



ANNUAL NARRATIVE
REPORT



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT: GFCR Partnerships and Knowledge Management Facility

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Report submitted by:

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Penny Stock, Senior Technical Advisor for Ecosystems and Biodiversity

penny.stock@undp.org

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Total Approved Budget Total GFCR Budget: \$721,869 (2021-2022) Executing Agency: UNDP	Report Submitted by: Name: Penny Stock Organization & Title: Senior Technical Advisor for Ecosystems & Biodiversity and Lead, Global Fund for Coral Reefs Email address: penny.stock@undp.org Phone: +447990725641

¹ The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

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i. Executive Summary

The Global Fund for Coral Reefs (GFCR or the “Fund”), launched in 2020, is a multi-party blended finance fund seeking to save priority coral reefs globally. UNDP and the Conservation Finance Alliance (CFA) have played a pivotal role in the development and capitalization of the GFCR to date. Pre- and post-launch, these organizations have collaborated closely with the founders and the GFCR Secretariat to provide continuous strategic and technical support for the effective structuring, capitalization, and operationalization of the Fund.

Over the course of 2022, in a year dominated by major international events post-COVID, UNDP² and CFA³ (as a Responsible Party of the project) together advanced core GFCR workstreams including the preparation and release of GFCR reef-positive investment principles, the development and launch of the GFCR’s bespoke knowledge management system (the REEF+ Accelerator), finalised core policies for application across the GFCR programme portfolio, initiated engagement with the Global Environment Facility (GEF), built and shared the technical and knowledge base of the Fund. Every aspect of this work was fully consulted with the Secretariat, the broader UN Global Team, Convening Agents, Investment Fund partners, and other key stakeholders through regular and bilateral meetings convened by UNDP and CFA. UNDP and CFA also attended and presented progress updates on progress relating to the key workstreams under this project at every Executive Board meeting and contributed significantly to elevate GFCR in 2022 at the UN Ocean Conference, CBD COP15, UNFCCC COP27, and other key events.

Going forward, UNDP and CFA, as core members of the broader UN Global Team, will continue to play a central role in the overall evolution and implementation of the Fund through ongoing technical support towards strategic planning, the development of central policies and standards, expanding the REEF+ Accelerator, capacity building, fundraising, enhancing linkages across the coral reef finance ecosystem, and building partnerships that fill in the missing middle of coral reef finance.

I. Purpose

This project seeks to support implementation of the GFCR Programming Pipeline through the following services for delivery of what had been initially presented in the GFCR project document as *Track III: Strategic Partnerships and Knowledge Management*:

- ii. Define and refine the Global Fund for Coral Reefs (GFCR) investment plan and strategy to accomplish its objective.
- iii. Develop and coordinate effective partnerships and initiatives with vertical funds, international finance institutions and other co-financing partners to scale up GFCR impacts.
- iv. Facilitate knowledge management to promote the success, replication and scaling up of GFCR solutions.
- v. Articulate the GFCR’s policy architecture and standards to ensure programmatic and operational integrity.

² UNDP day-to-day engagement in GFCR is led by Penny Stock, Senior Technical Advisor for Ecosystems & Biodiversity. Since 2019, Penny’s engagement has been financed by UNDP using flexible SIDA funds, alongside her other global and regional responsibilities. This represents a major investment by UNDP in the establishment and implementation of the Fund to date.

³ CFA’s engagement in GFCR is represented by David Meyers, Executive Director. CFA’s initial engagement in the Fund was also financed by UNDP (USD 80,000) using flexible SIDA funds for which CFA was contracted to prepare the Fund’s Investment Plan.

Recap of the UNDP Contribution to GFCR 2019-2022

From the early stages of GFCR conceptualization in late 2018 to the launch of the GFCR in September 2020, leading to the continued expansion of the GFCR Coalition and the Fund's programming and partnership activities, UNDP has played – and continues to play – a central role in the conceptualization, development, and day-to-day implementation of the Fund. UNDP is a member of the GFCR Global Team (through Penny Stock), which is led by the GFCR Secretariat⁴. Together with UNCDF, UNEP, and Pegasus Capital Advisors, UNDP supports the effective implementation and operations of the Global Fund for Coral Reefs.

Over the past few years, UNDP has provided crucial support⁵ to GFCR, as follows:

- Founding partner and responsible for helping to lay the strategic and operational foundations of the Fund, including through the facilitation of initial discussions between MPTF and Paul G Allen Family Foundation, which led to the establishment of GFCR.
- Led the design of the Fund's Theory of Change and Resilient Reefs rationale and supported the development of the Fund's Terms of Reference.
- Supported – and continues to support – major efforts to capitalize and operationalize the Fund through regular strategic dialogues and meetings at the level of the UNDP Administrator, Under-SG and Assistant-SG levels, and BPPS/NCE Directors with key donors including Governments of Germany, France, UK, Australia, New Zealand, etc., foundations, philanthropists, private sector organizations and Vertical Funds.
- The development and implementation of the global GFCR UNDP project to provide leadership from launch on GFCR priority action areas. All aspects of this project have been managed and delivered to date by STA Penny Stock. CFA is contracted under the global GFCR UNDP project as a Responsible Party with set deliverables under the 4 workstreams in close collaboration with UNDP. Ubuntu Inc. is contracted under this project on a service contract for the technological development of REEF+. Results include:
 - The development of the Fund's **policy architecture**, including the Investment Plan, Investment Principles, Sector-led Investment Principles, Social and Environmental Safeguards Policy, Gender Policy, and Risk Management System. International consultants were recruited and managed to support delivery of this work. Additional work is expected in 2023-2024 for the development of private sector due diligence, anti-money laundering and counter-terrorism financing (AML/CFT) policy, stakeholder engagement guidance, the development of a global Grievance Resolution Mechanism, and the development of an Indigenous People's policy.
 - The development of **strategic partnerships** with a range of organizations, including the Vertical Funds. UNDP played a lead role in the development of the Concept Note that led to the successful approval by the Board of the Green Climate Fund (GCF) of the Funding Proposal (FP181) for the GFCR Investment Window at the October 2021 B.21 GCF Board

⁴ Originally hosted by the UN Multi-Partner Trust Fund Office (UNMPTFO), the Secretariat is now hosted by UNCDF.

⁵ Through our Country Offices, UNDP also serves as a Convening Agent for a suite of GFCR programmes under development and implementation. These include, but are not limited to, Fiji and Papua New Guinea and Maldives (under implementation) and the USAID-financed Egyptian Red Sea Initiative and Gulf of Aqaba regional programme (under development). Technical advice and support are provided by the STA to ensure alignment with the GFCR TOC and outcomes and compliance with UNDP policies, procedures and best practices. *Under applicable Conflict of Interest policies of GFCR, UNDP is not involved in any decisions relating to potential UNDP proposals and related investments during GFCR Executive Board meetings.*

meeting, as well for the subsequent FP post-approval implementation process during 2022. Efforts are now under way to explore entry points for a partnership with the Global Environment Facility. UNDP and CFA also facilitated engagement of USAID, which is financing the development and implementation of the new USD15 million GFCR-USAID-UNDP Egyptian Red Sea Initiative programme.

- The development of the GFCR's **flagship Knowledge Management and Solutions System**, known as the [REEF+ Accelerator](#). REEF+ is being gradually built up, with a second phase of implementation planned for 2023-2025 towards full operationalization and impact. Resource mobilization to support the roll-out of REEF+ is under discussion with the GEF and other donors including Government of Australia.

II. Results & Implementation

A. **Outputs & Activities**

UNDP, together with CFA, has completed the following outputs and activities:

1. **Articulation and adaptive management of the GFCR's Investment Plan for 2021-2030**

Analysis and consolidation of GFCR Investment Plan

The Investment Plan guides the prioritization, implementation strategy and blended finance approach for the GFCR. It sets out the GFCR's strategic vision that unites conservation and sustainable finance goals to achieve the four outcomes of the GFCR Theory of Change across the GFCR financial vehicles. **The GFCR partnered with UNDP and the Conservation Finance Alliance (CFA) to lead the development of the IP, which was initially financed through UNDP SIDA flexible funds.** UNDP, together with UNEP, led the development of the Fund's Theory of Change and 'Resilient Reefs' approach, detailed in the Fund's approved Terms of Reference. The IP also identified the "missing middle", a gap between the small companies identified and supported by the Grant Fund and large-scale investments sought by the Investment Fund within the "Investment Ecosystem" that will ultimately include microfinance institutions, impact investment firms, commercial banks, and development banks. The Investment Plan was initially planned to be revisited during 2022 and continuously updated as the Fund evolves, adapts to new science, and incorporates lessons learned. Following discussions with the GFCR Secretariat, it was decided during the course of this reporting period to forgo the updating of the Investment Plan and focus on the development of a GFCR Strategic Plan that took a higher-level view of the future approaches for the GFCR.

During the reporting period, the project developed several elements under this activity. First, a concept for a GFCR Debt Fund was submitted to the GFCR Secretariat in an attempt to explore options for filling in the missing middle at the scale of the GFCR. Currently most country and regional programs are working with local partners to address this gap. The opportunity that debt financing provides will be address in the updated GFCR Strategic Plan. Secondly, the CFA worked with the Secretariat to develop a questionnaire to be shared with convening agents and other partners as part of the background assessment needed to develop the strategic plan and for general adaptive management of the GFCR. This questionnaire went through multiple versions and will be implemented in 2023 as part of the preparations for the strategic planning process. UNDP and CFA held a series of partners' calls in the first half of 2022 in collaboration with the Global Team covering a range of topics including Investment Principles, REEF+, development of the Safeguards, Gender & Risk Management policies, and other strategic issues. Finally, the CFA has been

actively gathering information on current best practices in ocean finance and nature conservation from broad sources including international conferences, published reports and articles, and various other sources of information to bring these elements into the future strategic plan.

Provide input into the development of the Fund's Key Performance Indicators (KPIs) to achieve target Outcomes

UNDP and CFA collaborated with the UNEP team, including Simon Harding and Margaux Hein, to identify and improve several financial indicators for the GFCR's M&E system. We also reviewed various versions of the M&E Strategy and draft Tool Kit. Discussions were initiated and held among David Meyers, Simon Harding, Penny Stock, members of the GFCR Secretariat, and Ubuntu Inc. on the potential integration of M&E into REEF+ leading to the development of REEF+ Impact (see below). A series of planning and strategic discussions were held with Emily Darling and Kim Fisher of Mermaid (WCS) on indicators and integration of REEF+ with Mermaid (and possible other global M&E platforms including Reefcloud and the Allen Coral Atlas) for REEF+ Impact. Emily was since engaged by UNEP to complete the GFCR M&E system, recently approved by the GFCR Executive Board. It was recommended that Mermaid and the M&E input system be integrated into the REEF+ system to facilitate data acquisition and management.

Integrate updates to the Fund's Theory of Change (TOC) based on initial outcomes, evolving science, and feedback through consultation and engagement in key fora

UNDP and CFA actively participated in the United Nations Oceans Conference in Lisbon, Portugal; UNFCCC COP27 in Sharm El Sheikh, Egypt; and CBD COP15 in Montreal, Canada, including multiple presentations, development and participation in workshops, and discussions with a wide network of partners and GFCR stakeholders. Both organisations participated in the first in-person Executive Board session in Lisbon. Together, these events provided important opportunities to engage with stakeholders and consult on key aspects of the Fund's architecture and operations, to be fed back into strategic planning and the evolution of the Fund's direction.

CFA also actively participated in the Asian Parks Congress (APC), at UNDP's invitation, to gain access to the latest in MPA approaches and establish connections in a key region for the GFCR – Southeast Asia. At the APC David Meyers moderated the UNDP-led Workstream on Finance and Economics for Protected Areas that showcased several GFCR partners and programmes, such as UNDP (PNG) and UNCDF (Fiji).

Various additional activities supported this target and information collected will be integrated into the Strategic Plan as well as various proposals including the GEF. Discussions were held with WCS team for the GFCR East African programme to receive feedback on the process and provide guidance.

During 2023, it is planned to review the Theory of Change of the GFCR with the Secretariat and update based on lessons learnt and international best practices.

Analysis of business models and finance instruments to ensure effective blended finance solutions with Grant and Investment Funds

The CFA and UNDP gathered information at the Asia Parks Congress, the UN Oceans Conference, Africa Protected Areas Congress and through various presentations, calls and interactions facilitated via CFA activities as well as other sources. This analysis included information on various blended finance models and finance solutions.

UNDP and CFA continue their ongoing participation in the UNCDF Grants Committee for GFCR grants to private sector entities.

UNDP and CFA are also participating in the development of biodiversity credits that will include reef credits – a potentially transformational innovation for coral reef finance, through partnerships with Verra, Plan Vivo and Operation Wallacea. This has led to active application on the ground through the recently approved UNDP-led Maldives programme.

As described in more detail below, UNDP and CFA (co-financed by KFW) actively participated in the CBD COP15 where UNDP and CFA organized a session with the GFCR on innovations in coral reef finance with a combination of high-level speakers and technical speakers, and CFA participated in multiple sessions on nature credits.

Development, testing and utilization of a tool to identify investable solutions and other finance mechanisms for specific coral reef regions or sites

The basic tool for identifying potential finance solutions for marine and coastal conservation has been elaborated through a collaboration started as part of CFA Marine and Coastal Finance Working Group efforts and included collaboration with Biodiversity Finance Initiative (BIOFIN). The tool is ready for piloting and has been initially presented to the CFA Marine and Coastal Finance Working Group to receive feedback.

2. Successfully developed and coordinated partnerships with Vertical Funds and International Finance Institutions to scale up GFCR impacts

UNDP and CFA have provided significant strategic, substantive, and technical advice and inputs to develop Strategic Partnerships with GFCR. Specifically:

Global Environment Facility (GEF)

In close consultation with the GFCR Secretariat, UNDP and CFA are in discussions with the GEF Secretariat to secure GEF finance through a portfolio approach that will unlock multiple entry points for collaboration via the IW Focal Area, Non-Grant Instrument and the GEF8 Blue & Green Islands Integrated Programme (which is led by UNDP). Specific initiatives under discussion are included in **Annex A**.

UNDP's Biodiversity Finance Initiative (BIOFIN)

UNDP and CFA are collaborating with BIOFIN to enhance the visibility and increase partnership opportunities with this global programme that is led by UNDP. The BIOFIN approach is a systematic assessment and planning process for biodiversity finance at the national and sub-national level. Currently working in over 40 countries, the BIOFIN approach will be implemented in over 90 countries over the next few years and this presents an excellent opportunity to leverage the approach of GFCR more broadly.

Current plans for collaboration extend to the co-development and facilitation of a technical session at the 2023 Global BIOFIN conference in South Africa in May, 2023 and potential collaboration on REEF+ learn elements through a CFA led online training course. Specific opportunities in target countries are currently being discussed.

International finance institutions (IFIs)

At this stage, UNDP and CFA are discussing with the GFCR Secretariat on an institutional approach to explore opportunities for partnership with the World Bank and regional and bilateral development banks (e.g. Asian Development Bank), International Finance Corporation, etc. to leverage additional private finance and unlock financing for coral reef conservation in line with the original objectives of the GFCR.

USAID

The CFA was contacted by USAID regarding the potential for establishing a foundation for conservation in the Egyptian Red Sea and through various meetings and discussions, the opportunity for collaboration with the UNDP and GFCR was identified and further developed. As a result, the current Egyptian Red Sea Initiative was initiated. Following due process that confirmed UNDP as Convening Agent for the ERSI programme, with USD 15 million earmarked for the development and implementation of the programme and endowment of a foundation, the STA Penny in close cooperation with UNDP Egypt worked to finalise and submit a detailed Concept Note to the GFCR Executive Board in June 2022. Following approval, a preparatory grant of USD 100,000 was allocated to support development of the full proposal. A project development team, including CFA's David Meyers as Business Incubation and Finance Specialist, was contracted and work has commenced to develop the programme. A mission to Egypt is planned for April/May 2023. Submission of the ERSI proposal is targeted for October/November 2023. On approval, the programme will be launched at a high-profile event during COP28 in Dubai.

KfW

The CFA received financing from KfW to develop events at the CBD COP and this allowed for the development of two sessions "Sustainable Finance for Protected and Conserved Areas: Key solutions for an effective 30x30 Agenda" and "Innovative Finance for Coral Reefs" together with UNDP and GFCR. Both sessions included participation from partners from Germany and hopefully encourages broader engagement of the German KfW and government in the GFCR.

During the course of various conferences and events, connections were further developed with additional partners including but not limited to: Ocean Assets, Reef Restoration and Adaptation Program (Great Barrier Reef Foundation - GBRF), Superorganism Fund, McKinsey, Reef Resilience Network, Deutsche Bank, Blue Action Fund, GEF, Pew Charitable Trusts, World Commission on Protected Areas, Swen Capital Partners, World Ocean Council, Rare, IUCN, Katapult Ocean, Superorganism Fund, Vala Capital, and others.

3. A Knowledge Management System for replication and scaling GFCR initiatives

The goal of this component is the delivery and operationalization of a knowledge and solution management system (KMS) that supports internal (within GFCR) and external (beyond GFCR) peer-to-peer exchange and lessons sharing, as well as the identification and origination of innovative coral reef-positive business solutions. The system which has been named the REEF+ Knowledge and Finance Accelerator (or REEF+ Accelerator) seeks to build and support communities of practice both thematically across the coral reef financing ecosystem and geographically across GFCR's (initial) portfolio of 24 programming countries and beyond.

REEF+ has been developed through a partnership with [Ubuntoo Inc.](#), UNDP and CFA working closely with the GFCR Secretariat and core partners to create this bespoke system. Extensive outreach to GFCR partners, Board, Convening Agents, and other potential partners for the REEF+ Accelerator was conducted to help design and refine the ideas around REEF+. These sessions included discussions during the various

Partners calls held by the CFA and UNDP, numerous REEF+ targeted discussions with the GFCR Secretariat, several webinars/presentations to the Convening agents, various outreach and discussions with the GFCR Investment Fund managers, and discussions with investors and accelerators. The concept was refined through multiple regular work sessions with Ubuntu Inc. as the technology provider and this collaboration resulted in the current site that is operational, as well as a vision for a version 2.0 that will integrate additional features.

To support the goals, objectives and outcomes of the GFCR, REEF+ has been designed as a leading global coral reef knowledge and finance ecosystem that will rapidly and efficiently scale the knowledge, collaboration, and finance 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. REEF+ is not only an online platform and information system but revolves around building and supporting a global GFCR community of practice (with thematic and geographic sub-groups) with a full programme of events, webinars, and learning opportunities planned for 2023-2024.

The CFA and UNDP continued ongoing collaboration with Ubuntu to determine the overall structure, design features, filters, user types and initial information to include in REEF+. The revision of the name from KORAL to REEF+ followed a crowd sourced survey, which resulted in the new name “REEF+ Accelerator.” Presentations for feedback were prepared and presented to the GFCR Secretariat and Executive Board throughout the course of the development to ensure alignment with the GFCR mission and objectives and to build ownership.

REEF+ was launched at the CBD COP15 conference in Montreal, Canada in December 2022 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 Ubuntu (this deliverable was added through a small amendment to their existing contract) and shown at the release events.

Currently REEF+ is live and has active content growth with a full range of solutions that include many of the GFCR programs and other initiatives from implementing partners. There are also news articles and upcoming events being shared as well as a member listing and a system for having financial, technical, and other partners list their organizations and participate in REEF+. A “How to use REEF+” video was also produced.

As a community-driven platform, REEF+ is 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.

REEF+ has been 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. These have potential to be scaled and replicated for significant global impact, supported by a rapidly growing global community of members and partner organizations. Ongoing content review, planning discussions, business planning, and technical meetings with Ubuntu are continuing to support REEF+, including the development of a set of Key Performance Indicators (KPIs) to robustly and informatively measure and report on the growth

and performance of REEF+ as the knowledge and finance accelerator platform for GFCR. The KPIs will be closely integrated with similar metrics developed for GFCR's overarching communications and engagement strategy to ensure alignment across these inter-linked aspects of the Fund's operations.

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

- 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.
- Training and guidance on GFCR policies, requirements and systems for effective programme development and implementation in line with GFCR Objectives, Outcomes and Theory of Change.
- Builds the capacities of Convening Agents and project implementers to ensure on-the-ground interventions are in line with GFCR Objectives, Outcomes and Theory of Change.
- Supports the development of effective community engagement and management structures, and sustainable and blended finance approaches, across GFCR programmes.
- Generates success stories, best practices, and programme highlights that can be leveraged for GFCR communications, outreach, and reporting.
- Establishes 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.

REEF+ is structured through delivery of five action-oriented components, which are detailed in **Annex B**.

Additional Activities in support of Knowledge Management

- Two full afternoon sessions were moderated at the Asia Parks Congress by CFA's David Meyers at the invitation of UNDP. These sessions were focused on economic and sustainable finance of Marine protected and conserved areas. The sessions included an introduction from Dr. Meyers on different finance mechanisms and approaches, which was followed by a series of presentations and panels. The panelists included Andrew Rylance (UNDP) from Papua New Guinea and He Sung Lee (UNCDF) from Fiji, who showcased active GFCR programmes in the region.
- At the UN Oceans Conference (UNOC), CFA and UNDP actively participated in the GFCR's Reef Action Hub. Together, they organized and moderated a session entitled, "Coral Reef-Positive Business Models – A pipeline of blended finance for the Global Fund for Coral Reefs" that included a technical presentation by Dr. Meyers and moderation of a panel by Penny Stock. The CFA and UNDP also organized a panel on Marine Biodiversity Credits that complemented a workshop held on biodiversity credits in parallel with the UNOC. Both events were very well attended and received strong positive feedback.
- Participation in various events including a training session at the Africa Protected Areas Congress on conservation finance with significant discussions on blended finance mechanisms and private investment in conservation. The GFCR webinar series for Convening Agents will move into more active programming in 2023.
- As noted above, a side meeting was developed and held for the CBD COP15 with the CFA, GFCR, and other partners to present innovations in coral reef finance. The session was livestreamed and included diverse interventions. See the appendix for the flyers from both events.
- The GFCR [General Investment Principles](#) have been posted on the REEF+ site.
- Best practice guidance has been produced for the General Investment Principles, Fisheries Sector, Ecotourism, and Blue Carbon. The [Best Practice Guidance for the GFCR Investment](#)

[Principles](#) – a 28-page document with extensive links to additional information was completed and shared with the UN Global Team. The information has been uploaded to the REEF+ Accelerator. [Best practice guidance for Ecotourism](#) was uploaded to REEF+. Sustainable Fisheries, and Blue Carbon are in final preparation for sharing on REEF+.

Preparation and publication of GFCR related peer reviewed and self-published papers

A paper, entitled “An Integrated Blended Finance Fund for Coral Reefs”, was written and presented at a [Yale Sustainable Investment conference](#) just prior to this year. A second paper is being prepared exploring the economics and financing of marine protected areas in Egypt’s Red Sea area. Both papers were submitted for review at journals and the Yale paper was reviewed and resubmitted. The Egypt paper was published as a letter in Science (<https://www.science.org/doi/10.1126/science.adf3377>). A revision of the longer Egypt paper will be resubmitted to a peer reviewed journal.

4. Robust policy architecture defining policies and guidance to ensure alignment of project activities and investments with the Fund’s objective:

Investment Principles: Led by CFA, a set of 10 [General Investment Principles](#) for the GFCR have been developed and were endorsed by the GFCR Board. Investment principles for individual sectors were prepared and also endorsed by the Board. These sector-based principles have been [posted on REEF+](#).

Risk Management System (RMS)

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 to establish the scope, structure, timeline, and application of the RMS at Fund- and project-levels.

A draft of the RMS for GFCR was presented to the UN Global Team and GFCR Partners at a meeting on 28 April, 2022, with a further meeting held with Pegasus Capital Advisors (PCA) in mid-May based on comments received from PCA. In addition, webinars were arranged on 6 and 8 April, 2022, to introduce both the RMS and the Social & Environmental Policy to approximately 50 attendees. The RMS was presented to and approved by 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.

Social & Environmental Safeguards (SES) Policy

Led by UNDP and building on UNDP’s gold standard SES policy, the GFCR Social & Environmental Safeguards Policy has been developed 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

GFCR Global Team to establish the scope, structure, timeline, and application of the GFCR Environmental & Social Safeguards Policy at Fund- and project-level. A draft of the SES Policy was discussed in early March 2022 with the UN Global Team, GFCR Partners, PCA, and the consultant engaged for development of the GFCF Gender Policy, with a formal presentation to GFCR Partners conducted on 7 March, 2022. Webinars were arranged on 6 and 8 April, 2022, presenting the SES and the Risk Management Policies to approximately 50 attendees.

The SES Policy was presented for approval and 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.

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 GFCR Global Team to establish the scope, structure, timeline, and application of the GFCR Gender Policy at Fund- and project-level. A draft of the Gender Policy was discussed with the UN Global Team, GFCR Partners, PCA, and the consultant engaged for development of the Social & Environmental Safeguards Policy. The Gender Policy was presented for approval at the GFCR Executive Board meeting held on 24 May, 2022. A capacity building program for full operationalization of the Gender Policy will be launched in 2023.

Sector-based Investment and Impact Standards

Led by CFA, the sector-based Investment and Impact Standards were concluded, presented to the Board in June, 2022 and are [published on REEF+](#). They guide activities towards achievement of the GFCR outcomes and SDGs, specifically enabling investors and enterprises to align their activities in specific sectors with the Fund's target outcomes. Sector-based principles guide positive recommended actions to support the Funds outcomes and reduce drivers of degradation. These recommended actions are outlined in General Investment Principle Best Practices document as well as sector specific guidance being prepared. The [Ecotourism Best Practice guidance](#) has been posted on REEF+. In general, all principles have been integrated into the GFCR M&E system.

Training and Capacity Development Programme

In close coordination with the GFCR Secretariat, UNDP and CFA continued to develop the Training & Capacity Development Programme during 2022 to support effective implementation of and compliance with the above articulated policies, standards and norms for adherence by the Grant and Investment Windows. The programme will be further stepped up in 2023, to be primarily delivered through REEF+ in line with objectives set out under Output 3. Planned sessions, to be held during 2023, include a Convening Agent 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 programme proposals and their implementation, as well as Annual Narrative Reports and other documents required for submission to the Fund by CAs.

Implementation Status

Outputs & Activities	Indicators	Target Completion	Status	Implementation Status & Actual Completion Date
1. GFCR Investment Strategy and Plan				
Analysis and consolidation of GFCR Investment Plan	Final Version (2.0)	Dec 2022	Ongoing	Investment Plan 1.0 was consolidated in June 2021 and presented and approved at EB2 for endorsement. Investment Plan update concept converted to a Strategic Plan – being developed in 2023-2024.
Clearly articulate investment objectives and vision for all GFCR partners	Investment Plan	Dec 2022	Completed	As above. Additional refinements ongoing as GFCR investment ecosystems takes shape. Supported by various participation in events, conferences, and investment principles work.
Identify and provide guidance for the Fund's Key Performance Indicators (KPIs) to achieve outcomes	Set of approved Fund-level KPIs	Dec 2021	Completed	Provided key inputs to ecological and business/financial indicators including KPIs in support of the M&E system development by UNEP. Engagement with partners on REEF+ Impact.
Adapt Fund's Theory of Change (TOC) based on initial outcomes, evolving science, and other feedback	Investment Plan	Dec 2022	Ongoing	Currently, no change required to the TOC. The TOC remains relevant and robust. Review and potential changes to be determined later in 2023.
Analysis of business models and finance instruments to ensure effective blended finance solutions with Grant and Investment Windows (Tracks 1 and 2)	Investment Plan and specific sector reports/guidance	Dec 2022	Ongoing	Initially completed as part of the Investment Plan 1.0 in June 2021. Additional analysis ongoing and has been incorporated into Investment Principles and associated best practice guidance.
Development, testing and utilization of a tool to identify investable solutions and other finance mechanisms for specific coral reef regions or sites	Grant and Investment Management Tool	June 2021	Completed	Draft available and seeking pilot testing.
2. Strategic Partnerships				
Develop and submit a successful GEF multi-country project to provide matching financing for Track II investments (upon successful negotiation with GEF)	Concept Note/s prepared; discussions with GEF Sec initiated related to the development of a standalone GFCR GEF project (20M) and integration of GFCR into the GEF8 BGI-IP	Dec 2022	Ongoing	Discussions under way with the Global Team to define the GCFR GEF partnership. A portfolio of potential complementary entry points is under discussion (including IW focal area, NGI through partnership with IFC, and leveraging UNDP's leadership of the GEF8 Blue & Green Islands Integrated Programme. Initial discussion with GEF Sec took place in December 2022 with subsequent discussions scheduled for March 2023.
Provide technical support to deliver and implement a	GCF Full Proposal	Dec 2021	Completed	UNDP and CFA both provided crucial and substantial support to prepare the GFCR GCF Concept Note and Full Proposal.

Outputs & Activities	Indicators	Target Completion	Status	Implementation Status & Actual Completion Date
successful GFCR-GCF proposal				
Develop partnerships with other partners based on emerging opportunities with World Bank and other IFIs	Concept Notes; Project Development Packages	Dec 2022	Ongoing	Potential opportunities with World Bank and IFIs are being pursued in the context of the GFCR GEF partnership, including with IFC.
3. GFCR Knowledge Management System (KMS)				
Establish a comprehensive Knowledge Management System	KMS platform (REEF+) established and operational with strong engagement	Dec 2022	Completed (first phase)	REEF+ was developed, populated and officially launched at an event at the CBD COP15 in December 2022. Work is stepping up to an enhanced system in 2023.
Deliver REEF+ Accelerator 1.0 and launch at COP15 assuring high quality and value to Fund partners and collaborators	Ongoing	Dec 2022	Completed	Delivered. Progressing to Reef+ 2.0
Produce case studies, communication stories and other knowledge products as follows: <ul style="list-style-type: none"> • Country case studies • Thematic case studies • Project communications 	Ongoing	Dec 2022	Ongoing	Numerous entries in REEF+ from GFCR Programmes and additional detailed case studies planned for 2023-2024 as GFCR programmes begin to deliver results.
Produce, socialize and promote GFCR Best Practices	Ongoing	Dec 2022	Ongoing	Numerous presentations at global and regional conferences, Best Practices for GFCR General Investment Principles, Sector Investment Principles, Ecotourism best practices.
Preparation and publication of GFCR related peer reviewed and self-published papers on select topics (with the GFCR reporting process from recipients feeding directly into research).	Technical GFCR papers published in Journals such as Nature as well as self-published technical reports.	Dec 2022	Ongoing	A paper titled 'An Integrated Blended Finance Fund for Coral Reefs' was prepared by CFA with Global Team. Presented at 2021 YISF Annual Symposium by CFA. Written version resubmitted to peer reviewed journal. Further papers are planned for 2023.
4. GFCR Policy Architecture				
Establish general investment principles for the GFCR	Principles endorsed by Board	Feb 2022	Completed	Completed, published on REEF+
Complete drafting and secure EB endorsement of GFCR Risk Management System (RMS), with ongoing implementation and oversight by UNDP	Risk Management System	May 2022	Ongoing	EB endorsement completed; implementation and oversight ongoing

Outputs & Activities	Indicators	Target Completion	Status	Implementation Status & Actual Completion Date
Complete drafting and secure EB endorsement of GFCR Social and Environmental Safeguards (SES) Policy, with ongoing implementation and oversight by UNDP	GFCR Social & Environmental Safeguards Policy	May 2022	Ongoing	EB endorsement completed; implementation and oversight ongoing
Complete drafting and secure EB endorsement of GFCR Gender Policy, with ongoing implementation and oversight by UNDP	GFCR Gender Policy	May 2022	Ongoing	EB endorsement completed; implementation and oversight ongoing
Work with Fund Partners to develop sector-based guidance and impact standards to align investment activities with GFCR objective and outcomes.	Sector-based guidance and impact standards	Mar 2022	Ongoing	Sector based investment principles were developed and endorsed by the Board for: 1 Fisheries 2 Ecotourism 3 Aquaculture 4 Solid Waste Management 5 Wastewater Management 6 Financial Institutions 7 Marine Protected and Conserved Areas (MPCAs) 8 Coral Restoration 9 Blue Carbon Sector best practices published for ecotourism. Fisheries, blue carbon, and Marine Protected Areas in progress.
Develop and implement a training and capacity development programme – for policies, standards, and norms	Capacity Development and Training Programme delivered to GFCR partners and stakeholders	Dec 2023	Upcoming	Training and Capacity Development Programme is under development. Various presentations at regional and global events were presented on coral reef finance. Webinars and sessions to be delivered during 2023, primarily and facilitated through REEF+.

B. Gender Mainstreaming

UNDP led the development – through the work of a dedicated, specialist international consultant and building on UNDP’s own gold standard Gender policy – of the GFCR Gender Policy with a focus on ensuring the inclusion of gender equality and women’s empowerment (GEWE) into the core of the Fund’s mandate and programming activities.

The Gender Policy was discussed with the UN Global Team, GFCR Partners and PCA during the drafting stage for review and inputs. The policy was endorsed by the GFCR Executive Board in May 2022 and subsequently distributed to Fund stakeholders and published on the GFCR website.

To support the strong integration of Gender Policy alignment across GFCR programming activities, UNDP and CFA will continue – in close coordination with the GFCR Secretariat – to develop and implement relevant training and capacity development activities for Convening Agents and other project delivery partners and stakeholders. Training and capacity development activities are expected to primarily be delivered through REEF+, with planned sessions to be held during 2023 to include a Convening Agent Webinar Series introducing the GFCR policy architecture (on gender, as well as safeguards, risk management and other elements) and its application to programmatic activities, including in the context of GFCR programme proposals and Annual Narrative Reporting by CAs.

The GFCR Investment Principles integrated feedback and ideas from the Gender Policy consultant.

Sample Gender Action Report of the GFCR Core Global Team

Required Action	Means of verification	Responsibility	Timing	Reported Progress
A. Governance				
A1. Approve the Gender Policy and Gender Action Plan and distribute it widely	Executive Board Decision followed by distribution to Fund stakeholders and publishing on the GFCR website	Executive Board	FY2022	Approved and distributed.
A2. Strive for gender parity amongst Global Team staff as well as Technical Groups, Executive and Advisory Board members, and promote gender diversity within CA teams	Number and percentage of m/f staff and Board members Baseline: as assessed in early 2022.	Executive Board/ UN Global Team	Annually	As detailed in this report, the Executive Board and Advisory Board have achieved 50% or more female representation. Recruitment and selection processes for multi-agency UN Global Team is underway with consideration of gender parity aims, but currently exceeds 50% female representation.
B. Operational guidance and programme support				
B1. Review the gender section of the programme template as well as other GFCR relevant guidance and procedures to align with the Gender Policy; complement it as needed or requested with additional targeted and more detailed products (i.e., model outlines of templates on gender analysis and gender action plan for programmes)	Template and relevant guidance and procedures aligned with the Gender Policy Number of additional guidance produced	UN Global Team	FY2022	Placeholders and guidance on the Gender Analysis and Action Plan has been included in the GFCR Programme Proposal templates and Annual Narrative Reporting template, in consultation with the GFCR Programme Advisor and UNDP. This updated Proposal template has been disseminated to Convening Agents.
C. Resource allocation and budgeting				
C1. GFCR systematically requires CAs to submit funding proposals that include a gender analysis and a gender action plan with an implementation budget	100% of approved programmes proposals have articulated gender analysis and action plan with corresponding budget	UN Global Team	Ongoing	All GFCR proposals submitted in Q3-2022 onwards have included a Gender Analysis and Action Plan, as prescribed in the new proposal templates.

In addition, the management of this project seeks to ensure GEWE for optimal implementation. Where possible, women are recruited to support technical assignments, including the development of the GFCR Gender Policy. Penny Stock is the overall manager of this project, and together with Midori Paxton,

leads UNDP's engagement with GFCR. Further efforts will be made to assure GEWE through future recruitments.

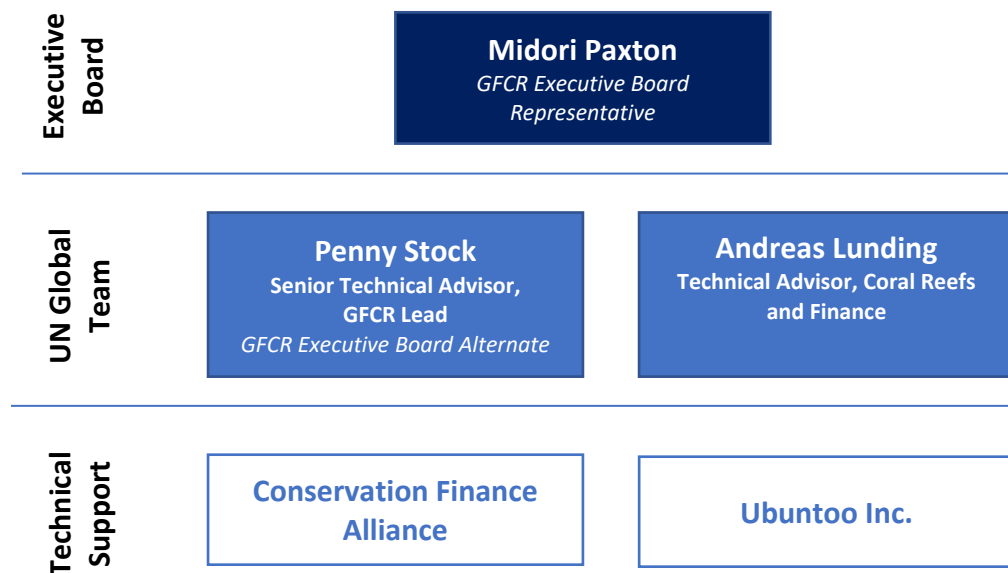
III. Programme Governance & Management

Role of UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and tackling climate and nature crises for achieving sustainable development. Working with a broad network of experts and partners in 170 countries, UNDP helps nations to build integrated, lasting solutions for people and planet. The Global Fund for Coral Reefs provides a new paradigm for protection of a global ecosystem on the brink of extinction. It will enhance the resilience of impacted countries and communities and contribute to greater global security by delivering crucial and coordinated public and private sector finance for coral reef conservation. GFCR is therefore a vital, innovative, and timely financing mechanism to tackle the coral reef crisis and UNDP is fully committed to support the evolution and successful implementation of the Fund.

As a founding partner of GFCR, UNDP continues to play a central role in the development and day-to-day implementation of the Fund through both participation on the GFCR Executive Board and delivery of activities under the UNDP GFCR Project. UNDP serves on the Executive Board of the Global Fund for Coral Reefs and contributes significant input on the Fund's Investment Vision, Strategy and Decisions, including project and site selection for investments. Andrew Hudson (Head of Water & Ocean Governance), and more recently, Midori Paxton (Head of Ecosystems & Biodiversity) following Andrew Hudson's retirement, represents UNDP on the GFCR Executive Board, with Penny Stock (Senior Technical Advisor (STA) for Ecosystems Biodiversity and GFCR Lead) as Alternate Board Member. The UNDP abstains from decisions that involve this programme, as determined by the GFCR's Executive Board Rules & Procedures.

Penny Stock and Andreas Lunding (Technical Advisor on Coral Reefs and Finance) are both members of the UN Global Team for GFCR and lead on the development and implementation of the UNDP GFCR Project in overall support of the effective implementation and operations of the Fund.



Building on its on-the-ground presence and innovative global policy network, UNDP leverages capacity to implement activities in the field with measurable impacts, build innovative partnerships between states and sectors, and provide targeted technical assistance. As a neutral broker and advocate, UNDP ensures effective engagement with local and national governments, civil society and the private sector for integrated development and reef conservation solutions. Going forward, as a core founding partner of the GFCR, UNDP will continue to provide crucial support to GFCR at multiple levels, including within the areas and activities described in this report.

Technical Support - CFA

Key technical support for the UNDP GFCR Project has been provided by Conservation Finance Alliance (CFA). CFA is contracted under the UNDP GFCR Project as a Responsible Party with set deliverables under the 4 workstreams in close collaboration with UNDP. The Conservation Finance Alliance (CFA) continues to be well positioned to provide expertise on blended finance mechanisms for coral reef conservation and deliver on the objectives of the Global Fund for Coral Reefs' (GFCR) Investment Plan, Investment Principles, and knowledge generation & learning support. CFA also contributes an extensive network of over 2,400 experts and practitioners from various NGOs, financial institutions, universities, foundations, and the private sector, which can contribute information to support the development of viable reef-first business models (such as sustainable fisheries, blue ecotourism, waste management, blue carbon), identification of priority coral reef sites, assessment of potential implementing partners, knowledge of regulatory ecosystems and more. To date, in addition to participating in the initial conception of the GFCR in 2018, the CFA has provided a set of important services to GFCR. An initial contract (total: \$80,000) was financed entirely by UNDP as a Low Value Grant using flexible SIDA funds. CFA led the development of the Fund's Investment Plan 1.0, grounded in an effective consultative process involving a broad range of GFCR partners and stakeholders. A Responsible Party Agreement between UNDP and CFA was signed in December 2021 (total: \$160,000 plus a \$30,000 extension until October 31, 2023 for services to support the development of the Egyptian Red Sea Initiative and Gulf of Aqaba programmes, paid via the respective project preparatory grants) for services related to the project Outputs. This contract remains open at the time of this report.

Technical Support – Ubuntu Inc.

Ubuntu Inc. has been contracted under the UNDP GFCR project on a service contract with specific focus on the technological development and initial launch phase for REEF+. Please also refer to further details in section II.A.3 for work carried out by Ubuntu in relation to the development and launch of REEF+.

IV. Communications & Visibility

UNDP and CFA have joined GFCR efforts to elevate the **visibility and recognition of the Fund since conception**, working to showcase the continued growth and achievements of the Fund during 2022. Senior UNDP representatives, including the Administrator Achim Steiner and Director of Bureau for Policy and Programming Services Haoliang Xu, in addition to other UNDP staff (e.g. Penny Stock, Senior Technical Advisor for Ecosystems & Biodiversity), as well as CFA’s Executive Director David Meyers, have participated in a range of high-level events, including, but not limited to:

- March 2022, **9th World Ocean Summit**, virtual: GFCR was featured through plenary session focused on tackling the SDG14 conservation finance gap, with the Fund highlighted as an innovation-driven blended finance platform for attracting and de-risking investment for scaled-up ocean impact. Examples provided included UNDP led projects in Fiji and PNG.
- June 2022, **UN Ocean Conference**, Lisbon, Portugal: GFCR and ICRI hosted the first ever ‘Reef Action Hub’, which saw a wide range of side events focused on accelerating action for coral reefs and showcasing innovative solutions to address the coral finance gap. This included several CFA/UNDP-developed panel sessions, including on ‘Innovating Marine Biodiversity Credits’ and ‘Reef Positive Business Models: The Blended Finance Pipeline of the GFCR’, with Penny Stock (UNDP Senior Technical Advisor for Ecosystems and Biodiversity) participating as a panelist in the latter session. Specifically, [events](#) included:
 - A UNDP-led event titled ‘Thematic Debt: Accelerating the Blue Economy in SIDS’ organized by UNDP hosted by Haoliang Xu, Assistant Secretary-General, Assistant Administrator and Director of the Bureau for Policy and Programme Support (RBPPS), which featured GFCR programmes and examples including Fiji and PNG.
 - The high-level launch of UNDP’s Ocean Promise 2030, which features GFCR as a central mechanism for innovating and applying nature-positive blended finance approaches in the ocean, blue economy and coral reef conservation space.
 - A keynote intervention spotlighting the value and importance of GFCR by Usha Rao-Monari, Assistant Administrator of UNDP at the Reception for the GFCR Coalition hosted by Prince Albert II of Monaco Foundation. [Partners including UNDP signed a declaration](#) affirming their commitment to save the world’s coral reefs from extinction.
 - UNDP and CFA led an event convening leading experts to demonstrate “reef-positive” business models and financial solutions as well as de-risking mechanisms, structured to unlock private investment and scale impact. Images below:

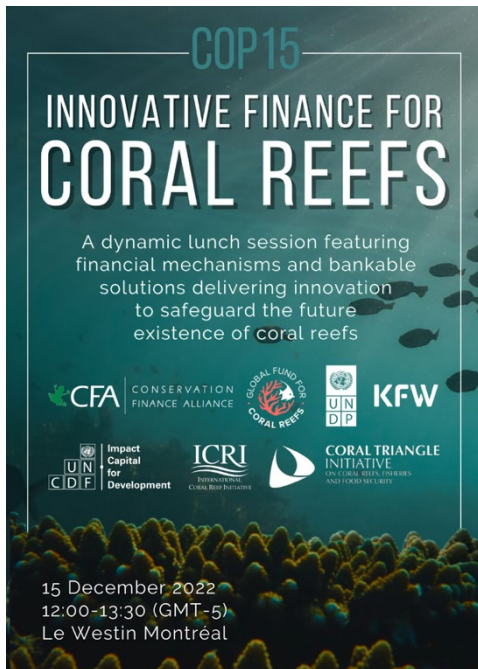
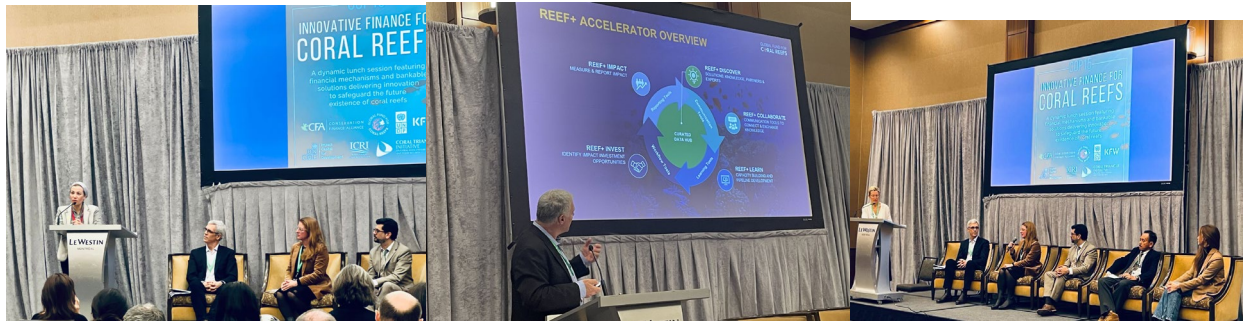


- November 2022, **UNFCCC COP27**: COP27’s premier coral reef event (‘Leaders in Action #ForCoral’) was co-hosted by UNDP. With the participation of UNDP ASG and Director of the Regional Bureau for Africa (Ahunna Eziakonwa) and UNDP Resident Representatives for Egypt and Jordan, the event celebrated headline announcements on a new partnership with the United States Agency for International Development (USAID), which joined the GFCR Coalition and made a \$15 million commitment to scale coral reef-positive blue economic growth and conservation finance in the Egyptian Red Sea, part of a regional programmatic approach under GFCR led by UNDP to unlock a minimum of \$50 million of blended finance for the Red Sea region. This event was also attended by the Prime Minister of the Hashemite Kingdom of Jordan (where the event also announced a \$10 million GFCR programme in the Gulf of Aqaba to be implemented with GFCR support), the US Ambassador to Egypt, and other dignitaries. UNDP also co-hosted the ‘Futures Lab: Repairing our World, to Avoid Runaway Climate Change’ event, during which the UNDP-led GFCR programme in Fiji (‘Investing in Coral Reefs and the Blue Economy’) was featured through Vineil Narayan, Programme Manager at UNDP’s Pacific Office in Fiji.



- December 2022, **CBD COP15**, Montreal, Canada: COP15 [saw the official launch event for the GFCR’s REEF+ Accelerator](#). Developed by UNDP, CFA and Ubuntu with the GFCR, the [REEF+ Accelerator](#) – GFCR’s knowledge and finance ecosystem – was recently launched by the GFCR and UNDP. It is designed as a bespoke global coral reef platform that will rapidly and efficiently scale the knowledge, collaboration and finance required to deploy revenue-generating reef-positive enterprises and financial instruments to save coral reefs and strengthen their associated ecosystems, economies, and communities. It is gradually building a community of practice around

coral reef finance. A video explaining the mission and expected development of REEF+ can be found [here](#).



- During COP15, UNDP also co-organized a dedicated full-day event on Finance and Biodiversity, including representatives from across the financing landscape, during which GFCR was featured as an innovative blended finance enabling vehicle for scaling private sector finance aligned to targets under the post-2020 Global Biodiversity Framework.

UNDP and CFA are **committed to continued strong support for GFCR-hosted events** and will facilitate visibility, in close coordination with the Secretariat and aligned with the UN Global Team engagement strategy and priorities, for GFCR within UNDP-led sessions and moments at key international events and during 2023, including (but not limited to):

- March 2023: **Monaco Ocean Week**, Monte Carlo, Monaco
- May 2023: **BIOFIN 5th Global Conference**, Cape Town, South Africa
- September 2023: **UNGA79 Nature for Life Hub** [Financing Nature], virtual
- November 2023: **UNFCCC COP28**, Dubai, UAE

V. Risk Management & Mitigation

Risk Log

Event /Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Lack of integration of approved policies (e.g. on gender, safeguards and risk management) into relevant GFCR programming activities	Insufficient awareness and/or guidance for Convening Agents and other implementation partners	Alignment with GFCR policies not adequately integrated into key programming documentation (e.g. Annual Narrative Reports)	Operational	Moderate	Active program of engagement and outreach in 2023 by UNDP – in close coordination with the Secretariat – on training and capacity development for CAs and other key partners to support effective implementation of and compliance with relevant Fund policies, standards and norms.	Training and capacity development activities are expected to primarily be delivered through REEF+
Remaining gaps in GFCR policy architecture of relevance to effective and high-integrity programming	Components of the overarching GFCR policy architecture (e.g. on Indigenous Peoples and Local Communities (IPLC), a Grievance Mechanism, Private Sector	Insufficient guidance to CAs and other programming partners, which may present potential issues in terms of developing and implementing	Operational	Low	Additional work, led by UNDP, is expected in 2023-2024 for policies on IPLCs, stakeholder engagement guidance, private sector due diligence, anti-money laundering	Work on additional elements of the GFCR policy architecture will be supported, where relevant, by specialist international consultants

	Policy, Anti-money Laundering and Counter-terrorism Financing Policy) are still under development	g effective and high-integrity programming activities			and counter-terrorism financing, and a global Grievance Resolution Mechanism	
Lack of continuity of key project partnerships : CFA	<p>Current contract for CFA will end in September 2023. At this point, it is expected that CFA's status will change to independent 501c3 as opposed to an arrangement where CFA is hosted by WCS.</p> <p>The continuation of work undertaken so far by CFA under the replenished project (EB10 June 2023) will therefore require readvertisement through due competitive process in line with UNDP's POPP.</p>	<p>Potential recruitment of successful new applicants to continue key UNDP-GFCR workstreams will lead to lack of continuity and disruption.</p> <p>Delays in recruitment may occur due to Quantum transition leading to lack of continuity and disruption.</p>	Operational Organization al	Moderate	<p>TORs for a new deliverable-based contract for the period 2023-2025 will be developed. The RFP will be advertised and evaluated in 2023 in line with UNDP POPP.</p> <p>Potential delays in finalising new contracts may occur due to Quantum transition.</p>	Work on priority workstreams will be supported by the UNDP STA and TA.
Lack of continuity of key project	Current contract for Ubuntu Inc. (total \$63,000)	Potential recruitment of successful new	Operational Organization al	Moderate	TORs for a new deliverable-based	

<p>partnerships : Ubuntu Inc.</p>	<p>ended in March 2023.</p> <p>The continuation of work undertaken by Ubuntu to develop REEF+ will be supported by the replenished project (EB10 June 2023).</p> <p>Given the expected size of the new service contract, the RFP will be advertised through due competitive process in line with UNDP's POPP.</p>	<p>applicants to continue key UNDP-GFCR workstreams will lead to lack of continuity and disruption.</p> <p>Delays in recruitment may occur due to Quantum transition leading to lack of continuity and disruption.</p>			<p>contract for the period 2023-2025 are being developed. The RFP will be advertised and evaluated in 2023 in line with UNDP POPP.</p> <p>Potential delays in finalising new contracts may occur due to Quantum transition.</p>	
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- Annex A: GEF initiatives under discussion

Specific initiatives under discussion include:

- A USD 20 million global GEF multi-country project titled ‘Transforming Markets for REEF+ Investment Solutions’ under the International Waters GEF Focal Area, financed through the International Waters Focal Area, with potential to include access to NGI. This project proposes to enhance the capacities of priority coral countries (especially LDCs SIDS) to ensure fair representation and equitable access to blended finance for coral conservation and build investable coral-positive business pipelines. It will enable GFCR to build the basis for market-led innovation and develop more robust business approaches through future GFCR programmes and to support upscaling and replication of successful solutions globally beyond the GFCR portfolio. The project pivots on the following key areas:
 1. *Enhancing enabling conditions for reef-positive Investments*
 - Capacities and systems for natural capital accounting and ecosystem services valuation covering key sectors that impact coral reef ecosystems will be strengthened to effectively mainstream key considerations into sectoral decision-making and promote greater policy coherence through more integrated and comprehensive planning.
 - Identification of and reforms to policy, regulations, and enforcement issues that limit a thriving private sector and market-based finance mechanisms in key sectors relevant to coral reefs and associated ecosystem. This will enhance opportunities for blended finance approaches such as public-private partnerships (PPPs) and build investor confidence.
 - Improved natural resources management strategies will be supported (including Marine Spatial Planning, Marine Protected and Conserved Areas, Blue Economy Plans and Strategies, national reform in specific sectors such as agriculture, forest, management of surface and groundwater resources, and the promotion of circular economy, etc.)
 - Identification, design, and launch of large-scale national-level finance mechanisms such as marine and coral reef focused payment for ecosystem services, blue bonds, blue carbon, “green” taxes or fee systems to incentivize sustainable practices and reduce pollution, and other mechanisms that can generate sizable amounts of resources for marine conservation in these countries.
 - Promotion of the use of traditional knowledge and science to generate global environmental benefits by being an incubator and accelerator of community and youth innovations.
 2. *Building Finance and Technical Assistance Facilities*
 - The project would create or support a technical assistance facility (TAF) in each country designed to identify, develop, and support reef positive small and medium-sized enterprises (MSMEs) by providing grants, business planning support, finance and administration capacity building, and environmental and social impact guidance. The TAF or a partner entity would be enabled to provide concessional finance in the forms of concessional loans, revenue-based equity, and other targeted financial products to complement the technical support of the TAF. Concrete examples of TA, which will be supported by the REEF+ Accelerator (described below) include:

- Collaboration with incubators, early-stage investors, and development finance institutions to encourage finance flows from small loans and microfinance to the higher scales of commercial investment will be sought.
- Connecting investors with a robust pipeline of reef-positive investment opportunities and entrepreneurs.
- Large-scale national-level finance mechanisms developed and supported at the national and international levels through the global community of practice anchored in the REEF+ Accelerator.
- Opportunities for scaling and replication will be developed through partnership with national development banks, microfinance institutions, existing incubators and other finance and technical assistance sources.
- The REEF+ Accelerator will assure shared learning across all TAFs and financial partners including integration into the community of practice of more advanced and larger countries that are currently part of the GFCR portfolio.

3. *Optimized capacity development through the REEF+ Accelerator*

- The REEF+ Accelerator – GFCR’s knowledge and finance ecosystem – was recently launched by the GFCR and UNDP. It is designed as a bespoke global coral reef platform that will rapidly and efficiently scale the knowledge, collaboration and finance required to deploy revenue-generating reef-positive enterprises and financial instruments to save coral reefs and strengthen their associated ecosystems, economies, and communities. It is gradually building a global community of practice around coral reef finance. This project would enhance the value of GFCR as a demonstration fund through the further development of REEF+ Accelerator for effective Knowledge Management and Learning that catalyzes global replication and scaling of successful solutions.
- This GEF project will enhance the expansion of REEF+ to better serve frontier markets in large ocean states (SIDS), Least Developed Countries (LDCs) and other coral nations. It will expand the GFCR investment ecosystem by promoting, replicating and scaling market solutions within and beyond GFCR-targeted countries.

In addition, GFCR and REEF+ have been identified and included as a potential mechanism to incubate and accelerate private sector engagement and innovative finance solutions within the GEF8 Blue & Green Islands Integrated Programme. This opportunity also has potential to leverage NGI involvement at country and/or regional levels.



- i. **REEF+ Discover.** Offers comprehensive solutions and knowledge database on reef-positive actions, including innovation-focused case studies from both GFCR-funded programmes and beyond, augmented by mapped communities of experts and partners.
- ii. **REEF+ Collaborate.** Facilitates and enhances communications and networking between coral reef finance and knowledge practitioners, including through focused webinars/practitioner discussions and the creation and curation of thematic Communities of Practice/Working Groups. This will also include the organization of an annual REEF+ ‘conference’ to convene the global COP.
- iii. **REEF+ Learn.** Provides a suite of training and capacity development tools and programmes to build skillsets and competencies related to coral reef finance and fostering peer-to-peer knowledge management and learning exchanges, including through development of Best Practice Guides and on-line learning courses.
- iv. **REEF+ Invest.** Supports the identification of impact-driven investment opportunities across the reef-positive investment ecosystem and the facilitation of access to finance for these from a diversity of private and public sector donors and investors, including through establishment and curation of investor networks and events (including a planned first iteration of an annual REEF+ Global Conference), as well as the sharing of resources on due diligence, project pitches, etc.
- v. **REEF+ Impact.** Through strong collaboration with UNEP and the GFCR Secretariat, integrating with GFCR’s M&E framework and policies as well as other relevant global coral reef monitoring and reporting platforms (e.g. MERMAID and ReefCloud), to support GFCR’s ability to efficiently measure and evaluate results and impacts at both the programmatic and Fund levels.

REEF+ will play 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, the Joint SDG Fund, and many others. In future, REEF+ will also play a central role in the REEF Action Hub organised by GFCR at global conferences and in key events to elevate the mission and demonstration impact of the Fund.