GLOBAL FUND FOR CORAL REEFS
Blended Finance Approach

**Catalytic Donor Funding**
- GFCR Grant Fund
  - UN-Managed
  - Member State & foundation funded
  - Needs-Based Resource Mobilisation
- Coordinated Grant Co-Financing
  - De-risking + Incubation

Grants, Concessional Loans, Technical Assistance, Recoverable Grants & Guarantees

**Private Finance**
- GFCR Investment Fund
  - Pegasus-Managed
  - Senior Tranche
    - $375 Million USD (Private Investors)
  - Junior Tranche
    - $125 Million USD (Green Climate Fund*)

**Impact Investment Firms**
**Microfinance Institutions**
**Commercial & Development Banks**
**Multinational Companies**

**Reef-Positive Solutions**
- Marine Protected Areas
- Coral Reef Restoration
- Sustainable Fisheries
- Sustainable Mariculture
- Ecotourism
- Plastic Waste Management
- Blue Carbon
- Coastal Agriculture
- Clean Energy & Transportation
- Sewage & Wastewater Treatment
- Marine & Land-Based Pollutant Management
- Reef Insurance
GFCR Grant Fund Programme Portfolio Overview

Programme Approved
10 programmes covering 13 countries:
- Fiji
- The Bahamas
- Colombia
- Indonesia (second programme)
- Kenya-Tanzania (regional)
- Mesoamerican Reef (regional)
- Papua New Guinea
- Philippines
- Maldives

Under Development
8 programmes covering 10 countries:
- Micronesia
- Seychelles
- Solomon Islands
- Brazil
- Mozambique
- Sri Lanka
- Gulf of Aqaba (Egypt & Jordan)
- Egypt (Red Sea)
New Executive Board Chairs

Co-Chairs
- Briony Coulson
  - Government of the UK
- Leticia Carvalho
  - Alternate: Simkarath Jimma
  - UNEP
- Theodora Manassieva
  - Government of the UK
- Nicholas Barber
  - Alternate: Devon Ellis
  - Government of Canada
- Miriam Philippe
  - Government of the Germany
- Stephane Pailler
  - Alternate: Nahim Alaka
  - Government of France

Member States
- 2 Open Seats

Philanthropies
- Lina Hansson
  - Prince Albert II of Monaco Foundation
- Peter Bryant
  - Builders Vision
- Melissa Wright
  - Alternate: Emily Small
  - Bloomberg Philanthropies
- Chuck Cooper
  - Paul G Allen Family Foundation

UN Agencies
- 2 Open Seats
- Midori Paxton
  - Alternate: Penny Stock
  - UNDP
- Anders Berlin
  - Alternate: Ben Matson
  - UNCDF
The GFCR Investment Fund has a large and growing pipeline having reviewed more than 300 companies, and with several in active diligence.
### Resource Mobilisation

#### Donors

<table>
<thead>
<tr>
<th>Foundation/Donor</th>
<th>Commitments</th>
<th>Deposits</th>
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<tbody>
<tr>
<td>Paul G Allen Family Foundation</td>
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<td>Government of Canada</td>
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<td>Government of Germany</td>
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<td>Government of France</td>
<td>3,400,000</td>
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<td>Government of the US*</td>
<td>up to 5,000,000</td>
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**SUBTOTAL**

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#### Member States

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#### Investors

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**SUBTOTAL**

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<th>Commitments</th>
<th>Available</th>
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<td>60,000,000</td>
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### Total Commitments (USD)

- **220,400,000**

*Earmarked, Pending Programme Development*

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**Needs-Based Targets**

- **Grant Fund**
  - **IF Target:** $250M (Available)
  - **GF Target:** $150M

**Investment Fund**

- **Dec 2020:** 250
- **Dec 2021:** 200
- **Dec 2022:** 150
- **Dec 2023:** 100
- **Present:** 50
- **Available:** 0

**Grant Fund Commitments**

- **States:** 74.2%
- **Philanthropies:** 25.8%
Programmes Complexity: Complexity of developing programmes to achieve triple bottom line returns: environmental, social and financial objectives. Environmental 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.

Local Communities Engagement: Complex process with long histories of land/sea ownership and significant efforts needed to socialise the concepts of blended finance and the benefits of responsible marine resource management.

ODA Countries Risk Profile: The risk profile in 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 a limited scalable opportunity 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.

Government Engagement: Government engagement efforts need to increase to ensure programmes are successful, including through ensuring support for building the enabling condition for reef-positive businesses and financial mechanisms. Having a closer relationship with governments at the programme level is also important to ensure GFCR’s success in engaging at the global policy level and international fora and events.
Early Challenges & Lessons Learned - Blended Finance Context

- **Early Stage of Pipeline**: There is a lack of investment-grade projects. This is reflected in pipeline being identified by the GFCR Grant 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 they are investor ready and tailored technical assistance is needed for individual reef-positive businesses.

- **Investment Size**: Investments required in the country/regional Grant Fund programmes are typically smaller than large institutional investors’ minimum investment size, yet larger than many individual impact investors’ desired allocation. To address this, local financial institutions may be the best audience for some reef-positive business.

- **Investment Fund**: There is a clear need for flexible technical assistance for the GFCR Investment Fund. The Investment Fund 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 want to see accounted for prior to contributing to the GFCR Investment Fund.**
Key Milestones & Events Timeline

- **2023**
  - Q2: UNGA78
  - Q3: ICRI General Meeting
  - Q4: COP28
  - Priority Events: UK Coral Investor Roundtable

- **2024**
  - Q1: One Island Summit France
  - Q2: The Economist 11th Annual World Ocean Summit
  - Q3: Monaco Ocean Week
  - Q4: UN Decade of Ocean Science Summit
  - Priority Events: Monaco Ocean Week

- **2025**
  - Q1: UNGA79
  - Q2: CBD COP16
  - Q3: COP29
  - Q4: 2025 UN Ocean Conference
  - Priority Events: Monaco Ocean Week

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**UNGA78**

**COP28**

**ICRI General Meeting**

**One Island Summit France**

**UN Decade of Ocean Science Summit**

**CBD COP16**

**2025 UN Ocean Conference**
Advisory Board Function

- Discuss progress, challenges, and lessons learned, and relay best practices for coral reef protection and management;

- Advise on strategic issues submitted by the GFCR Executive Board and Investment Committee; and

- Discuss developments in international initiatives and potential impacts on and/or alignment with the GFCR.

1. **Annual Report** – This annual overview of the Fund’s performance will be reviewed by the Advisory Board who will then advise on strategic and technical issues.

2. **Strategic Plan** – The Advisory Board will review the updates to provide feedback to the Executive Board and Investment Committee.

3. **M&E and Safeguards** – The Advisory Board will review the Monitoring and Evaluation Strategy related to GFCR impact and accompanying environmental, social and governance (ESG) safeguards. The Advisory Board will provide advice on the safeguard policy and reporting mechanisms when assessing the Fund’s implementation in various geographies.

4. **Strategic Engagement** – The Advisory Board will also discuss developments in international initiatives and high-level events to build political momentum for marine conservation.
Take-aways:

- AB members emphasised the importance of having a more diverse group of co-implementers, especially local organizations, and less emphasis on large international NGOs.

- AB members support the pursuit of programmes and interventions that not only focus on conservation and biodiversity but also on uplifting local communities (i.e., making sure GFCR funds fully reach its target communities).

- AB members made note that it will take time to scale reef-positive solutions to the $10+ million dollar range, therefore requiring more initial investment in incubation, technical assistance, and blended finance solutions.

- AB members keen to contribute to GFCR’s M&E Framework.

2nd AB meeting to potentially take place in September 2023.