

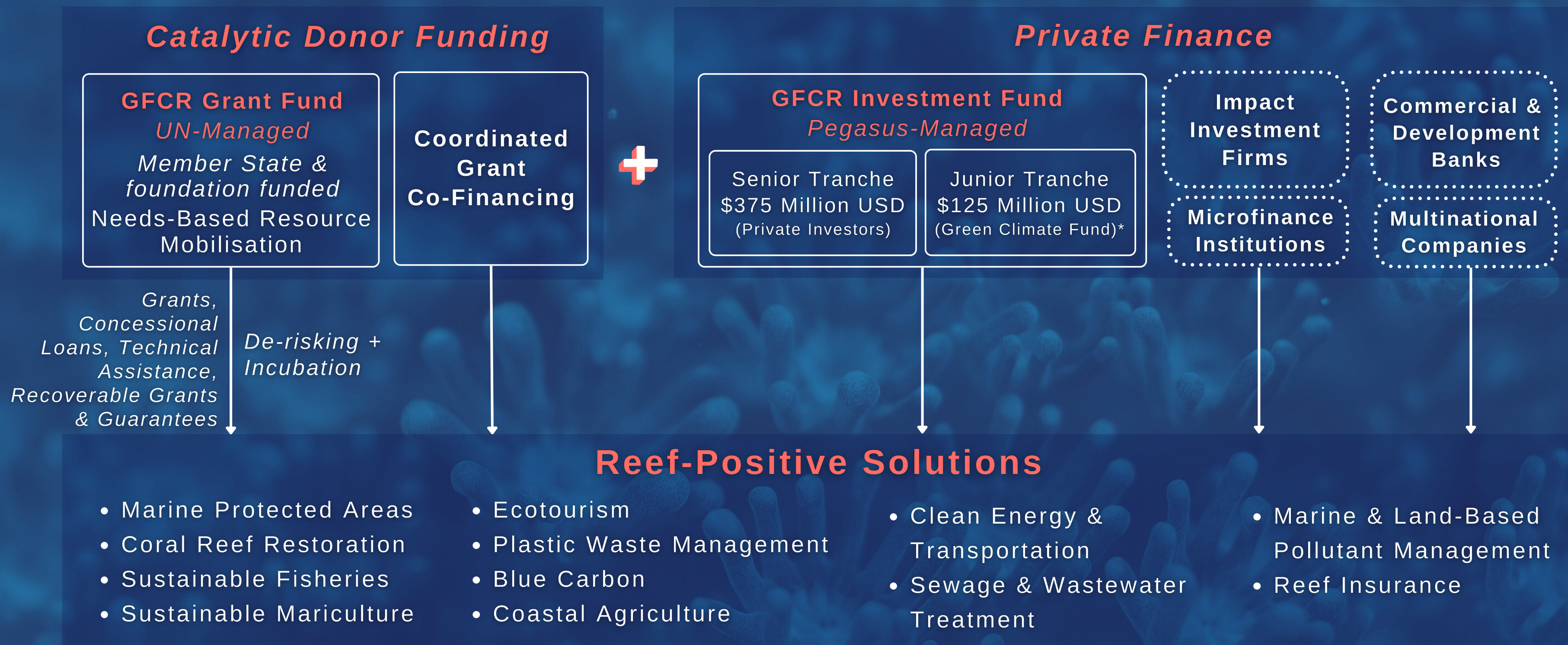
GLOBAL FUND FOR CORAL REEFS

PROTECT · TRANSFORM · RESTORE · RECOVER



GLOBAL FUND FOR CORAL REEFS

Blended Finance Approach

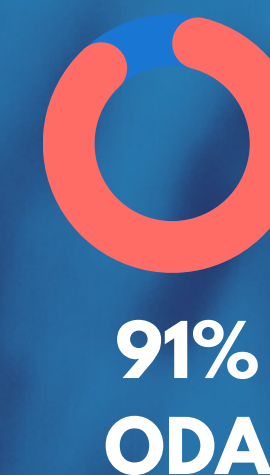
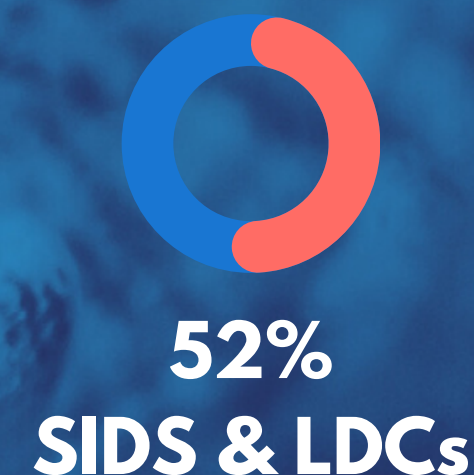


GFCR Grant Fund Programme Portfolio Overview

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:
Sinikinesh Jimma
UNEP

Member States



Theodora Manassieva
Government of
the UK



Nicholas Barber
Alternate: Devon Ellis
Government of
Canada



Miriam Philippe
Government of
the Germany



Stephane Paillet
Alternate: Nabil Alaoui
Government of
France



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



2 Open Seats

UN Agencies



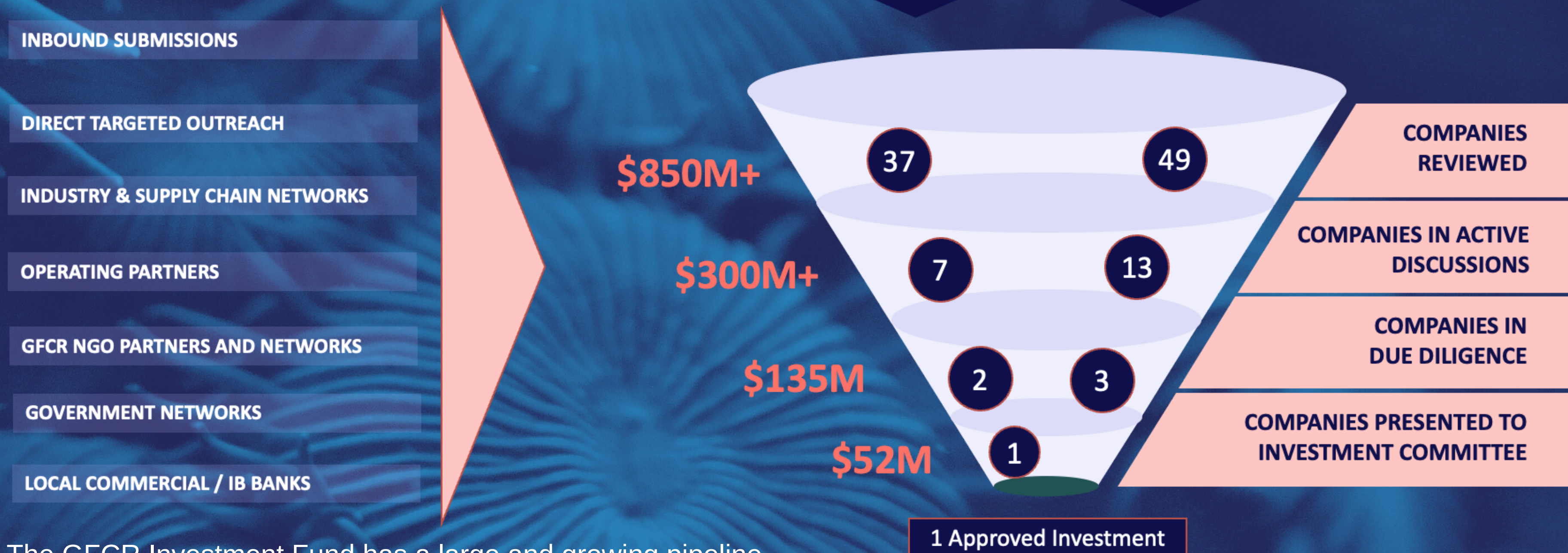
Midori Paxton
Alternate: Penny Stock
UNDP



Anders Berlin
Alternate: Ben Midberry
UNCDF

Investment Fund Pipeline Development

GFCR has multiple approaches for deal origination



The GFCR Investment Fund has a large and growing pipeline having reviewed more than 300 companies, and with several in active diligence

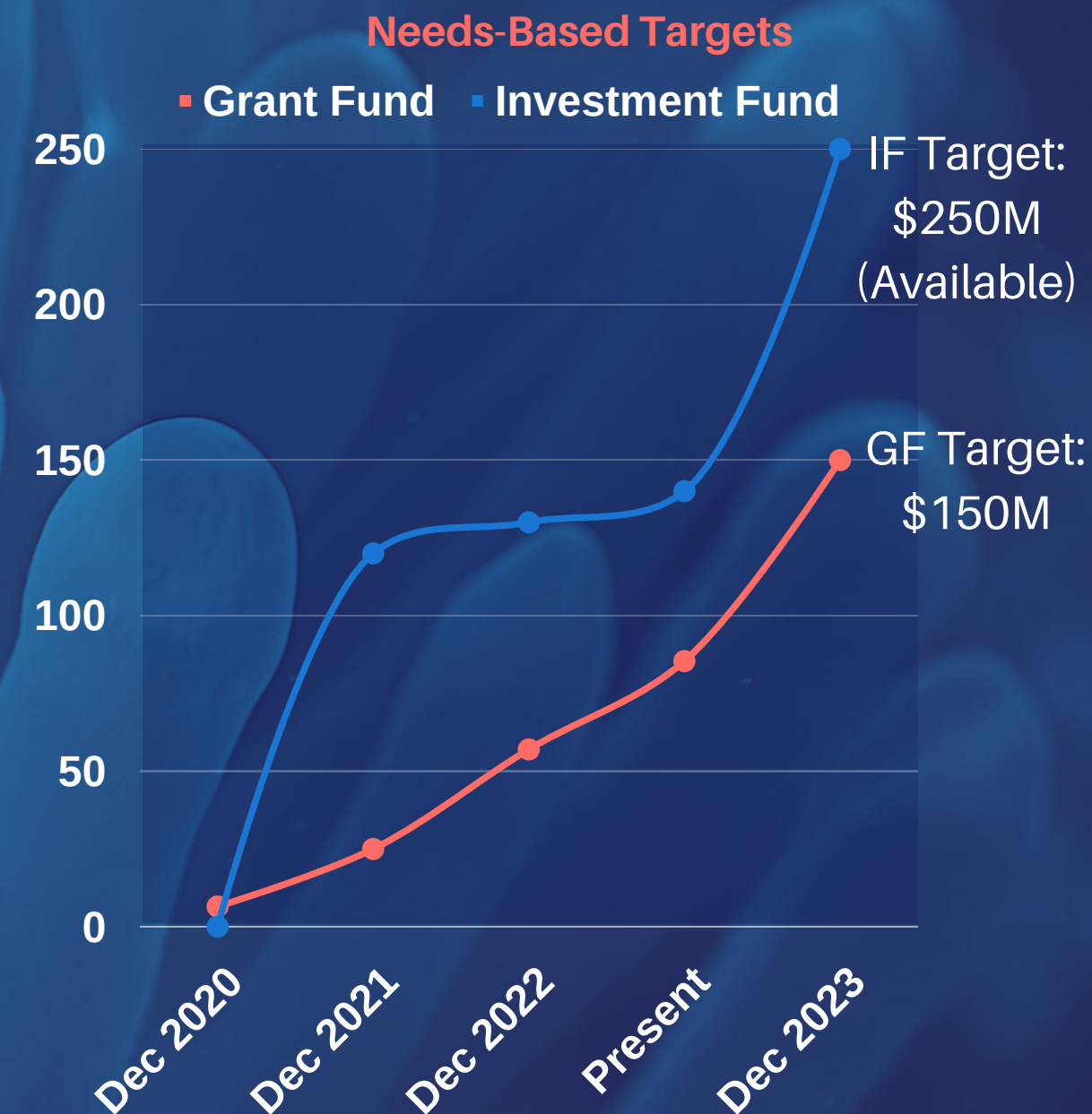
Resource Mobilisation

	Donors	Commitments	Deposits
Philanthropies	Paul G Allen Family Foundation	6,000,000	6,000,000
	Prince Albert II of Monaco Foundation	500,000	500,000
	Builders Vision	5,000,000	1,000,000
	Bloomberg Philanthropies	8,000,000	
	<i>Confidential philanthropic donor</i>	2,500,000	
Member States	Government of the UK	40,900,000	23,112,377
	Government of Canada	3,900,000	1,117,044
	Government of Germany	3,600,000	3,600,000
	Government of France	3,400,000	3,400,000
	Government of the US*	up to 5,000,000	
	SUBTOTAL	85,400,000	38,729,421
Investors	Investors		Available
	Builders Initiative	5,000,000	5,000,000
	Minderoo Foundation	5,000,000	5,000,000
	Green Climate Fund	125,000,000	50,000,000
	SUBTOTAL	135,000,000	60,000,000

Total Commitments (USD)

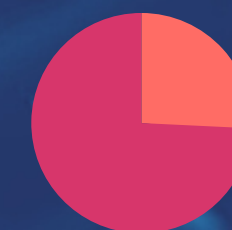
220,400,000

*Earmarked, Pending Programme Development



Grant Fund Commitments

States
74.2%



Philanthropies
25.8%

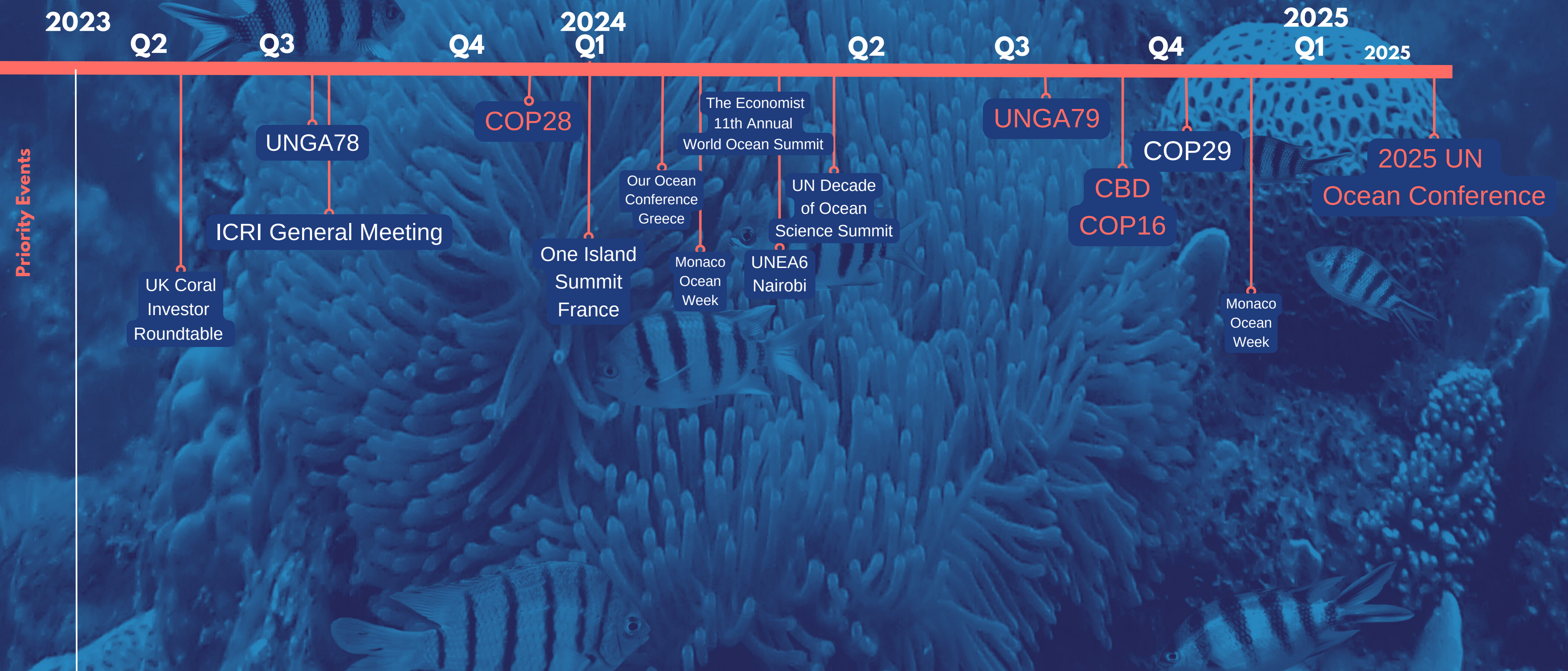
Early Challenges & Lessons Learned - Blended Finance Context

- **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



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.

Advisory Board Composition

Co-Chairs



Jennifer Koss

Co-Chair
International Coral Reefs
Initiatives (ICRI)



Kavita Sinha

**Director - Private Sector
Facility**
Green Climate Fund (GCF)

Blue Economy/ Private Sector Experts



Adhiti Gupta

Independent Consultant
Climate Finance, Nature-
Based Solutions & Gender
Equality



TBD



TBD

Scientists



Luiz A. Rocha
Co-Director

Hope For Reefs Initiative
California Academy of
Sciences



Sangeeta Mangubhai

Principal Consultant
Talanoa Consulting



Kirsten Oleson

Ecological Economist
University of Hawaii

Government & Policy Experts



Maria Damanaki

**Former EU
Commissioner**
for Maritime Affairs and
Fisheries



Rili Djohani

Executive Director
Coral Triangle Center



Coral Pasisi

**Director of Climate
Change and
Sustainability**
The Pacific Community

1st Advisory Board Meeting

March 28, 2023

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

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