parties to the UN Framework Convention on Climate Change \(COP 27\)](#) in Sharm El-Sheikh offered a crucial opportunity for world leaders to take action for the resilience of coral reefs and coastal communities.

Throughout the conference, GFCR was presented and championed at various events as a key mechanism for private, public and philanthropic entities to accelerate resilience-based blue economic growth, benefiting coral reefs and the communities that need them.

During COP, the GFCR co-led the convening of several events, including two primary engagement sessions:

- 8 November | Adaptation Solutions #ForCoral Nations

As COP27’s premier coral event, this session focused on global, regional, and national organisations and entities engaged in reef-based adaptation action for ecosystems and communities. Demonstrative financing instruments, innovative technology, conservation solutions and partnerships scaling up and relaying hope for coral reef longevity were presented. High-level remarks, solution ‘deep dives’, and a dynamic expert panel showcased integrated climate-smart solutions and increased commitment toward cross-sector collaboration at the nexus of adaptation planning and implementation of the post-2020 global biodiversity framework. Co-hosted by the UN Secretary-General’s Special Envoy for the Ocean; GFCR, World Wildlife Fund (WWF), Coral Reef Rescue Initiative (CRRI), and the International Coral Reef Initiative (ICRI), speakers included His Excellency Ratu Wiliame Maivalili Katonivere, President of the Republic of Fiji; Ambassador Ken O’Flaherty, UK Regional Ambassador for Asia-Pacific and South Asia; Henry Gonzalez, Deputy Executive Director, Green Climate Fund; and several others.

- 8 November | Leaders in Action #ForCoral

The *Leaders in Action #ForCoral* session at the UN Climate Change Conference 2022 (UNFCCC COP 27) on 8 November will featured global leaders who are unified in their efforts to scale critical climate-smart solutions. Co-hosted in the Nature Pavilion by the Global Fund for Coral Reefs (GFCR), the United Nations Development Programme (UNDP), the International Coral Reef Initiative (ICRI) and Bloomberg Philanthropies, the event served to accelerate science-based solutions and launch high-level global commitments to scale action to save the ecosystems on the frontlines of climate change. Remarks were relayed by key leaders including Egyptian Minister of Environment Dr. Yasmine Fouad, the Ministerial Coordinator and Envoy for the COP 27; Gillian Caldwell, USAID’s Chief Climate Officer; Dr. Jürgen Zattler, Director-General for International Development Policy, 2030 Agenda and Climate German Federal Ministry for Economic Cooperation and Development (BMZ); and other high-level representatives for this action-focused session. The event served to issue various new announcements; including the United Nations joining the GFCR Coalition and committing \$15 million USD for the Egyptian Red Sea.

h. 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15)

Throughout COP15 representatives of the GFCR coalition presented the investment-ready blended finance vehicle as an implementation and resource mobilisation mechanism designed to deliver on GBF targets. As previously mentioned, the 16 December Joint Donor Statement on International Finance for Biodiversity and Nature provided a commitment by 13 countries and the European Union to collectively increase international biodiversity finance and encourages investments in biodiversity by the private sector through the GFCR. Key outcomes and activities included:

- Presentation of GFCR on the COP15 Finance & Biodiversity Day

Through the official COP15 Finance & Biodiversity Day agenda GFCR was presented as an investment-ready initiative among representatives from the breadth of the financial landscape – including policymakers and regulators, financial supervisors and central banks, public finance, and the various facets of private finance. Xavier Michon, Deputy Executive Secretary of the United Nations Capital Development Fund (UNCDF) led the main stage presentation following an array of high-level speakers, including Elizabeth Maruma Mrema, Executive Secretary of the Convention on Biological Diversity; Mark Carney, UN Special Envoy for Climate Action and Finance; and Emmanuel Faber, Chair of the International Sustainability Standards Board (ISSB).

- Bilateral and Multilateral Meetings

Meetings between GFCR representatives and key marine biodiversity stakeholders, including global donors and key opinion leaders, took place throughout COP15. Bilateral meeting participants included representatives of the Governments of Australia and France, Bezos Earth Fund, LVMH, the UN Secretary General’s Special Envoy for the Ocean, Mitsubishi Financial Group, and the UNFCCC High-Level Climate Champions. GFCR representatives further participated and relayed interventions in a consultative session focused on COP28 hosted by UAE’s Office of the Special Envoy for Climate Change. Further, GFCR was presented in a nature finance roundtable hosted by UNCDF including representatives from

Rockefeller Brothers Fund, DEFRA, BMZ, African Development Bank, World Bank, International Institute for Environment and Development (IIED), Green Climate Fund and others.

- Launch of the REEF+ Knowledge & Finance Accelerator

Launched during COP15, GFCR REEF+ Accelerator will serve as a convening platform to drive finance and knowledge for bankable coral reef solutions globally. Developed by Conservation Finance Alliance (CFA), the United Nations Development Programme (UNDP), and Ubuntu, REEF+ showcases reef-positive solutions supported through GFCR blended finance programmes as well other replicable enterprises and finance solutions identified globally. REEF+, now in its first phase, already hosts a catalogue of 170 solutions and 60 knowledge posts, all with potential to scale and replicate for significant global impact.

- Feature on the Sharm El-Sheikh to Kunming Action Agenda for Nature and People

The Sharm El-Sheikh to Kunming Action Agenda for Nature and People is a voluntary commitment platform that aims to raise public awareness, building on the existing and growing momentum, of urgent action from a broad base of sub and non-state actors in support of the implementation of the post-2020 Global Biodiversity Framework. As a featured initiative, the Global Fund for Coral Reefs was consistently highlighted through the Action Agenda platform at the COP.

- Co-Hosting & Presentation at COP15 Coral Reef Events

Throughout COP15, GFCR was presented at events including the *Achieving the Global Targets: How to Conserve and Restore Coral Reefs*; *United for a Decade of Conservation Action #ForCoral*; *Innovative Finance for Coral Reefs*; and *Making it Meaningful: Advancing equitable ocean conservation through sustainable financing*.

During the high-level *United for a Decade of Conservation Action #ForCoral* event hosting ministers, dignitaries and key coral conservation actors, GFCR's Executive Board Chair, Chuck Cooper, made a powerful speech relaying GFCR is "taking a blended finance approach; we know that official development assistance is not going to be enough to reduce the coral reef funding gap so we are taking an approach in which philanthropic dollars and governmental dollars are combining to incentivise private sector investment in coral reef conservation and restoration... the Global Fund for Coral Reefs is now the largest blended finance mechanism focused on the ocean." He further stated, to the question of whether we raise the alarm and focus on "doom and gloom" or do we focus on "hope and optimism", that "we have to focus on both, because that is the reality we face." The Chair relayed focus on hope and optimism "has to be earned and the way that we do that is by mobilising resources, deploying resources and incentivising action – and that is what we are committed to do." He finalised his remarks by announcing the GFCR is investment-ready and called on more donors and financiers to join the effort to save coral reefs and achieve GBF targets.

i. **Additional 2022 Events & Engagements**

- At the One Ocean Summit high-level workshop, 'Investing in Blue, public-private partnerships for the ocean', the Green Climate Fund's CEO, Yannick Glemarec, showcased how the GFCR is empowering climate action for the ocean through reef-positive blue economy. The presentation

also included emphasis on how the GFCR is creating a "coral reef asset class" through its Equity Fund and blue economy pipeline.

- At The Economist World Ocean Summit, GFCR was featured on World Wildlife Day, 3 March, during the plenary panel session focused on tackling the SDG14 conservation-finance gap. Preeti Sinha, Executive Secretary of the United Nations Capital Development Fund (UNCDF), discussed how the initiative is attracting and de-risking investment for scaled ocean impact.
- At a 2022 Spring Meetings of the International Monetary Fund and the World Bank Group side event, GFCR was featured as an initiative scaling investment for the benefit of food security. As coral reefs support a quarter of all marine life, the Executive Secretary of the UNCDF, Preeti Sinha, and the GFCR Executive Board Chair, Chuck Cooper, relayed remarks on the importance of coral reefs to food security for coastal communities. Following the event, GFCR's Equity Fund gathered event participants and stakeholders for further discussion on adaptation finance. The session included remarks from H.E. Luhut Binsar Pandjaitan, Indonesia's Coordinating Minister for Maritime and Investment Affairs, as well as the signing of a Letter of Intent between Pegasus Capital Advisors and Indonesia's Deputy Coordinating Minister for Maritime Resources to "collaborate to accelerate investment into coral reef protection... to help build resilience and prosperity in local communities and supply chains in Indonesia".
- GFCR's Deputy Head of the UN Global Team, Yabanex Batista, provided interventions at the open dialogue on "Protecting Biodiversity in Times of Crisis" hosted by UN DESA. Focusing on SDG14 (Life Below Water), Yabanex and fellow experts spoke about mobilising innovation and building new public-private partnerships for biodiversity.
- UN Climate Change High-Level Champion Nigel Topping conducted a field visit in Fiji where the GFCR-supported programme team presented the work they are doing with communities and local private sector entities, including Beqa Adventure Divers, to strengthen reef resilience.
- In the [*A Guide to Private Sector Investment in Coastal Resilience*](#), the UNFCCC Climate Champions featured GFCR as an "example in action".
- During the Island Finance Forum 2022, GFCR was featured in the Conservation Finance for Islands webinar which focused on why funding must be made available for conservation projects to be successfully implemented and maintained.
- In July, experts and practitioners came together to share lessons learned and experiences in deploying innovative and scalable finance mechanisms during the 2022 High-Level Political Forum. The dedicated session placed particular focus on blue and green blended finance mechanisms, including the GFCR and its strategic leverage of public capital to attract private sector resources for scaled conservation impact. Speakers included representatives of UNCDF, Matanataki, Kazoza Financial Group and Germany's Federal Ministry of Economic Cooperation and Development (BMZ).
- In August of 2022, the [GFCR and CORDAP successfully held a coral reefs workshop as part of the official Ocean20 side events of the G20 Indonesia Presidency](#). The workshop held in Bali, Indonesia facilitated presentations and expert-led discussions focused on sustainable coral conservation and reef-positive blue economy within the context of strengthened ocean diplomacy. GFCR's Deputy Head of the UN Global Team, Yabanex Batista, presented the blended finance and programmatic approaches of GFCR, as well as participated on a panel discussing key global partnerships leading global restoration and coral protection efforts.

- During the 2022 Private Investment for Climate Conference, the Green Climate Fund (GCF) Executive Director, Yannick Glemarec, spotlighted their GFCR partnership and investment as the type innovation needed to accelerate private sector investment for the protection of vulnerable ecosystems. At the Conference hosted in the Republic of Korea, as GCF's first at-scale blue economy commitment, the USD 125 million GCF funding commitment to GFCR was spotlighted as a catalytic tool to bridge the gap between public and private engagement.
- During the UN General Assembly and Climate Week in New York City, the GFCR was announced as a recipient through Bloomberg Philanthropies' commitment to "double down on ocean protection", through a \$204 USD million combined pledge to strengthen marine ecosystems, empower coastal communities and fight climate change. To launch this announcement and accelerate further action, Michael R. Bloomberg and the UN Climate Action High-level Champions for COP26 and COP27 hosted a landmark [summit](#), convening business, finance, government, civic and cultural leaders. During this week of pivotal convening, this event helped to bridge the gap between government leaders and non-state actors to ensure the fulfilment of pledges and commitments, and drive the radical collaboration needed to deliver on climate goals.
- During UN Climate Week, GFCR representatives participated in the Upgrading the Triple Bottom Line side-event to discuss entry points for corporate entities to scale climate-nature solutions. Led by Paul Polman, climate campaigner and former CEO of Unilever, professionals from the private, public, and philanthropic sectors jointly engaged in discussion and highlighted several concrete mechanisms, including GFCR.
- On 20 September, the Head of the GFCR UN Global Team, Pierre Bardoux, joined the WTW Corporate's event hosted with the Ocean Risk and Resilience Action Alliance (ORRAA), titled From Coral Reefs to Credit Risk: Nature-Related Risks and the Protective Role of Parametric Insurance to discuss the protective role of parametric insurance for coral reefs and communities. Through a panel intervention, he relayed programmatic activities underway where catalytic incubation grants are positioned to unlock direct private investment in reef resilience and the corresponding need for insurance coverage to protect reef assets.
- On the sidelines of the 77th United Nations General Assembly, [GFCR representatives met the Government of Indonesia's Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan](#), along with Indonesian Government delegation representatives to discuss joint efforts to unlock finance for scaling biodiversity and coastal resilience. As a host to some of the largest and most biologically diverse coral reefs in the world, Indonesia is a priority country for GFCR-supported programming. Meizani Irmadhiany, Chair of the Board of Konservasi Indonesia stated: "Indonesia represents among the most significant opportunities for global coral reef conservation and resilience. Through the support of the GFCR, TeKSI [programme] seeks to mobilize and deploy blended financing at multiple scales and through multiple modalities to promote the mutually reinforcing objectives of coral protection, economic recovery, and inclusive, equitable reef-positive development and sustainable livelihoods in Indonesia."
- During September's Caribbean Climate-Smart Accelerator Investor Forum, the GFCR Deputy Head of the UN Global Team, Yabanex Batista, discussed a wide range of opportunities for expansion of reef-positive blue economy projects in the Caribbean.

- During the 2022 Virtual Island Summit, GFCR was presented as a finance mobilisation and implementation mechanism to scale resilience efforts for both coastal communities and marine biodiversity.

See Annex for **Additional Features & Recognition**.

VIII. Policy Architecture

A. Overview

Under the guidance of, and with the support of the Secretariat, UNDP and the Conservation Finance Alliance (CFA) lead the development of the Fund's investment principles and overarching policy architecture, including in terms of a risk management system and policies on social and environmental safeguards and gender, all of which were endorsed by the GFCR Executive Board during 2022.

Additional work is expected in 2023-2024 for the development of private sector due diligence, stakeholder engagement guidance, the development of a global Grievance Resolution Mechanism, and the development of an Indigenous People's policy.

In close coordination with the GFCR Secretariat, UNDP and CFA continued to develop a Training & Capacity Development Programme during 2022 to support effective implementation of, and compliance with, the Fund's policies, standards and norms for adherence by the Grant and Investment Funds. Activities under this banner will be further stepped up in 2023, to be primarily delivered through REEF+ (GFCR's knowledge platform). This is anticipated to incorporate a Convening Agent (CAs) Webinar Series to introduce the GFCR policy architecture and support provision of guidance to CAs in terms of ensuring robust alignment of programming activities with the Fund's policies and standards, including in the context of GFCR Grant Fund programme proposals and their implementation.

B. Investment Principles

During 2022, CFA led the development of a set of 10 [General Investment Principles](#) for the GFCR, which were endorsed by the GFCR Executive Board and uploaded on REEF+. Best practice guides for both the General Investment Principles and sector-based guidance for the Ecotourism sector were developed, approved by the Executive Board and uploaded to REEF+. Further sector-based best practice guidance is being prepared, including on the Fisheries and Blue Carbon sectors, for publication on REEF+.

These documents are intended to provide guidance on Fund programming and activities, specifically enabling investors and reef-positive enterprises to align their activities in specific sectors with the Fund's target Outcomes, Objectives and Theory of Change. Sector based principles guide positive recommended actions to support the Fund's targets and outcomes and reduce drivers of degradation.

C. Social and Environmental Safeguards Policy

Led by UNDP and building on UNDP's gold standard SES policy, the GFCR Social & Environmental Safeguards (SES) Policy was developed during 2022 to underpin the Fund's commitment to mainstream social and environmental sustainability directly in projects and deals, with an accountability mechanism to deal with any complaints or concerns about the Fund's operations established as an integral part of this overall framework.

An international consultant specialized in the development and application of corporate Safeguards systems was recruited and developed the SES Policy for GFCR, undertaking relevant orientation with the UN Global Team, GFCR partners and PCA to establish the scope, structure, timeline, and application of the GFCR Environmental & Social Safeguards Policy at Fund- and project-level. The SES Policy was approved at the GFCR Executive Board meeting held on 24 May 2022.

UNDP, with relevant support from CFA and consultants, will continue to coordinate with GFCR partners and donors to appropriately refine the GFCR SES Policy, linking this strongly to the GFCR project management cycle, Risk Management System and Gender Policy, and Fund-level M&E Strategy.

D. Gender Policy

Led by UNDP and building on UNDP's gold standard Gender policy, the GFCR Gender Policy was developed to ensure that gender equality and women's empowerment is at the heart of GFCR's mandate and actions.

An international consultant specialized in the development and application of corporate Safeguards systems was recruited and developed the GFCR Gender Policy, undertaking relevant orientation with the UN Global Team, GFCR Partners and PCA to establish the scope, structure, timeline, and application of the GFCR Gender Policy at Fund- and project-level. The Gender Policy was approved at the GFCR Executive Board meeting held on 24 May 2022.

UNDP, with relevant support from CFA and consultants, will continue to coordinate with GFCR partners and donors to appropriately refine the GFCR Gender Policy, linking this strongly to the GFCR project management cycle, Risk Management System and Social and Environment Safeguards Policy, and Fund-level M&E Strategy.

E. Risk Management System

Led by UNDP, the GFCR Risk Management System has been designed to provide the Fund with a way to identify and mitigate programmatic, institutional, and contextual risks that might impact the Fund's performance and reputation – and ensure that it maximizes gains and minimize harm or losses at all levels of operations from global to local. An international consultant specialized in the development and application of Risk Management Systems was recruited to lead the development of the RMS, undertaking relevant orientation with the GFCR Global Team, GFCR Partners and PCA to establish the scope, structure, timeline, and application of the RMS at Fund- and project-levels. The RMS was approved at the GFCR Executive Board meeting held on 24 May 2022.

UNDP, with relevant support from CFA and consultants, will continue to coordinate with GFCR partners and donors to appropriately refine the GFCR Risk Management System, linking this strongly to the GFCR project management cycle, Social and Environmental Safeguards and Gender Policies, and Fund-level M&E Strategy.

IX. Monitoring & Evaluation

Over the last two years, UNEP has supported M&E efforts for the GFCR by creating a Science and Technical Advisory Group (STAG) and hiring two consultants to develop a practical M&E Framework (to be presented at the GFCR Executive Board Meeting in March 2023). Given the GFCR model of supporting reef-positive activities through a single [theory of change](#) (ToC) utilising a blended finance approach through the Grant Fund and Investment Fund activities, UNEP has developed an M&E Framework for Grant Fund and Investment Fund partners. To support the implementation of the M&E Framework, UNEP proposes to continue the development of an integrated program of advisory services to the GFCR Secretariat and technical assistance, capacity development, coordination, technical oversight for Grant Fund and Investment Fund partners, supported by technology and data innovation and communication/advocacy workstreams.

UNEP has made significant progress in developing an M&E Framework which will be critical in measuring the successes and challenges of the GFCR programmes and will support the GFCR to report on progress to the Global Biodiversity Framework and other global goals. The two consultants hired by UNEP contributed towards the overall direction and development of the M&E Framework throughout 2022, during which time several other components of work were also delivered. These included draft indicators and methodologies for measuring progress, the draft M&E Toolkit (designed to provide guidelines to convening agents on how to implement the M&E Framework), and the establishment of collaboration with the GFCR's STAG.

The finalized M&E Framework is undergoing its final review to be ready for submission and approval by the Executive Board in March 2023 at the 9th Executive Board meeting and the final M&E Toolkit is planned to be delivered by June 2023. The M&E Framework consists of two main categories in line with previous developments in this programme of work: (1) Fund Indicators (10 headline w/ component indicators) that must be monitored by ALL GFCR programmes (Grant Fund and Investment Fund) to measure progress towards achieving the GFCR's Outcomes, and (2) Project Indicators (flexible, selected in consultation with UNEP/Secretariat) that can be added to the GFCR Fund Indicators to establish programme- and sector-specific theories of change for M&E that are appropriate to the local context and cultures of GFCR programme sites.

The indicators were designed to report on the progress of GFCR programmes in meeting the Goal and four Outcomes of the GFCR. They cover the coral reef itself (biophysical indicators), the people and stakeholders that rely on them (socioeconomic indicators) and the businesses established or supported through the Fund (financial indicators) to help improve the status of coral reefs and associated ecosystems.

The M&E Framework and the indicators being developed by the UNEP team were devised in close consultation with relevant stakeholders including women, local communities, the GFCR Secretariat, Grant Fund convening agents, GFCR Investment Fund and GFCR STAG. Further, UNEP plans to engage the Wildlife Conservation Society in early 2023 to support the finalization process for the indicators and recognize that the M&E Framework will continue to be refined with regular feedback from the GFCR Executive Board and the Grant Fund/Investment Fund to ensure alignment with the GFCR objectives.

Convened through UNEP, the GFCR STAG is comprised of independent international experts in diverse fields related to coral reef conservation, management, restoration, socioeconomics of coral reef adjacent communities as well as conservation finance and sustainable business experts. The group will provide recommendations and advice to the UN Global Team and key partners with a focus on M&E. The STAG is comprised of 32 members, including 14 women.

Building on the successes of 2022, by the next reporting period, the UNEP M&E programme is projected to be fully operational. At a global scale, this will include: providing a variety of advisory services to the GFCR Secretariat; active implementation of the GFCR M&E Framework by building the capacity of Grant Fund and Investment Fund partners to develop and deliver M&E strategies, plans, and data that are aligned with the M&E Framework; at least initial steps towards developing a GFCR data system for the collection and analysis of M&E Fund Indicators; active steps towards connecting GFCR M&E efforts to other international efforts for coral reefs M&E and the GBF and other global goals for biodiversity, climate and sustainability to deliver large-scale impact; and delivery of strategic communications and advocacy support to the GFCR.

X. Knowledge Management: REEF+

A. Development and Launch (2022)

The REEF+ Knowledge and Finance Accelerator has been developed as the bespoke global coral reef knowledge management (KM) system supporting both internal (within GFCR) and external (beyond the Fund) peer-to-peer exchange and lessons sharing, as well as identification and origination of innovative coral reef-positive business solutions.

By building and supporting communities of practice both thematically across the coral reef financing ecosystem and geographically across GFCR's portfolio of programming countries, REEF+ has been designed to help drive the rapid and efficient scaling of knowledge, finance and collaboration required to deploy revenue-generating reef-positive enterprises and financial instruments to save coral reefs and strengthen their associated ecosystems, economies, and communities within frontier markets in large ocean states (SIDS), Least Developed Countries (LDCs) and other coral nations.

Managed by UNDP, with CFA, and in close coordination with the UN Global Team, REEF+ has a solid and well-designed functionality:

- An enabling platform for peer-to-peer practitioner knowledge exchange and sharing of lessons learned and best practice across a range of topics relevant to global GFCR programming.

- Capacity building for Convening Agents and project implementers to ensure on-the-ground interventions are in line with GFCR Objectives, Outcomes and the Theory of Change.
- Training and guidance on GFCR policies and requirements for effective programme development and implementation in line with GFCR Objectives, Outcomes and Theory of Change.
- Integration of GFCR's Monitoring and Evaluation (M&E) System to ensure learning and sharing of knowledge generated through programme design and implementation is collected and shared to improve on-the-ground interventions and solutions for saving coral reef ecosystems.
- Support for the development of effective community engagement and management structures, and sustainable and blended finance approaches, across GFCR programmes.
- Generating success stories, best practices, and programme highlights that can be leveraged for GFCR communications, outreach, and reporting.
- Establishing new opportunities for the development, financing, and replication of reef-positive businesses at scale, including through in-depth engagement across the spectrum of potential investors in reef-positive solutions.

The REEF+ platform is structured through delivery of five inter-linked and action-oriented components:

- **REEF+ Discover** enables coral reef practitioners to find and utilize scalable and replicable reef-positive enterprises and financial solutions.
- **REEF+ Collaborate** enhances communication, connection and capacities among coral reef finance practitioners and experts.
- **REEF+ Learn** builds targeted capacity to accelerate pipeline development of reef-positive enterprises and finance mechanisms.
- **REEF+ Invest** seeks to facilitate access to finance for coral positive businesses and finance solutions from a diversity of donors and investors.
- **REEF+ Impact** provides an impact reporting application and database that facilitates rapid understanding of company, programme, and projects impacts on coral reefs.

Throughout 2022, UNDP and CFA worked closely with [Ubuntoo Inc.](#) as the technical partner engaged for the development and launch of REEF+. Presentations for feedback were prepared and presented to the UN Global Team and GFCR Executive Board throughout the course of the development efforts during 2022, to ensure alignment with the overall GFCR mission and objectives and to build ownership and engagement around REEF+ as a key component of GFCR's activities.

REEF+ was launched at the CBD COP 15 during a session on Innovations in Coral Reef Finance, at the ICRI COP15 Coral Reef Reception, and through the use of social media including LinkedIn, Facebook and Twitter. In preparation of the launch, a [video introduction](#) was created by Ubuntoo and shown at the release events.

B. Ambition Plan (2023-25)

As a community-driven platform, REEF+ is being made accessible to a wide spectrum of global, national and local partners, including reef-positive businesses and project developers, Convening Agents, potential financing partners, as well as local communities across GFCR's countries of programming and beyond. It is intended to position the GFCR as the global leader for showcasing the power of innovative blended

finance models for driving finance and knowledge exchange towards the effective, long-term conservation and restoration of highly threatened coral reef ecosystems.

Through these entry points, REEF+ is aimed at playing a central role in the GFCR investment ecosystem, especially in relation to the ‘missing middle’ of the investment continuum. REEF+ will build important strategic and technical partnerships with microfinance institutions, incubators, technical assistance facilities, entrepreneurs, innovators and investors at the local and national level, and connecting to and leveraging relevant networks and initiatives of regional and global actors, including BINGOs and coral reef coalitions, such as Blue Nature Alliance (BNA), Ocean Risk and Resilience Action Alliance (ORRAA), the International Coral Reef Initiative (ICRI), the Coral Research & Development Accelerator Platform (CORDAP), the UNDP Biodiversity Finance Initiative (BIOFIN), the UNFCCC High-Level Climate Champion team for COP28, and many others.

REEF+ has been fully integrated into the GFCR web site as a stand-alone segment (gfc.ubuntu.com) and is already hosting a catalogue of 200+ solutions and 100+ knowledge posts, which span both GFCR programs and other initiatives from implementing partners. These have the potential to be scaled and replicated for significant global impact, supported by a rapidly growing global community of REEF+ members and partner organizations.

Building on strong initial momentum of REEF+ since its end-2022 official launch, an ambitious business plan for significant further expansion of REEF+ in terms of content, reach, partnerships, impact, community building and other key dimensions is being put in place for the second phase of implementation for REEF+, looking towards full operationalization and impact during the 2023-2025 window.

For 2023, the focus will be in particular on the Discover, Collaborate and Invest elements of the REEF+ platform through a range of key initiatives, products and activities, including:

- **Discover** – Continuous expansion of the Knowledge and Solutions sections of the platform, including through Best Practice series and Case Studies on GFCR/partner programmes/activities, combined with deepened outreach and community building across donors, investors, practitioners, technical assistance providers and other key coral investment ecosystem partners.
- **Collaborate** – Rolling out a comprehensive series of communication and outreach products and events, including thematic webinars and practitioner discussions, regular update/networking events with Convening Agents, curated Working Groups (e.g. finance solutions), as well as regular and customized member communications, such as newsletters and knowledge briefs.
- **Invest** – Building a global community of reef-positive investors through focused outreach to potential members and creation of finance-focused micro-communities and platforms for collaboration on investment opportunities, due diligence, impact frameworks etc., as well as the planned organization of a first iteration of an annual REEF+ Investor Conference.

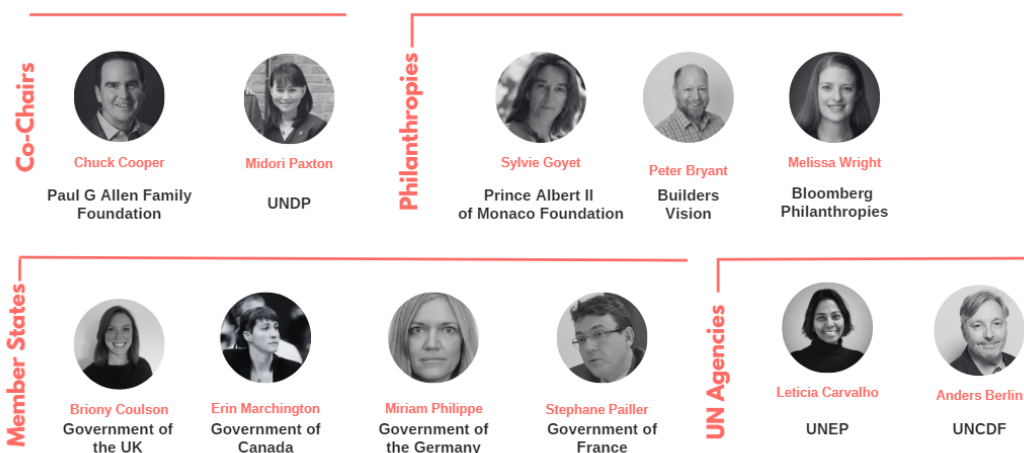
XI. Governance

The GFCR consists of two main instruments – the Grant Fund and the Investment Fund – that work hand in hand to protect and restore the world’s most resilient reefs. Strong governance mechanisms were established to ensure that all GFCR activities are effective and demonstrate impact. On the Grant Fund

side, the Executive Board serves as the main decision-making body that approves decisions and provides strategic guidance and direction to the Global Team and Convening Agents that implement GFCR Grant Fund Programmes. The Grant Fund was administered hosted by the UN Multi-Partner Trust Fund Office (MPTF Office), the UN center of expertise in UN pooled funds. The MPTF Office continues to maintain an independent and firewalled role as fiduciary administrator. On the investment side, Pegasus Capital Partners serves as the Investment Fund manager, with an investment committee taking decisions on specific investments to be made.

A. Executive Board Composition & Outputs

As of December 2022, the Executive Board (EB) is comprised of 11 representatives, increasing membership by two since the beginning of the year. The GFCR Executive Board consists of four Member States, four philanthropies, and three UN Agencies as illustrated in the figure below.



The Secretariat successfully led the planning of four Executive Board meetings in February, June, October, and December 2022, including the first in-person GFCR Executive Board meeting which successfully took place in Lisbon, Portugal at the side-lines of the UN Ocean Conference. One "EB catch-up" meeting was conducted virtually in May 2022.

With end-to-end support from the Secretariat, the Executive Board tackled thirty-five topics ranging from strategic discussions to programme proposals during its formal meetings. Twenty-two (22) decisions were finalised, resulting in the allocation of US\$16.3 million in GFCR grants to seventeen (17) discrete global, regional, and country programmes during the year.

Executive Board Terms of Reference

During the Executive Board Catch-up meeting in May 2022, the GFCR Secretariat presented a revised version of the Executive Board Terms of Reference, adjusting information according to the latest developments of the Fund. A summary of changes presented to the Executive Board for consideration are detailed below:

- Revision to explicitly include Pegasus Capital Advisors as managers of the GFCR’s Private Equity Fund
- Increase in Executive Board seats from a maximum of ten (10) to fifteen (15), to be comprised of six (6) seats for Member States, six (6) seats for philanthropies, and three (3) for Participating UN Agencies
- Inclusion of two Co-Chair seats, one of which belonging to the highest contributor to the Fund and the other seat being rotational among the three UN Agencies
- Clearer definition around membership terms (e.g., two-year terms for Co-Chairs)

The revisions to the Executive Board were finalised and signed-off by August 18th.

February 2022: 5th Executive Board Meeting

From February 22-24, 2022, Executive Board members convened virtually to attend the GFCR’s 5th Executive Board meeting. The first day of the Executive Board meeting was dedicated to more strategic, Fund-level topics which included an overall update provided by the Secretariat for the Grant Fund and Pegasus Capital Advisors for the Private Equity Fund. There was also a dedicated discussion on the MOU to be signed between the Grant and Private Equity Funds, further concretising the collaboration of both instruments. The UNDP and UNEP presented the Investment Principles and an update on the M&E work stream respectively.

The second day of the Executive Board meeting was dedicated to programme presentations. Several Convening Agents presented their full programme proposals and concept notes for consideration, including Conservation International, MAR Fund, FUNBIO, Fondo Accion, and SeyCCAT. UNDP Fiji also presented outcomes on its first full year of implementation.

DATE	AGENDA
22 Feb 22	<ul style="list-style-type: none"> • GFCR Secretariat Update • Equity Fund Update • Investment Principles • Grant & Equity Funds MOU Discussion • Monitoring & Evaluation Update • Reporting Requirements
23 Feb 22	<ul style="list-style-type: none"> • Programme Portfolio Overview • Indonesia Programme • Mesoamerica Regional Programme • Concept Note: Brazil • Concept Note: Colombia • Concept Note: Seychelles • Fiji Programme Annual Report
24 Feb 22	Formal Decision Session

During the formal Decision Session on February 24th, the Executive Board approved ten decisions, resulting in a financial allocation of US\$9.6 million across various GFCR global / regional / country programmes. The Executive Board also endorsed the GFCR Investment Principles, ICRI as Co-Chair of the Advisory Board, and the MOU between the Grant and Private Equity Funds. The decisions were formally signed off by the Co-Chairs on March 8th, 2022.

Decision #	Decision	Country / Region	Approved Allocation
501	Terumbu Karang Sehat Indonesia	Indonesia	\$ 3,000,000
502	MAR+Invest (MAR Fund)	Mesoamerica	\$ 1,314,046
502	MAR+Invest (UNCDF)	Mesoamerica	\$ 386,911
503	Ocean RESOLVE	Seychelles	\$ 90,342
504	Programa Nossos Corais	Brazil	\$ 99,970
505	Fi Wi Riif	Colombia	\$ 100,000
506	Mamuhunan sa mga MPAs - Addendum	Philippines	\$ 574,135
507	Partnership and Knowledge Management 2022-2024	Global	\$ 521,869
507	Monitoring and Evaluation Strategy for the Global Fund for Coral Reefs 2022-2024	Global	\$ 388,404
507	Secretariat Direct Cost 2022 (under UN MPTF Office)	Global	\$ 894,580
507	UN Global Team of the Global Fund for Coral Reefs 2022-2024 (under UNCDF)	Global	\$ 2,236,547
508	GFCR Investment Principles	Global	Endorsed
509	Advisory Board Co-Chairs: ICRI	Global	Endorsed
510	Grant and Equity Funds MOU	Global	Endorsed

May 2022: Executive Board Meeting

During the virtual catch-up meeting held on May 24th, the UNDP had the opportunity to present the GFCR Safeguards Policy, Risk Management System, and Gender Policies for comment to the Executive Board. The Secretariat also presented updates to the Executive and Advisory Board members' composition, and an overview of the upcoming engagement at UN Ocean and the 6th Executive Board meeting.

Formal decisions on the endorsement of the overarching GFCR policies were agreed to be deferred to the 6th Executive Board meeting.

June 2022: 6th Executive Board Meeting

The GFCR Secretariat successfully organised its first in-person Executive Board meeting in Lisbon, Portugal at the side-lines of the UN Ocean Conference. Throughout the full-day meeting, UNDP presented its Sector-Based Investment Principles for Executive Board comment and endorsement. IUCN, TNC, BIOFUND, and YKAN also presented their Concept Notes for the Sri Lanka, Micronesia, Mozambique and Indonesia (#2) programmes.

DATE	AGENDA
27 Jun 22	<ul style="list-style-type: none"> • Sector-Based Investment Principles • Concept Note: Sri Lanka • Concept Note: Micronesia • Concept Note: Mozambique • Concept Note: Indonesia

DATE	AGENDA
	<ul style="list-style-type: none"> • Programming Updates • Future Vision Strategic Discussion • Closed Decision Session

Following the Executive Board meeting, the Executive Board approved nine (9) decisions in three tranches:

- On August 18th, the GFCR Safeguards Policy, Risk Management System, Gender Policy, and revisions to the Executive Board Terms of Reference were finalised and signed off.
- Following the finalisation of due diligence on the various convening agents that presented Concept Notes to the Board, the Concept Notes for Sri Lanka, Micronesia, and Indonesia (#2) were approved on September 9th.
- By November 11th, the Concept Note for the Mozambique programme was endorsed upon the delayed completion of the independent due diligence evaluation of BIOFUND.

Decision #	Decision	Country / Region	Approved Allocation
601	Safeguards Policy	Global	Endorsed
602	Risk Management System	Global	Endorsed
603	Gender Policy	Global	Endorsed
604	Executive Board Terms of Reference	Global	Endorsed
605	Advisory Board Second Co-Chair Endorsement	Global	Endorsed
606	Sri Lanka Coral Reef Initiative – SLCRI	Sri Lanka	\$ 97,012
607	Micronesia Coral Reefs	Micronesia	\$ 100,000
608	KORALESTARI: Sustaining Indonesia’s Coral Reefs through Bankable Conservation and Restoration Initiatives	Indonesia	\$ 100,000
609	MZ CorInvest	Mozambique	\$ 99,441

October 2022: 7th Executive Board Meeting

From October 4-6, Executive Board members reconvened virtually for the GFCR’s 7th Executive Board meeting. Several standing topics were covered on the first day such as the Secretariat and Private Equity Fund’s update, Programming Overview, and M&E Update. The Blue Bridge Expansion to include the Global Technical Assistance Service was also introduced for Executive Board feedback.

On the second day, the UNDP Jordan and Egypt country offices presented the Gulf of Aqaba and Egyptian Red Sea Concept Note, the Full Proposal for the Maldives and a replenishment request for the Fiji programme. Fondo Accion also presented its full proposal for Colombia.

DATE	AGENDA
4 Oct 22	<ul style="list-style-type: none"> • Secretariat Update • Programming Pipeline Overview • M&E Update • Private Equity Fund Update

DATE	AGENDA
	<ul style="list-style-type: none"> Blue Bridge Expansion Global TA Service
5 Oct 22	<ul style="list-style-type: none"> Knowledge Management Updates Gulf of Aqaba and Northern Red Sea (Concept Note) Colombia (Full Proposal) Maldives (Full Proposal) Fiji update (Replenishment)
6 Oct 22	Formal Decision Session

During the closed decision session on October 6th, the Executive Board deliberated on the proposals, and ultimately approved a total allocation of USD 6.3 million for the Fiji and Colombia programmes, and for the Gulf of Aqaba and Egyptian Red Sea programme preparatory phase. The decision on the Maldives programme was deferred for later consideration. These decisions were formally signed off on October 29th.

Decision #	Decision	Country / Region	Approved Allocation
701	Investing in Coral Reefs and the Blue Economy	Fiji	\$ 745,150
701	Investing in Coral Reefs and the Blue Economy	Fiji	\$ 3,409,636
702	Fi Wi Riif programme	Colombia	\$ 1,977,514
703	Maldives Resilient Reef Ecosystem and Economic Futures (MRREEF)	Maldives	N/A –Deferred
704	Gulf of Aqaba and Northern Red Sea Resilient Reefs Programme	Egypt; Jordan	\$ 199,865

December 2022: 8th Executive Board Meeting

To close the year, Executive Board members dialled in to attend the 8th Executive Board meeting, where various strategic topics were tackled. The Secretariat, UNCDF, and UNDP led majority of the presentations by presenting a Coalition-level Review and Outlook for GFCR, a discussion on the GFCR Communications Strategy, and updates on Blue Bridge and REEF+.

The Global MPA Finance Pre-Concept was also submitted to the Executive Board for discussion, where Icebreaker Studios' multi-media *Planet Coral* project was featured as a means to channel returns on to support increased management and conservation of the prioritized marine areas. No decisions were taken during this meeting.

DATE	AGENDA
1 Dec 22	<ul style="list-style-type: none"> 2022 High-Level Review & 2023 Outlook Communications Strategy Discussion Global MPA Finance Pre-Concept Blue Bridge Update REEF+ Demonstration

B. Blue Bridge Investment Committee Overview & Function

Blue Bridge submits all transactions to the UNCDF Impact Investment Committee (“IIC) to help ensure that appropriate due diligence and structuring has been conducted. After the GFCR Grant Window Executive Board approves an overall Priority Ecosystem Program proposal, the projects to be funded through Blue Bridge are subject to UNCDF’s investment due diligence and investment approval processes to ensure that GFCR and UNCDF’s fiduciary duties and legal requirements are fulfilled. Following due diligence, investments are referred to the IIC, which must evaluate all investment activities originating from UNCDF’s balance sheet. This Investment Committee is composed of the Director of the Least Developed Countries’ Investment Platform at UNCDF, three key UN-affiliated investment professionals and three independent investment experts who also sit on other investment committees of international impact investing funds. For catalytic grants, UNCDF modified the Terms of Reference for the IIC to also include independent blue economy experts to join the IIC decision making process on an ad hoc basis, depending on the specific sector of the grant recipient.

During the initial reporting period ending December 2022, 2 loans and 13 grants were proposed and recommended by the IIC.

C. Advisory Board Composition & Update

With the approval in October 2021 of the amended Advisory Board (AB) TORs and having launched the regular Advisory Board members expressions of interest with a closing date of December 2021, the GFCR Secretariat focused in 2022 on obtaining Executive Board endorsement for AB Co-Chairs, the selection process for regular advisory AB members, and preparing for the first AB meeting.

Co-Chair endorsements

As per the AB TORs, the institutions and individuals nominated to become AB Co-Chairs are required to be endorsed by the Executive Board (EB). In February 2022, during the 5th Executive Board Meeting (and documented in the EB Decision memo signed in March, 2022) the EB endorsed the International Coral Reef Initiative (ICRI) as the First AB Co-Chair, with Jennifer Koss (Director of Coral Reefs Programme, US National Oceanic and Atmospheric Administration) as the nominee and Christine Dawson (Director of the Office of Conservation and Water, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State) as the alternate.

During the 6th EB meeting, which took place in June 2022 (and documented in the EB 6.1 Decision memo signed also in August 2022), the EB endorsed the Green Climate Fund (GCF) as the institution holding the Second AB Co-Chair seat and Kavita Sinha (Director A.I., Private Sector Facility) as the nominee. No alternate member was nominated. The GFCR Advisory Board Co-Chairs were announced during the UN Ocean Conference which took place in Lisbon in June/July 2022.

The Secretariat held a GFCR briefing with ICRI in June 2022. GCF (Ms. Sinha) was not able to join this virtual meeting as she was on extended sick leave. A key challenge encountered this year was the limited responses from the GCF to the Secretariat’s communications requesting a virtual meeting to conduct a GFCR update and also engage in the process to design the first AB meeting. While the Secretariat requested on several occasions an alternate GCF participant, no response has been received to date. The Secretariat continues to follow-up with GCF.

Selection of AB regular members

The Call for Expressions of Interest (EOIs) for AB regular members included three broad categories of expertise: Science (including conservation and social sciences), Blue Economy/Private Sector Engagement and Public Sector/Policy (within environment/marine sector), with the understanding that in some cases an applicant complied with requisites under more than one category. EOIs were received as follows:

- o 30 for Science
- o 21 for Blue Economy/Private Sector
- o 3 for Public Sector/Policy

Three Selection committees were created to evaluate EOIs under each AB regular members category as described in the table below:

Science	Blue Economy/Private Sector Engagement	Public Sector/Policy
Gabriel Grimsditch, Programme Management Office, UNEP	David Myers, Executive Director, Conservation Finance Alliance	Penny Stock, Senior Technical Advisor Marine Ecosystems, UNDP
Simon Harding, Monitoring and Evaluation Consultant, UNEP	Benjamin Midburry, Lead Investment Specialist, UNCDF	Nicole Trudeau, GFCR Strategic Engagement and Communications Specialist
Margaux Hein, Monitoring and Evaluation Consultant, UNEP	Terry Tamminen, Advisor Pegasus Capital Advisors	Yabanex Batista, Deputy Head, GFCR UN Global Team

To ensure the selection process complied with the AB TORs of including a minimum of 7 members from the Global South and gender parity scored candidates were divided into four sub-groups: Women from Global South, Women from Global North, Men from Global South, Men from Global North. A minimum technical score of 70% of total score was also required to become an AB member. Results can be summarized as follows:

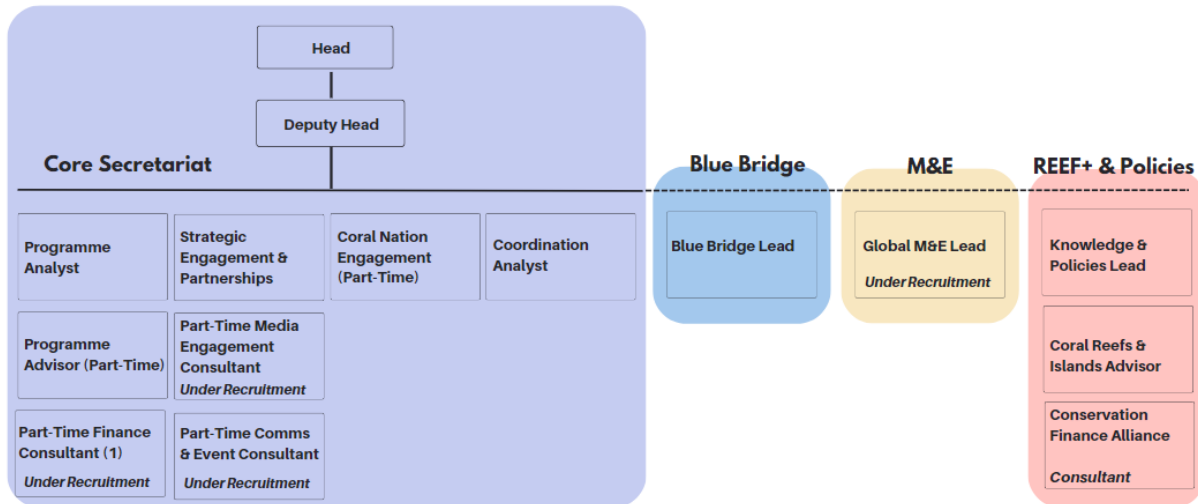
- Science Category – all AB regular members seats were filled upon scoring of EOIs
- Blue Economy/Private Sector Category- Two candidates were selected, but one candidate was also deemed to have appropriate expertise on the Public Sector and Policy category (Maria Damanaki) and she was assigned to that category.
- Public Sector/Policy Category - original EOIs submitted under this category either presented a conflict of interest with GFCR or didn't comply with minimum technical scores. However, as mentioned above one of the blue economy (private sector experts was also an ideal candidate under the public sector/policy category. Subsequently the Secretariat reached out to additional potential candidates and Coral Pasisi and Rili Djohani were selected under this category.

AB Co-Chairs and regular members selected are:



D. UN Global Team Composition

The GFCR’s broader UN Global Team comprises the Core Secretariat, consultants and members of the three (3) Participating UN Agencies that lead dedicated GFCR work streams. The Secretariat directly supports the Executive Board and oversees the implementation of Grant Fund programmes through the work of Convening Agents.



Core Secretariat

As of December 2022, the GFCR Secretariat has received a cumulative budget of USD 3.97 million (USD 2.2 million through UNCDF and USD 1.7 million through the MPTF Office) to finance its operations from March 2021 through December 2023. In March 2022, the GFCR Executive Board endorsed that the Core Secretariat be administratively housed by the UNCDF in Geneva, Switzerland. The Core Secretariat is led by the Head and Deputy Head, and have three full-time members – the Programme Analyst, Strategic Engagement & Partnerships Specialist, and the Coordination Analyst. The Secretariat also expanded its capacity in 2022 by onboarding part-time support of a Programme Advisor and initiating the selection process for a Coral Nations Engagement Specialist. Three additional part-time consultants are expected to be recruited in 2023 to support the programming and communications work streams.

Blue Bridge

A dedicated UNCDF Investment Specialist leads the execution of Blue Bridge transactions, which are reviewed by the Investment Committee as described in the previous section. To date, Blue Bridge has received approximately \$900,000 in direct operating budget under the GFCR.

Monitoring & Evaluation

UNEP leads on delivering and executing the Monitoring & Evaluation Strategy framework for the GFCR. As of December 2022, UNEP has been operating with a total budget of \$588K. At the beginning of 2022, the UNEP programme was led by a Programme Management Officer and Marine and Coastal Ecosystems Unit Chief. In June 2022, oversight of the GFCR programme was transitioned to the Chief of UNEP's Marine and International Waters Unit.

REEF+ and Policy Architecture

UNDP's Senior Technical Advisor for Ecosystems Biodiversity leads the GFCR global programme on REEF+ and Policy Architecture. As of December 2022, a Technical Advisor on Coral Reefs and Finance is under recruitment to work full-time as part of the GFCR Global Team. This global programme has been operating on a budget of \$722K to date.

XII. Looking Ahead to 2023

Achievements in 2022 positioned the GFCR to accelerate action to protect and restore coral reef ecosystems in 2023 and beyond. Recognising this decade is crucial to turn the tide in favour of coral reef survival, moving ahead, the GFCR will advance efforts through implementation and resource mobilisation aligned to the recently approved Convention on Biological Diversity Global Biodiversity Framework (GBF). In this regard, the Grant Fund is expected to continue the development of additional programmes expected to result in a total of 18 Grant Fund programmes covering 23 coral nations, while the Investment Fund is expected to continue identifying investment deals.

In addition, GFCR will finalize the development of its GBF aligned Monitoring and Evaluation Framework, continue to strengthen its overall coalition policy architecture by incorporating stronger guidance on

private sector engagement, participation of Indigenous Peoples and Local Communities (IPLCs), and establishing a grievance mechanism; and advance the development of REEF+ as a key platform to showcase reef-positive solutions.

A key priority in the coming year will be to enhance engagement with coral nation governments at the programmatic level and within relevant regional and international policy fora. In 2023, the GFCR will look to leverage convening opportunities like the United Nations, regional intergovernmental groupings and political processes like the High Ambition Coalition (HAC) and others as platforms for engagement, knowledge exchange, positioning, resource mobilization and dialogue. In particular, the GFCR will look to step-up its positioning in the CBD and the UNFCCC processes and enhance the connection between national and regional level policy processes and GFCR global policy engagement goals.

Through GFCR's growing portfolio of blended finance investments to address local drivers of coral reef degradation and unlock sustainable conservation finance streams, global policy work, as well as awareness and mobilisation efforts, the GFCR Coalition will work to catalyse a shift in the way coral reefs are valued and protected and transforming financing for this crucial ecosystem.

Annex: Additional Features & Recognition

GFCR was further recognized and presented through various podcast episodes, awards, blog posts, and expert publications, including:

- Ocean Impact Podcast: On a special episode of the Investing for Ocean Impact podcast, the Green Climate Fund's CEO, Yannick Glemarec presents the GFCR as a tangible return-on-investment opportunity for coastal and marine-based ecosystem management estimates the GFCR equity investments will leverage an additional \$2.5-\$5 billion USD for positive coral impact. Yannick Glemarec stated, "We have created a new asset class; we will have demonstrated that investing in coral reef management is a genuine investment." Further, GFCR was also featured through a second Ocean Impact Podcast episode titled [Insights from the Boardroom: Two Investors on Nature-Based Solutions and Tech Investments](#) featuring Yabanex Batista, Deputy Head of the UN's Global Fund for Coral Reefs; and Jonas Skattum Svegaarden, CEO of Katapult Ocean.
- Two Vibrant Oceans Initiative Whitepapers featured GFCR in 2022. First, [Conservation Finance for Coral Reefs](#) spotlighted the GFCR as the "most ambitious blended finance initiative on coral reef conservation". The Whitepaper provides an overview of the Fund's innovative approach to financing conservation. Next the [Meeting 30 by 30: The Role of Coral Reef Restoration](#) provided an overview of GFCR's critical role to play in improving the effectiveness of coral reef restoration and assisting evidence-based investment.
- GFCR was further featured in The Economist Impact Blog [Driving finance for coral reef resilience](#) by Yabanex Batista, Deputy Head of the UN Global Team at the Global Fund for Coral Reefs, Angelique Brathwaite, Co-Founder and Director of Ecology and Management at Blue finance, and Simon Cripps, Executive Director of Marine Conservation at Wildlife Conservation Society (WCS) where driving finance for coral reef resilience, including mobilising sustainable financial solutions for 30 by 30, was in focus.
- In a special [COP27 episode of the Financing Nature Podcast](#), GFCR and ORRAA representatives discussed the role of coastal communities and our seas in climate mitigation and adaptation.

In June of 2022, Environmental Finance Magazine awarded GFCR its [Environmental, Social, and Governance \(ESG\) Innovation of the Year Award](#). This important recognition acknowledges the power of the GFCR's innovative blended finance approach to scaling the protection and resilience of marine ecosystems and coastal communities.