



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT:

GFCR Blue Bridge

January – December 2022

Report submitted by:

United Nations Capital Development Fund

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Programme Overview

Programme Title & Project Number	Programme Duration
Programme Title: Blue Bridge	Start Date: November 2021
Programme Number: 00127857; 00129651	End Date: December 2029

Total Approved Budget

Total GFCR Budget:

Programme	Approved Budget from GFCR	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed
Global	1,626,400	1,626,400	N/A	766,106
Bahamas	3,899,706	500,000	710,000	225,000
Philippines	3,372,399	2,798,264	2,005,275	897,163
Kenya Tanzania	1,815,394	1,815,394	673,211	230,000
PNG	1,484,248	978,825	-	-
MAR - New Ventures	386,916	386,916	386,916	386,916
Total	12,585,063	8,105,799	3,775,402	2,505,185

Total Approved co-financing from other sources: Not Applicable

Executive Summary

Blue Bridge was created as a sub-window of UNCDF's BRIDGE platform to enable the Global Fund for Coral Reefs and its Convening Agents to integrate financial instruments into their Priority Ecosystem programmes. UNCDF delivers catalytic grants and concessional loans directly to referred social enterprises and projects that help preserve or restore coral reefs that 1) have a chance of surviving climate change, and 2) support adjacent low-income communities – in particular, when a Convening Agent either cannot fund the transaction directly, or if the GFCR Grant Fund needs to invest in a global project.

In 2022, Blue Bridge performed due diligence and issued the first round of transactions funded by the GFCR Grant Fund. This includes grants for social enterprises and projects in the Philippines, Fiji, Kenya, Tanzania, the Mesoamerican Reef Region, and The Bahamas. A total of \$3.7M was reviewed and approved by the UNCDF IIC, with \$2.5M disbursed via initial tranches of funding by year end 2022.

The following are lessons learned to inform future direction:

1. The Blue Economy sector is nascent, and projects are early-stage, affirming grant incubation strategy to prepare for concessional loans in future
2. Project prep support needed to strengthen business case for concessional loans, so LDCIP took the following actions
 - Created Grant Assessment process and Grant Investment Committee

- Building roster of Blue Economy consultants to bolster incubation and underwriting processes and provide TA to projects where needed
- Fundraising for TA grant funding in process with GFCR Global Team
- 3. Even global conservation organizations need assistance and active engagement from GFCR and Blue Bridge to ensure that coral reefs are prioritized among diverse conservation priorities, most importantly at the early stages of launching a new priority ecosystem programme and initiating the individual projects.
- 4. There are high returns on investments of time in helping conservation oriented teams to financial instruments and blended finance, and how to access and utilizing financing to accelerate the development of their projects.
- 5. Some projects are not yet ready for a prep grant and require further work between partners:
 - The PNG Guarantee project faced staff-turnover and recruiting challenges in-country that are being resolved;
 - Coral Vita encountered protracted delays in government licensing after a recent regulatory change requiring the GFCR grant to be restructured;
 - SBDC Accelerator faced staffing bottlenecks and needed to work closely with TNC to adapt their historic approach for the Blue Economy;
 - Blue Finance and Bahamas National Trust MPA Collaboration ultimately decided not to proceed with the project as partners and BNT is restructuring their grant proposal.

In the period ahead, Blue Bridge will focus on the following key initiatives:

1. Fundraising and then launching Technical Assistance Service
2. Due Diligence and Origination for a potential impact investment in Ice Breaker, a documentary and live exhibition venture to put coral reef conservation on the global stage, with return on investment set to benefit Marine Protected Areas
3. Review and process trailing deals from first round
4. Monitoring existing portfolio and reviewing progress for next round of tranches and follow-on investments
5. Continued collaboration with GFCR programme teams to support integration of sustainable financing into new programme development where Blue Bridge is needed

I. Programme Objectives

The main objectives, expected outcomes, outputs, and deliverables of Blue Bridge, as outlined in the Programme Document are noted below.

Objectives:

- Support Convening Agents in executing their program strategy by deploying concessional investment instruments along different growth stages of businesses.
- Nurture businesses to access commercial capital independently, enabling the capital repaid to the Blue Bridge to be re-deployed into new early-stage businesses.
- Fill the funding gap between the Grant Window and the Pegasus-managed private equity fund.
- Collaborate with other investors to deliver higher total investment sizes to promising projects.

Expected Outcomes:

- Relevant pipeline candidates supported through the Grant Fund will grow their businesses and access sustainable sources of investment.
- Investees will transition from the Grant Fund towards more sustainable funding sources.
- Good business practices and growth will be incentivized through appropriate financial instruments and sequencing.

Outputs:

- Blue Bridge will deploy grants, recoverable grants, loans, and guarantees ranging from \$200,000 to \$2M, or as large a maximum investment as the Grant Fund is willing to allocate to a single investee identified by Convening Agents.
- Blue Bridge will act as a lender of last resort when Convening Agents cannot identify practical local alternatives.
- Blue Bridge will coach investees through the process of obtaining external investment.

Deliverables:

- Collaboration with the Convening Agents and the GFCR Secretariat to determine the best instruments and sequence for incentivizing good business practices and catalyzing growth
- Rigorous due diligence, structuring, execution, and monitoring services on transactions identified in four Track 1 Priority Ecosystem proposals to ensure GFCR's fiduciary duties are fulfilled in its highest-risk projects, manifested through Loan and Grant Assessments and disbursed transactions.
- Referral of investments to UNCDF's Impact Investment Committee (IIC) for evaluation after due diligence.

The Blue Bridge programme aims to facilitate the growth of businesses and their transition towards sustainable funding sources, ultimately contributing to the overall success of the GFCR Investment Plan.

The initial budget provided for Blue Bridge to underwrite, originate and monitor transactions identified in four Track 1 Priority Ecosystem proposals for the initial two years. The Convening Agents and programmes were as follows¹:

Organisation	Country/Countries	# of Transactions
TNC	The Bahamas	4
WCS	Kenya and Tanzania	4
UNDP	Papua New Guinea	1
BF	Philippines	6

II. Programme Implementation & Results

¹ Subsequent to the original budget another transaction in the Mesoamerica Reef Region under MAR Fund as Convening Agent was added to the Blue Bridge mandate.

A. Programme Results Overview

By December 2022, all projects referred to Blue Bridge that were sufficiently mature for UNCDF to review had been processed, which resulted in \$2.5M in funding disbursed compared to \$8.1M received from the GFCR Grant Fund (31%). All projects reviewed required relatively small initial disbursements to prepare for remaining tranches or were structured to have 2nd rounds of funding (See Elizabeth Harbour example below). Some projects were not yet ready even for a preparatory grant and required further work between partners: PNG Guarantee, Coral Vita, SBDC Accelerator, Bahamas National Trust MPA. See Annex 1 for a full listing of each transaction and status notes as of 12/31/22.

Programme	Approved Budget from GFCR	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed
Global	1,626,400	1,626,400	N/A	766,106
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Kenya Tanzania	1,815,394	1,815,394	673,211	230,000
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Total	12,585,063	8,105,799	3,775,402	2,505,185

In more detail, the following transactions had been diligenced, recommended to the UNCDF IIC, and were either disbursed or in the legal documentation process as of 12/31/2022, totalling \$3.7M:

- The Fertile Factory; Loan, FJ
- New Ventures; Convening Agent, MAR
- Elizabeth Harbour; Grant, BS
- Reef Rescue Network; Grant, BS
- Blue Finance Pemba MPA; Grant, K&T
- Okavango SPV; Prep Grant, K&T
- Blue Finance; Convening Agent, PHI Blue Finance;
- VIP MPA, PHI BlueYou;
- Mangrove Crab Feasibility Study, PH
- Uba; Blue Carbon Feasibility, PH
- Rare; Project Prep Grant, PH
- Beqa Adventure Divers, grant + loan, FJ

In addition, at year-end UNCDF was in the process of working with the project implementers, Convening Agents and the GFCR Secretariat to advance the following transactions into full due diligence in the near future, totalling \$2.6M - \$6.1M (amount depending on the outcome of the structuring and due diligence):

- Coral Vita, Prep Grant, BS
- Sanitary Landfill, Prep Grant, FJ²
- Ice Breaker, Prep Grant, Global
- Philippines programme follow-on funding, including:
- Convening Agent 2nd tranche
 - o Mindoro MPA 2nd grant tranche and loan
 - o Mangrove Crab start-up
 - o Blue Carbon project with Uba

Finally, as of 12/31/22 the following projects were still under development (\$3.3M), not yet ready to start due diligence, but communications remained ongoing with project partners to advance the projects to a more mature level.

- BNT/Blue Finance MPA, BAH
- SBDC Accelerator, Grant, BAH
- Blue Economy Guarantee, PNG

Early-Stage Transaction Structure Example: Elizabeth Harbour - Tranching initial grant, followed by a loan within a single project

- Elizabeth Harbour Conservation Partnership was approved within the BahamasReefs programme for a \$460k grant and a \$460k loan, for a total of \$920,000 to launch a mooring and pump-out service
 - o Following UNCDF review, the UNCDF IIC endorsed the initial \$460k grant to start the project, with \$100k disbursed as an initial tranche to complete planning and enhance organizational development to execute the mooring and pump-out service
 - The remaining \$360k in grant funding will be disbursed against milestones over 2023
 - The follow-on \$460k loan will be considered by UNCDF for IIC endorsement in 2024 when/if the additional funding is needed (EHCP may be cash flow positive if successful)
- Thus, \$100k has been disbursed out of \$920k in approved funding

² Note that the “Sanitary Landfill” project in Fiji is not a Blue Bridge transaction, rather it is within the UNDP/UNCDF-Fiji joint programme, but Blue Bridge is asked to assist with this transaction as it progresses through development.

- 2 of 3 MPA Networks, PH
- Eco-Tour Businesses, PH
- Sea cucumber and grouper hatcheries & Grow-out farms, PH

The activities of Blue Bridge – providing pre-due diligence support, due diligence, structuring and origination – led to catalytic grants and concessional loans to fund projects that contribute to each Convening Agent’s programme goals – and ultimately their targeted outcomes. The status of each transaction in the priority ecosystems is noted in Annex 1.

Looking ahead, Blue Bridge will continue to work with the existing portfolio of projects, most of which have received initial tranches of funding, but must accomplish key milestones to demonstrate their readiness for additional disbursements of funding. This will require monitoring, and likely adjustments to investment decisions based on the evolution of each project. Work will also continue with the existing pipeline of projects that are still working towards funding readiness; of particular note is the PNG Programme, and, within that, the Guarantee project, where UNCDF sent a mission in 2023 to try to assist the local team to reinstate progress after prolonged staff vacancies due to the difficulties of hiring staff in the country.

We expect at least 4-5 new transactions to be originated in 2023, though this is highly dependent on the progress and maturity of the underlying projects being referred to Blue Bridge by GFCR and its Convening Agents.

Considering the early-stage nature of the pipeline, UNCDF will complete its roster of Blue Economy investment specialists and technical assistance providers in 2023 to accelerate development of the projects and deployment of funding. In addition, Blue Bridge is working with the GFCR Secretariat to fundraise for a Technical Assistance Service (TAS) to accelerate blue bridge transactions as well as link the Grant Fund with the Investment Fund. If fundraising is successful, Blue Bridge will begin work to establish the TAS in close collaboration with the GFRC Grant and Investment Fund teams.

Blue Bridge will also continue to work with upcoming programmes as they develop full proposals to GFCR in 2023, including Seychelles and the Maldives in particular. Finally, Blue Bridge has been asked by GFCR’s Executive Board and Secretariat to perform due diligence on the Ice Breaker documentary programme.

B. Indicator-Based Performance Assessment

OUTPUT / ACTIVITY	INDICATORS	TARGET COMPLETION	IMPLEMENTATION STATUS AND ACTUAL COMPLETION DATE
Catalytic Grants	<ul style="list-style-type: none"> • Number of due diligence assessments conducted: 13 • Amount of funding referred to UNCDF IIC: \$3.75M 	Final investment decision within 3-6 Months from fully developed proposal and due	Please see Annex 1 for detailed project updates.

	<ul style="list-style-type: none"> • Number of grant recipients: 12 • Amount of funding disbursed: \$2.50M 	diligence request submission	
Concessional Loans	<ul style="list-style-type: none"> • Number of due diligence assessments conducted: 2 • Amount of funding referred to UNCDF IIC: \$1.11M • Number of borrowers: 2 • Amount of funding disbursed: \$0.36 	Final investment decision within 3-6 Months from fully developed proposal and due diligence request submission	Please see Annex 1 for detailed project updates.
Guarantees	<ul style="list-style-type: none"> • Number of guarantee beneficiaries (MFIs): 0 • Amount of guarantees issued: 0 • Amount of funding mobilized: 0 	Final investment decision within 3-6 Months from fully developed proposal and due diligence request submission	The only guarantee in the pipeline is for the guarantee project in PNG, which is indefinitely delayed at the moment. UNCDF led a mission to PNG in 2023 to attempt to reboot the project and overall programme.
Support and coaching to Convening Agents and Projects	<ul style="list-style-type: none"> • Number of organizations or projects benefited: 13 • Number of interventions: 19 	Rolling	Support is ongoing to Convening Agents and Projects in each Priority Ecosystem through the lifecycle of the preparation, investment and monitoring stages.

C. Gender Mainstreaming

All transactions that Blue Bridge processes must first comply with GFCR's and the Convening Agent's Gender Policies to be referred to Blue Bridge.

III. Programme Governance & Management

Blue Bridge Governance and Management

The governance of the Blue Bridge is as follows: After the GFCR Grant Fund 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 UNCDF's Impact Investment Committee ("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.

Blue Bridge's management is as follows: Blue Bridge is a sub-window of the BRIDGE platform, which was created, and is managed, by UNCDF's LDC Investment Platform team, overseen by Anders Berlin. Benjamin Midberry manages Blue Bridge day to day. In addition to oversight by Anders Berlin, the Blue Bridge manager also works closely with the Convening Agents, GFCR Global Team, Grant Fund and Investment Fund staff, as well as directly with projects. This is done through weekly team meetings, ad hoc meetings, particularly when a transaction is undergoing due diligence, as well as through the quarterly GFCR Executive Board meeting cycle preparation.

Blue Bridge's ongoing activities include engaging with Convening Agents and co-implementers. This begins when a new programme is underdevelopment, and the GFCR Grant Fund will pull Blue Bridge into programme development conversations to, depending on needs, advise on integrating financial instruments and financial sustainability approaches into programme design, or as granular engagement as reviewing pitches of individual social enterprises for project candidate screening prior to a portfolio of projects being finalized into the overall programme. Once a programme is approved by the GFCR Grant Fund Executive Board, Blue Bridge will engage with Convening Agents and Co-implementers to help structure grants and loans to individual projects as well as performing due diligence on the projects prior to disbursement of transactions. On an ongoing basis, Blue Bridge engages with the co-implementers and Convening Agents to monitor progress of projects and coordinate on disbursements of follow-on tranches of funding against deliverables and outputs of the projects. In 2022, Blue Bridge was most active with the programmes in Bahamas, Philippines, Fiji, the Kenya-Tanzania Transboundary Region, and Mesoamerican Reef to originate the initial transactions in those regions. In PNG, Blue Bridge

coordinated and provided funding to UNCDF and UNDP in Fiji to lead a mission to PNG to help the local team make progress on the programme in PNG despite severe staffing challenges. Blue Bridge also engaged in programme development conversation with upcoming priority ecosystems including the Maldives, and the Solomon Islands.

During 2022, UNCDF worked to augment the Blue Bridge with two rosters of blue economy and SME investment specialists to provide more support to projects funded through Blue Bridge. These rosters will also be used to provide formal Technical Assistance if fundraising is successful in 2023.

IV. Resource Mobilisation

While Resource Mobilization is not in the Blue Bridge mandate (Blue Bridge is a service line of the GFCR Grant Fund, which controls Resource Mobilization), the LDCIP team is working with the GFCR Grant Fund team to raise up to \$10M from the Nordic Development Fund to capitalize the Blue Bridge Technical Assistance Service, with an initial proposal submitted in Q4-2022, and a final decision by NDF's board scheduled for September 2023.

V. Communications and Visibility

While Communications and Visibility is not in the Blue Bridge mandate (Blue Bridge is a service line of the GFCR Grant Fund, which controls Communications), Blue Bridge reviews and contributes to content and events as requested, which, in 2022, included the Executive Secretary of UNCDF participating on several panel discussions at marquee events which featured GFCR.

VI. Risk Management and Mitigation

Event / Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Blue Bridge Global Level: Challenge to quickly and effectively deploy interventions to a very diverse and immature portfolio of projects	Blue Bridge portfolio ranges from a 10 year loan to start-up fertilizer company to seed grants for a mud crab aquaculture business plan development and making the lead investment in a nature documentary film and museum exhibit series.	This may lead to delays, or insufficient project development support and due diligence. Delayed transactions or funding projects that exceed GFCR's risk appetite could reduce the outputs, outcomes and impacts	Risk of impact underperformance in target areas, which include: <ul style="list-style-type: none"> • Environmental • Financial • Social 	Medium	Blue Bridge has established two rosters of investment professionals and technical assistance providers specialized in Blue Economy sub-sectors and small-to-medium sized businesses to accelerate support to portfolio and pipeline projects. Blue Bridge is also	Risk has been present since the start of GFCR.

		of resources deployed in the portfolio.			<p>working with Convening Agents at an earlier stage of programme development to screen and support projects destined for Blue Bridge.</p> <p>Additionally, Blue Bridge has added Blue Economy experts to the IIC decision making process to help inform funding decisions and governance.</p> <p>Finally, Blue Bridge the the GFCR Secretariat are working to secure grant funding for Technical Assistance to Blue Bridge projects.</p>	
<p>Blue Bridge Project Level: Due to the early stage nature of the pipeline, there is a risk that the projects supported through blue bridge will fail to realize their impact goals, either through lack of effectiveness, or financial self-sufficiency, actual impact on coral reefs, ability to scale or replicate, etc.</p>	<p>As with all nascent sectors and early-stage companies, risk of failure is caused by untested and unrefined business models, inexperienced teams and organizations, unforeseen regulatory barriers, inability to achieve product-market fit, slow customer adoption, etc.</p>	<p>Reduced outputs, outcomes and impacts of resources deployed in the portfolio.</p>	<p>Risk of impact underperformance in target areas, which include:</p> <ul style="list-style-type: none"> • Environmental • Financial • Social 	High	<p>As noted above, Blue Bridge has augmented its governance, management and coordination with the GFCR Secretariate to reduce risk of business failure in the portfolio.</p>	<p>Risk has been present since the start of GFCR.</p>
<p>Projects often delayed due to regulatory changes, licensing delays and uncertainty</p>	<p>GFCR projects are inherently linked with nature and often require Environmental Impact Assessments or special government licenses or approvals, and the regulations and enforcement of laws regarding their activities can be</p>	<p>Extended delays in approvals for projects have follow-on delays for project execution. This can be</p>	<p>Risk of impact underperformance in target areas, which include:</p> <ul style="list-style-type: none"> • Environmental • Financial • Social 	High	<p>The Fertile Factory & Co in Fiji, the MPA in Pemba, Coral Vita and Reef Rescue Network in the Bahamas have all been subject to delays</p>	<p>The Fertile Factory & Co was required to conduct an EIA outside of the documented regulations, which delayed project</p>

	<p>unclear or subject to sudden changes.</p>	<p>very detrimental to projects not just because of the delays themselves, but because of the uncertainty regarding when the delays will be resolved.</p>		<p>in government licensing that were unpredictable, abrupt, opaque, extended and difficult to effectively address with local government.</p> <p>GFCR's Convening Agents have been very helpful in these regions, in Tanzania and Fiji in particular, affirming the GFCR strategy. UNCDF is able to be a patient funder and work with projects to adjust grant designs, due diligence and disbursement timelines to help projects weather these unexpected delays.</p>	<p>development by approximately 6 months; GFCR supported the project through this phase via support to the local Convening Agent, which helped administer the assessment and follow up with government to secure final approval. TFFC was later required to obtain additional approvals that were extra-legal, resulting in another 5 month delay.</p> <p>Coral Vita and Reef Rescue Network's coral restoration work was unexpectedly halted due to regulatory changes in the Bahamas that went into effect before the regulator had capacity to implement the licensing process, resulting in over 12 months of delays for the projects.</p> <p>In Pemba, local authorities elected to require endorsement letters before new funding could be utilized in Zanzibar to improve the infrastructure and management of the MPA. WCS has been actively involved in helping Blue Finance address this challenge.</p>
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VII. Adaptive Management

As described throughout the report, the Blue Bridge team learned several lessons driven by the nascent state of the Blue Economy sector, in particular that some projects require earlier stage preparation support to strengthen their business cases for concessional loans. Blue Bridge took several actions to address this, such as creating a Grant Assessment process and a Grant Investment Committee, tranching funding into several rounds disbursed on project development, building a roster of Blue Economy consultants, and collaborating with the GFCR Secretariate to fundraise for TA grant funding.

Looking ahead, Blue Bridge will focus on key initiatives, such as fundraising for - and launching - a Technical Assistance Service, reviewing and processing trailing deals from the first round, actively monitoring the existing portfolio, and supporting new programme development where Blue Bridge is needed.

Annexes

Annex A: Detailed Project Tables

Bahamas

Project Title	Project Name and Description	Leading institutions	Blue Bridge Grants	Recoverable Grants, Loans or Guarantees	Total Approved GFCR Budget	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed	Notes
Elizabeth Harbour Mooring and Pump-out services	Installing, maintaining and collecting fees for moorings and pump-out services so ships don't dump waste into the harbor.	Elizabeth Harbour Conservation Partnership	\$460,000	\$460,000	\$920,000	\$500k for all Bahamas projects in total	\$460,000	\$100,000	- First tranche disbursed; milestones for second tranche in process. - Final studies and design for mooring installation in process to mitigate damage to sea grass; business planning for pump out service to prevent sewage dumping being finalized.
Andros, Bahamas MPA	Blended finance for the effective management of MPAs; integrating financial instruments to invest in better	Bahamas National Trust (BNT) and Blue Finance	\$300,000	\$500,000	\$800,000	\$500k for all Bahamas projects in total	\$0	\$0	Project delayed due to BNT and Blue Finance not agreeing on how to proceed with the project. BNT submitted a



	management resources and infrastructure to support tourism and park entrance fee collection.								revised project proposal in Q2-2023 without Blue Finance's involvement.
Reef Rescue Network	Developing a sustainable revenue model for an existing program to restore coral reefs leveraging local dive operators	Perry Institute for Marine Science (PIMS)	\$450,000	\$450,000	\$900,000	\$500k for all Bahamas projects in total	\$250,000	\$125,000	- First tranche disbursed; milestones for second tranche in process. - Reactivating Reef Rescue Network post-COVID; creating sustainable business plan to support network activities for financially sustainable reef restoration.
Coral Vita	Achieving commercial viability of coral restoration as a service	Coral Vita	\$625,000	\$0	\$625,000	\$500k for all Bahamas projects in total	\$0	\$0	Regulatory change and licensing delays required a pivot in grant usage.
Blue Economy Programme Accelerator	Blue Economy Programme Accelerator	Access Accelerator Small Business Development Centre (SBDC)	\$400,000	\$0	\$400,000	\$500k for all Bahamas projects in total	0	0	Delayed throughout 2022; revised plan submitted in 2023 and DD will



									commence in Q2-23.
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Philippines

Project Title	Project Name and Description	Leading institutions	Grants	Recoverable Grants, Loans or Guarantees	Total Approved GFCR Budget	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed	Notes
Philippines Convening Agent Grant	Philippines Priority Ecosystem #1	Blue Finance	\$574,000		\$574,000	\$574,000	\$574,000	\$287,000	First tranche disbursed; milestones for second tranche in process.
Mindoro, VIP MPA	Creating an MPA network with tourist attractions and infrastructure (rangers, moorings, mangrove restoration, etc, and also Seasensorium, visitor center, snorkel safari, etc)	Blue Finance (Blue Alliance VIP)	\$900,000	\$350,000	\$1,250,000	\$1,250,000	\$900,000	\$450,000	- First of three Philippines MPAs under development. First tranche disbursed; milestones for second tranche in process. - Established local team with training and ranger equipment for monitoring and community engagement; government approvals and design obtained for visitor center.



CIG MPA	Second of three Philippines MPAs under development.	Blue Finance (Blue Alliance CIG)	\$200,000	\$100,000	\$300,000	\$300,000	\$0	\$0	Recipient will submit materials to UNCDF when the project is ready for due diligence; Blue Finance targeting Q4-23
TSPS MPA	Third of three Philippines MPAs under development.	Blue Finance (Blue Alliance TSPS)	\$300,000	\$100,000	\$400,000	\$400,000	\$0	\$0	Recipient will submit materials to UNCDF when the project is ready for due diligence. Timing TBD in future.

Project Title	Project Name and Description	Leading institutions	Grants	Recoverable Grants, Loans or Guarantees	Total Approved GFCR Budget	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed	Notes
Developing Blue Economy businesses to support MPAs	Prep grants for Development Facility Transactions	Blue Finance with BlueYou, RARE, UBA	\$227,250		\$227,250	\$227,250	\$227,250	\$113,625	First tranche disbursed; milestones for second tranche in process. Blue Finance reports next milestones should be complete as follows: - Mangrove Crab (BlueYou) Q1-23 - Blue Carbon (Uba) Q2-23 - Project with Rare dropped, to be revised.
Tañon strait eco-cruise	Blue Finance start-up to be launched within third MPA (TSPS). Grant	Blue Finance	\$300,000		\$300,000	\$300,000	\$0	\$0	This project is not likely to be active in the short-term. It is a start up concept to be



	followed by loan (loan not yet funded by GFCR).									launched in the last of three MPAs in the Philippines to be developed.
Calamian and VIP eco-cruise and eco-lodge	Budget not yet funded by GFCR. To be included in a future replenishment.	Blue Alliance VIP and CIG			\$0		\$0	\$0		Projects not yet active.
Mangrove crab aquaculture	Start-up grant for a crab hatchery, crab nursery, farm consolidation and sales center. SPE Blue Alliance to receive investment returns through dividends. Grant followed by loan (loan not yet funded by GFCR budget).	Blue Alliance VIP	\$304,025		\$304,025	\$304,025	\$304,025	\$46,538		Manager for business and farmers to launch initial pilot have been identified to demonstrate restorative silvofishery model with higher income for small-share farmers.

Mesoamerican Reef Region, Kenya/Tanzania Boarder Region, PNG

Priority Ecosystem	Project Title	Project Name and Description	Leading institutions	Grants	Recoverable Grants, Loans or Guarantees	Total Approved Budget	GFCR Funding Available	Endorsed by UNCDF IIC	Disbursed	Notes
MAR	New Ventures Convening Agent Sub-contract	New Ventures involvement in launching MAR Priority Ecosystem Programme, creating	New Ventures	\$386,916		\$386,916	\$386,916	\$386,916	\$386,916	Fully disbursed funding to create a venture accelerator to build a pipeline of investment-worthy coral



		investment opportunities and fundraising.								positive businesses in the region and attract fresh investment capital into the sector.
Kenya / Tanzania	N. Pemba, Zanzibar MPA, co-managed by Blue Finance		Blue Finance	\$350,000		\$350,000	\$350,000	\$350,000	\$100,000	First tranche disbursed for Blue Finance to apply sustainable MPA management and blended finance approach to an under-utilized MPA in Pemba, Zanzibar Tanzania.
Kenya / Tanzania	Okavango-WCS Venture Studio and Blue Investment SPV	Creation of Venture Studio; originating two impact investments for SPV created to facilitate investments.	Okavango Capital	\$687,000		\$687,000	\$687,000	\$323,211	\$130,000	First tranche disbursed to design a Blue Economy Venture Studio and an investment facility to foster growth of early-stage companies with a coral positive business model
Kenya / Tanzania	Okavango-sourced Direct Impact Investments	2 impact investments in short-term from Okavango pipeline	Okavango Capital		\$537,831	\$537,831	\$537,831	\$0	\$0	First tranche disbursed to design an investment facility to foster growth of early-stage companies



										with a coral positive business model; Investment pipeline to be refreshed once SPV is created.
PNG	Guarantee program for Blue Economy companies.	Capital to fund guarantees to local MFIs and banks to support SMEs coming through Blue Economy Enterprise Incubation Facility (BE-EIF). Not a 2022 transaction	UNCDF PNG	\$120,000	\$1,000,000	\$1,120,000	\$978,825	\$0	\$0	UN staff turnover delayed project. New hiring in process; UN staff from other SIDs led mission to reboot project.