



# GLOBAL FUND FOR CORAL REEFS

## PROGRAMME DOCUMENT TEMPLATE (WITH INSTRUCTIONS)

### COVER PAGE

|   |   |
|---|---|
| <b>Programme Title:</b> Fi Wi Riif Programme  | <b>Recipient Organization:</b><br>Fondo para la Acción Ambiental y la Niñez (Fondo Acción)  |
| <b>Convening Agent:</b><br>Fondo para la Acción Ambiental y la Niñez (Fondo Acción)<br><br><b>Programme Focal Point Contact:</b><br>Elizabeth Valenzuela -<br><a href="mailto:evalenzuela@fondoaccion.org">evalenzuela@fondoaccion.org</a>  | <b>Programme Location</b><br>Colombia.<br>Coral reefs in the Seaflower Biosphere Reserve and its Marine Protected Areas (MPAs) system, including (i) Providencia and Santa Catalina Islands;<br>(ii) San Andrés Island, and,<br>(iii) the cays of Serrana, Roncador, Quitasueño, Serranilla, Bajo Nuevo, Bolívar and Albuquerque. |
| <b>Programme Description:</b><br>The Fi Wi Riif programme (which means 'our reef' in the creole local language) will protect and recover the health of resilient coral reef sites in the islands of San Andrés, Providencia, Santa Catalina, and its cays, in Colombia, improve the livelihoods and the coastal protection of reef-dependent communities severely impacted by the category 5 Hurricane Iota, and research innovative approaches to reefs health and restoration technologies. This will include engaging with the public and private sector to establish a local governance and financial sustainability strategy and to create enabling legislative conditions. The programme will also engage with the islands' economy by supporting local enterprises and the creation of alternative | <b>18-month Programme Cost (USD) <sup>1</sup>:</b><br>USD 3 million<br>[Convening Agent]: Fondo para la Acción Ambiental y la Niñez (Fondo Acción)  |

<sup>1</sup> As per GFCR Executive Board decision, disbursements will be determined based on fiduciary assessment, expenditures and GFCR Secretariat's performance review.



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| <p>livelihoods, supporting terrestrial and coastal for-profit initiatives that reduce the negative impact from the islands on the reefs. Finally, the programme will support active coral reef management, reinforcing the MPAs function and financial sustainability, improving fisheries sustainability, recovering herbivorous populations, removing and using excess algae and seagrasses, creating coral nurseries and restoring corals. The long-term financial strategy combines a financial mechanism for the archipelago's MPA system, supporting the Seaflower Biosphere Reserve, and an investment account to keep on promoting reef-positive business models. Together with a robust and participative governance system, it is an exit strategy that creates ownership and sustainable development opportunities for the local communities.</p> | <p><b>Proposed Start Date<sup>2</sup>: 2023</b><br/><b>Proposed End Date: 2029</b></p> |
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<sup>2</sup> Programme start date will be triggered by the initial fund transfer of the GFCR Trustee

**Fund-level expected results:**

Baselines and targets not identified at this stage are to be defined during Phase I. Baselines and targets below are for interventions in the Seaflower Biosphere Reserve (Caribbean). Phase I activities for Colombia's Pacific coral reefs are focused on the development of a strategy to integrate blended finance principles in the programmes that Fondo Acción is part of in the Pacific, including with the CMAR Initiative.

**F1. Reef fish species abundance and biomass**

- F.1.1 Reef Fish abundance – baseline and target to be defined
- F.1.2 Reef Fish biomass: baseline to be determined. A 10% increase in reef fish biomass is expected.

**F2. Benthic cover and composition**

- F.2.1 Live coral cover: baseline is an average live coral cover of 38%. A recovery of 2% live coral cover is expected.

**F3. Integrated Local Threat Index**

- F.3.3. Fishing pressure: baseline fishing quota is given by government every year. It is expected that fishing activity will remain at least 5% below total quota

**F4. Proportion of coral reefs under effective protection and management**

- F.4.1 Total coral reef area in zone of influence: baseline is 232,300 ha. Target is to maintain it.
- F.4.2. Coral reef area under management<sup>3</sup>: baseline is 218,850ha. Target is to reach 232,300 ha<sup>4</sup> (100% of coral reef area under management)
- F.4.3 MPAs management effectiveness index: baseline to be assessed. Target is 5% average increase expected

**F5. Ratio of private and market finance to GFCR Grant Fund allocations**

**Grant side:** all baselines are USD 0 at the beginning of the programme

- F.5.1. Traditional grants deployed (GFCR only): USD 6.3 million
- F.5.2 Concessional debts issued: USD 0
- F.5.5 Recoverable grants: USD 1.7 million

**Private investment side:** all baselines are USD 0 at the beginning of the programme

- F.5.6. Equity invested: TBD
- F.5.7. Private debt issued: USD 3 million
- F.5.9. Market-based financial flows (e.g., blue carbon flow, park entrance fee) : USD 850,000
- F.5.10. Financed business revenue: TBD

**F6. Ratio of Co-financing leveraged**

- F.6.1. Grants, technical assistance, and other concessional co-financing: USD 7.8 to 9.8 million in grant co-financing (being USD 1.1 million secured and USD 6.7 to 8.7 million anticipated/ ambition).

**F7. Proportion of financing that is 'sustainable financing'**

- F.7.4 Estimates of government funding, site-based revenues, endowment returns, etc.: USD 5,000,000



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| <p><b>Signature of Convening Agent:</b></p> <p>Print:<br/>         Organization <u>Fondo para la Acción Ambiental y la Niñez</u><br/>         Name <u>Natalia Arango Vélez</u><br/>         Title <u>Executive Director</u></p> <p>Signature <span style="background-color: black; color: black;">[Redacted Signature]</span></p> <p>Date <u>17 February 2023</u></p> | <p><b>Signature of Co-recipient Organization (if needed):</b></p> <p>Print:<br/>         Organization _____<br/>         Name _____<br/>         Title _____</p> <p>Signature _____</p> <p>Date _____</p> |
| <p><b>Signature of GFCR Executive Board UN Partner:</b></p> <p>Print:<br/>         Organization <u>UNEP</u><br/>         Name <u>Leticia Carvalho</u><br/>         Title <u>Chief of Branch, Marine and Freshwater Branch</u></p> <p>Signature <span style="background-color: black; color: black;">[Redacted Signature]</span> Date <u>7 February 2023</u></p>       |   |

### Budget by UNDG Categories:

| UNDG Categories  | Convening Agent    |
|--|--------------------|
| 1. Staff and other personnel                                   | \$298.440          |
| 2. Supplies, Commodities, Materials                            | \$31.824           |
| 3. Equipment, Vehicles, and Furniture (including Depreciation) | \$16.000           |
| 4. Contractual services  | \$376.000          |
| 5. Travel  | \$50.880           |
| 6. Transfers and Grants to Counterparts                        | \$940.000          |
| 7. General Operating and other Direct Costs                    | \$135.000          |
| <b>Total Direct Costs</b>                                      | <b>\$1.848.144</b> |
| 8. Indirect Support Costs (Max. 7%)                            | \$129.370          |
| <b>TOTAL Budget</b>  | <b>\$1.977.514</b> |

<sup>3</sup> Areas under management are considered as those formally protected or managed as MPAs or LMMAs (locally managed marine areas). Management effectiveness in these areas will be measured in the first Phase. It is expected that with additional finance coming from the Seaflower fund and with other interventions in this programme, the management effectiveness could increase by 5%.

<sup>4</sup> The cays of Serranilla and Bajo Nuevo should soon be declared as new MPAs or LMMAs.



## GOVERNMENT SIGNATURE PAGE

### National Coordinating Authority

CORALINA - Corporación para el Desarrollo Sostenible del Archipiélago de San Andrés,  
Providencia y Santa Catalina  
Arne Briton González, Director

Comisión Colombiana del Océano (CCO)  
Capitán Camilo Forero, Executive Secretary

Secretaría de Agricultura y Pesca de la Gobernación del Archipiélago de San Andrés,  
Providencia y Santa Catalina  
Randy Rodolfo Manuel Henry, Secretary

INVEMAR - Instituto de Investigaciones Marinas y Costeras José Benito Vives de Andrés  
Jesús Garay Tinoco, Director (E)

Autoridad Nacional de Acuicultura y Pesca-AUNAP  
Nicolás del Castillo Piedrahita, Director

Parque Nacional Natural Old Providence McBean Lagoon  
Marcela Cano, Head of the Park

☒ Official support letter(s) attached



# GLOBAL FUND FOR CORAL REEFS

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| SECTION D | GOVERNANCE & OPERATIONAL STRUCTURE |
| SECTION E | PROGRAMME PIPELINE                 |
| SECTION F | FINANCING OVERVIEW                 |
| ANNEXES   |                                    |

### ***NOTE TO CONVENING AGENTS ON THE USE OF THE PROGRAMME PROPOSAL TEMPLATE***

- Convening Agents should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, business models and financials, gender action plan, etc.
- Convening Agents should ensure that annexes provided are consistent with the details provided in the core proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The recommended font is Calibri (Body), size 11.
- All word counts are maximum limits, points will not be deducted for sections that are under the word count.
- Blue text can be deleted.



# GLOBAL FUND FOR CORAL REEFS

## SECTION A – PROGRAMME SUMMARY

| A. PROGRAMME SUMMARY                              |  |           |   |                            |
|---|--|-----------|---|----------------------------|
| A.1. Country/Region                               | Colombia<br>Coral reefs in the Seaflower Biosphere Reserve and its Marine Protected Areas (MPAs) system, including (i) Providencia and Santa Catalina Islands; (ii) San Andrés Island, and, (iii) the cays of Serrana, Roncador, Quitasueño, Serranilla, Bajo Nuevo, Bolívar and Albuquerque.<br>Coral reefs in the Pacific Ocean, including those in the islands of Gorgona and Malpelo and in the Utría MPA. |           |   |                            |
| A.2. Priority Coral Reef Sites for Implementation | Name of Site   |           | Total Coralline Area (ha) <sup>5</sup>        | Live Coral Cover Area (ha) |
|   | 1. Providencia and Santa Catalina (P&SC)   |           | 28,520  | 12,490                     |
|   | 2. San Andrés (SA)   |           | 9,750   | 4,470                      |
|   | 3. Cays and shallows of the Archipelago:   |           |   |                            |
|   | - Cays of Serrana, Roncador, Quitasueño, Bolívar and Albuquerque   |           | 180,580                                       | 65,600                     |
|   | - Cays of Serranilla and Bajo Nuevo  |           | 13,450  | 4,707                      |
|   | SUBTOTAL CARIBBEAN   |           | 232,300                                       | 87,267                     |
|   | 4. Pacific Ocean:  |           |   |                            |
|   | - Malpelo Island   |           | 40  | 1                          |
|   | - Gorgona Island   |           | 1,410   | 30                         |
| - Utría MPA                                       |  | 20        | 19  |                            |
| SUBTOTAL PACIFIC                                  |  | 1,470     | 50  |                            |
| TOTAL   |  | 233,770   | 87,317  |                            |
| A.3. Period of Implementation and phases          |  |           |   |                            |
|   | Total Programme  | Phase I   | Phase II                                      | Phase III                  |
|   | 6 Years  | 18 months | Years 2 (second half) and 3 (total 18 months) | Years 4 to 6 (36 months)   |
| A.4. Local drivers of coral reef degradation      |  |           |   |                            |
|   | ☒ Coastal development  |           | ☒ Land-based pollution                        |                            |
|   | ☒ Overfishing  |           | ☒ Marine-based pollution                      |                            |

<sup>5</sup> Coralline area refers to total area of coral reef structure, including live and dead coral cover.

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| addressed by<br>programme<br>implementation  | <div> <input checked="" type="checkbox"/> Destructive fishing practices (blast, cyanide, trawling, etc.)         </div> <div> <input type="checkbox"/> Irresponsible marine and freshwater aquaculture         </div> <div> <input type="checkbox"/> Poor agriculture and livestock practices (leading to harmful runoff and poor water quality)         </div> <div> <input checked="" type="checkbox"/> Unsustainable tourism (overcrowding, cruise ships, etc.)         </div> <div> <input checked="" type="checkbox"/> Poor wastewater treatment<sup>6</sup> </div> <div> <input checked="" type="checkbox"/> Invasive Species and/or Coral Reef disease         </div> <div> <input type="checkbox"/> Energy production and mining         </div> <div> <input type="checkbox"/> Marine traffic and shipping         </div> <div> <input type="checkbox"/> Other, specify below:         </div>  |
| A.5. Archetypes of Business Models and Finance Instruments included in the programme | <div> <input checked="" type="checkbox"/> Revenue streams for MPA management (e.g., User Fees)         </div> <div> <input checked="" type="checkbox"/> Coral reef restoration         </div> <div> <input checked="" type="checkbox"/> Invasive species management         </div> <div> <input checked="" type="checkbox"/> Sustainable fisheries         </div> <div> <input type="checkbox"/> Sustainable mariculture/aquaculture         </div> <div> <input checked="" type="checkbox"/> Waste management facilities         </div> <div> <input checked="" type="checkbox"/> Incubator/technical assistance facility for reef-positive businesses         </div> <div> <input checked="" type="checkbox"/> Ecotourism         </div> <div> <input checked="" type="checkbox"/> Sewage &amp; wastewater treatment<sup>7</sup> </div> <div> <input checked="" type="checkbox"/> Blue Carbon         </div> <div> <input type="checkbox"/> Biodiversity offsets         </div> <div> <input type="checkbox"/> Blue Bonds         </div> |

<sup>6</sup> There is no clear evidence that the poor wastewater treatment is a significant local driver of degradation to coral reefs. Most coral reefs are at least 1km away from the coast of the inhabited islands and have seagrass beds between the coast and the reefs, which absorb a great part of the nutrients. This may be a driver of degradation in San Andrés only, where most of the Archipelago's population is based. Nevertheless, there is a need for additional studies to establish the causality between the wastewater treatment and coral reefs health in the Archipelago.

<sup>7</sup> Although there is no reef-positive business already identified in sewage and wastewater treatment, Fondo Acción and the co-implementers will work to assess potential opportunities in this sector, including the possibility of involving the GFCR Equity Fund as an investor. There is the need for better sewage and wastewater treatment especially in San Andrés.





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|  | <input type="checkbox"/> Coastal infrastructure <input type="checkbox"/> Insurance products<br><br><input checked="" type="checkbox"/> Other, specify below:<br>Two financial mechanisms (Seaflower Fund and Fi Wi Riif Investment Account) that will finance the activities above and also sustainable agriculture, conservation agreements for avoided destruction of coral reefs  |
| A.6. Expected Coral Reef and Associated Ecosystem Impact | The indicators and targets <sup>8</sup> listed below are related to the top expected coral reef health impacts of this programme for the Caribbean coral reefs <sup>9</sup> : <ul style="list-style-type: none"> <li>• Impact: increased reef fish species abundance and biomass. Target: expected 10% increase in reef fish biomass. Target for abundance will be defined after baseline is assessed</li> <li>• Impact: increased area of live coral reef cover. Target: expected 2% increase of area with live coral cover (equivalent to 1,745 ha)</li> <li>• Impact: reduced fishing pressure. Target: fishing activity will remain at least 5% below total quota established by the government</li> <li>• Impact: increased area under improved Protected Area management. Target: 232,300 ha of coral reef area under improved/strengthened protection (MPAs/LMMAs) with 5% average increase in management effectiveness of MPAs expected</li> </ul> |
| A.7. Expected Socio-economic Impact                      | The indicators and targets listed below are related to the top expected socio-economic impacts of this programme: <sup>10</sup> <ul style="list-style-type: none"> <li>• Impact: increased level of finance to local communities engaged in conservation agreements. Target: at least USD 350,000 disbursed to local communities as collective benefits through conservation agreements</li> <li>• Impact: increased level of finance to local enterprises. Target: USD 3 million committed to 40 local enterprises by the Fi Wi Riif Investment Account</li> </ul>  |

<sup>8</sup> It is important to highlight that all of the indicators will have their baseline assessed during the first six months of implementation, when the Fondo Acción M&E specialist will develop the detailed indicator sheets. After this exercise, there may be adjustments to the expected targets presented in this document.

<sup>9</sup> Phase I activities for Colombia's Pacific coral reefs are focused on the development of a strategy to integrate blended finance principles in the framework of the recently launched CMAR Initiative.

<sup>10</sup> Baselines for these indicators are zero as they measure results of the programme actions to be implemented from 2023 on.



|   | <ul style="list-style-type: none"><li>Impact: improved women economic empowerment. Target: at least 55% of supported local enterprises are led/owned by women</li><li>Impact: increased awareness about the importance of coral reefs and improved local capacity to sustainably manage coral reef and adjacent ecosystems. Target: number of beneficiaries (disaggregated by gender and age) engaged in training and awareness activities will be determined after baseline assessment</li></ul>   |  |                           |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
|---|---|--|---------------------------|--|-----------|---------|------|-----------|-----------|----------|-----------|--------------|-----------|-------|-----------|-----------|-----------|---------------------|--|--|-----------|-------------|-----------|--|--|-----------|-------|------------|-----------|--|------------|
| A.8. Programme Grant Cost Overview (USD)                | <table><tr><th>Source</th><th>Traditional Grant</th><th>Recoverable Grant and concessional loans</th><th>Guarantee</th><th>TOTAL</th></tr><tr><td>GFCR</td><td>6,300,000</td><td>1,700,000</td><td>0</td><td>8,000,000</td></tr><tr><td>Co-financing</td><td></td><td></td><td></td><td></td></tr><tr><td>    Secured</td><td>1,100,000</td><td></td><td></td><td>1,100,000</td></tr><tr><td>    Anticipated</td><td>8,780,000</td><td></td><td></td><td>8,780,000</td></tr><tr><td>TOTAL</td><td>16,180,000</td><td>1,700,000</td><td></td><td>16,180,000</td></tr></table>  | Source                                   | Traditional Grant         | Recoverable Grant and concessional loans | Guarantee | TOTAL   | GFCR | 6,300,000 | 1,700,000 | 0        | 8,000,000 | Co-financing |           |       |           |           | Secured   | 1,100,000           |  |  | 1,100,000 | Anticipated | 8,780,000 |  |  | 8,780,000 | TOTAL | 16,180,000 | 1,700,000 |  | 16,180,000 |
| Source  | Traditional Grant   | Recoverable Grant and concessional loans | Guarantee                 | TOTAL                                    |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| GFCR  | 6,300,000   | 1,700,000                                | 0                         | 8,000,000                                |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| Co-financing  |   |  |                           |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| Secured   | 1,100,000   |  |                           | 1,100,000                                |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| Anticipated   | 8,780,000   |  |                           | 8,780,000                                |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| TOTAL   | 16,180,000  | 1,700,000                                |                           | 16,180,000                               |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| A.9. Leverage of GFCR Grant to investment capital (USD) | <table><tr><th></th><th>Private Sector Investment</th><th>Public Sector Investment</th><th>TOTAL</th></tr><tr><td>Secured</td><td></td><td></td><td></td></tr><tr><td>Ambition</td><td>3,850,000</td><td>5,000,000</td><td>8,850,000</td></tr><tr><td>TOTAL</td><td>3,850,000</td><td>5,000,000</td><td>8,850,000</td></tr><tr><td colspan="3">GFCR Grant Leverage</td><td>1:1.1</td></tr></table>  |  | Private Sector Investment | Public Sector Investment                 | TOTAL     | Secured |      |           |           | Ambition | 3,850,000 | 5,000,000    | 8,850,000 | TOTAL | 3,850,000 | 5,000,000 | 8,850,000 | GFCR Grant Leverage |  |  | 1:1.1     |             |           |  |  |           |       |            |           |  |            |
|   | Private Sector Investment   | Public Sector Investment                 | TOTAL                     |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| Secured   |   |  |                           |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| Ambition  | 3,850,000   | 5,000,000                                | 8,850,000                 |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| TOTAL   | 3,850,000   | 5,000,000                                | 8,850,000                 |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| GFCR Grant Leverage                                     |   |  | 1:1.1                     |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| A.10. Co-recipients                                     | <p>Fondo Acción is the only recipient of GFCR resources for this programme and will work with co-implementers listed below.</p> <p>Fondo Acción already operates the Mission Impact Investment Fund (FIMI for its name in Spanish) and operates non-grants instruments through it, including recoverable grants, equity, and Simple Agreement for Future Equity (SAFE). Through the experience with FIMI, Fondo Acción has helped businesses to access capital from commercial banks by using its investment as a de-risking mechanism. Detailed information on the experience and capacity of Fondo Acción to deploy resources to private entities is provided in Section D and Annex V.</p> |  |                           |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |
| A.11. Co-implementers                                   | <p>Fondo Acción will work with the co-implementers listed below, who have participated in the design of this programme. During implementation, Fondo Acción may identify additional partners that will support implementation, including those from the private sector. The main co-implementers are:</p>   |  |                           |  |           |         |      |           |           |          |           |              |           |       |           |           |           |                     |  |  |           |             |           |  |  |           |       |            |           |  |            |

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|  | <ul style="list-style-type: none"> <li>• Sea, Land &amp; Culture Old Providence Foundation (Fundación ProSeaLand) will be the main local co-implementer, supporting community engagement and awareness, the development of agreements with fishers and other community organizations, the integration of cultural and traditional practices into the project's activities, support liaising with local authorities, and coordination of specific field monitoring work.</li> <li>• CORALINA (Corporation for the Sustainable Development of the Archipelago) is the local environmental authority in charge of the Seaflower Biosphere Reserve and its MPA system. It will contribute to the implementation of the local governance and financial mechanisms. It will also be responsible for coordinating most of the scientific monitoring of the coral reefs and adjacent coastal ecosystems.</li> <li>• McBean Lagoon National Park authority will support interventions affecting this important site, which is not directly under CORALINA mandate, as it is a national protected area.</li> </ul> |
| <b>A.15. Executive summary (max. 750 words, approximately 1.5 pages)</b>   |  |
| <p>The Archipelago of San Andrés and Providencia, in the western Caribbean Sea, contains 77% of Colombia's coral reefs. These reefs are important biodiversity reservoirs and climate refugia, being home to 59 coral species, 653 fish species, and more than 35 species of marine birds. The Archipelago is home to the Raizal ethnic group, representing 90% of the population of Providencia and Santa Catalina islands and 30% of San Andrés Island. The uniqueness of the site is recognized national and internationally. It is inside the UNESCO Seaflower Biosphere Reserve and comprises a system of marine protected areas (MPAs) declared by the Colombian government. The coral reef ecosystems services are fundamental to women and men in the Archipelago, who depend on "sea, sand and sun" tourism and reef fishing as main economic activities. The reefs also provide coastal protection to the communities, a service that has proven to be essential when category five Hurricane Iota hit the islands of Providencia and Santa Catalina in 2020.<sup>11</sup></p> <p>Coral reefs' health is threatened by local drivers of degradation, such as coral and sea urchin diseases; land-based and water-based pollution; overfishing and destructive fishing; coastal development and unsustainable tourism.<sup>12</sup> The most evident symptoms are loss or diseases in living coral tissue and increase in algal overgrowth. Barriers to conservation action include lack of a strong governance system (with failures in political, administrative, and institutional</p> |  |

<sup>11</sup> Although Iota devastated the built environment and terrestrial ecosystems, the devastation was reduced due to the protection provided by the reef systems.

<sup>12</sup> Coastal development and unsustainable tourism affect more the island of San Andrés.



organization and coordination); illegality and corruption; lack of financial mechanisms that provide reliable and sustainable funding; and resistance to new business models.<sup>13</sup>

The Fi Wi Riif programme will implement a long-term governance and funding strategy to increase financial flows for building the resilience of the Archipelago's coral reefs and communities. It will engage public and private sector partners to support local enterprises that reduce negative impacts on coral reefs and to strengthen active coral reef management, by reinforcing the MPAs function and financial sustainability. By supporting local enterprises and MPAs in the long term, the programme will catalyze sustainable revenue streams for reef-positive practices and action.

For that, Fondo Acción will establish a local team to work hand-in-hand with local co-implementers, including ProSeaLand Foundation, CORALINA and the McBean Lagoon National Park. It will also replicate its experience of building multi-stakeholder governance systems that empower women and youth in decision-making and economic processes. The governance system will be linked to long-term financial mechanisms, that allow for the sustainability of the results. A community-based approach, with gender equality, intergenerational sustainability, and the Raizal culture valorization, will permeate all programme actions.

The programme pipeline includes the development of the Seaflower Fund, a permanent mechanism to support the effective management of the MPA system, with a combination of sinking, endowment and investment subaccounts;<sup>14</sup> the establishment of the Fi Wi Riif Investment Account, to provide grants, technical assistance and recoverable grants to reef-positive business models; the set-up of conservation agreements to allow for no-take zones to be established; the creation of a facilitated credit scheme with a partner bank to provide concessional loans for a sustainable fishing fleet; the design and implementation of a cultural and educational center to raise awareness about the importance of coral reefs and the marine environment; the development of a blue carbon project to restore the essential mangrove areas of the islands, some severely damaged by Hurricane Iota; and a sea turtle conservation programme to help recover coral reefs health.

With the planned actions, the Fi Wi Riif programme will contribute to increase reef fish abundance and biomass; increase the area of live coral reef cover; reduce fishing pressure; increase MPA effective management; increase the level of finance to local communities and enterprises; improve women economic empowerment; increase awareness about the

<sup>13</sup> Some stakeholders insist on developing conventional mass tourism, mega hotel, and cruise ship-based tourism projects in P&SC, replicating the unsustainable model of San Andres. This face the resistance of local groups that are looking for environmentally friendly nature and culture-based tourism development.

<sup>14</sup> The programme will catalyze the resources mobilization through funding the development of the Seaflower Fund, which will serve as a much needed institutional structure identified as an important current gap.



importance of coral reefs; and improve local capacity to sustainably manage coral reef and adjacent ecosystems.

The long-term vision for the governance system and the financial mechanisms is the core of the exit strategy. The Seaflower Fund is expected to have an endowment subaccount, which will provide resources continuously to the MPAs effective management and to conservation agreements with the local communities. It will also be designed to receive sinking resources that allow for strategic investments in the MPAs during and after the programme implementation. The Fi Wi Riif Investment Account will help local reef-positive initiatives to become financially self-sustainable, in a way they do not depend on the support of the programme to continue operating. This investment account will potentially become a subaccount of the Seaflower Fund, under a robust and permanent governance system. The strong community awareness and engagement focus of this programme will empower women, youth and the Raizal people to responsibly manage and monitor the marine and coastal resources.

SECTION B – PRIORITY CORAL REEFS

| B. PRIORITY CORAL REEF SITE(S)   |  |
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| B.1. Country/Region Overview   |  |
| B.1.1. Ecological characteristics of the country/region’s coral reefs. (150 words) | <p>The 232,300 ha (87,267 ha with significant live coral cover) of coral reef areas in the Archipelago of San Andrés, Providencia and Santa Catalina represent 77% of Colombia’s coralline areas. They include a 32 km-long reef barrier and some of the few atolls in the Caribbean. There is extensive coral growth up to 60 meters deep. All reef areas are within the Seaflower Biosphere Reserve MPAs system (see details in Annex III, Part 1).</p> <p>The Seaflower coral reefs can be considered resilient and a climate refugia. A 20-year study<sup>15</sup> found no statistically significant decrease in coral cover or increase in algal coverage since 1998 and suggested that bleaching did not affect more than 3% coral cover nor kill extensive reef areas. In 2018, the Global Reef Expedition classified these reefs as the second-best cover and the first in fish abundance among the sites studied in the Caribbean. The Pristine Seas – NatGEO expedition in 2022 to the cays of Serranilla and Bajo Nuevo reported very good results in coral cover and sharks’ abundance, and these</p> |

<sup>15</sup> Navas-Camacho, R., A. Acosta-Chaparro, J.D. González-Corredor, L. Sánchez-Valencia, D. I. Gómez-López y E. Castro, 2019. 20 years (1998-2017) of coral formations monitoring in San Andrés and Providencia. General Publications Series No. 106. INVEMAR-CORALINA, Santa Marta, 47 p. ISBN digital: 978-958-8935-52-2 DOI: <https://n2t.net/ark:/81239/m9sd44>

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|   | <p>cays are to be declared as new MPAs.<sup>16</sup> It is also relevant that even category 5 Hurricane Iota in 2020 did not generate catastrophic effects on the reefs.<sup>17</sup> However, coral cover is slowly descending as algae cover increases, diseases persist, herbivorous population keeps being reduced and overfishing and destructive fishing continue.</p> <p>The Eastern Pacific coralline areas in Colombia will indirectly benefit from this programme. They cover 1,470 ha (with 50 ha relevant living cover) and are some of the few and widely dispersed Eastern Pacific coral reefs. They are submitted to extreme physical conditions limiting their development and diversity but play an important role as coral ecosystems and climate refugia. Gorgona Island reefs, the largest in the Colombia Pacific Ocean, are extremely beautiful having dense populations of fishes and turtles; Malpelo Island is a renowned dive site. First reports of bleaching in Colombia, by 1976, were in Gorgona; even so, reefs are considered healthy. All coralline areas (including the coastal ones in the Northern Chocó area, in Utría MPA) are protected: Gorgona and Utría are National Parks and Malpelo is a Flora and Fauna Sanctuary. Colombia is part of the Eastern Tropical Pacific Marine Corridor (CMAR) regional initiative (see Annex III for details) and recently signed an international commitment to increase the area protected within the Tropical Eastern Central Pacific Corridor.<sup>18</sup></p> |
| B.1.2. Socio-economic value of country/region's coral reefs (200 words) | <p>Coral reef ecosystems services are fundamental to women and men in the Archipelago of San Andrés, Providencia and Santa Catalina. The GDP of the Archipelago is based mainly on “sea, sand and sun” tourism and commerce (50%), complemented by subsistence agriculture and reef-dependent fishing. Ecosystem services provided by coral reefs include food and nutrition, tourism attractiveness and coastal protection. A valuation study indicated that the Seaflower Reserve provides ecosystem goods and services estimated at USD 267,000 to 353,000 million a year (more information in Annex III, Part 2). A large part of these goods and services come from coral reefs.</p>  |

<sup>16</sup> After the Pristine Seas expedition results and as part of Colombia commitment to achieve 30% of marine protected areas.

<sup>17</sup> Sanchez, Laura, J. D. González, N. Bolaños y R. Azcarate. 2020. Evaluación preliminar del estado de los arrecifes de coral y pastos marinos de la isla de providencia tras el paso del huracán Iota. CORALINA - INVEMAR. Instituto de Investigaciones Marinas y Costeras José Benito Vives de Andrés, Santa Marta. 32 p.

<sup>18</sup> This programme will promote that a blended-finance strategy is designed with partners for the Pacific coast reefs, but the region will not receive resources directly from this programme. Therefore, this region is not detailed in section B.2.

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|  | <p>In 2020, the local economy was affected by the Covid-19 pandemic, with the halt of tourism, and Hurricane Iota in November 2020, which severely damaged 98% of the built structures in Providencia. The tourism sector in San Andrés has already recovered receiving around 1.2 million tourists in the last 8 months of 2021, but Providencia is still recovering from the impact of the hurricane.</p> <p>In the Archipelago, there is a strong sense of community and pride of the Raizal cultural heritage, as well as awareness about the importance of natural resources conservation and sustainable development. There is community drive to engage in small-scale nature-based businesses, such as native-owned ecolodges, artisanal fisheries and diving schools, which all depend on the ecosystem services provided by coral reefs.</p>   |
| B.1.3. Relevant national policy overview (150 words) | <p>The programme is aligned with the National Policy on Biodiversity and Ecosystem Services,<sup>19</sup> which includes targets for 2030 to reduce direct pressures on marine diversity, ensure conservation, and promote the sustainable use of aquatic resources. In terms of international commitments, Colombia has announced it has secured 30% of its ocean as protected areas.<sup>20</sup> The cays of Serranilla and Bajo Nuevo in the Archipelago of San Andrés, Providencia and Santa Catalina are part of the newly announced MPAs and now will go through the formal process of declaration.</p> <p>The programme is also aligned with the management plans of the Seaflower MPA and the other MPAs within the Biosphere Reserve, including the McBean Lagoon National Natural Park.<sup>21</sup></p> <p>Regarding climate change, the project is aligned with three climate change adaptation measures defined in Colombia's NDC (2020),<sup>22</sup> including ecosystem-based adaptation actions on mangroves, seagrasses, and other ecosystems. The archipelago's climate change</p> |

<sup>19</sup> Available in Spanish at: <https://www.minambiente.gov.co/wp-content/uploads/2021/10/Pol%C3%81tica-Nacional-de-Gestio%CC%81n-Integral-de-la-Biodiver.pdf>

<sup>20</sup> <https://thecitypaperbogota.com/news/colombia-first-western-nation-to-protect-30-of-its-ocean/>

<sup>21</sup> Management plan 2017-2022. Available in Spanish at: <https://runapadmin.parquesnacionales.gov.co/default/general/descargarplan?pid=285>

<sup>22</sup> Available in Spanish at: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Colombia%20First/NDC%20actualizada%20de%20Colombia.pdf>



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|   | <p>adaptation plan (2014)<sup>23</sup> identifies measures such as promoting responsible tourism in the face of climate change, the strengthening of fisheries, and the integrated development of artisanal fishing.</p> <p>In June 2022, the former government (replaced in August) published through the Ministry of Environment and several other environmental institutions a document called “The Blue Manifest for Colombia 2030”,<sup>24</sup> which aligns to the objectives of the Fi Wi Riif programme. The manifest proposes to increase finance for MPAs and to reduce drivers of degradation of marine ecosystems.</p>  |
| <b>B.2 #1 Priority Site for Implementation #1 – Providencia and Santa Catalina (P&amp;SC)</b> |  |
| B.2.1 #1 – Islands of Providencia and Santa Catalina (150 words)                              | <p>Reef complex in the insular platform of Providencia and Santa Catalina islands (P&amp;SC), a part of Archipelago of San Andrés, Providencia and Santa Catalina, in Colombian western Caribbean. It is the central sector of the Seaflower Biosphere Reserve, created by UNESCO in 2000 (see maps below), and includes the following MPAs:</p> <ul style="list-style-type: none"> <li>• Central sector of the Seaflower MPA system – a National Integrated Management District with 6.5 million hectares (equivalent to IUCN’s category IV), declared as a national MPA in 2005 by the Ministry of Environment and Sustainable Development and managed by CORALINA<sup>25</sup>. Management must be reinforced and requires funding improvement.</li> <li>• Old Providence Mc Bean Lagoon MPA, in Providencia – a National Natural Park with 1,641 hectares (equivalent to IUCN’s category II), declared as a national park in 1995<sup>26</sup>, included in the Seaflower Biosphere Reserve in 2000 and included in the Archipelago MPA system in 2004. It is managed by Parques Nacionales, the national parks agency. There is a dedicated team for the park management.</li> <li>• Peak Regional Park, in Providencia – a Regional Natural Park with 10 hectares (equivalent to IUCN’s category II), declared a regional</li> </ul> |

<sup>23</sup> Available in Spanish at:

[https://www.researchgate.net/publication/330968510\\_PLAN\\_DE\\_ADAPTACION\\_AL\\_CAMBIO\\_CLIMATICO\\_DE\\_SAN\\_ANDRES\\_PROVIDENCIA\\_Y\\_SANTA\\_CATALINA](https://www.researchgate.net/publication/330968510_PLAN_DE_ADAPTACION_AL_CAMBIO_CLIMATICO_DE_SAN_ANDRES_PROVIDENCIA_Y_SANTA_CATALINA)

<sup>24</sup> <https://www.minambiente.gov.co/asuntos-marinos-costeros-y-recursos-acuaticos/autoridades-firmaron-el-manifiesto-azul-por-colombia-2030-para-cuidar-los-oceanos/#:~:text=El%20Manifiesto%20Azul%20por%20Colombia%202030%20propone%20incrementar%20en%20un,fuentes%2C%20y%20gestionar%20adecuadamente%20la>

<sup>25</sup> Resolution 107 of 2005 defines that “The environmental administration and management of the MPA will be the responsibility of the Ministry of Environment (...), as regards the areas declared or that may be declared as part of the System of National Natural Parks, and the rest will be the responsibility of CORALINA”. Available in Spanish at:

[https://www.icbf.gov.co/cargues/avance/docs/resolucion\\_minambientevdt\\_0107\\_2005.htm](https://www.icbf.gov.co/cargues/avance/docs/resolucion_minambientevdt_0107_2005.htm)

<sup>26</sup> <https://runapadmin.parquesnacionales.gov.co/default/general/descargardocumento?did=817>



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|  | <p>park and included in the Archipelago MPA system in 2011. It is a terrestrial park protecting the highest peak in the island of Providencia, a key site for cultural heritage, water protection and erosion control. It is managed by CORALINA.</p>   |
| <p>B.2.2 #1 - Ecological characteristics of Providencia and Santa Catalina's coral reefs (200 words)</p> | <p>P&amp;SC's reefs are probably one of the most complex reef structures in the Caribbean, including the second largest barrier reef in the Caribbean, after Belize, extending along 32km. Vigorous development of reef corals down to 60 meters suggests that the site is very appropriate for coral reef growth and a climate and biodiversity refugia.<sup>27</sup> The total extension of the coral reef area is 28,250 ha, of which 12,490 ha is with relevant live coral cover (44%).<sup>28</sup> Seagrasses surround the islands, covering 160 ha, able to feed a huge green turtle population. The 50 ha of mangroves were deeply affected by Hurricane Iota; some efforts to restore these mangroves are under way.</p> <p>487 fish species have been reported in Providencia and Santa Catalina islands.<sup>29</sup> The site is a remarkable Caribbean biodiversity reservoir, being home to 52 coral species, and more than 35 species of marine birds. There are turtle<sup>30</sup> and shark whale migration routes in the whole archipelago, as well as important connectivity areas for conchs (<i>Lobatus (Strombus) gigas</i>) and other animals larvae dispersion.<sup>31</sup></p> |

<sup>27</sup> Geister (1983) describes Providencia reefs as an oceanic barrier reef complex with a submerged reef in the platform edge and a barrier reef in the insular platform (bank barrier) open to the sea, with coastal lagoon reefs, ribbon reefs, reef pinnacles, including lagoonal patch reefs and microatolls. Geister, J. 1983. Holozäne westindische Korallenriffe: Geomorphologie, Oekologie und Fazies. Facies 9: 173-284.

<sup>28</sup> Díaz, J. M., L. M. Barrios, M. H. Cendales, J. Garzón-Ferreira, J. Geister, M. López-Victoria, G. H. Ospina, F. Parra-Velandia, J. Pinzón, B. Vargas-Angel, F. A. Zapata y S. Zea. 2000. Áreas CORALINAs de Colombia. INVEMAR, Serie Publicaciones Especiales No. 5, Santa Marta, 176p.

<sup>29</sup> Bolaños Cubillos, N., Abril Howard, A., Caldas, J. P., & Acero P, A. (2015). Lista de Peces conocidos del Archipiélago de San Andrés, Providencia y Santa Catalina, Reserva de la Biosfera Seaflower, Caribe Occidental Colombiano. Boletín de INvestigaciones. <https://observatorio.CORALINA.gov.co/index.php/es/publicaciones/item/359-lista-de-peces-conocidos-en-el-archipelago-de-san-andres-providencia-y-santa-catalina>

<sup>30</sup> L. E. Becking, M. J. A. Christianen, M. I. Nava, N. Miller, S. Willis, R. P. van Dam, 2016. Post-breeding migration routes of marine turtles from Bonaire and Klein Bonaire, Caribbean Netherlands. Endangered Species Research, Vol. 30: 117–124. doi: 10.3354/esr00733

<sup>31</sup> Lonin, S., Prada, M., Castro, E. 2010. Simulación de dispersión de las larvas de caracol pala *Strombus gigas* en la reserva de biósfera Seaflower, Caribe occidental colombiano. Boletín Científico CIOH No. 28: 8-24. [https://www.academia.edu/69504898/Simulaci%C3%B3n\\_de\\_dispersi%C3%B3n\\_de\\_las\\_larvas\\_de\\_caracol\\_pala\\_Strombus\\_gigas\\_en\\_la\\_reserva\\_de\\_biosfera\\_Seaflower\\_Caribe\\_occidental\\_colombiano](https://www.academia.edu/69504898/Simulaci%C3%B3n_de_dispersi%C3%B3n_de_las_larvas_de_caracol_pala_Strombus_gigas_en_la_reserva_de_biosfera_Seaflower_Caribe_occidental_colombiano)

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| <p><b>B.2.3 #1 - Local drivers of degradation in Providencia and Santa Catalina (200 words)</b></p>       | <p>Local drivers of degradation in the Archipelago are detailed in Annex III, Part 1. Specifically, in Providencia and Santa Catalina, the main local drivers of degradation are:</p> <ul style="list-style-type: none"> <li>• Coral and urchin diseases and occasional bleaching. A disease affecting the <i>Diadema</i> sea urchin reduced the populations of this important herbivore favoring algal expansion. Diseases keep threatening coral cover and could be related to ecological imbalances.</li> <li>• Land-based and marine-based pollution. The run-off of nutrients and sediments due to natural erosion processes increased by deforestation and cattle ranching and worsened by hurricane deforestation<sup>32</sup> is related with algal growth, which is also stimulated by Caribbean Sea pollution, affecting coral reefs. Extensive arrivals of floating Sargassum mainly due to the wider Caribbean Sea water pollution is also affecting coral reefs in P&amp;SC.</li> <li>• Artisanal overfishing near the islands, caused by the fact that 90% of the artisanal fleet, including bigger boats that could fish far from the islands, were destroyed by Hurricane Iota. Consequently, there is increased artisanal pressure on local reefs, where 90% of fishers are now fishing. The reduction of turtle population resulting from hunting over the last centuries is related to seagrass senescence, due to lack of grazing and with diseases affecting corals<sup>33</sup>.</li> </ul> |
| <p><b>B.2.4 #1 - Socio-economic value of Providencia and Santa Catalina's coral reefs (200 words)</b></p> | <p>Providencia and Santa Catalina have about 5,000 inhabitants (51% men; 49% women; 50% less than 30 years old; 90% belonging to the local Raizal ethnic group). All of them directly or indirectly depend on coral reef ecosystems, as every family has at least one permanent or occasional fisher (man or woman), somebody working in tourism activities that depend on the sea (hotels, inns, restaurants, boatmen, divers, taxi drivers, etc.) or in the local government (often in the areas of tourism and fishing). Cultural and traditional links with the sea and the reefs are strong and recognized by people. Raizal people are proud of the beauty of the islands and their so called Seven Color Sea and of their fishing and navigational abilities. Fighting for the</p>   |

<sup>32</sup> Hurricane Iota killed 99% of the mangroves in Providencia. Terrestrial forests were also affected (90%) but not destroyed, increasing runoff and sedimentation affecting corals.

<sup>33</sup> Jeremy B. C. Jackson, et al. "Historical Overfishing and the Recent Collapse of Coastal Ecosystems." Science, vol. 293, no. 5530, American Association for the Advancement of Science, 2001, pp. 629–38, <http://www.jstor.org/stable/3084305>.

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|  | <p>conservation of their territory is an important part of P&amp;SC recent history.</p> <p>However, because of Hurricane Iota impact, lifestyles have changed, and most people currently depend on the reconstruction process. Fishing is just starting to recover, with more than 300 people locally providing and exporting fish, conchs, and lobster. Currently, tourism activities in Providencia and Santa Catalina are not fully authorized due to the impacts of the hurricane, but as there are 2,000 workers, administrators, police and military personnel working in the reconstruction of the islands, it is estimated that more than 2,000 locals are working on services to these personnel (accommodation and catering) or with construction enterprises. The number of construction workers rebuilding following the destruction of Hurricane Iota is reducing gradually, as tourism is currently being reopened.</p>                                    |
| B.2.5 #1 - Stewards of the marine area in Providencia and Santa Catalina (150 words) | <p>In Providencia and Santa Catalina, the main environmental authority is CORALINA, the Archipelago corporation for environmental management and sustainable development. Other marine authorities include DIMAR (Maritime Direction), which depends on the Ministry of Defense and the Colombian Navy (Armada), and the Navy itself, which controls marine traffic and sovereignty. McBean Natural National Park is managed by the National Parks administrative authority, belonging to the Sector of Environment and Sustainable Development, with a local director and staff.</p> <p>Although the Raizal community does not have formal co-management roles over the protected areas (as it happens with some Afro-Colombian MPAs in the Pacific and the Caribbean), they have significant influence over decisions and must be consulted and involved in any conservation decision. This is especially true in P&amp;SC, where 90% of the population is Raizal.</p> |
| <b>B.2 #2 Priority site for Implementation #2 – San Andrés (SA)</b>                  |  |
| B.2.1 #2 – Island of San Andrés (150 words)  | <p>San Andrés island is part of the Southern Sector of the Seaflower Biosphere Reserve and it includes the following areas, which are part of the Seaflower MPA system:</p> <ul style="list-style-type: none"> <li>• Jhonny Cay Regional Park – a Regional Natural Park with 44 hectares (equivalent to IUCN's category II), declared a regional park and included in the Archipelago MPA system in 2000. It is a coral cay, surrounded by reefs, maybe the most</li> </ul>  |

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|  | <p>important tourism attraction in the island. It is managed by CORALINA.</p> <ul style="list-style-type: none"> <li>• Old Point Regional Park – a Regional Natural Park with 240 hectares (equivalent to IUCN’s category II - National Park), declared a regional park and included in the Archipelago MPA system in 2001. It includes an extensive mangrove area, and it is a wildlife sanctuary located on the eastern side of the island in Hooker and Haynes bays, near the city center. It is also managed by CORALINA.</li> </ul>   |
| B.2.2 #2 - Ecological characteristics of San Andrés’ coral reefs (200 words) | <p>The coral reefs surrounding San Andrés have been defined as a coral reef complex with barrier, fringing and patch reefs. It has a total extension of 9,750 ha, of which 4,470 ha (46%) with significant live coral cover; all this area is included in the MPA system.</p> <p>A 50% loss of live coral cover was reported in San Andrés in the 1980’s, when an extensive mortality event took place in the wider Caribbean Sea mainly due to bleaching events and pathogenic diseases (such as the black band and white band diseases)<sup>34</sup>. After that, reefs have been rather stable as coral and algal covers (about 50%) didn’t show significant changes in reef monitoring from 1998 to 2017, even if live coral cover is slowly descending as algae cover increases, diseases persist, and herbivorous population keeps being reduced. Exceptional clear waters allow coral development up to 60 meters depth.</p> <p>San Andrés has 400 ha of seagrass meadows and 140 ha of mangroves in good shape and mostly under protection as Protected Areas.</p> |
| B.2.3 #2 - Local drivers of degradation (200 words)                          | <p>Local drivers of degradation in San Andrés are:</p> <ul style="list-style-type: none"> <li>• Coastal development. Degradation because of coastal development has mainly affected coral reef ecosystems in San Andrés, where the economy is based on a model of mass tourism and mega hotels (still rejected in P&amp;SC). Navigation channels dredging, land reclamation, removal of mangroves and seagrasses and coastal infrastructures construction have impacted coastal ecosystems in this island.</li> <li>• Unsustainable tourism. As explained, SA has followed a model of mass tourism, with 1.2 million visitors a year and 4,000</li> </ul>  |

<sup>34</sup> Garzón-Ferreira, J., & Kielman, M. (1995). Extensive mortality of corals in the Colombian Caribbean during the last two decades. *Oceanographic Literature Review*, 9(42), 77

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|  | <p>divers. The large number of divers cause impacts on the reefs, due to stepping and hitting fragile reef structures with their fins. Moreover, tourism also brings intense marine transportation (mainly outboard boats and marine motorcycles), as well as excessive demands on local resources (reinforcing overfishing, including in P&amp;SC), and increased waste.</p> <ul style="list-style-type: none"> <li>• Artisanal overfishing. About 400 artisanal fishers are registered in SA and overfish to provide to the local market (mostly to tourists).</li> <li>• Land-based and marine-based pollution, accentuated by the high population density of San Andrés, with around 65,000 inhabitants, and more than 1 million tourists a year.</li> <li>• Coral and urchin diseases and bleaching. As it happens in P&amp;SC, in San Andrés coral mortality because of bleaching in combination with coral and urchin diseases favor algae (which can be induced or exacerbated by eutrophication) that take advantage and are preventing coral recovery.</li> </ul> |
| B.2.4 #2 Socio-economic value of San Andrés' coral reefs (200 words) | <p>San Andrés' economy is dependent on tourism of the type named 3S (Sea, Sun, Sand), with the Seven Color Sea created by the coral reefs as the main attraction. This mass tourism model includes tax free commerce. San Andrés is receiving more than a million visitors each year and has the highest levels of hotel occupancy in Colombia (63.2%). Just for the tourism entrance card<sup>35</sup>, San Andrés provincial government collects about USD 30 million each year. Assuming an average expenditure of USD 300 per tourist, it is estimated that San Andrés generates around USD 300 million a year from tourism, on top of the entrance fees. The population of San Andrés is around 65,000 inhabitants (50% men; 50% women), of which 51% are under 30 years of age and 30% are Raizal ethnic people. It is estimated that at least 75% of the island's people have a direct or indirect nexus with tourism and reefs, often as informal workers.</p>  |

<sup>35</sup> The tourism card was established in 1991 and has two components: the tourism card itself and a contribution for the use of touristic public infrastructure. In total, the current price for the tourism card is COP124,000 (about USD29), being 25% (around USD7) for the touristic public infrastructure component. In 2022, an article in a new Law specified that this contribution for the use of touristic public infrastructure should be used for the "execution of activities related to the improvement, maintenance, adaptation and modernization of public tourism infrastructure and the preservation of natural resources". This article also earmarked 20% of the touristic public infrastructure portion for health infrastructure. The tourist card portion of the total amount is not earmarked, which means that it is part of the cash unit with other unearmarked revenue, and the provincial government can decide the destination.

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| B.2.5 #2 Stewards of the marine area (150 words)   | As in Providencia and Santa Catalina, the main environmental marine authority is CORALINA, the Archipelago corporation for environmental management and sustainable development (see above, section B.2.5#1). Other marine authorities include DIMAR and the Colombian Navy. Although the Raizal community in San Andrés is proportionally smaller (30% of the population) than in P&SC, they are key stakeholders and are also consulted before conservation interventions. The Raizal people in San Andrés and P&SC have different leadership, as the islands are distant from each other and relatively isolated.  |
| <b>Priority site for Implementation #3 – Cays and shallows of the Archipelago</b>                      |   |
| B.2.1 #3 Cays and shallows of the Archipelago (150 words)  | <p>Cays and shallows of the Archipelago. There are two groups of cays:</p> <ul style="list-style-type: none"> <li>• Northern cays, including Serrana, Quitasueño, Roncador, Serranilla and Bajo Nuevo.</li> <li>• Southern cays, including East-Southeast cays (Bolívar or Courtown cays) and West-Southwest cays (Albuquerque)</li> </ul> <p>All of them are included in the Seaflower Biosphere Reserve and are part of the Seaflower MPA system.</p>   |
| B.2.2. #3 Ecological characteristics of Cays and shallows of the Archipelago's coral reefs (200 words) | <p>The Northern cays are:</p> <ul style="list-style-type: none"> <li>• Serrana is a semicircular atoll with a peripheric breaker reef, lagoon, and some patch reefs. Its total extension is 32,140 ha, of which 7,440 ha (23%) with significant live coral cover.</li> <li>• Quitasueño (locally Queena) is a coralline bank with an extensive breaker reef, lagoon and patch reefs. Its total extension is 132,020 ha, of which 49,600 ha (37%) with significant live coral cover.</li> <li>• Roncador is a semicircular atoll with a peripheric breaker reef, lagoon, and some patch reefs. Its total extension is 5,010 ha, of which 2,980 ha (59,4%) with significant live coral cover.</li> <li>• Serranilla, in the most northern part of the Archipelago, is a semicircular atoll with a peripheric breaker reef, lagoon and some patch reefs. Its total extension is 12,000 ha, whose live coral area is estimated at 35% (4,200 ha).</li> <li>• Bajo Nuevo, also in the most northern part of the Archipelago, has two little semicircular atolls with peripheric breaker reefs. One of the atolls has 1,000 ha and the other 450 ha; live coral cover is estimated at least 35%, that is 507 ha.</li> </ul> <p>Southern cays include:</p> |

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|   | <ul style="list-style-type: none"> <li>• Albuquerque is an annular atoll with a peripheric breaker reef, lagoon, and some patch reefs. Its total extension is 6,380 ha, of which 3,020 ha (47%) with significant live coral cover.</li> <li>• Courtown or Bolívar cays have a semi annular atoll with a peripheric breaker reef, lagoon, and some patch reefs. Its total extension is 5,030 ha, of which 2,560 ha (50,8%) with significant live coral cover.</li> </ul>   |
| B.2.3 #3 Local drivers of degradation (200 words) | <p>The cays are not inhabited and the only people that stay there are the Navy staff, for enforcement. This fact excludes drivers of degradation caused by human presence, such as coastal development and land-based pollution. However, there are some drivers of degradation affecting the reefs. The main drivers of degradation in the Northern cays are:</p> <ul style="list-style-type: none"> <li>• Illegal fishing and overfishing, mainly of lobster and conch, but also of fishes and sharks. Wire nets upon the corals, compressor diving, removal of corals, indiscriminate fishing of herbivorous fishes and turtle hunting are some of the malpractices of illegal boats coming mainly from Honduras and Jamaica.</li> <li>• Industrial fishing: In April 2022, the International Court of Justice in The Hague required Colombia to obey the 2012 verdict concerning the territorial dispute between Nicaragua and Colombia, modifying the marine borders between the two countries, and declaring one of the main industrial fishing areas, Luna Verde, to be under Nicaragua's sovereignty. Colombian industrial fishers have thus started to fish in areas of the Seaflower MPA only authorized for artisanal fisheries, based on CORALINA's zoning for the Archipelago (2019).<sup>36</sup> It is expected that industrial fishing will be banned in the Biosphere Reserve.</li> <li>• Coral and sea urchin diseases, including the coral tissue loss disease, first registered in Florida in 2014 and recently found in the Northern cays.</li> <li>• Marine-based pollution, both from the industrial fishing boats and from the wider Caribbean Sea.</li> </ul> <p>In Southern cays the main drivers of degradation are:</p> |

<sup>36</sup> CORALINA (2019). Acuerdo #002 de junio de 2019. Available online (in Spanish): <https://coralina.gov.co/en/rendicion-de-cuentas/informes-de-monitoreo-y-evaluacion-del-plan-de-accion/normatividad-1/locales/acuerdos-coralina/acuerdos-coralina-2019/4258-acuerdo-002-19/file>



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|  | <ul style="list-style-type: none"> <li>• Industrial fishing, capturing lobster with coral destructive methods.</li> <li>• Coral and urchin diseases.</li> <li>• Unsustainable tourism (only in Courtown cay), mainly by divers.</li> <li>• Marine-based pollution, both from the industrial fishing boats and from the wider Caribbean Sea.</li> </ul>   |
| B.2.4 #3 Socio-economic value of Cays and shallows of the Archipelago's coral reefs (200 words)                            | <p>The cays are important traditional fishing grounds. They have been visited by local fishers since the eighteenth century, not only because of fish and conch, but also to collect seabirds' eggs. Cays are uninhabited, except for some military personnel, but are regularly visited by fishers that can stay some days during fishing campaigns. As a reference, the Archipelago fisheries generate about USD 8,000,000 every year, most of it from the cays. Fishing in the cays is mainly undertaken by men, in about 12-working-day fishing trips, using what they call strategic boats (little ships about 15 meters long). The fleet of strategic boats was almost destroyed by Hurricane Iota, which has forced fishing to take place much closer to the inhabited islands.</p> |
| B.2.5. #3 Stewards of the marine area (150 words)  | <p>The environmental authority is CORALINA, as explained in relation with the whole Archipelago of San Andrés, Providencia and Santa Catalina. However, in the cays the Navy and DIMAR (maritime and port authority) control vessels movement and entrance. Local fishers are allowed to fish, with permission. Nevertheless, because of the remoteness of the cays, control is not easy, and illegal boats are common.</p>  |
| <b>B.3. Country-wide or Regional Approach – Complete only if the programme will not be taking a priority site approach</b> |  |
| B.3.1. Rational for country-wide or regional approach (400 words)  | <p>This programme is not taking a regional or country-wide approach. It focuses in one region, the Archipelago of San Andrés, Providencia and Santa Catalina, and is divided in the three priority sites described above. However, Fondo Acción has the intention of applying the blended finance approach for reef-positive initiatives also in the Eastern Tropical Pacific Seascape, through the programmes and partnerships that are already taking place in the Pacific. Fondo Acción manages an endowment fund for the Sanctuary of Flora and Fauna of Malpelo Island and is one of the four trust funds in</p>  |



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|   | <p>PACIFICO Foundation. Through PACIFICO, Fondo Accion is already starting a blue economy project financed by the French Fund for the Global Environment (FFEM) and other actions focused on management effectiveness of the MPAs financed by the German government (KfW). There are opportunities to develop a blended finance strategy for the few but important reefs in this region based on the lessons learned through the Fi Wi Riif programme. In this sense, the programme has included a set of activities in its Phase I to promote exchanges with Pacific partners about the Fi Wi Riif programme and develop a roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs.</p>  |
| <b>B.4. Information Gaps</b>              |   |
| <b>B.4.1 Information gaps (200 words)</b> | <p>There is basic information available on living coral, algal covertures, fish abundance, diseases, and other indicators needed to monitor changes and drivers of degradation, which are monitored by INVEMAR once a year. However, control plots must be established to improve current monitoring, mainly relating to the specific effect of the different drivers of degradation. The Colombian Ocean Commission (CCO) has been coordinating relevant expeditions to collect scientific data in the Seaflower reserve and there is an opportunity to partner with them to collect specific indicators for this programme through their next expeditions. The CCO was consulted during the programme proposal development and has expressed interest in collaborating. Additionally, there are no baselines about green turtle populations in the three sites. This is important information, as the programme intends to raise awareness and promote conservation actions for the population increase of this key herbivore species. There are studies linking the imbalance of seagrass and reef health to the lack of grazing by sea turtles. The programme plans to establish a collaborative effort with fishers in the first year of the programme, which will include the sea turtle baseline assessment.</p> <p>Besides ecological information, a main information gap is baseline socio-economic information, as there is limited quantitative information directly relating social economic factors to coral reefs. The programme will monitor its direct impacts on society at the priority sites (indicators in section A.7), but a broader socioeconomic survey would be beneficial to understand the programme's impacts in the Archipelago.</p> |



## MAP



Figure 1 – Archipelago of San Andrés, Providencia and Santa Catalina and its cays in the Caribbean Sea

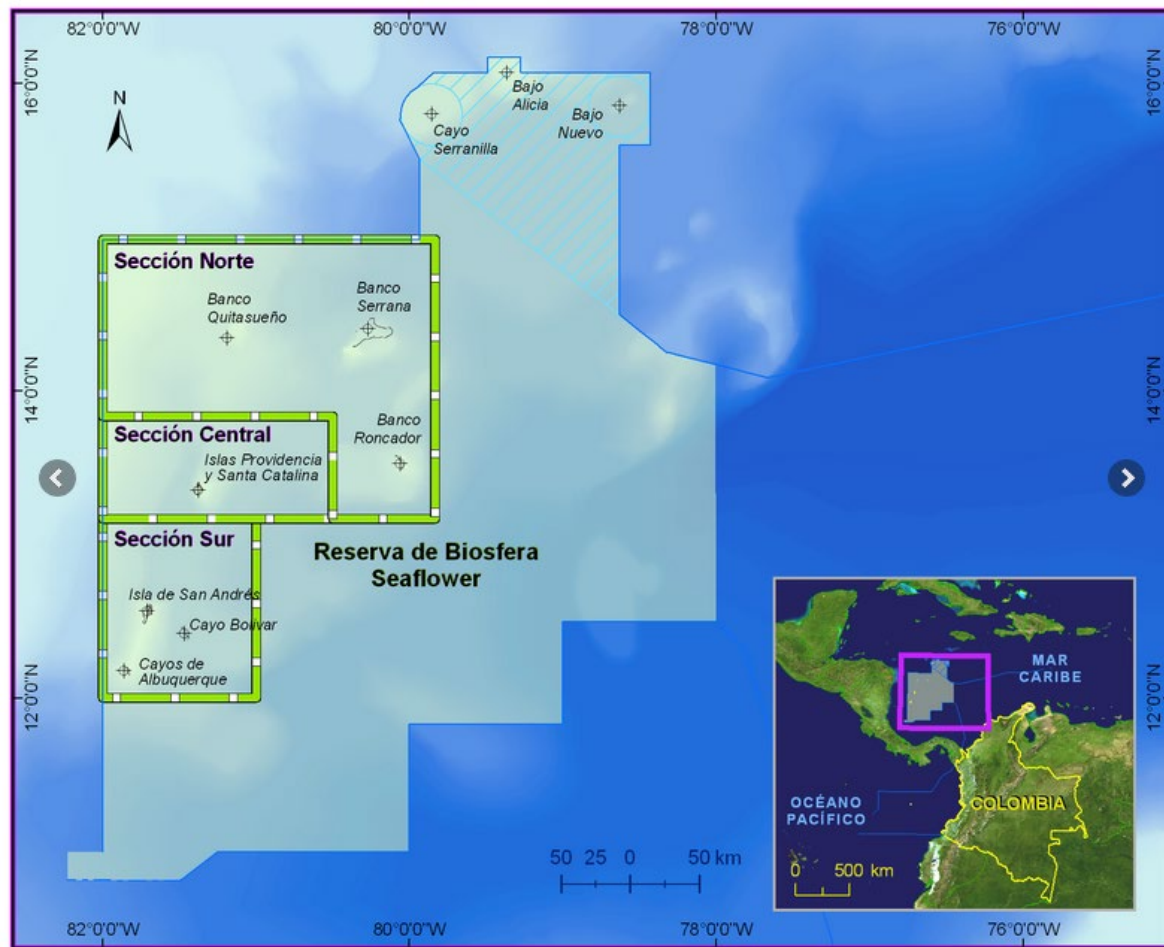


Figure 2 – Seaflower Biosphere Reserve, with the Seaflower MPA highlighted in green

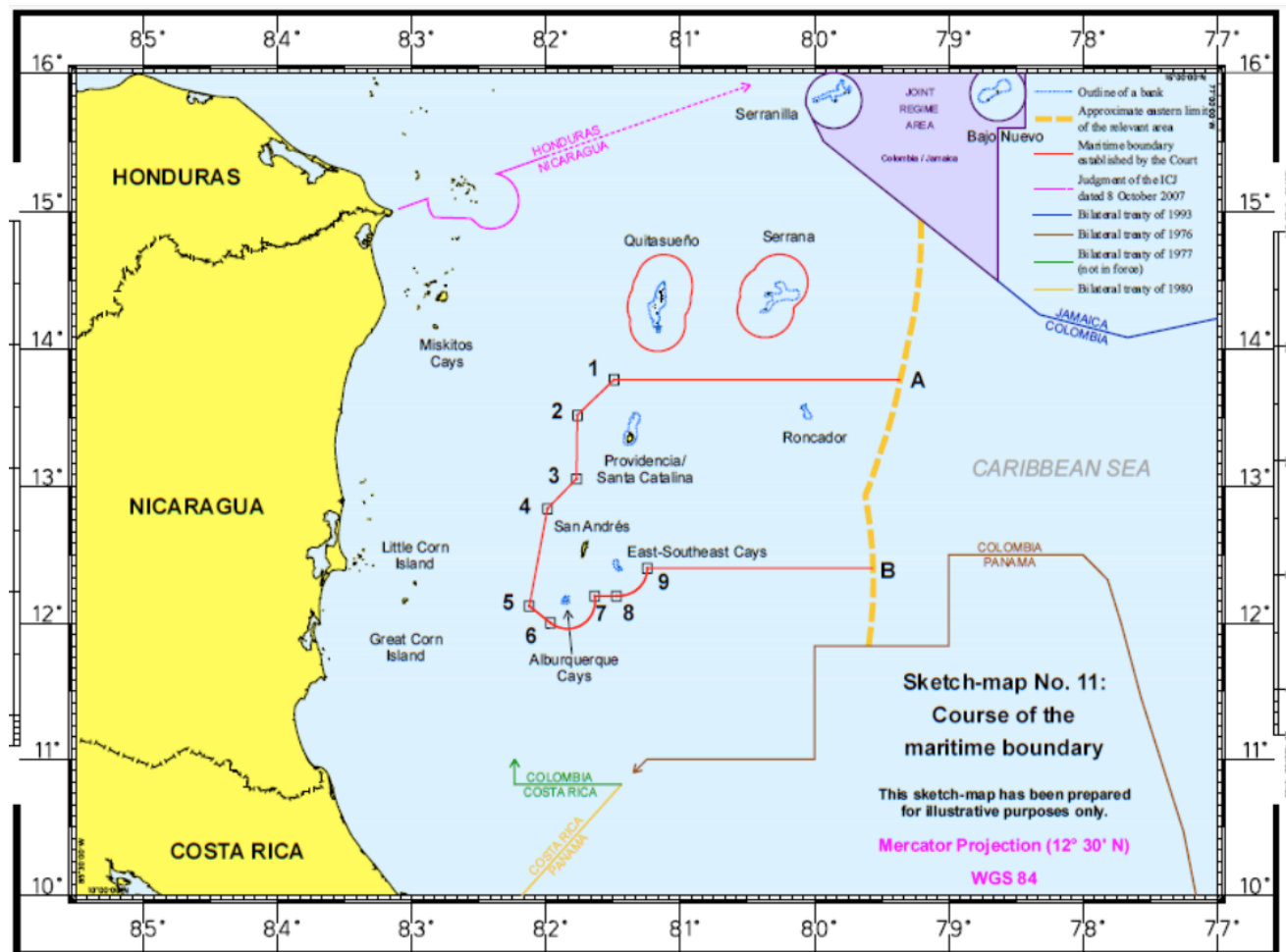


Figure 3 - San Andrés, Providencia and Santa Catalina Archipelago (inside red lines) including Serranilla and Bajo Nuevo (upper part, in purple circles) Source: International Court of Justice<sup>37</sup>

<sup>37</sup> There is a 2012 decision of the International Court of Justice that changed the maritime boundaries between Colombia and Nicaragua, as illustrated in the Map of figure 1. Coralline areas still belong to Colombia but some are now surrounded by Nicaraguan waters, as Quitasueño and Serrana. Serranilla and Bajo Nuevo are in a zone under a joint regime with Jamaica, result of a voluntary agreement between the two countries. These areas are now to be declared by Colombia as new Marine Protected Areas. More details of the dispute at: [https://www.cancilleria.gov.co/sites/default/files/litigio\\_nicaragua/PRINCIPALES%20DOCUMENTOS/traduccion\\_esp\\_sentencia\\_del\\_19\\_de\\_noviembre\\_de\\_2012.pdf](https://www.cancilleria.gov.co/sites/default/files/litigio_nicaragua/PRINCIPALES%20DOCUMENTOS/traduccion_esp_sentencia_del_19_de_noviembre_de_2012.pdf)



## SECTION C – PROGRAMME STRATEGY

| C. PROGRAMME STRATEGY                           |  |
|---|--|
| C.1. Overview                                   |  |
| C.1.1. Problem Statement (50 words)             | The health of coral reefs in Colombia is declining due to overfishing and pollution. Furthermore, coastal communities that depend on coral reef ecosystem services do not have the financial resources or technical capacity to develop sustainable revenue streams for effective management of protected areas and reef-positive livelihoods that help coral reefs to recover.  |
| C.1.2 Pathway to change (100 words)             | With the Fi Wi Riif programme, Fondo Acción will implement a long-term governance and funding strategy to increase financial flows for building the resilience of the coral reefs and the communities of San Andrés, Providencia and Santa Catalina. If the local stakeholders can access resources and technical assistance, they will develop sustainable revenue streams for protected area management, business models and livelihoods that benefit coral reefs, and reduce drivers of degradation. If these activities have clear revenues and are financially sustainable, then they can attract additional finance to scale-up operations. If reef-positive businesses scale-up and the protected areas achieve financial sustainability in the long term, then coral reefs and coastal ecosystems will be healthier and will better support livelihoods and social welfare for all the inhabitants of San Andrés, Providencia and Santa Catalina. If successful, lessons learned can be used to replicate the development of sustainable financing streams for other important marine areas in Colombia, such as the islands of the Pacific Ocean, part of the Eastern Tropical Pacific Seascape (CMAR). |
| C.2. Programme Outcomes, Outputs and Priorities |  |
| C.2.1. Outcomes (100 words)                     | <p>The programme will pursue the following three outcomes that will contribute to the GFCR strategy:</p> <ol style="list-style-type: none"> <li>1. Increased protection and recovery of coral reef sites in Marine Protected Areas and climate refugia (contributing to GFCR outcome 1)</li> <li>2. Reef-dependent livelihoods improved with recovery after major shocks (contributing to GFCR outcomes 2 and 4)</li> <li>3. Reef restoration and adaptation technologies are developed based on local knowledge (contributing to GFCR outcome 3)</li> </ol>   |
| C.2.2. Outputs (200 words)                      | <b>Outcome 1: Increased protection and recovery of coral reef sites in Marine Protected Areas and climate refugia</b>  |

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|  | <ul style="list-style-type: none"> <li>● Output 1.1: A financial sustainability strategy is designed for the Seaflower Biosphere Reserve MPA system, with the creation of the Seaflower Fund</li> <li>● Output 1.2: Monitoring tools to assess reef health evolution are supported, with a special focus on diseases to look for control options</li> <li>● Output 1.3: Coordination between relevant institutions (CORALINA, Colombian Navy, Ministry of Foreign Affairs and other public agents) is established to improve MPAs management and to avoid destructive and illegal fishing</li> <li>● Output 1.4: Blue carbon initiatives are studied and developed</li> <li>● Output 1.5: A roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs is defined</li> </ul> <p><b>Outcome 2: Reef-dependent livelihoods improved with recovery after major shocks</b></p> <ul style="list-style-type: none"> <li>● Output 2.1: A long-term local governance system and the Fi Wi Riif Investment Account are established to support local enterprises with reef-positive business models that provide improved livelihoods to communities</li> <li>● Output 2.2: Conservation agreements are established with local communities to protect species and improve ecosystems health and fish stocks</li> <li>● Output 2.3: Reef-positive business models with clear revenue streams incubated through support via technical assistance and blended finance investments, generating livelihood opportunities for local communities</li> </ul> <p><b>Outcome 3: Reef restoration and adaptation technologies are developed based on local knowledge</b></p> <ul style="list-style-type: none"> <li>● Output 3.1: Reef health recovery and low carbon technologies are systemized, and innovative business models are developed</li> <li>● Output 3.2: A community awareness and engagement programme is implemented to reinforce local knowledge related to reef health recovery and adaptation efforts with training delivered to local actors</li> <li>● Output 3.3: A turtle conservation programme is supported to increase turtle population, supporting reef health and improving tourism attractiveness</li> <li>● Output 3.4: Coral reef restoration initiatives are supported through a specific funding window of the Fi Wi Riif Investment Account</li> </ul> |
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| <p>C.2.3. Priority sectors and financial instruments to address identified drivers of coral reef degradation (150 words)</p> | <p>There are two financial instruments to be developed and incubated as part of the programme: the Seaflower Fund, targeting the financial sustainability of the Biosphere Reserve and its protected areas system,<sup>38</sup> and the Fi Wi Riif Investment Account, targeting local enterprises and initiatives with reef-positive business models. These two mechanisms will have their own initial governance bodies and will be implemented in parallel during the programme duration. There is a possibility that they are integrated into one regional financial mechanism in the future, with specific sub-accounts for the different purposes.</p> <p>The Seaflower Fund will be a permanent instrument focused on the financial sustainability of the Seaflower Reserve and its MPA system, supporting the effective management and improved health of the coral reefs. It will complement the public budget for these areas, help implement their management plans and potentially in the future have a permanent subaccount for reef-positive business models (i.e. integration of the Fi Wi Riif Investment Account to the fund).</p> <p>The Fi Wi Riif investment account will target the fisheries, tourism, and waste management sectors, as they are related to the main drivers of degradation (destructive fishing practices and overfishing, land-based and marine based pollution, unsustainable tourism and coastal development). The investment account will also support the identification and incubation of coral reef restoration initiatives that can generate revenue. Innovative business models that help recover the health of reefs (tackling invasive species and/or coral reef disease), such as use of seaweed and algae for industrialized products, may also be supported if they are developed by local actors and have a consistent business plan. Low carbon technologies that reduce the impact of activities, such as sustainable maritime transportation, may also be supported as innovative business models.</p> |
| <p>C.2.4. Policy work (200 words)</p>  | <p>The Fi Wi Riif programme is well-aligned with current public policies, including the increase of marine protected areas<sup>39</sup>, the development of a green (and blue) economy and the implementation of a domestic carbon market. During proposal development, a specific policy need has been</p>   |

<sup>38</sup> The Protected Areas system includes the national and regional MPAs, created and announced, the UNESCO Biosphere Reserve and any other figure of protection established, such as locally-managed marine areas.

<sup>39</sup> As mentioned, Colombia has announced in the UN Ocean Conference in Lisbon in June 2022 that it has secured 30% of its ocean as a protected area, becoming the first Western nation to do so, and eight-years ahead of a 2030 deadline (<https://thecitypaperbogota.com/news/colombia-first-western-nation-to-protect-30-of-its-ocean/>)



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|  | <p>identified to allow for a blue carbon project in the Archipelago that includes the McBean Lagoon National Park. It is necessary that the country develops an additional regulation for the park to be included in a blue carbon project.<sup>40</sup> This need was identified by INVEMAR and the programme will invest some resources to discuss the development of this new regulation.</p> <p>There may be additional policy work required for specific interventions. These will be confirmed during the programme implementation, as they depend on the results of activities planned for Phase I, and would only take place in Phase II. Potential future policy needed may include additional decision/ decree to improve enforcement regarding illegal fisheries, depending on the progress made by the group of institutions responsible for this, that the programme will support.</p> <p>To ensure alignment with and support from the provincial government, the programme will include representatives appointed by the governor in all governing bodies. The Fi Wi Riif Steering Committee will have an annual meeting with the governor and will advocate for public co-finance, such as the use of part of the tourism card revenues to MPAs through the Seaflower Fund. This decision does not require any additional policy and is taken annually. However, a decree in this sense would make it more permanent.</p> |
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### C.3. Application of Blended Finance (200 words)

The **Fi Wi Riif investment account** is a blended finance mechanism to promote a business context that is favorable for revenue models that are reef-positive. It is envisioned that Fondo Accion will launch calls for proposals to select enterprises to receive support from this mechanism. An initial mapping of potential beneficiaries was compiled (see Annex VI) to illustrate the different types of businesses that the blended finance mechanism will target. To assess enterprise suitability for the programme, the GFCR Investment Principles will be used. In cases where enterprises do not adhere to certain principles, the feasibility of adapting their business model to meet those criteria will be assessed.

The selected enterprises may receive initial grants focused on business development, as well as technical assistance to be delivered by co-implementers or consultants identified by Fondo Accion. This will help de-risk future investments in these enterprises, which can be done by

<sup>40</sup> As the McBean Lagoon National Park is under a strict protection category, it does not qualify for additionality in a certification process with the international carbon standards. However, given the severe loss of mangroves due to Hurricane Iota and the high vulnerability to future climate events of this type, it is essential that the park can be exceptionally included in a blue carbon project, so that its mangroves can benefit from the resources to be restored. INVEMAR and CORALINA are analyzing this possibility.



the programme and by other funding mechanisms, including impact investors, commercial banks, public programmes and individual investors.

Although most identified reef-positive businesses are currently at small scale, the fact that they will be supported under a portfolio managed by Fondo Acción will increase the possibilities of them receiving leveraged investment capital, including from the GFCR Investment Fund. For that, Fondo Acción will keep a permanent effort of leveraging co-finance for the investment account during the programme duration, in a way businesses increase their attractiveness and have conditions to also attract investment capital individually in the future.

The **Seaflower Fund**, the mechanism focused on the financial sustainability of the MPAs, may also have an investment sub-account in the future. Initially the Seaflower Fund and the Fi Wi Riif Investment Account are planned to be implemented separately, as the Seaflower Fund will take the first 18 months to be designed and established, while the Fi Wi Riif Investment Account can start operating during Year 1. In the future, the Fi Wi Riif Investment Account, may be a sub-account of the Seaflower Fund, under a common governance system, or they may be kept separately, depending on how they evolve. In any case, the Seaflower Fund investment sub-account would be focused on de-risking businesses that are reef-positive and linked to priority coral reef MPAs. In these cases, the enterprises may receive business development support through technical assistance and access facilitated capital (recoverable grants and guarantees) so that they can be investment-ready and can access commercial capital.

#### C.4 Implementation Phases

|                              | <i>Years</i> | <i>Description</i>  |
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| C.4.1. Phase I<br>(75 words) | 18<br>months | Phase I milestones are detailed in a table in Annex IV, in correspondence to each output. In this phase, the programme will set the bases for the achievement of its results, with baseline studies carried out and a defined results framework. In addition, the milestones are related to the establishment of the governance bodies and the financial mechanisms, with the different committees installed and operational and the Fi Wi Riif investment account launched. A first call for proposals will be launched and an initial portfolio of 12 selected businesses and 1 restoration initiative will be identified. Additionally, a study to identify investment opportunities in the waste management sector will be carried out to inform the needs for Phase II. The milestones also include agreements with co-implementers and with projects that are already included in the initial pipeline (section E). Additionally, milestones include conservation agreements designed for two no-take no-entry zones, initial studies on the Seaflower Fund, on blue carbon |

|                             |                                      |  |
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|                             |                                      | and on reef health and low carbon technologies. Other milestones include the development of Memorandums of Understanding (MoUs) and detailed roadmaps for strategic actions, such as the interinstitutional coordination to reinforce MPAs management and destructive fishing control and a blended finance strategy for the Pacific region. In terms of policy development, an assessment of a new regulation that exceptionally allows blue carbon projects to take place in the McBean Lagoon National Park will be carried out.  |
| C.4.2. Phase II (75 words)  | Years 2 (2 <sup>nd</sup> half) and 3 | Phase II milestones are also detailed in Annex IV. Phase II will focus on monitoring the development of the businesses of the 13 selected initiatives and helping them to mature to an investment-ready stage. Additional 15 to 20 business models will be selected, informed by the assessments carried out in Phase I, composing an investment portfolio (possibly with the development of a blue carbon project) to attract investment capital (potentially from the GFCR Investment Fund). It will also include the launch of the Seaflower Fund, with its capitalization strategy in place and under implementation, and the operation of the educational and cultural center Escuela del Mar, with a sea turtle conservation programme in place. Additionally, it is at the end of Phase II that the programme will have a mid-term evaluation, through which the intermediary results will be assessed.                                     |
| C.4.3. Phase III (75 words) | Years 4 to 6                         | In Phase III it is expected that the programme has consolidated its actions to generate the expected impacts. This will include to have the Seaflower Fund further capitalized with USD 10 million and disbursing resources; to start receiving back recoverable grants; to leverage investment capital (potentially from the GFCR Investment Fund) to scale-up local enterprises with reef-positive business models; to have additional 8 to 10 enterprises that developed innovative business models consolidating their revenue streams and achieving break-even; potentially to have a blue carbon project verified and registered, generating credits; to have the Escuela del Mar with a consolidated educational programme and revenue streams; to continue the sea turtle conservation programme, with a clear financial sustainability strategy. In addition, a final evaluation with assessment of achieved results will be carried out. |

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| <p>C.4.4. Exit Strategy (100 words)</p>                                 | <p>Fondo Acción has a strong track record in resources mobilization and will present the Fi Wi Riif financial mechanisms – the Seaflower Fund and the Fi Wi Riif investment account – and portfolio as investment opportunities to different funders and programmes, both national and international. The blue carbon interventions, if successful, will generate proceeds from the selling of carbon credits and other revenue streams, which will maintain the initiated efforts. The expected results of the interventions include the improvement of the health of the coastal and marine ecosystems, with an increase of fish stocks that combined with facilitated access to markets will increase artisanal fisheries and tourism revenues. It is difficult to predict the level of private investments that can be attracted to San Andrés, Providencia and Santa Catalina through the proposed interventions, as several of these will be community-based interventions, starting in a small scale. There is a possibility of attracting impact investors that are open to invest in a portfolio of small-scale projects, which can be done through the Fi Wi Riif investment account or as co-investments. Fondo Acción will also keep constant interaction and information sharing with the GFCR Investment Fund manager, in case larger investment opportunities (more than USD 5 million) are identified during the programme implementation (e.g., in wastewater treatment or waste management facilities, liveaboard diving cruises).</p> <p>All interventions occur inside the National Integrated Management District Seaflower Biosphere Reserve (and eventually within the Old Providence Mc Bean Lagoon National Park). The MPA system is managed by CORALINA, the provincial environmental authority, whose budget will co-finance part of the activities. Other projects under implementation in the area by Conservation International, CORALINA, or Instituto Humboldt, will also potentially provide co-finance. Finally, the strong community awareness and engagement focus of this programme will empower local people to responsibly manage and monitor the marine and coastal resources.</p> |
| <p>C.5. Local stakeholder engagement</p>                                |  |
| <p>C.5.1. Target beneficiaries and cross-cutting issues (100 words)</p> | <p>All Providencia and Santa Catalina's 5,000 inhabitants and San Andrés' 65,000 inhabitants are potential beneficiaries, at least indirectly, as economic and environmental conditions improve.</p> <p>It is expected that around 1,000 people will directly benefit from the programme activities. This number needs to be further studied and will be constantly monitored, but it is an estimate based on the number of fishers (240 Federation associates in P&amp;SC and around 400 in SA, from</p>  |

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|                                     | <p>which at least 200 would be initially supported through facilitated credits for buying, repairing or equipping fishing vessels) and workers and families of the businesses to be supported (estimated around 300 people in total). The conservation agreements may also benefit around 100 families (considering an average of 4 people each, this would mean 400 people). Another 100 people could be involved in educational activities, monitoring of the indicators, participants of the governance system, etc., including MPA staff and other partners.</p> <p>Cross-cutting priorities that will permeate the whole programme will be gender equality, with women supported in all initiatives; the valorization of the Raizal people and their culture, with traditional knowledge systemized and applied in all activities; and youth empowerment, a priority of Fondo Acción's work in all its programmes, which creates intergenerational sustainability. A Gender Action Plan was elaborated and will be implemented during the programme duration, with capacity building on gender equity for all participants and gender criteria for the selection of initiatives to be supported.</p> |
| C.5.2.<br>Government<br>(150 words) | <p>There have been consultations with the following government institutions and formal agreements are to be established in Phase I of the programme:</p> <ul style="list-style-type: none"> <li>• CORALINA, the environmental authority, is the main co-implementer, related with national government as part of the Ministry of Environment and Sustainable Development, also including INVEMAR (National Institute of Marine Research), monitoring reefs, and also with AUNAP (National Fisheries Authority), attached to the Ministry of Agriculture and Rural Development. CORALINA is to be included in all governance bodies of the programme.</li> <li>• Provincial (departmental) government, which supports the programme via the Agriculture and Fishing Secretariat and CORALINA; the governor is to appoint participants to all the programme's governance bodies.</li> <li>• Providencia local government (mayor) supports the programme through local Fish and Agriculture Secretariat.</li> <li>• National Parks authority, through McBean National Nature Park (NPP) director, supports the programme, specifically in scientific research (control plots).</li> </ul>                    |
| C.5.3. Local communities            | <p>Some very important leaders and groups are already engaged in the programme design and future implementation, mainly through the</p>   |

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| (150 words)  | <p>previous work of Fundación ProSeaLand, a local organization supporting this programme development and one of the co-implementers. Some of the groups and their leaders consulted during this programme document development are:</p> <ul style="list-style-type: none"> <li>• Fishers' Federation in Providencia (4 cooperatives and 240 associates): Mr. Edgar Jay and others</li> <li>• Citizen oversight (Raizal people): Ms. Josephine Huffington</li> <li>• Agroprovidencia: Eng. Marcela Ampudia</li> <li>• Ecoastur (tourism and culture association): Ms. Jeniffer Archbold</li> <li>• Ecoculture (women tourism and culture association): Biologist Johanna Aguado</li> <li>• Blue Indigo Foundation (coral restoration, tourism, diving): Biologist María Fernanda Maya</li> <li>• Chamber of Commerce of SA, P&amp;SC: Ms. Jennifer Yepes</li> </ul> <p>All interviewed stakeholders are presented in Annex VIII.</p>  |
| C.5.4. Awareness building and communications (150 words) | <p>The Sea School (Escuela del Mar), an intervention included in this programme (Activity 3.2.3: Implement communication and visibility strategy for local stakeholder engagement), is an initiative intended to establish a permanent pedagogic instrument for education on marine issues, to preserve and recover traditions related with the sea and to reinforce awareness on the sea functions. It is focused on local community, but also works with visitors (tourists) to create awareness of the importance of the sea in everybody's lives. In this context, the concept of "<i>maritory</i>" is important, which is the understanding that the sea is also part of the territory, as a vital space with social, cultural, environmental, economic, legal, and political implications for the societies. Local people are very engaged with the sea, but it is essential for the programme's sustainability to reinforce traditional knowledge and good practices, as many still think that the sea is inexhaustible.</p> <p>Additionally, a series of capacity building modules will be developed for entrepreneurs with content to support them in strengthening their businesses under a blue economy approach. This will also include the promotion of better fishing practices through everyday community activities. As part of the awareness building around the programme, a business roundtable will be organized to fund the creation and development of technological ideas that facilitate the monitoring and exchange of information relevant to the conservation and sustainable use of coral reefs.</p> |
| C.6. Complementary Initiatives (200 words)               |  |

This programme builds on the Seaflower Biosphere Reserve initiative, proposed in 1992 and included by UNESCO in 2000, and in its system of MPAs (an Integrated Management District in Colombian legal terms). The MPAs system is about to grow with the announcement of new protected areas in the Archipelago. To build the financial sustainability of this system, CORALINA, the environmental authority, has been working to create a financial mechanism that can complement the annual public budget to these areas. Through previous projects financed by the GEF and the IADB, CORALINA has carried out the preliminary studies for the creation of the Seaflower Fund. This programme will build on the Seaflower Fund studies and establish this financial mechanism. The programme will also complement the recently launched national programme called Inheritance Colombia (Herencia Colombia), which has mobilized more than USD 240 million to sustain the protected areas nationwide.<sup>41</sup> Throughout the design phase, Fondo Acción has worked to identify other existing initiatives related to marine conservation and the development of a sustainable blue economy in the Archipelago to build an initial pipeline. The table in Annex VI presents a long list of existing initiatives that are potential investment opportunities for the Fi Wi Riif programme. Finally, this programme was co-designed by Fundación ProSeaLand, which will be a main co-implementer. ProSeaLand is a local institution created in 2015 with a highly qualified staff based at the islands. Its leaders have been working in the Archipelago for decades and have collaborated in the process of creating the Seaflower Biosphere Reserve and other MPAs. They are recognized by local stakeholders as a legitimate implementer inserted in the local culture.

#### C.7. Large anchor investments and the GFCR Investment Fund (200 words)

During the design phase of the programme, Fondo Acción did not identify any immediate investment opportunity for the GFCR Investment Fund. It is important to note the scale of the initiatives mapped and planned, which have investment needs much smaller than USD 5 million. However, Fondo Acción and Fundación ProSeaLand see potential areas where businesses could be developed to achieve investment readiness at the scale PCA seeks. These areas would include two of the three priority sectors of the GFCR Investment Fund: waste management infrastructure and sustainable tourism. The Archipelago has a need for better waste management, both in terms of wastewater treatment (especially in San Andrés where the population is larger, with 65,000 people) and solid waste management. Fondo Acción and ProSeaLand are committed to continue exploring potential opportunities in these sectors, which would require a public-private partnership agreement, as waste management is fully managed by the public sector. In sustainable tourism, there is an opportunity in building a liveaboard business model, with large boats that accommodate tourists (mainly divers) for several days. There is not such model in place yet in the Archipelago and it could be of interest to local entrepreneurs, who can be identified in the programme implementation phase.

## FIGURES

<sup>41</sup> <https://www.worldwildlife.org/stories/securing-colombia-s-heritage>





# GLOBAL FUND FOR CORAL REEFS

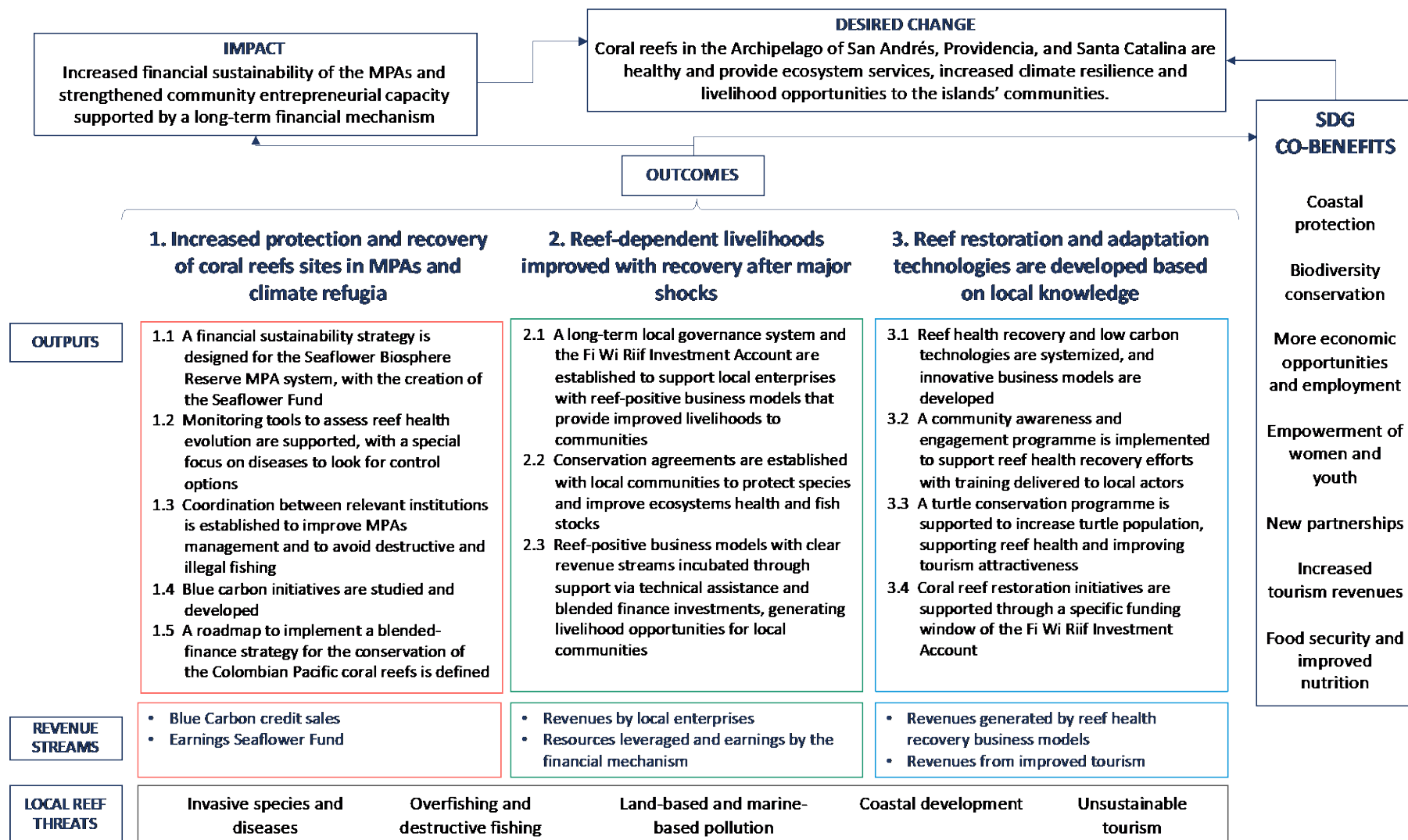


Figure 4 – Fi Wi Riif programme Theory of Change



# GLOBAL FUND FOR CORAL REEFS

## SECTION D – GOVERNANCE AND OPERATIONAL STRUCTURE

| D. GOVERNANCE AND OPERATIONAL STRUCTURE                   |   |
|---|---|
| D.1. Governance   |   |
| D.1.1. Decision-making bodies and composition (200 words) | <p>The <b>Fi Wi Riif Steering Committee</b> will provide overall strategic direction and oversight to the programme, ensuring its alignment with public policies and national and regional priorities. It will review and approve annual plans, budgets and reports, and support communication and fundraising actions, representing the programme publicly. This committee will be a high-level strategic committee, meeting at least once a year and composed by 7 members<sup>42</sup>:</p> <ul style="list-style-type: none"> <li>• A representative of the Provincial Government (appointed by the governor)</li> <li>• A representative of CORALINA</li> <li>• A representative of the Raizal people from San Andrés</li> <li>• A representative of the Raizal people from Providencia &amp; Santa Catalina</li> <li>• A coral reef specialist</li> <li>• A representative of Universidad Nacional (Caribbean campus)</li> <li>• A representative of Fondo Acción (acting as secretariat of the committee)</li> </ul> <p>A <b>Fi Wi Riif Technical Committee</b> will support the Programme Management Unit (PMU) in selecting and monitoring initiatives in the Investment Account, analyzing financial viability and impact on coral reef ecosystems and associated communities. The Technical Committee will meet when needed, and in particular during the preparation of the selection procedures for the Investment Account calls for proposals and during the proposal selection process. Depending on the number of calls for proposals that will take place during the programme lifetime, its meetings will be frequent. This committee will be composed of 9 members:</p> <ul style="list-style-type: none"> <li>• A representative of Fondo Acción</li> <li>• A representative of CORALINA</li> <li>• A technical representative of the Provincial Government (Sec. Fisheries and Agriculture, Sec. Tourism, etc.)</li> </ul> |

<sup>42</sup> The Steering Committee can invite specific participants to the annual meetings in order to address certain issues or gather specialised opinions (i.e. business specialist, etc).



- A representative of the Chamber of Commerce of SAP&SC
- A specialist in community-based businesses
- A representative of the research/academic sector, specialized in coral reefs
- A representative of the Raizal people from San Andrés
- A representative of the Raizal people from Providencia & Santa Catalina

The **Seaflower Fund Creation Committee** will define the profile of the Seaflower Fund (its purpose and governance, thematic and geographical priorities, financial instruments, etc.), validate the fund's operationalization documents and support the initial capitalization of the fund. It will be composed of representatives from the following institutions/stakeholders:

- Provincial government
- CORALINA
- Fondo Acción (assuming the secretariat of the committee)
- Municipal authority from Providencia and Santa Catalina
- Old Providence McBean Lagoon National Park
- Raizal people from San Andrés
- Raizal people from Providencia & Santa Catalina
- Private sector representative
- Current and potential donors, if interested

This committee will meet regularly, as needed, until the Seaflower Fund is launched and the Seaflower Fund Executive Committee is operational as the fund's main governing body.

The presence of the Provincial Government in the Steering Committee, the Technical Committee and the Seaflower Fund Creation Committee will ensure institutional support to the programme, a high-level visibility, and policy alignment, favoring the long-term sustainability of the financial mechanisms established.

**Fondo Acción's Joint Financial Committee**, an already operational structure within Fondo Acción, will oversee the investment management of the Fi Wi Riif programme funds pooled with Fondo Acción's endowment. Once the Seaflower Fund is launched, this committee will administer the Seaflower Fund's resources pooled with Fondo Acción's portfolio.

A more detailed description of the functions of these governance bodies can be found in Annex V.

| D.2. Partners and Responsibilities                      |                          |   |
|---|--------------------------|---|
| D.2.1. Co-recipients<br>(50 words per co-recipient)     | Co-recipients            | Role and Responsibilities   |
|   | <i>Fondo Acción (FA)</i> | The convening agent coordinating the implementing partners and reporting to the GFCR. Fondo Acción is a private conservation trust fund with +20 years of experience in sustainable investments in the environment (conservation, sustainable development, and climate change) and children in Colombia. Fondo Acción has invested USD +100 million in +1,400 initiatives achieving the conservation of +5.6 million hectares of marine and terrestrial ecosystems. Within these initiatives, FA has financed +900 projects through grants allocation and provided technical assistance and capacity building to community-based organizations. The fund follows international fiduciary standards and has an Internal Control System that ensures transparency and efficiency in its operations. Fondo Acción was one of the first conservation trust funds globally to have an impact investment fund. Since 2018, the Mission Impact Investment Fund, FIMI for its name in Spanish, has invested in four private companies, providing equity, recoverable grants and SAFE (simple agreement for future equity). More on Fondo Acción's experience in deploying resources to private entities is detailed in Annex V. Fondo Acción promotes learning based on knowledge management and policy advocacy of initiatives on the ground. In 2018, it was accredited to directly access resources from the Green Climate Fund. Fondo Acción will ensure its functions through the Programme Management Unit (PMU), responsible for the overall programme coordination, management and monitoring. FA's presence in all of the programme's committees (Steering, Technical, Seaflower Fund Creation) will support its convening role. |
| D.2.2. Co-implementers<br>(50 words per co-implementer) | Co-implementer           | Role and Responsibilities   |

|  |  |  |
|--|--|--|
|  | <p>ProSeaLand - Sea, Land &amp; Culture Old Providence Foundation<br/>(<a href="https://prosealand.org/">https://prosealand.org/</a>)</p>  | <p>The ProSeaLand Foundation was established in 2015 to support nature and culture, with an emphasis on the Archipelago of San Andrés, Providencia and Santa Catalina. It promotes recognition and appropriation by Raizal communities of their natural and cultural resources. It will be the main local implementing partner, supporting community engagement, field monitoring work and logistics, promoting reef-improving businesses, and liaising with local authorities. ProSeaLand is deeply rooted in the Raizal community and has expertise and experience in the following fields: marine biology, ecotourism, climate change, education, youth, anthropology, cultural, historical and natural heritage, and the rights of the Raizal people. A more detailed description of the roles and responsibilities of ProSeaLand can be found in Annex V.</p> |
|  | <p>CORALINA (Corporation for the sustainable development of the Archipelago of San Andrés, Providencia and Santa Catalina)<br/>(<a href="https://www.CORALINA.gov.co/">https://www.CORALINA.gov.co/</a>)</p> | <p>CORALINA is the local environmental authority in charge of the Seaflower Biosphere Reserve and its MPA system. Its support and endorsement of the interventions is a key requirement, which will contribute to the implementation of the local financial mechanisms: the Investment Account and the Seaflower Fund. CORALINA will carry out and coordinate coral reef monitoring activities, and will provide leadership and knowledge for the creation of the Seaflower Fund. CORALINA will be a member of all the governance bodies in the programme, as it is the core environmental authority in the region. A more detailed description of the roles and responsibilities of CORALINA can be found in Annex V.</p>   |
|  | <p>Parques Nacionales – staff of McBean Lagoon National Park<br/>(<a href="https://www.parquesnacionales.gov.co/porta/len/ecoturismo">https://www.parquesnacionales.gov.co/porta/len/ecoturismo</a>)</p>     | <p>McBean Lagoon National Park authority will support interventions taking place at this important site. The park staff will implement activities that CORALINA coordinate and implement in the other MPAs, including coral reef monitoring. The park manager will also be a member of the Seaflower Fund Creation Committee, linking the fund to national efforts and guiding its design to fulfil the park's needs.</p>  |

|  |   |  |
|--|---|--|
|  | <a href="https://m/caribbean-region/old-providence-mcbean-lagoon-national-natural-park/">m/caribbean-region/old-providence-mcbean-lagoon-national-natural-park/</a> |  |
| <b>D.3. Operational Structure (400 words)</b>  |   |  |
| <p><b>Fondo Acción's Programme Management Unit (PMU)</b> will be the core implementing structure for the programme. It will prepare annual workplans and budgets, as well as annual technical and financial reports, that will be validated by the Steering Committee. It will be in charge of monitoring and evaluating the programme, with the support of co-implementers and sub-contractors. In this sense, Fondo Acción will work closely with CORALINA, the McBean Lagoon National Park authority, INVEMAR and academic institutions, such as the ones congregated in CEMarin.<sup>43</sup> The PMU will be responsible for the overall programme implementation and monitoring, coordinating the technical and financial management, carrying out all procurement procedures and ensuring compliance with fiduciary and social and environmental safeguard standards of the GFCR. The PMU is expected to be composed of a Technical Coordinator, a Technical Assistant, an Administrative Assistant, a Financial Coordinator, a specialist in social and environmental standards, a Communication specialist and an M&amp;E specialist. These will be full-time positions. A part-time accountant and a legal assistant will also support the PMU.</p> <p>The <b>co-implementers, CORALINA and Fundación ProSeaLand</b>, will support the PMU with actions related to the enabling conditions (ecological and socioeconomic baselines and monitoring, community and institutional engagement, communication, etc.), as well as with the development of the Fi Wi Riif Investment Account and Seaflower Fund financial mechanisms. They will sign specific agreements with Fondo Acción at the beginning of programme implementation and will report to the PMU, that will oversee their work.</p> <p>The programme will seek additional funding from potential donors for the financial mechanisms (Investment Account and Seaflower Fund). The Steering Committee, PMU and Seaflower Fund Creation Committee will support fundraising efforts.</p> |   |  |
| <b>D.4. Coordination Strategy (200 words)</b>  |   |  |
| <p>Fondo Acción, through the PMU, will ensure close cooperation with all the different stakeholders and with other relevant projects implemented in the area. Together with CORALINA (co-implementer and lead environmental authority in the Archipelago), Fondo Acción is present in all the governing bodies, which should maximize complementarities</p>  |   |  |

<sup>43</sup> CEMarin is the Corporation Center of Excellence in Marine Sciences, an academic consortium that works to study problems in this field in Colombia. More information at <http://cemarin.org/>



between interventions. The convening agent (Fondo Acción) and the co-implementers will organize monthly meetings (either online or in person) in order to exchange on the programme advancement and to prepare workplans.

Yearly workshops will be organized, inviting the initiatives supported by the Investment Account to present their work, in order to promote synergies and learning. Government officials, community representatives, private sector actors, donors and other relevant stakeholders will be invited to these workshops, fostering collaboration, coordination, funding and eventually replication or scaling of initiatives.

The programme will also support coordination among relevant institutions to improve enforcement of illegal activities affecting coral reefs in the Archipelago, and to harmonize scientific and communication efforts. In particular, it will support mechanisms (the Seaflower Roundtable and the Illegal Fisheries Roundtable) already managed by the Colombian Ocean Commission (Comisión Colombiana del Océano), an inter-sectoral advisory and coordinating body of the national government for ocean and coastal policy.

ProSeaLand will play an important role in locally supporting programme activities, engaging local communities, looking for complementarities between interventions and ensuring local culture and traditions are integrated in the programme's philosophy and implementation modalities.

Finally, Fondo Acción will promote exchange and coordination between the Fi Wi Riif programme and other initiatives in the Colombian Pacific coast, as a way to transfer lessons learned around blended finance for reef-positive initiatives. An expected output of this programme is to put in place a blended finance strategy for the coral reefs in the Pacific.

## FIGURES

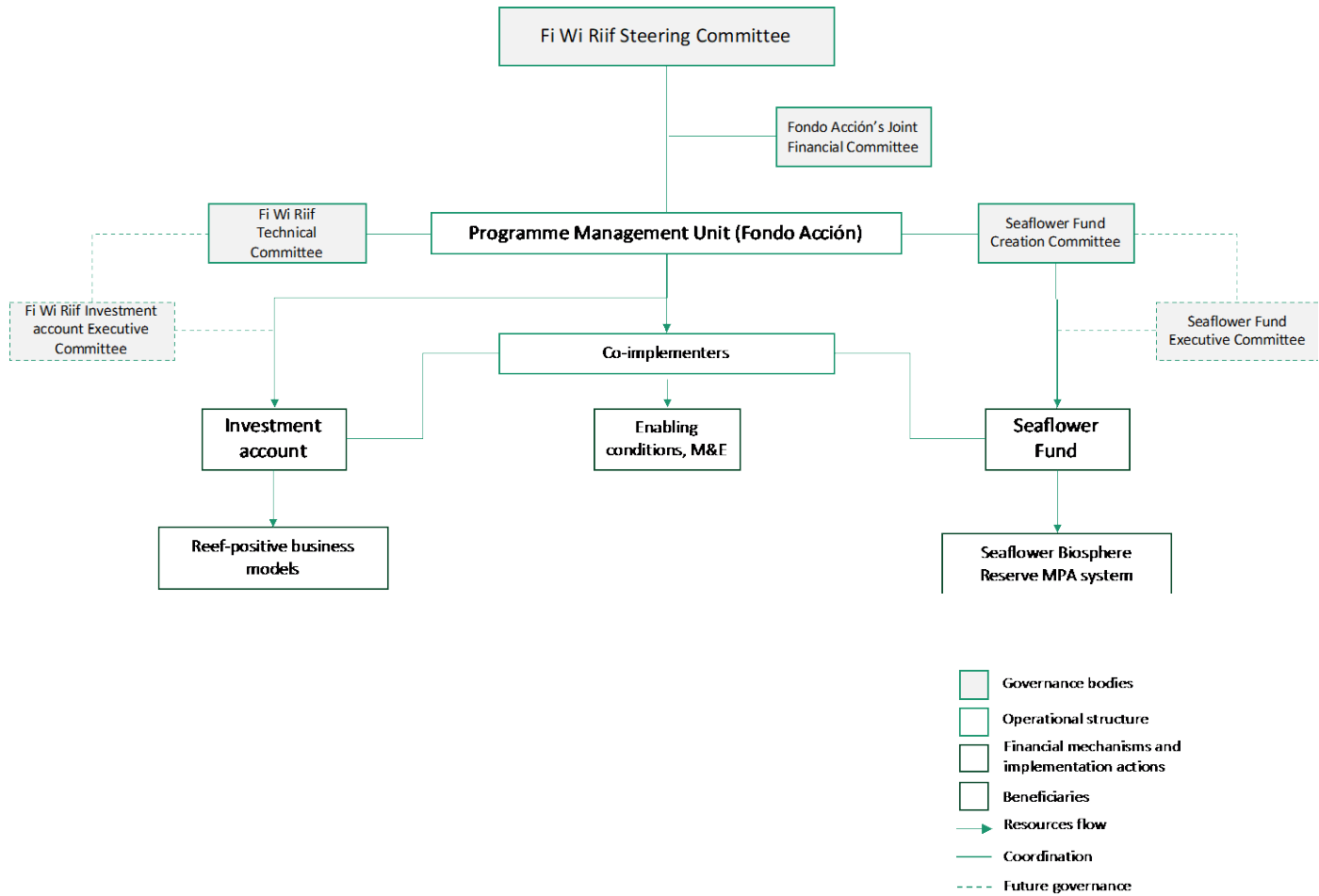


Figure 5 – Governance system and operational structure of the Fi Wi Riif programme



# GLOBAL FUND FOR CORAL REEFS

## SECTION E – PROGRAMME PIPELINE

| E. PROGRAMME PIPELINE                   |  |  |   |   |   |
|---|--|--|---|---|---|
| E.1. Pipeline overview                  |  |  |   |   |   |
| Number and name of intervention         | Sector   | Location Implemented   | Coral Reef Driver of Degradation Addressed  | GFCR Grant Cost (USD)   | Readiness stage   |
| <b>1. Seaflower Fund</b>                | Sustainable revenue streams for MPA management   | Seaflower Biosphere Reserve (Seaflower MPA, Old Providence Mc Bean Lagoon National Natural Park, regional parks (Peak, Johnny Cay and Old Point), and other marine protected areas in the reserve)   | The intervention will address most drivers of coral degradation as it will ensure long term finance for MPAs essential activities (coral reefs protection and recovery, ecological monitoring, restoration, control and surveillance, and economic activities regulation) in the Seaflower Biosphere Reserve, ensuring management plans can be effectively implemented.                               | TOTAL: 1,750,000  | Phase I: USD 115,000 to be deployed as grants for the studies for the design of the fund and creation committee   |
|   |  |  |   | <i>Deployed as Traditional Grant: 1,750,000 (100%)</i>  |   |
|   |  |  |   | <i>Deployed as concessional instrument: None</i>  |   |
| <b>2. Fi Wi Riif Investment Account</b> | Financial mechanism and technical assistance facility for reef-positive businesses (recoverable and non-recoverable grants and technical assistance) | The mechanism will be open to reef-positive businesses from the San Andres, Providencia and Santa Catalina Archipelago, in the Seaflower Biosphere Reserve; this mechanism may later be reproduced in the reef areas of the Colombian Pacific Coast. | The intervention will support reef-positive enterprises in the fisheries, tourism, agriculture, and waste management sectors, as well as revenue-generating restoration initiatives and innovative businesses that tackle invasive species or coral diseases or that promote low carbon technologies, thus addressing the main drivers of degradation: invasive species and diseases, overfishing and | TOTAL: 3,000,000  | Phase I: USD 451,975 to be deployed as grants, being USD 400,000 estimated for 10 projects of USD50K and 3 projects of 100K selected in first call, being at least 1 restoration project, with 50% of disbursement in Phase I (the remaining amount is related to the Call for proposals) |
|   |  |  |   | <i>Deployed as Traditional Grant: 1,800,000 (60%)</i>   |   |
|   |  |  |   | <i>Deployed as concessional instrument: 1,200,000 (40%, recoverable grants or equity investments)</i> |   |





GLOBAL FUND FOR  
CORAL REEFS

| E. PROGRAMME PIPELINE  |                       |  |  |   |  |
|--|-----------------------|--|--|---|--|
| E.1. Pipeline overview   |                       |  |  |   |  |
| Number and name of intervention  | Sector                | Location Implemented                       | Coral Reef Driver of Degradation Addressed   | GFCR Grant Cost (USD)                     | Readiness stage  |
|  |                       |  | destructive fishing, land-based and marine based pollution, unsustainable tourism and coastal development.   |   | preparation, launch and selection process)   |
| <b>3. No-Take No-entry Zones to enhance coral reefs and fishing grounds</b>                | Sustainable fisheries | Roncador and Albuquerque                   | This intervention intends to completely avoid fishing and any human activity (except monitoring and research) in the cays of Roncador (north) and Albuquerque (south), for at least 3 years, via conservation agreements, to avoid reef destruction and improve coral, fishes and biodiversity health recovery improving fishing business.   | TOTAL: 360,000                            | Phase I: USD 60,000 will be deployed for the intervention to be designed (initial studies, participatory process).   |
|  |                       |  |  | Deployed as Traditional Grant: 360,000    |  |
|  |                       |  |  | Deployed as concessional instrument: none |  |
| <b>4. Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> | Sustainable fisheries | Providencia and Santa Catalina; San Andrés | This intervention will create a blended-finance scheme to provide facilitated access to credit for fishers to renew their fishing fleet, in partnership with a commercial bank through a specific credit scheme. Helping fishers to acquire larger vessels will help to distribute fishing pressure, helping coral reefs closer to the islands and the recovery of the production chain of the association of artisanal fishers, improving revenues and supporting the adherence to no-take zones. Sustainable fishing practices | TOTAL: 171,500                            | Phase I: The facilitated finance scheme is designed with a partner bank. USD171,500 is earmarked for the design process, financial education support, and the de-risking of credit (covering interest rates and potential debt relief in return for additional conservation activities). |
|  |                       |  |  | Deployed as Traditional Grant: 171,500    |  |
|  |                       |  |  | Deployed as concessional instrument:      |  |



GLOBAL FUND FOR  
CORAL REEFS

| E. PROGRAMME PIPELINE           |  |  |  |  |  |
|---------------------------------|--|--|--|--|--|
| E.1. Pipeline overview          |  |  |  |  |  |
| Number and name of intervention | Sector   | Location Implemented   | Coral Reef Driver of Degradation Addressed   | GFCR Grant Cost (USD)                  | Readiness stage  |
|                                 |  |  | will be requirements for the financing of the vessel.  |  |  |
| 5. Escuela del Mar              | Ecotourism and educational tourism / transport | The educational and cultural center Escuela del Mar (School of the Sea) will be located in Providencia, with a branch in San Andrés to capture revenues from the larger-scale tourism activities in that island. | The educational and cultural center Escuela del Mar (School of the Sea) develops capacity building, communication and education activities that engage local communities and visitors (more than a million tourists each year) in the protection of the marine environment and raise awareness about the importance of coral reefs. The center will be run by ProSeaLand and will coordinate the required partnerships for the sea turtle conservation programme. The center will develop revenue streams related to the Raizal culture and traditions (festivals, souvenirs, paid educational activities, sustainable maritime transport, etc.) to self-sustain its costs in the long term. | TOTAL: 101,500                         | Phase I:<br>A detailed business plan will be developed for Escuela del Mar and some activities will be organized by ProSeaLand. The amount to be deployed in the first 18 months is USD 101,500. |
|                                 |  |  |  | Deployed as Traditional Grant: 101,500 |  |
|                                 |  |  |  | Deployed as concessional instrument:   |  |
| 6. Blue Carbon Projects         | Mangrove and seagrass restoration              | Mangroves in the Archipelago of San Andres, Providencia and Santa Catalina covering an area of approximately 210 ha, of which around 150 ha are located on the   | The development of blue carbon projects in the Seaflower Biosphere Reserve will restore and protect coastal and marine   | TOTAL: 225,000                         | Phase I:<br>USD75,000 to be deployed for initial stakeholder consultations;  |
|                                 |  |  |  | Deployed as Traditional Grant: 225,000 |  |
|                                 |  |  |  | Deployed as concessional instrument:   |  |



GLOBAL FUND FOR  
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| E. PROGRAMME PIPELINE                |                      |   |   |  |  |
|--------------------------------------|----------------------|---|---|--|--|
| E.1. Pipeline overview               |                      |   |   |  |  |
| Number and name of intervention      | Sector               | Location Implemented  | Coral Reef Driver of Degradation Addressed  | GFCR Grant Cost (USD)                        | Readiness stage  |
|                                      |                      | island of San Andres and almost 60 ha in Providencia and Santa Catalina.                          | ecosystems that benefit directly coral reef health. Mangroves and seagrasses restoration will improve their function for sediment and nutrient retention, avoiding problems related to algal overgrowth in coral reefs. |  | leveraging of co-financing for the prefeasibility study and for certification processes; and policy work.  |
| 7. Sea turtle conservation programme | Conservation/tourism | San Andrés (for the center)<br>Whole Archipelago (for monitoring and conservation of sea turtles) | The increase in sea turtle populations helps to establish the balance in seagrasses and sponges, as sea turtles graze and eat them. This avoids seagrass senescence, an important cause of coral reef diseases.         | TOTAL: 1,030,000                             | Phase I:<br>USD 180,000 to be deployed for the detailed design of the programme, for a feasibility study of a business model based on tourism and to start collecting baseline data with the participation of community members. |
|                                      |                      |   |   | Deployed as Traditional Grant: 530,000       |  |
|                                      |                      |   |   | Deployed as concessional instrument: 500,000 |  |



# GLOBAL FUND FOR CORAL REEFS

## Intervention #1 – Seaflower Fund

| Intervention #1 – Seaflower Fund |   |
|----------------------------------|---|
| Short Summary (100 words)        | <p>The programme will support the creation of the Seaflower Fund, an independent and long-term sustainable financial mechanism that provides resources for the conservation of the natural ecosystems in the Seaflower Biosphere Reserve MPAs. The Seaflower Fund will combine endowment and sinking resources<sup>44</sup> from different sources, and will be managed through a solid governance system preserving the public mandate of CORALINA over the MPAs management decisions, ensuring local ownership, pertinence, and transparency. Fondo Acción has the required experience and structure to provide the financial and asset management, ensuring compliance with international fiduciary standards.</p> <p>A Seaflower Fund Creation Committee will be established (see section D for more details), with representatives of local institutions, communities and other stakeholders, in order to lead the Fund's establishment process.</p> <p>The programme will support this process by:</p> <ul style="list-style-type: none"> <li>• Carrying out the update of the financial gap analysis of the MPA system, based on the MPA management plans and budgets.</li> <li>• Supporting the studies and consultancies required for the fund's design that will apply principles of blended finance (purpose and governance, thematic and geographical priorities, financial instruments, etc.) and operationalization (bylaws, operational manual, etc.).<sup>45</sup></li> <li>• Enabling the implementation of a resource mobilization strategy, including a fundraising campaign.</li> </ul> <p>Once the fund is formally created, a Seaflower Fund Executive Committee will be appointed as the main governance body for the Fund.</p> <p>The Seaflower Fund will benefit from the experience and asset management capacity of Fondo Acción, who already manages different financial mechanisms that include endowment accounts, which are pooled together under an umbrella endowment, increasing earnings and reducing costs. In particular, Fondo Acción manages endowment accounts for the Malpelo MPA and the coastal MPAs of La Minga in the Pacific, with similar schemes to the Seaflower</p> |

<sup>44</sup> The combination of the two financial instruments, sinking and endowment resources, provides complementary financial means to the areas both in the short and long term

<sup>45</sup> During the design of the Seaflower Fund, the possibility of integrating a subaccount for future emergencies, such as hurricanes, will be studied. This would contribute to GFCR Outcome 4 and reinforce the recovery of livelihoods after major shocks.

**Intervention #1 – Seaflower Fund**

Fund mechanism proposed in this programme. The Seaflower Fund is thus envisaged as a public-private partnership between CORALINA and Fondo Acción, the latter supporting the design of the financial mechanism, providing financial and asset management, technical assistance, and monitoring and reporting.

CORALINA's Business Plan 2020-2023<sup>46</sup> identifies average annual costs of around USD 3.2 million for implementing CORALINA's Institutional Action Plan 2020-2023. CORALINA's budget in 2022 is of approximately USD 2 million, including the operating budget (around USD 0.8 million) and the investment budget (around USD 1.2 million). Around 70 or 80% of the operating budget comes from the General National Budget, and covers mainly staff costs for the thirty-nine CORALINA officials. The Investment Budget comes in part from the General National Budget, through the environmental compensation fund, and from local sources (15% of land tax, 2.5% of gross revenues from Archipelago's electricity provider, etc.) These initial figures suggest an annual financial gap of USD 1.2 million for CORALINA's action plan<sup>47</sup>. Within the administrative structure of the Corporation, the Department of Seas and Coasts is in charge of the management of the MPAs.

It is estimated that, within the average annual costs identified for implementing CORALINA's Action Plan (USD 3.2 million), the optimal management of the Seaflower MPA system would require around USD 1.5 million annually (see Table below).

| ANNUAL COSTS SEAFLOWER MPA                       | \$ Colombian Pesos | Equivalent in USD |
|--|--------------------|-------------------|
| TOTAL OPERATIONAL COSTS CONTROL AND SURVEILLANCE | \$ 2.954.001.447   | 652.695 USD       |
| NORTH SECTOR                                     | \$ 1.175.775.522   | 259.791 USD       |
| CENTRAL SECTOR                                   | \$ 169.347.547     | 37.418 USD        |
| SOUTH SECTOR                                     | \$ 1.608.878.378   | 355.487 USD       |
| TOTAL IMPLEMENTATION COSTS MPA MANAGEMENT PLANS  | \$ 2.708.631.673   | 598.480 USD       |
| DEMARCATIION MANAGEMENT PLAN                     | \$ 343.592.489     | 75.918 USD        |
| CONTROL AND SURVEILLANCE MANAGEMENT PLAN         | \$ 1.345.020.936   | 297.186 USD       |
| EDUCATION MANAGEMENT PLAN                        | \$ 220.988.235     | 48.828 USD        |
| MONITORING AND EVALUATION MANAGEMENT PLAN        | \$ 799.030.013     | 176.548 USD       |
| COSTS MANAGEMENT PLAN JOHNNY CAY REGIONAL PARK   | \$ 1.130.218.355   | 249.725 USD       |
| COSTS MANAGEMENT PLAN OLD POINT REGIONAL PARK    | \$ 244.371.536     | 53.995 USD        |
| TOTAL COSTS SEAFLOWER MPA                        | \$ 7.037.223.012   | \$ 1.554.896      |

Source: CORALINA 2022

<sup>46</sup> Annex 1 of CORALINA's Institutional Action Plan 2020-2023

<sup>47</sup> The Subdirection of Seas and Coasts within CORALINA organisational structure is the division in charge of MPA management.

| <b>Intervention #1 – Seaflower Fund</b> |  |
|---|--|
|   | <p>One of the main costs is related to marine control and surveillance, which requires significant resources given the size of the reserve. Another fundamental activity requiring substantial funds is biodiversity and ecosystems monitoring, including the survey of coral reefs, mangroves, seagrasses, and fish stocks, carried out in collaboration with INVEMAR. Other recurrent costs for MPA management are related to the regulation and control of economic activities, and education activities.</p> <p>The costs for protecting the Seaflower Biosphere Reserve are expected to escalate with the declaration of new MPAs in Serranilla and Bajo Nuevo cays, as these are at a great distance from the islands of San Andrés, Providencia and Santa Catalina, and subjected to illegal fishing practices. An analysis of these additional costs has not yet been undertaken, but as a rough estimate, an additional annual cost of USD 0.5 million for operating control and surveillance activities in these northern cays is assumed. This would increase the total cost for managing the Seaflower MPA system to around USD 2 million, and the total financial gap in CORALINA to around USD 1.7 million (considering no additional public budget is attributed to CORALINA).</p> <p>Considering average CTF annual net returns of 5%<sup>48</sup>, an estimated capitalization objective for 2027 of USD 10 million is provisionally proposed in order for the endowment to cover around 30% of CORALINA’s financial gap, or 25% of the MPAs management plan costs. Other sinking resources and the revenue streams mentioned below can feed the Seaflower Fund and cover the fundamental needs of the MPAs.</p> <p>However, a detailed financial gap analysis for the MPAs management will be conducted as an initial activity to design the financial sustainability strategy for the MPAs.</p> <p>The programme will build on the results of the 2010-2014 GEF/BID project “Protecting Biodiversity in the Southwestern Caribbean Sea – Seaflower MPA”<sup>49</sup>. The second component (Financial Sustainability) analyzed the viability of establishing a trust fund for the Seaflower MPA and investigated potential sources of revenues such as:</p> <ul style="list-style-type: none"> <li>• Entrance fee for the Seaflower Biosphere Reserve, either by collecting a percentage of the value of the Tourist Card<sup>50</sup> or by increasing its value;</li> </ul> |

<sup>48</sup> According to Fondo Acción’s current strategic plan target.

<sup>49</sup> Full size GEF project CO-X1004 (CO-X1006/CO-T1144)

<sup>50</sup> Tourists travelling to Seaflower must pay a fee, the Tourist Card, in order to enter the archipelago. This visitor fee is collected and administered by the provincial government.

| <b>Intervention #1 – Seaflower Fund</b> |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Entrance fees for specific sites such as the Johnny Cay RP;</li> <li>• Operation licenses for touristic service providers;</li> <li>• Payment for ecosystem services: contributions from users of coral and associated ecosystems that form the coral sand on the beaches of San Andrés.</li> </ul> <p>The financial and technical feasibility for implementing these mechanisms will be further assessed and updated. Concerning the transfer of a percentage of the value of the Tourist Card to CORALINA, negotiations with the provincial government will be needed. Additional funding sources from potential donors (Blue Action Fund<sup>51</sup>, Blue Nature Alliance, Blue Planet Fund, etc.) or philanthropy will be explored.</p> <p>Fondo Acción suggests earmarking USD 1.5 million of the GFCR grant funding for a future capitalization of the Seaflower Fund endowment account<sup>52</sup>. This amount would be used for a capitalization challenge with other donors. The idea of the challenge is to fundraise with other donors using as an incentive the commitment of the GFCR to match the financial contributions in a 1:1 proportion, up to USD 1.5 million. The target can be achieved gradually and the contributions of the GFCR can be deposited in the year following the third-party deposits. This would mean, for example, that if a donor commits USD 500,000 in Year 2, the GFCR would deposit the same amount in Year 3 (next planned budget), and so on until the USD 1.5 million is reached. By Fondo Acción's experience, it is a significant incentive for a donor to know other contributions are already secured. This commitment by the GFCR would support the negotiations with the provincial government to use part of the tourism card resources to capitalize the Seaflower Fund.</p> <p>The creation of the Seaflower Fund is also expected to improve the MPAs' governance and management effectiveness in the short, medium and long terms, by fostering a planning and evaluation culture in the areas. Having a continuous flow of resources, additional to the public budget<sup>53</sup> and projects, provided by Seaflower's endowment fund's earnings, is an essential element of</p> |

<sup>51</sup> The Blue Action Fund has issued in July 2022 a new Call for Proposals focussing on the 'Wider Caribbean Sea', with a thematic focus on projects supporting the enhanced management of systems of MPAs and sustainable livelihoods in coastal communities dependent on these MPAs. This Call closes on 20<sup>th</sup> November 2022. Fondo Acción will participate in it.

<sup>52</sup> This option was favoured by the GFCR secretariat, instead of the proposal included in the concept note of directing this amount for the Fi Wi Riif Investment Account, pooling it with FA's endowment for the duration of the programme, reinvesting the earnings, and making the final amount available for business support, as part of the Investment Account, after the programme ends.

<sup>53</sup> The resources provided by the endowment annually do not intend to replace the public budget. The objective is that these additional resources are able to cover at least 20% of the MPAs' management plans financial needs in the gross basic scenario.



| <b>Intervention #1 – Seaflower Fund</b> |  |
|---|--|
|   | <p>the sustainability for long-term impact. The Seaflower Fund will be flexible to have other sub-accounts, besides the endowment fund. A sinking fund or sub-account can receive resources from donors that are not willing to immobilize large amounts in an endowment. This is the experience of Fondo Acción in the Pacific coast with the La Minga programme. La Minga has a governance system and a financial mechanism that includes both an endowment and a sinking fund.<sup>54</sup> The sinking resources allowed the endowment earnings to be reinvested until its capitalization target is achieved. In the case of the Seaflower Fund, it is envisioned that the Fi Wi Riif Investment Account can be also a sub-account of the fund, under the same permanent and participatory governance system. This will help combine different funding sources and offer different types of support. As mentioned before, initially the Fi Wi Riif Investment Account will be created separately from the Seaflower Fund, as the fund will require a period to be designed and launched.</p>   |
| Coral Reef ecosystem impact (100 words) | <p>The Seaflower Fund will directly and indirectly address most local drivers of coral degradation (coral and sea urchins' diseases and bleaching, fishing malpractices and overfishing, water pollution, coastal development, degraded coastal ecosystems and unsustainable tourism). It will do so by providing financial resources for the MPA's to be able to implement their management plans and achieve effective management.</p> <p>In particular, these resources will support ecosystem (coral reef, mangroves, seagrasses, etc.) and biodiversity protection and monitoring (including marine turtle and herbivore fishes), that will help identify coral diseases, evaluate coastal ecosystem degradation, survey population trends of important species for coral health and thus allow for adaptive management and definition of urgent actions needed. Ecosystem restoration activities could also be carried out. The Seaflower Fund will also provide fundamental resources for MPAs to effectively control and survey fisheries activities in the reserve, preventing illegal destructive fishing and overfishing that directly affects the corals.</p> <p>Furthermore, MPAs will increase their capacity for effective regulation and control of other economic activities, such as tourism, taking place in the protected areas, and affecting coral reefs. In the long term, the Seaflower Fund</p> |

<sup>54</sup> La Minga includes sinking funds providing short-term financing for the three target MPAs, and an endowment fund, set up to provide long-term financial sustainability. The endowment fund has already received USD 2.65 million from the Walton Family Foundation and the Global Conservation Fund managed by CI and has a target of USD 5 million. Its current market value (July 2022) with the earnings generated by the asset management made by Fondo Accion is USD 3.29 million. While the endowment does not achieve its capitalization target, its earnings have not been used. The sinking-fund resources to date have totaled USD 4 million, donated by the Sweden government, the Presidential Cooperation Agency and the Blue Action Fund.

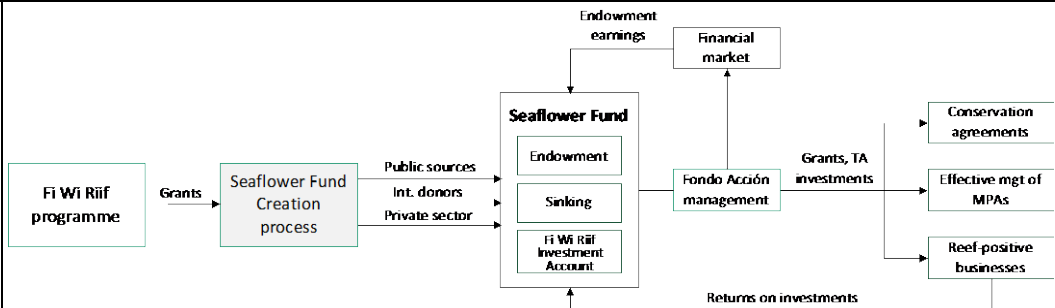


| Intervention #1 – Seaflower Fund |   |                      |                            |                           |       |
|----------------------------------|---|----------------------|----------------------------|---------------------------|-------|
|                                  | <p>may also support reef-positive enterprises working with sustainable business models, complementing the Fi Wi Riif investment account results.</p> <ul style="list-style-type: none"> <li>Indicator: Long-term financial sustainability of the Seaflower Biosphere reserve is improved <ul style="list-style-type: none"> <li>Baseline value (At project start): 0% in 2022 provided by the Seaflower Fund of the total funding required for the management plans activities</li> <li>Target value (End of project): Seaflower Fund provides 20% (exact value to be defined in the inception phase) of the total funding required for the management plans activities</li> </ul> </li> <li>Indicator: Management effectiveness of MPAs is improved <ul style="list-style-type: none"> <li>Base value (At project start): (to be estimated in the inception phase)</li> <li>Target value (End of project): management effectiveness increased by 5%</li> </ul> </li> </ul> |                      |                            |                           |       |
| target beneficiaries (100 words) | <p>The direct beneficiaries of this intervention will be the Seaflower Biosphere Reserve MPAs, and the main institutions in charge of their management: CORALINA and Parques Nacionales. Indirect beneficiaries include the whole population of the Archipelago, whose livelihood depends on reef-dependent economic activities (tourism, fisheries and other services linked to these) benefitting from ecosystem services provided by the Reserve.</p>  |                      |                            |                           |       |
| Actors involved (50 words)       | <p>The Seaflower Fund Creation Committee, in charge of setting up the fund, will be composed by representatives of CORALINA, the Provincial Government, Fondo Acción, the municipal authority of Providencia and Santa Catalina, Old Providence McBean Lagoon National Park, representatives of the Raizal people, of the private sector and, potentially, future donors. Once the Seaflower Fund is created and operational, the Executive Committee will become the fund's main governing body and Fondo Acción will administer the financial resources pooled with its own portfolio.</p>  |                      |                            |                           |       |
| GFCR Investment Fund (50 words)  | <p>No. In principle, the financial mechanism does not focus on investment opportunities in its first phase. In the future, there is the possibility that the Seaflower Fund may support business development within the protected areas, complementing the results of the Fi Wi Riif Investment Account. In this sense, there may be opportunities for the GFCR Investment Fund if business models that require significant investments are developed.</p>  |                      |                            |                           |       |
|                                  | Finance instrument  | GFCR Grant Fund Cost | Private Grant Co-financing | Public Grant Co-financing | TOTAL |



| Intervention #1 – Seaflower Fund       |  |   |  |  |                |
|--|--|---|--|--|----------------|
| Grant Financing (USD)                  | Grant  | USD 1,750,000<br>USD 250,000 for:<br>- Financial gap analysis for MPAs<br>- Consultancies for fund's design, revenue streams and operationalization<br>- Fundraising campaign<br>USD 1,500,000 for the endowment capitalization challenge | USD 3,500,000 (to be raised with donors) | USD 5,000,000 (to be defined; anticipated to be drawn from tourism fees/taxes/tickets) | USD 10,250,000 |
|  | Concessional Loan/Recoverable Grant  |   |  |  |                |
|  | Guarantee  |   |  |  |                |
|  | TOTAL  | USD 1,750,000   | USD 3,500,000                            | USD 5,000,000  | USD 10,250,000 |
| Investment Leverage                    | <p>It is expected that by 2028, the Seaflower Fund could be capitalized with USD 10,000,000 from private and public resources. Estimating an average CTF net return of 5%, the Seaflower Fund could generate USD 500,000 per year. With an approximate estimate of USD 2,000,000 needs for implementing the Seaflower Reserve MPA management plans, the Seaflower Fund could provide at least 20% of total budget needs.</p>   |   |  |  |                |
| Current stage and timeline (100 words) | <p>The intervention is at a planning stage. CORALINA has already benefitted from a previous project<sup>55</sup> that analyzed financial mechanism options and concluded that a trust fund would be the most efficient and reliable mechanism for sustainably financing the Seaflower Biosphere Reserve and its MPAs system. CORALINA is convinced of its need and is thrilled by the opportunity presented by Fondo Acción, that, as an operational CTF, is positioned to provide the fiduciary arrangements needed for this fund. Fondo Acción has the track record to manage the Seaflower Fund resources, by pooling them with its own portfolio, maximizing returns and providing professional services.</p> <p>Milestones and timeline for revenue generation:</p> <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- The Seaflower Fund Creation Committee is installed (first meeting) with clear operational procedures and local representation</li> <li>- Initial studies and founding documents of the Seaflower Fund are hired and developed by specialized consultancies</li> </ul> <p><u>Phase II:</u></p> |   |  |  |                |

<sup>55</sup> GEF FSP Protecting Biodiversity in the Southwestern Caribbean Sea

| <b>Intervention #1 – Seaflower Fund</b> |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>- The Seaflower Fund is launched with a defined governance, operational procedures in place and a capitalization strategy under implementation</li> <li>- The Seaflower Fund receives initial capital</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- The Seaflower Fund is further capitalized and starts disbursing resources to MPAs</li> </ul> <p>If the Seaflower Fund attains its expected capitalization objective of USD 10,000,000 by the end of the project (2028), and with an estimated average net return of 5%, the Seaflower Fund could be generating USD 500,000 per year from 2028 on.</p> |
| Connectivity (100 words)                | <p>The launch of the Seaflower Fund is a central intervention in this programme, as it constitutes a basic foundation for the long-term financial sustainability of biodiversity conservation in the Seaflower Reserve MPAs. As the programme draws to a close, the Seaflower Fund, together with the Fi Wi Riif Investment Account (eventually integrated as a subaccount in the Seaflower Fund), will ensure sustainability for the development of reef-positive solutions for coral reef resilience in the Archipelago, both by enabling MPAs to protect, restore and monitor the marine ecosystems and by supporting reef-positive businesses.</p>                          |
| Business model graphic                  |   |

## Intervention #2 – Fi Wi Riif Investment Account

| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |
|--|--|
| Short Summary (100 words)                              | <p>The Fi Wi Riif Investment Account is a blended finance mechanism supporting businesses with reef-positive revenue models in the fisheries, tourism, and waste management sectors, as they are related to the main drivers of degradation: invasive species and diseases, overfishing and destructive fishing, land-based and marine based pollution, unsustainable tourism and coastal development. Business models that help recover the health of reefs, tackling invasive species and/or coral reef diseases, such as use of seaweed and algae for industrialized products, and innovative business models promoting low carbon technologies, such as sustainable marine transportation, may also be</p> |

**Intervention #2 – Fi Wi Riif Investment Account**

supported. A specific window of grants and/or recoverable grants will be dedicated to coral reef restoration projects, in close coordination with CORALINA who leads coral reef restoration in the Archipelago.<sup>56</sup>

An initial mapping of potential beneficiaries was compiled (see Annex VI) to illustrate the different types of businesses that may apply to this blended finance mechanism. This programme focuses on supporting locally owned organizations as a way to create alternative and sustainable livelihoods for the communities and give them a leading role in the conservation of the ecosystems. In this sense, the mapped initiatives are mainly micro, small and medium enterprises (MSMEs). A total of 106 initiatives were mapped, including 86 enterprises, 8 industry associations, 9 projects led by NGOs and 3 initiatives led by public entities (63 in San Andrés, 35 in P&SC, and 8 for the whole Archipelago). Most businesses are operating in nature-based tourism (48), sustainable fishing (15), and agroecology (13). Other sectors have a few mapped initiatives, such as ecosystem restoration (5), waste management (4), and a mix of other sectors that can include cosmetics, biotechnology and others. In this initial mapping, the size of the businesses was not assessed, but as mentioned, the majority are MSMEs.

Social enterprises, focusing on generating a positive social and environmental impact will be prioritized. To assess enterprise suitability for the programme, the GFCR Investment Principles will be used. In cases where enterprises do not adhere to certain principles, the feasibility of adapting their business model to meet those criteria will be assessed.

It is envisioned that Fondo Acción will launch, during the programme duration, at least three calls for proposals to select initiatives for support through the Fi Wi Riif Investment Account. A development pathway is envisaged, to support initiatives at different evolutionary stages, that could be roughly categorized in the following way:

- Concept stage or informal businesses: certain initiatives only exist as initial business ideas, often led by informal entities or by private individuals, not registered as businesses or associations. Usually, these initiatives require an initial organizational and administrative assistance in order to formalize and to develop a more solid proposal that can be further supported.

<sup>56</sup> Coral restoration projects may be supported by the programme if they have a potential revenue model linked to them. One example already identified is a project led by a local foundation (Fundación Blue Indigo) to establish an underwater park for visitors to have a real-time coral reef restoration experience (<https://blueindigofoundation.com/>).

| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Planning or incubation stage: Formal Micro, Small and Medium Enterprises (MSMEs) or associations might need support for developing solid business plans, or to increase their capacities and skills in the area of management, marketing, or strategic and financial planning.</li> <li>• Growth/investment-ready/revenue generating stages: Initiatives with solid business plans could need support for scaling-up and becoming ready to access impact investment or credit from the private or financial sector.</li> </ul> <p>The Investment Account will try to cater for businesses in all stages of evolution, and can support them by successive steps. The selected initiatives may receive initial grants (non-recoverable) focused on business development, as well as technical assistance to be delivered by co-implementers or consultants. This will help de-risk future investments in these enterprises, which can be done through this same instrument (recoverable grants) and by other funding mechanisms, including impact investors, commercial banks, public programmes and individual investors. In Phase I, Fondo Acción and local partners will assess potential opportunities in the waste management sector, and assess their potential to be financed by the Fi Wi Riif Investment Account or potentially the GFCR Investment Fund. The Fi Wi Riif Investment Account's support will also contribute in the first years to reinforce the economic recovery efforts, after the devastation caused by Hurricane Iota in the Archipelago.</p> <p>The Fi Wi Riif Investment Account will be the major financial mechanism in the programme in terms of GFCR funding distributed, with a resource allocation of USD 3 million for its implementation over the full lifetime of the programme. This amount will be deployed during programme implementation as grants (recoverable and non-recoverable) and technical assistance for reef-positive businesses. It is estimated that from this amount, USD 1.8 million will be distributed as traditional grants and technical assistance and USD 1.2 million as recoverable grants, but it will finally depend on the needs of businesses applying for the Investment Account.</p> <p>Fondo Acción has a strong track record in resource mobilization and will present the Fi Wi Riif Investment Account and portfolio as investment opportunities to different funders and programmes, both nationally and internationally. There is a possibility of attracting impact investors that are open to invest in a portfolio of small-scale projects.</p> |
| Coral Reef ecosystem                                   | The Fi Wi Riif Investment Account will address local drivers of coral degradation by supporting economic initiatives that contribute to coral health and/or  |



| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |
|--|--|
| impact<br>(100 words)                                  | <p>reduce impacts on coral reefs (e.g., improved fishing gears, reduced fishing in certain areas, better diving practices, reintroduction of marine turtles, plastic recycling, algae removal, etc.).</p> <ul style="list-style-type: none"> <li>Indicator: Amount of additional funding mobilized by the Fi Wi Riif Investment Account from investors and donors for reef-positive businesses: <ul style="list-style-type: none"> <li>Baseline value (At project start): 0</li> <li>Target value: USD 2,000,000 (commercial investments from other impact investors, commercial banks, public programmes or individual investors)</li> </ul> </li> </ul> <p>Specific indicators will be developed and monitored for each business supported by the Investment Account, to measure leverage of resources and the impact on coral reef protection.</p>  |
| Target beneficiaries (100 words)                       | <p>The Fi Wi Riif Investment Account will benefit local economic initiatives with reef-positive business models. Businesses run by and/or benefitting the Raizal community and women will be encouraged.</p> <ul style="list-style-type: none"> <li>Indicator: Number of local enterprises supported, including number of enterprises led/owned by women: <ul style="list-style-type: none"> <li>Baseline value (At project start): 0</li> <li>Target value (End of project): 40<sup>57</sup> local enterprises supported (at least 55% led/owned by women)</li> </ul> </li> <li>Indicator: Amount disbursed to local enterprises (disaggregated by grants and reimbursable types): <ul style="list-style-type: none"> <li>Baseline value (At project start): 0</li> <li>Target value (End of project): USD 3 million disbursed (USD 1.8 M as traditional grants and USD 1.2M as reimbursable grants)</li> </ul> </li> </ul> <p>Other indicators will be added, measuring employment and income increase and the number of direct beneficiaries of the Investment Account. These indicators will be defined for each initiative supported. Gender disaggregation will be required.</p> |
| Actors involved (50 words)                             | <p>The Programme Management Unit (Fondo Acción) will define selection criteria (financial viability, impact on coral reef ecosystems and associated communities, etc.), select and monitor initiatives in the Investment Account, with the support of the Fi Wi Riif Technical Committee (see section D for more details).</p>   |

<sup>57</sup> This is just an estimate and will depend on the type of initiatives that apply for support from the Investment Account and the size and needs of the initiatives. The numbers will be adjusted during programme implementation. An initial assumption is that there will be a large number of small initiatives asking for small traditional grants (around 30) and maybe around 10 larger initiatives asking for larger amounts, in a reimbursable modality.



| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |  |  |   |            |
|--|--|--|--|---|------------|
|  | <p>The programme co-implementers will support with the sourcing of new investment opportunities and the implementation of technical assistance and capacity building activities for local initiatives. Fondo Acción has experience in sourcing technical assistance organizations to support local business. It has done it for needs common to all businesses (such as financial management and administration) and for specific needs of a business or a group of businesses in the same sector (e.g., access to premium markets for sustainable fisheries and best practices in hospitality). Enterprises and organizations with business models will be the key implementers of this financial mechanism.</p> <p>At the end of the GFCR programme, the Fi Wi Riif Technical Committee will become the Investment Account main governing body (Fi Wi Riif Investment Account Executive Committee) and the financial mechanism will remain operational (with the recovered resources and resources leveraged from third parties). In the event that the Investment account becomes a subaccount of the Seaflower Fund once the programme is over, the governing body of the Investment Account would be defined by the Seaflower Fund Executive Committee. Businesses will participate in calls for proposals and will receive grants and/or technical assistance if selected.</p> |  |  |   |            |
| GFCR Investment Fund (50 words)                        | <p>Maybe. The Fi Wi Riif Investment Account will build up a portfolio of business initiatives in the Archipelago, and will support some of them, either through classic grants to become investment ready or through equity/debt investments. The GFCR Investment Fund managed by Pegasus Capital Advisors (PCA) will benefit from the identification of this large portfolio of initiatives and from the experience gained through their support, showing best cases, and also detecting potential difficulties. PCA can build on this knowledge and early groundwork of the Fi Wi Riif Investment Account to invest on the most promising enterprises.</p>   |  |  |   |            |
| Grant Financing (USD)                                  | Finance instrument   | GFCR Grant Fund Cost   | Private Grant Co-financing                             | Public Grant Co-financing                 | TOTAL      |
|  | Grant  | USD 1.8 M<br>- deployed as traditional grants for businesses <sup>58</sup> | USD 180,000<br>Businesses 10% co-finance <sup>59</sup> | USD 300,000 <sup>60</sup><br>(source TBD) | USD 2.28 M |

<sup>58</sup> It has been estimated that 30 to 40 businesses will receive grants of around USD 50,000. During the first 18 months of the programme, 10 small businesses would be supported, with half of this amount, so that USD 250,000 would be deployed as traditional grants.

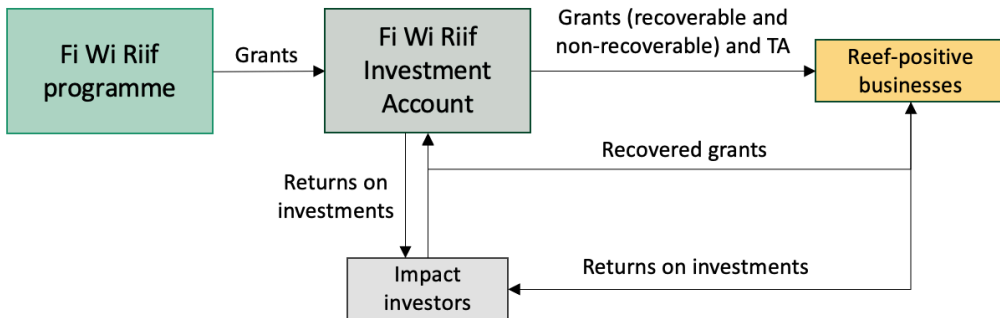
<sup>59</sup> Businesses receiving traditional grants will be asked to match with 10% of the amount of the grant (either in kind or in cash)

<sup>60</sup> Matching co-financing from public institutions will be explored, mostly through recovery programmes benefitting small businesses in the Archipelago after Hurricane Iota.

| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |                         |  |           |            |
|--|--|-------------------------|--|-----------|------------|
|  | Concessional Loan/Recoverable Grant  | USD 1.2 M <sup>61</sup> | USD 2 M<br>- Businesses: USD 0.3M <sup>62</sup><br>- Concessional loans from commercial banks accessed by companies: USD 0.5M<br>- Other investors: 1,2M |           | USD 3.2 M  |
|  | Guarantee  |                         |  |           |            |
|  | TOTAL  | USD 3M                  | USD 2.18M  | USD 0.3 M | USD 5.48 M |
| Investment Leverage (100 words)                        | The Fi Wi Riif Investment Account is expected to leverage USD 2 million in investments, being USD 300,000 invested by the medium companies that take recoverable grants (required co-finance); USD 500,000 in concessional loans from commercial banks accessed by the enterprises; and USD 1.2 million from other impact investors.   |                         |  |           |            |
| Current stage and timeline (100 words)                 | <p>The intervention is at a planning stage. Milestones and timeline are:</p> <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- The Fi Wi Riif Technical Committee is installed</li> <li>- The Fi Wi Riif investment account is created</li> <li>- A first call for proposals targeting local enterprises with reef-positive business models is launched, selecting a first cohort of 12 businesses for incubation and at least 1 restoration project</li> <li>- The impacts of poor wastewater treatment on coral reefs are studied and potential solutions and investments opportunities identified</li> <li>- The Fi Wi Riif Technical Committee supports the selection of local enterprises</li> <li>- Enterprises selected receive support</li> </ul> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- A second call for proposals is launched: innovative business models associated with reef health recovery and low carbon technologies will be included</li> <li>- Enterprises selected are incubated through support via technical assistance and blended finance investments</li> </ul> |                         |  |           |            |

<sup>61</sup> The programme intends to support around 10 more mature businesses with recoverable grants of approximately USD 100,000 each. It has been estimated that during the first 18 months of the programme, 2 such businesses will be supported with half the amount, so that USD 100,000 will be deployed as recoverable grants in that time period. In Phase II, small business can be asked to receive part of the grants as recoverable resources.

<sup>62</sup> Mature businesses soliciting recoverable grants will have to provide 25% matching resources (i.e., USD 25,000 for a USD 100,000 grant).

| <b>Intervention #2 – Fi Wi Riif Investment Account</b> |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>- Investment capital is leveraged (potentially from the GFCR Investment Fund) to scale-up local enterprises with reef-positive business models</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- A third call for proposals is launched and selected enterprises receive support via technical assistance and blended finance investments</li> <li>- At the end of the sixth year, the Fi Wi Riif Technical Committee is discontinued and the Fi Wi Riif investment account committee is established to support the selection of enterprises after year 6.</li> </ul>  |
| Connectivity (100 words)                               | <p>The Fi Wi Riif Investment Account will support coral reef resilience by promoting a business environment in the Archipelago that thrives through safeguarding natural ecosystems on which it depends. This financial mechanism will improve livelihoods of women, men and children in local communities by supporting reef-positive businesses, including innovative enterprises promoting reef health recovery and low carbon technologies. Environmental and socioeconomic monitoring of the businesses supported will be fundamental in order to assess the impact of this mechanism. Capacity building and communication activities in the programme will also be aimed specifically at empowering businesses. As the programme draws to a close, the Fi Wi Riif Investment Account might eventually be integrated as a subaccount in the Seaflower Fund.</p> |
| Business model graphic                                 |  <pre> graph LR     A[Fi Wi Riif programme] -- Grants --&gt; B[Fi Wi Riif Investment Account]     B -- "Grants (recoverable and non-recoverable) and TA" --&gt; C[Reef-positive businesses]     C -- "Recovered grants" --&gt; B     B -- "Returns on investments" --&gt; D[Impact investors]     D -- "Returns on investments" --&gt; C   </pre>  |

### **Intervention #3 – No-Take No-entry Zones to enhance coral reefs and fishing grounds**

| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |   |
|--|---|
| Short Summary (100 words)  | <p>This intervention intends to support local fishing organizations in the establishment of two temporary No-Take No-entry Zones in Roncador and Albuquerque. These voluntary agreements will ban fishing and human activity (except monitoring and research in the areas, for at least 3 years, based on conservation agreements. The cays of Roncador (north) and Albuquerque (south) are important fishing areas for Providencia and San Andrés, respectively. Roncador is an atoll with 5 thousand hectares, with 2,980 ha of</p> |

**Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds**

significant living coral. Albuquerque is a 6,380-ha atoll with 3,020 ha of significant living coral.

The establishment of these no-take no-entry zones will eliminate ecosystem disturbing factors and let the reefs, biodiversity, and fishing resources recover. Fisher associations, with the support of Fondo Acción and ProSeaLand, and CORALINA will develop conservation agreements that will be based on a participatory monitoring framework and collective benefits as a community-based incentive to fish in other fishing grounds. These collective benefits will be delivered through the associations, as a way to ensure funding is directed to the priorities defined by the active fishers.<sup>63</sup> Fondo Acción has experience with conservation agreements in other regions of Colombia, including with fisher associations.<sup>64</sup>

It is a favorable moment for such intervention, as the available fishing quota is sufficient for artisanal fishing to increase current levels and reach full capacity without having to fish in all fishing sites or exhausting those in use. This is because of the recent resolution by the International Court of Justice requiring Colombia to obey the 2012 verdict and avoid industrial fishing in Nicaraguan waters, and because of MPA zoning that leaves no areas for industrial fishing in the Seaflower Reserve. Without industrial fishing taking place in the reserve, the fishing pressure is significantly reduced, allowing for local fishers to increase the fished volume in a distributed fashion. The intervention #4 detailed below will help fishers to fish at longer distances, distributing the fishing pressure and keeping it under the annual quota even with No-take No-entry Zones. The risk of enabling overfishing in any of the Archipelago's fishing grounds is therefore low, as long as industrial fishing is kept out of the reserve. After 3 years of No-take No-Entry, the areas can be reopened to sustainable artisanal fishing and diving, allowing greater profitability of fishing based on recovered stocks.

Fondo Acción's experience with conservation agreements with local communities in the Pacific coast, Caribbean coast, and Amazon basin has showed that when people (fishers, mollusk collectors, and turtle hunters) are

<sup>63</sup> These collective benefits can include equipment of collective use (such as cold chain or processing equipment), training and certification, improved access to differentiated markets, etc. In Fondo Acción's experience, the fisher can collectively decide for benefits that are a priority for the community even if not related directly to the fishing activity. For example, in another project the fishers decided to improve the facilities of a handicraft production place where the women had their businesses.

<sup>64</sup> Fondo Acción has implemented with Conservation International a project called Ecogourmet, facilitating access to premium markets (restaurants in Bogotá and other large cities in Colombia) for the fishers in the Pacific coast. This involved exchanges between the fishers and the chefs, environmental education and awareness, a governance system for collective decisions, and a monitoring framework. Additional information about Ecogourmet experience is included in Annex VI.

| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |   |
|--|---|
|  | <p>given the decision-making power over the collective benefits to be delivered and are made protagonists of the terms and monitoring of the agreements, they perceive other incentives beyond the monetary value of the benefits provided. With time, they understand the benefits of sustainably managing the natural resources they depend on, as they do not have to reduce their income and perceive advantages from recovering the ecosystems. Alternative livelihoods are made possible beyond fishing, with collective benefits provided to other value chains, such as nature-based and cultural tourism and gastronomy. In the Pacific experience, the funding required to maintain the conservation agreements was gradually reduced, with the conservation commitments maintained because of other perceived benefits.</p> <p>To replicate the conservation agreements with fishers in San Andrés, Providencia and Santa Catalina, the design process will have to respect their priorities and the negotiation process will be participatory. If successful, the agreements will be maintained by the programme for three years, but a financial sustainability strategy will need to be designed and implemented. If funding required is reduced over time and the Seaflower Fund is established and capitalized, a portion of its annual resources can maintain the conservation agreements in the long term. The ecological results obtained after three years will also be the base for the continuity strategy of these agreements.</p> |
| Coral Reef ecosystem impact (100 words)  | <p>The No-Take No-Entry Zones will address a main local driver of coral degradation: fishing malpractices and overfishing, that particularly affect the cays. It will do so by implementing the conservation agreements with local fisher associations and by improving control and surveillance for the no-take no-entry zone to be effective. The avoided fishing and other human activities will allow the reefs and their biodiversity to recover, permitting natural regeneration of live coral covers and of fish, lobster and conch populations.</p> <ul style="list-style-type: none"> <li>• Indicator: Number of boats and persons entering the site and fishing amounts <ul style="list-style-type: none"> <li>○ Baseline value (At project start): not known</li> <li>○ Target value (during no-take no-entry agreement): Zero</li> </ul> </li> <li>• Indicator: Live coral cover increase <ul style="list-style-type: none"> <li>○ Baseline value (At project start): 2,980 ha in Roncador and 3,020 ha in Albuquerque of live coral cover</li> <li>○ Target value (End of project): 2% increase</li> </ul> </li> <li>• Indicator: Fish, lobster and conch abundance <ul style="list-style-type: none"> <li>○ Baseline value (At project start): not known</li> <li>○ Target value (End of 3-year): 5% increment</li> </ul> </li> </ul>   |

| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |  |
|--|--|
| target beneficiaries (100 words)   | <p>This initiative will directly benefit around 240 artisanal fishers from Providencia and around 400 fishers from San Andrés participating in the conservation agreement, and more broadly, their families, as they will receive economic incentives through collective benefits in order to respect the no-take no-entry zone and support conservation activities. The fishers will receive training in order to support monitoring, surveillance and research activities. Apart from the collective benefits in the short term, it is expected that the recovery of fish stocks will benefit fishers in the long-term. It is important to note that although fishing is traditionally an activity more related to men, women participate actively in the management of the fisher associations. Moreover, collective benefits can be defined for other activities more related to women. In the experience of conservation agreements in the Caribbean coast, for example, a space and equipment for handicraft were prioritized and benefited directly women in the community.</p> <ul style="list-style-type: none"> <li>Indicator: Number of artisanal fishers participating in the conservation agreement <ul style="list-style-type: none"> <li>Baseline value (At project start): 0</li> <li>Target value: 640</li> </ul> </li> <li>Indicator: Amount disbursed to fisher communities participating in the conservation agreement <ul style="list-style-type: none"> <li>Baseline value (At project start): 0</li> <li>Target value: TBD</li> </ul> </li> </ul> |
| Actors involved (50 words)   | <ul style="list-style-type: none"> <li>Federación de Pescadores Artesanales (Artisanal Fishers' Federation), in conservation agreements to stop fishing and participate in monitoring, surveillance and research</li> <li>Fondo Acción: leading the design and development of conservation agreements and providing funding</li> <li>CORALINA (environmental authority): supporting and signing conservation agreements and</li> <li>AUNAP (National Authority for Aquaculture and Fisheries)<sup>65</sup>, supporting conservation agreements</li> <li>CCO Working Table on Illegal Fishing and Colombian Navy (Armada Nacional de Colombia): surveillance and control of fishing and boat circulation.</li> </ul>  |

<sup>65</sup> A new law was published on August 3<sup>rd</sup>, 2022, organizing the management of artisanal fisheries in the country. It positions AUNAP as the authority to register and control artisanal fishers, including in case of no-take periods or zones. The programme will coordinate with AUNAP so that CORALINA has their support for the design of the conservation agreements. The Law 2268 from August 3<sup>rd</sup>, 2022 is available in Spanish:

<https://dapre.presidencia.gov.co/normativa/normativa/LEY%202268%20DE%2003%20DE%20AGOSTO%20DE%202022.pdf>

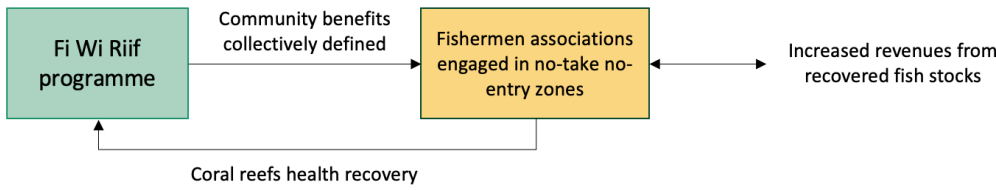
| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |   |  |                            |                           |            |
|--|---|--|----------------------------|---------------------------|------------|
|  | <ul style="list-style-type: none"> <li>ProSeaLand: local coordination for design, sign, implementation, and monitoring of agreements</li> </ul>   |  |                            |                           |            |
| GFCR Investment Fund (50 words)  | N/A   |  |                            |                           |            |
| Grant Financing (USD)  | Finance instrument  | GFCR Grant Fund Cost   | Private Grant Co-financing | Public Grant Co-financing | TOTAL      |
|  | Grant   | USD 360,000 (USD60,000 to be deployed in the first 18 months in order to design the conservation agreements; USD300,000 to be deployed during 3 years as incentives for the fishers) | USD50,000 <sup>66</sup>    | USD100,000                | USD510,000 |
|  | Concessional Loan/Recoverable Grant   |  |                            |                           |            |
|  | Guarantee   |  |                            |                           |            |
|  | TOTAL   | USD360,000   | USD50,000                  | USD100,000                | USD510,000 |
| Investment Leverage  | N/A   |  |                            |                           |            |
| Current stage and timeline (100 words)   | <p>This idea, based on a proposal from ProSeaLand, was developed in conversations with fishers and consulted with CORALINA and Fondo Acción. Fondo Acción has experience in designing and implementing conservation agreements in other regions in Colombia. In order to design the conservation agreement, preliminary studies (socioeconomic analysis, opportunity costs, etc.) need to be carried out, as well as a participatory process, involving all affected actors. Fondo Acción and ProSeaLand will lead this phase. A variety of actors will be involved in the participatory process: artisanal fishers, CORALINA, the Navy, etc. This design process will be carried out during the initial 18 months of the project, and an amount of 60,000 USD (traditional grant) has been reserved for this matter.</p> <p>Building on Fondo Acción's experience, implementation will be carried out according to the following steps and milestones:</p> |  |                            |                           |            |

<sup>66</sup> To be leveraged with private companies and/or foundations



| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |  |
|--|--|
|  | <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- Socio-economic study to determine the opportunity cost and the amount of the incentive is carried out</li> <li>- Benefit-sharing mechanism is defined through a participatory process</li> <li>- The conservation agreements are designed and signed (this would be done between the fisher associations and CORALINA).</li> </ul> <p>At this stage it is possible that one of the two target areas is more advanced than the other and the conservation agreements could start in a phased approach.<sup>67</sup></p> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- Agreements are implemented with collective benefits delivered.</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- Conservation agreements are monitored, and their impact is assessed. A strategy for the continuity of conservation agreements is designed, potentially linked to the Seaflower Fund</li> <li>- Conservation agreements are continued in the long term for consistent ecosystem recovery with sustainable funding coming from the Seaflower Fund</li> </ul>   |
| Connectivity (100 words)   | <p>This intervention is related to the next intervention described in this pipeline, “4. Distributing fishing pressure: facilitated finance for sustainable fishing fleet”, supporting the acquisition of larger vessels for artisanal fishers in Providencia, allowing them to fish in less frequented fishing grounds, to distribute fishing efforts and reduce fishing pressure near the major islands of San Andrés and Providence. Fishers benefitting from the facilitated finance scheme will be engaged in the conservation agreements. Although interventions 3 and 4 are directly connected, the engagement in conservation agreements will not be a condition for the access to the facilitated credit. This is mainly due to timing, as it is expected that the conservation agreements will have a long design and negotiation process (during the whole Phase I), while the facilitated credit scheme can be available in the first six months of the programme implementation. The no-take no-entry zones will benefit from the phase out of industrial fishing, and the reinforcement of control of illegal fishing, a main driver of degradation. Fishers participating in the conservation</p> |

<sup>67</sup> The socio-economic dynamics are very different in San Andrés compared to Providencia and Santa Catalina. The proportion of the Raizal ethnic group is much higher in Providencia and Santa Catalina, with 90% of the population, which affect that traditional knowledge and practices are more present.

| <b>Intervention #3 - No-Take No-entry Zones to enhance coral reefs and fishing grounds</b> |   |
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|  | agreement could also apply to the Investment Account in order to strengthen their business. |
| Business model graphic   |           |

#### **Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet**

| <b>Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> |   |
|---|---|
| Short Summary (100 words)   | <p>This intervention will create a blended-finance scheme to provide facilitated access to credit for fishers to renew their fishing fleet, mostly destroyed by Hurricane Iota. This will be done using the Fi Wi Riif programme resources to partner with a commercial bank in Colombia and design a specific credit scheme for the fishers to acquire new vessels or access resources to fix old vessels, and to adapt and equip vessels received after the hurricane that are not ready for operation yet. Fondo Acción is already designing finance schemes in other regions in partnership with banks and is working with the bank association in Colombia for new blended finance schemes. The idea is that the programme can cover interest amounts, so that fishers are able to access concessional loans with zero rates. In return, fishers will commit to adopt sustainable practices, which will be monitored by the programme. Potentially, they could also be asked to engage in monitoring activities, such as sea turtle community monitoring.</p> <p>This is an intervention to help recover a reef-dependent livelihood and support its transition to more sustainable practices. Moreover, it will allow to reduce the current pressure around the islands of Providencia and Santa Catalina. Up until Hurricane Iota in November 2020, artisanal fishers used the northern cays and banks in the Archipelago, mostly Quitasueño (Quenna), Serrana and Roncador, as their traditional fishing grounds, for various species of fish, conch and lobster. These practices have been key for food security and sovereignty of the Raizal communities in the Archipelago. These fishing activities were carried out mainly with the “strategic” fleet, that is, larger vessels that are essential for safe and efficient operations in the most remote fishing areas of the</p> |

| <b>Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> |   |
|---|---|
|   | <p>Archipelago. After hurricane Iota, all strategic vessels<sup>68</sup> in P&amp;SC were damaged, forcing local fishers to operate with smaller vessels around P&amp;SC, increasing pressure on the nearby coral reefs, lowering productivity, and thus affecting community livelihoods. P&amp;SC's reefs are exceptional, with a total extension of 28,250 ha (with 44% of live coral cover), including the second largest barrier reef in the Caribbean. Supporting fishers to acquire strategic vessels and recover or adapt current vessels would allow them to fish in distant grounds, helping to distribute fishing pressure, and benefiting coral reefs closer to the islands. When available, the facilitated finance scheme will be also offered to fishers in San Andrés.</p> <p>During the full proposal design, the I-FISH federation (Old Providence and Ketlina Islands Association of Independent Fishers), the largest fisher association in P&amp;SC, presented a project to ProSeaLand for support in financing a new strategic vessel. Their project inspired this intervention. I-FISH estimates a large vessel needed to fish at distant grounds costs about USD400,000. This could reach USD500,000 considering the required equipment. They estimate this investment could be repaid in 5 years, thanks to the recovered efficiency and revenues in the fishing activities.</p> <p>Fondo Acción would also work with partners to provide financial education for the fisher associations and their members to engage in the scheme. This is especially important to avoid that community members acquire debt that they are not able to repay, and to make sure they understand the terms and the requirements of the credit agreements.</p> |
| Coral Reef ecosystem impact (100 words)   | <p>This intervention will address overfishing around Providencia and Santa Catalina, benefitting the natural recovery of local reef ecosystems. Moreover, the intervention will entail certain conditions benefitting coral-reef ecosystems such as adopting best fishing practices and providing turtle monitoring support. It also supports that fishers engage in the conservation agreements for no-take no-entry zones in Roncador and Albuquerque.</p> <ul style="list-style-type: none"> <li>• Indicator: Reduced fisheries catch in Providencia and Santa Catalina <ul style="list-style-type: none"> <li>○ Baseline value (At project start): TBD (catch in tonnes and by species)</li> <li>○ Target value (6 months after vessels acquisition starts): 5% decrease in P&amp;SC catch</li> </ul> </li> </ul>   |

<sup>68</sup> Before Iota, there were 18 operational strategic vessels in P&SC; with the hurricane, 5 were totally destroyed or disappeared, and the rest were severely damaged and are not operational.

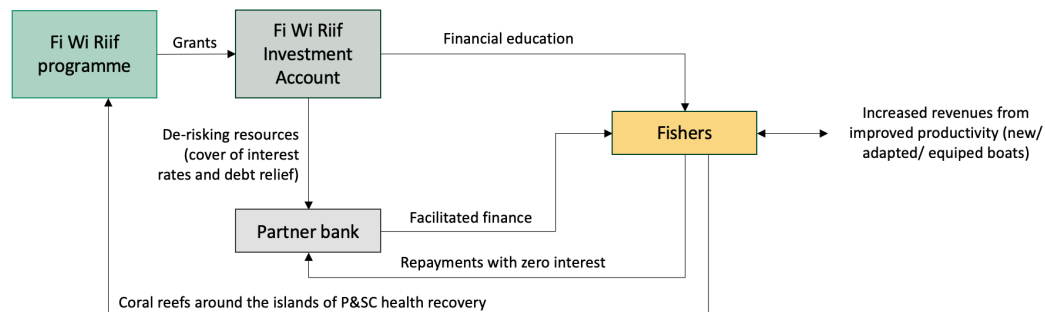
| <b>Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>Other programme indicators such as herbivorous fish abundance (biomass) and coral cover indicators will also be specifically relevant for assessing this initiative, and should be measured specifically in the areas around P&amp;SC. A 5% increased abundance of herbivorous fishes around these islands is targeted.</li> </ul>   |
| Target beneficiaries (100 words)  | <p>This intervention will potentially benefit all fishers in the Archipelago who are eligible to engage in such a scheme. The 181 members (21 women) of the I-FISH association will certainly adhere to the criteria, as they presented the project that inspired this intervention. These fishers and their families will benefit with improved food security and sovereignty and increased household revenues in the long term. Fishers will also benefit from increased safety in the sea, provided by these strategic boats and proper equipment. Currently, some fishers try to reach the cays with small, fragile and vulnerable boats, putting their health and lives at risk.</p> <ul style="list-style-type: none"> <li>Indicator: Increase in fishers' and fisher associations' average monthly income <ul style="list-style-type: none"> <li>Baseline value (At project start): TBD</li> <li>Target value (two years after boat acquisition): Increased by 20%</li> </ul> </li> </ul> <p>Other elements such as fish availability in the P&amp;SC islands (improving food security and sovereignty) or additional incomes through the diversification of activities allowed by the boats (tourism, transport, diving, etc.) will also be assessed.</p> <p>Should this intervention be successful, it is highly replicable and can serve as model for using blended finance to support fisher communities in the target areas recover more quickly from future natural disasters.</p> |
| Actors involved (50 words)  | <ul style="list-style-type: none"> <li>Fondo Acción: Defining the facilitated finance scheme with a partner bank, support contractual agreements, financing for interest rates, and providing financial education support to the fisher associations and their members.</li> <li>Bank: to provide and administer the facilitated credit</li> <li>Fisher associations: to engage in the design of the facilitated credit scheme, support financial education efforts, and support commitments for sustainable fishing practices. These associations will also support improved fishing revenues through collective benefits delivered by the conservation agreements</li> <li>ProSeaLand: local co-implementer to support the definition of initial agreements, oversee implementation and support monitoring of good practices by the fishers.</li> </ul>   |

| <b>Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> |   |                      |                            |                           |
|---|---|----------------------|----------------------------|---------------------------|
|   | <ul style="list-style-type: none"> <li>AUNAP (National Authority for Aquaculture and Fisheries), supporting conservation agreements</li> </ul>  |                      |                            |                           |
| GFCR Investment Fund (50 words)   | Maybe. If this intervention presents good results, a grouped acquisition of additional strategic boats could represent a larger investment that might be interesting for the Investment Fund. This could be complementary to the facilitated credit scheme and target only larger vessels.  |                      |                            |                           |
| Grant Financing (USD)   | A grant of USD171,500 is earmarked by the programme for this intervention. This will include the design of the funding scheme with a partner bank through a participatory negotiation with fisher associations; the financial education effort; and the covering of interests and debt relief mechanism considering concessional loans of USD1 million from a bank.   |                      |                            |                           |
|   | Finance instrument  | GFCR Grant Fund Cost | Private Grant Co-financing | Public Grant Co-financing |
|   | Grant   | USD 171,500          |                            |                           |
|   | Concessional Loan/Recoverable Grant   |                      |                            |                           |
|   | Guarantee   |                      |                            |                           |
|   | TOTAL   | USD 171,500          |                            |                           |
| Investment Leverage (100 words)   | The estimated leverage of USD 1 million in concessional loans is a conservative estimate considering P&SC has 4 fisher associations with 240 members. If two large vessels are acquired through the scheme and credit is requested for equipment or adequation of vessels, this would already amount for around USD1,000,000. If fishers are ready to take the concessional loans, up to 18 boats could be acquired (the number of larger boats before Hurricane Iota), which would mean around USD 8 to 9 million in loans. Fondo Accion prefers to keep the estimated leverage conservative as this will be a first experience with concessional loans and there will be a learning curve in Phase I. |                      |                            |                           |
| Current stage and timeline (100 words)  | <p>To give a dimension of the current situation, the I-FISH Association is currently fishing at around 25% of its normal capacity, far from completely recovered after the hurricane impact. The productive chain is being restored, with 15 outboard boats (fiberglass boats, about 25 feet long), ice production facilities, refrigerators, and administration services in place. Revenue increase will begin as soon as the new larger vessels are available.</p> <p>The first step in this direction will be the design of the facilitated finance scheme with a partner bank, through a participatory approach with the fisher</p>   |                      |                            |                           |

| <b>Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet</b> |   |
|---|---|
|   | <p>associations. An agreement including all the scheme details (ownership, boat management and maintenance arrangements, technical characteristics of the boat, reimbursement schedule, boat insurance, fishing practices required, etc.) will be defined with I-FISH in this phase. Fondo Acción will lead this process, with the support of ProSeaLand, and the scheme could be launched around 6 months after the programme start. The acquisition of the boats and its effective delivery is expected during the first 18 months of the programme and repayments could start in Phase II. Debt relief mechanisms may be included in exchange for additional conservation activities, such as monitoring and reef cleaning in case of extreme events.</p> <p>Milestones and timeline for revenue generation:</p> <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- The facilitated finance scheme is designed with a partner bank, through a participatory approach with the fisher associations</li> <li>- Fishers receive finance and acquire two vessels or adapt/ equip existing ones</li> </ul> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- Fishers implement required conditions for sustainable fisheries in the cays</li> <li>- Monitoring activities take place and may provide mechanisms for debt relief</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- Fishers start to repay their debt</li> </ul> |
| Connectivity (100 words)  | <p>This intervention is linked to the Fi Wi Riif Investment Account mechanism, which will provide the resources for the facilitated finance scheme with a partner bank. It directly supports that fishers engage in the conservation agreements for the establishment of the no-take no-entry zones, as they would have better conditions to fish in several distant areas. Additionally, fishers that adhere to this scheme will transition to sustainable practices as a requirement, and will potentially participate in monitoring activities that can provide them some debt relief. Finally, this intervention is indirectly linked to the reef-positive businesses to be supported by the Fi Wi Riif Investment Account, as the increased availability of fish in the islands will support restaurants and tourism enterprises, many run by Raizal women. The boats could also be used for transport, diving or other touristic activities, diversifying income sources for the communities.</p>   |

**Intervention #4 - Distributing fishing pressure: facilitated finance for sustainable fishing fleet**

Business  
model  
graphic


**Intervention #5 - Escuela del Mar: environmental and biocultural education center**
**Intervention #5 – Escuela del Mar: environmental and biocultural education center**

Short  
Summary  
(100 words)

The “Escuela del Mar” (School of the Sea) is an incipient initiative that seeks to generate a space for learning about marine ecosystems and their relationship with society, based on the relationships, practices and biocultural knowledge of the Raizal people. It focuses on three objectives: 1) Promoting marine environmental education activities; 2) Promoting biocultural education activities with an emphasis on Raizal socio-cultural practices linked to marine and coastal spaces, including artisanal fishing and traditional navigation; 3) Generating a training and care space for local early childhood with an emphasis on environmental and biocultural education linked to marine, coastal and terrestrial ecosystems. Escuela del Mar will raise awareness among key stakeholder groups on the negative environmental, social, and economic impacts of unsustainable economic activities and practices on coral reefs and on reef associated communities. It will also leverage local stakeholder and traditional knowledge of the target reef systems, drive the benefit of restoration projects towards women and men in reef associated communities, and build local capacity. It will cater for residents of P&SC, including children, youth and adults, and for tourists. Its social business model is based on revenues generated by offering educational, cultural and recreational services for tourists and selling local craftwork and souvenirs, in order to attain its mission of supporting Raizal culture, communities and ecosystems. It plans to offer educational activities related to artisanal fishing, naval carpentry and traditional sailing, as well as artisanal fishing trips, tours in traditional sailing boats or summer camps for children and adolescents. This space will be linked to a sea turtle conservation initiative (Intervention 7), as both will be run by ProSeaLand and will have physical spaces with tourism-based revenue models.

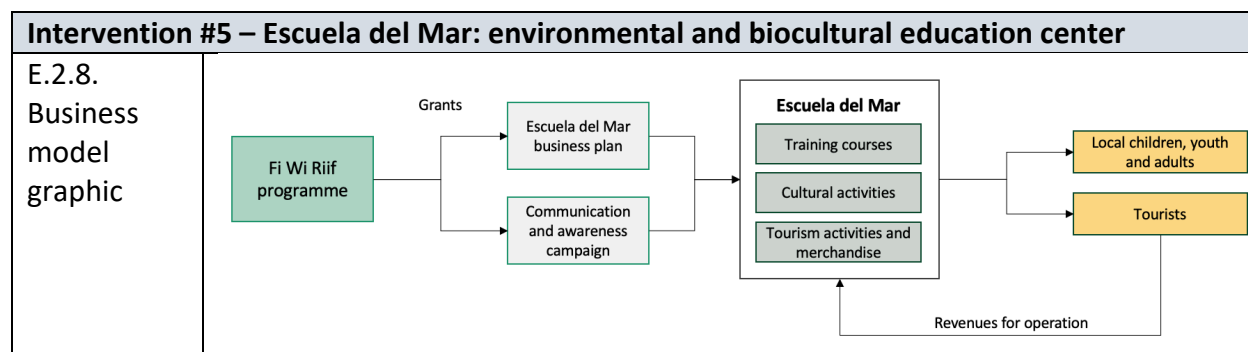


| <b>Intervention #5 – Escuela del Mar: environmental and biocultural education center</b> |   |
|--|---|
| Coral Reef ecosystem impact (100 words)  | <p>The Escuela del Mar emphasizes environmental and biocultural educational activities related to marine and coastal ecosystems, seeking to raise awareness and generate greater knowledge about their importance among different stakeholders, both locals and visitors, with an emphasis on the youth, who are key to ensuring a better relationship with the environment. It aims at promoting more sustainable attitudes, behaviors and practices for protecting coastal and marine ecosystems, including coral-reefs.</p> <ul style="list-style-type: none"> <li>Indicator: Number of people (disaggregated between local and tourists) visiting Escuela del Mar and/or benefitting from training and educational activities including coral-reef specific awareness <ul style="list-style-type: none"> <li>Baseline value: 0</li> <li>Target value (End of project): TBD</li> </ul> </li> </ul>   |
| Target beneficiaries (100 words)   | <p>The beneficiaries of the intervention are the local communities of P&amp;SC and San Andrés, children, youth and adults (women and men), as well as the tourists visiting the Archipelago (around 1 million per year). For local communities, the Escuela del Mar will provide new employment opportunities, meaningful free-time activities, enhanced education and awareness and cultural valuation and recognition. It will provide revenues and recognition to local wise men and women linked to fishing and navigation, that will transfer their knowledge to younger generations and visitors. For tourists, the center will provide a more meaningful experience, learning about local culture, traditions and the value of marine ecosystems.</p> <ul style="list-style-type: none"> <li>Indicator: Number of people employed or having generated income from the activities related to Escuela del Mar <ul style="list-style-type: none"> <li>Baseline value: 0</li> <li>Target value (End of project): TBD</li> </ul> </li> <li>Indicator: Yearly net revenue generated by Escuela del Mar <ul style="list-style-type: none"> <li>Baseline value: 0</li> <li>Target value (End of project): TBD</li> </ul> </li> </ul> |
| Actors involved (50 words)   | <ul style="list-style-type: none"> <li>- Fondo Acción: definition of agreement, financing, administration of grant</li> <li>- ProSeaLand: Business development and operation, community engagement work, coordinate the required partnerships for the sea turtle conservation programme</li> <li>- Community: Local fishers providing training, cultural actors presenting events, artisans producing craftwork, etc.</li> <li>- Municipal authority from P&amp;SC: providing the necessary authorizations for the operationalization of Escuela del Mar and for the organization of certain events</li> <li>- CORALINA and the scientific community: providing data and information on local ecosystems for designing the permanent exhibition in the eco-museum</li> </ul>  |

| Intervention #5 – Escuela del Mar: environmental and biocultural education center |   |                 |      |                   |                             |                           |         |  |  |
|---|---|-----------------|------|-------------------|-----------------------------|---------------------------|---------|--|--|
|   | - Asociación Tortugas del Mar: designing and implementing the turtle conservation Project   |                 |      |                   |                             |                           |         |  |  |
| GFCR Investment Fund (50 words)   | It is not anticipated that the Escuela del Mar center will generate an investment opportunity of the size envisioned by the GFCR Investment Fund. Maybe if it is combined with the sea turtle center, it could become attractive, if the business plans show that the centers could generate enough revenues from tourism and the educational activities.   |                 |      |                   |                             |                           |         |  |  |
| Grant Financing (USD)   | Finance instrument  | GFCR Grant Cost | Fund | Private financing | Grant Co-                   | Public Grant Co-financing | TOTAL   |  |  |
|   | Grant   | 101,500         |      | 10,000            | (ProSeaLand matching funds) | 40,000                    | 151,500 |  |  |
|   | Concessional Loan/Recoverable Grant   |                 |      |                   |                             |                           |         |  |  |
|   | Guarantee   |                 |      |                   |                             |                           |         |  |  |
|   | TOTAL   | 101,500         |      | 10,000            |                             | 40,000                    | 151,500 |  |  |
| Investment Leverage   | A detailed business plan will be defined in year 1  |                 |      |                   |                             |                           |         |  |  |
| E.2.6. Current stage and timeline (100 words)                                     | <p>This initiative is currently at a concept stage. It has been conceptualized and discussed with various local actors. It had an initial phase with the project called “Fishing for Future” with the support of the National University of Colombia and including the publication of a pedagogic booklet on artisanal fishing.<sup>69</sup> There is experience related to environmental and biocultural education, but on a small scale and with little continuity. A detailed business plan will be designed in year 1 together with a programmatic plan and some cultural/educational events will be organized on behalf of the Escuela del Mar in the first 18 months, although the actual space will not be available until the second year of the programme. In the first 18 months, a budget of USD 101,500 will be destined for ProSeaLand team to carry out these initial activities.</p> <p>Revenue generation will begin after the center is operational (Phase II) and implementing activities directed to tourism. Activities directed towards the local community are envisioned to be free of charge.</p> <p>Milestones planned include:<br/>Phase I:</p> |                 |      |                   |                             |                           |         |  |  |

<sup>69</sup> Márquez-P. et al., 2022. Aproximación a la pesca artesanal en las islas de Providencia y Santa Catalina. Universidad Nacional de Colombia – I Fish Association – ProSeaLand.

| <b>Intervention #5 – Escuela del Mar: environmental and biocultural education center</b> |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>- The community awareness and engagement programme is designed and starts implementation, to be later included in the educational and cultural center Escuela del Mar</li> <li>- Design (governance, structure, and business plan) of the educational and cultural center Escuela del Mar (School of the Sea) are carried out</li> </ul> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- The educational and cultural center Escuela del Mar (School of the Sea) is installed, equipped and delivers training activities targeting reef health recovery</li> <li>- The educational and cultural center Escuela del Mar (School of the Sea) develops revenue streams related to the Raizal culture and traditions (festivals, souvenirs, paid educational activities etc.) and starts generating revenues</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- The educational and cultural center Escuela del Mar (School of the Sea) has a consolidated educational programme that rescues and values the Raizal culture and traditions related to the health of reefs and marine ecosystems, and has consolidated revenue streams</li> </ul> |
| E.2.7. Connectivity (100 words)  | <p>This intervention is closely linked to communication and awareness raising activities promoted by the programme, some of which will be carried out through Escuela del Mar. It also reinforces other initiatives as it promotes local and visitor awareness on the importance and vulnerability of coral reefs, contributing to its protection. Specific trainings or workshops for reef-positive businesses can be carried out in this center, thus promoting exchanges. Escuela del Mar, by becoming a tourist attraction in P&amp;SC, will attract visitors to the island, thus supporting other local business initiatives dependent on tourism. Escuela del Mar will also promote local engagement in the programme by offering festivals and other cultural venues that contribute to its visibility and success.</p> <p>The sea turtle conservation programme (Intervention 7), involving monitoring and protection of sea turtles will be coordinated by ProSeaLand and may be linked to Escuela del Mar to generate common revenues (especially from tourism activities and merchandise).</p>  |



## Intervention #6 – Blue Carbon Projects

| Intervention #6 – Blue Carbon Projects |  |
|--|--|
| Short Summary<br>(100 words)           | <p>The Fi Wi Riif programme will support the development of blue carbon projects<sup>70</sup> in the Seaflower Biosphere Reserve, in order to restore and protect coastal and marine ecosystems, and to provide additional resources to local communities in the Archipelago. The potential for blue carbon has already been studied in the region and Colombia has the legal framework and an established domestic compliance carbon market to support this. Revenues generated through the selling of blue carbon credits could also feed the Seaflower Fund and the Fi Wi Riif Investment Account, for supporting MPA conservation and reef-positive businesses.</p> <p>INVEMAR (National Institute for Coastal and Marine Research) just finished developing the baseline for mangrove<sup>71</sup> and seagrass<sup>72</sup> carbon stocks in the Archipelago. Partners are now encouraged to support the realization of prefeasibility studies for blue carbon projects. Potentially, the certification of the whole area of Seaflower could lead to the Archipelago becoming the first carbon neutral islands in the world. According to INVEMAR, it is worth focusing on the mangroves of the Archipelago for three main reasons: they were severely impacted by Hurricane Iota and need to be restored to keep providing the coastal protection they provided during the hurricane; according to the most recent studies, they can capture much more carbon compared to</p> |

<sup>70</sup> Biodiversity markets could also be prospected in addition to blue carbon markets.

<sup>71</sup> Mangroves in the Archipelago of San Andres, Providencia and Santa Catalina cover an area of approximately 210 ha, of which around 150 ha are located on the island of San Andres and almost 60 ha in Providencia and Santa Catalina. (López Rodríguez, A et al; 2009. Ordenamiento Ambiental de los manglares del Archipiélago San Andrés, Providencia y Santa Catalina.)

<sup>72</sup> The carbon stock baseline for seagrasses was carried out under the EU co-funded MAPCO project "MAPCO (Mangroves, Seagrasses and Local Communities: Development and exchange of experiences of integrated management of biodiversity and its services in the Caribbean region), that lasted from 2016 to 2020, and was co-implemented by INVEMAR and Fundación Natura. Seagrasses cover an extension of around 260 ha in the Archipelago.

| <b>Intervention #6 – Blue Carbon Projects</b> |  |
|---|--|
|   | <p>continental mangroves;<sup>73</sup> and there are robust scientific and methodological frameworks for the development of blue carbon projects in mangroves. Recently, INVEMAR and partners were able to certify the first blue carbon conservation project using a Verra methodology<sup>74</sup> developed for tidal wetland conservation and restoration activities.<sup>75</sup> The fact that there is a blue carbon conservation methodology approved under any major GHG program and there is also a first verified project globally that is in Colombia, reduces the risks perceived by carbon offtakers in relation to blue carbon projects. Given the reduced size of the mangroves in the Archipelago (210 ha), it is evident that carbon credit proceeds will not be sufficient to finance the whole conservation and sustainable development objectives. In this sense, Fondo Acción, with CORALINA and INVEMAR, plans to explore the possibility of complementary revenue streams, such as biodiversity markets and resilience credits.<sup>76</sup></p> <p>In Phase I, the programme will support initial stakeholder consultations, activities to leverage co-finance for the prefeasibility study and support policy work. In the next phases of the programme, the required studies for blue carbon projects will be developed. If proven feasible, project documents will be developed and the credits will be verified and registered, being ready to be commercialized.</p> |
| Coral Reef ecosystem impact (100 words)       | <p>Mangroves in the Archipelago (especially in Providencia) were severely impacted by Hurricane Iota, while seagrasses and coral reefs resisted relatively well. Mangroves and seagrasses are known to play an important function for sediment and nutrient retention, avoiding problems related to algal overgrowth in coral reefs. In addition, they have a strong role as nurseries for fish and turtle species that support coral reefs health. Moreover, research has shown that degraded seagrasses provide suitable substrate for colonization by the slime molds that cause reef diseases. Their restoration and protection through blue carbon projects will positively impact coral reef health. In Phase I, the following indicators can be proposed for the intervention:</p> <ul style="list-style-type: none"> <li>Indicator: Funds leveraged for developing carbon projects (prefeasibility, design, certification and implementation)</li> </ul>   |

<sup>73</sup> INVEMAR studies (to be published) concluded that in 30cm depth of soil in the islands' mangroves it is possible to find the same quantity of carbon stored as in 50cm depth of soil in mangroves in the continent.

<sup>74</sup> <https://verra.org/press-release-verra-has-registered-its-first-blue-carbon-conservation-project/>

<sup>75</sup> <https://verra.org/first-blue-carbon-conservation-methodology-expected-to-scale-up-finance-for-coastal-restoration-conservation-activities/>

<sup>76</sup> The blue carbon and resilience credit is a concept being developed by TNC, which includes both carbon storage and coastal protection ecosystem services. To add to the carbon credit price, the concept is to calculate the avoided flooding provided by the mangroves and the avoided losses this would mean.

| <b>Intervention #6 – Blue Carbon Projects</b> |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>○ Baseline value (At project start): 0</li> <li>○ Target value: 350,000 USD (Phase II); 500,000 USD (Phase III), over the period of Phases II and III</li> <li>● Indicator: New regulation in place opening the way for blue carbon certification in the McBean Lagoon NNP               <ul style="list-style-type: none"> <li>○ Baseline value (At project start): No</li> <li>○ Target: Yes</li> </ul> </li> </ul> <p>Additional indicators will be added if sufficient funds are leveraged for prefeasibility and certification processes.</p>   |
| Target beneficiaries (100 words)              | <p>The stakeholder consultation process will be a participatory process, involving communities (children, women and men) living close to mangrove and seagrass ecosystems and/or directly depending on them, as well as other institutional and local stakeholders. When Blue Carbon projects are implemented, communities living near mangroves and seagrasses, or directly depending on their services, will benefit from increased income and employment opportunities related to ecosystem conservation. With mangroves, seagrasses and coral reefs health improved through blue carbon projects, the communities will benefit from enhanced ecosystem services, including coastal protection (from hurricanes, sea level rise, and erosion), water quality regulation and food security, as well as improved resilience to climate change. Moreover, the projects will also include other income generating initiatives for the communities involved (e.g., ecotourism, crab harvest, honey production, etc.). In this way communities will benefit from alternative livelihoods, complementing the carbon revenues for the long-term sustainability of the restoration efforts.</p> <p>Specific indicators and targets will be defined during the prefeasibility study, in Phase II, if sufficient funds are leveraged.</p> |
| Actors involved (50 words)                    | <ul style="list-style-type: none"> <li>● CORALINA is responsible for the management of the Seaflower Biosphere Reserve, and will have a central role in the blue carbon projects design and implementation. CORALINA is the institution with the mandate over any carbon credits that are generated in the Archipelago.</li> <li>● INVEMAR, as a leading research authority having determined the baseline for mangrove and seagrass carbon potential in the area, will be a key institution for carrying out the prefeasibility studies and for participating in the leveraging of additional funds</li> <li>● Parques Nacionales, through the McBean Lagoon NNP, is responsible for the management of the Park and will play an important role for developing blue carbon projects in the area. Initially, it will support the process of policy work intended in the first phase of the project to enable carbon projects to take place in the Park.</li> </ul>  |

| <b>Intervention #6 – Blue Carbon Projects</b> |  |   |                                     |                           |            |
|---|--|---|-------------------------------------|---------------------------|------------|
|   | <ul style="list-style-type: none"> <li>Fondo Acción will provide funds and technical assistance for the stakeholder consultation process and the regulatory studies necessary in the first phase. It will actively support the leveraging of co-finance for developing the prefeasibility studies and the carbon project design documents (PDDs). It has extensive experience developing successful REDD+ projects in mangroves in the Pacific and other forested areas, with a portfolio of 19 projects. Fondo Acción will also manage the potential carbon credits revenues on behalf of CORALINA and the communities involved for the benefit sharing.</li> </ul> |   |                                     |                           |            |
| GFCR Investment Fund (50 words)               | The Investment Fund does not currently invest in carbon credits.   |   |                                     |                           |            |
| Grant Financing (USD)                         |  |   |                                     |                           |            |
|   | Finance instrument   | GFCR Grant Fund Cost  | Private Grant Co-financing          | Public Grant Co-financing | TOTAL      |
|   | Grant  | USD225,000 <ul style="list-style-type: none"> <li>Phase I: USD75,000</li> <li>Phase II: USD150,000</li> </ul> | USD350,000 <sup>77</sup> (Phase II) |                           | USD575,000 |
|   | Concessional Loan/Recoverable Grant  |   |                                     |                           |            |
|   | Guarantee  |   |                                     |                           |            |
|   | TOTAL  | USD225,000  | USD350,000                          |                           | USD575,000 |
| Investment Leverage (100 words)               | The prefeasibility study could take place in year 2, the development of feasible carbon projects in the first half of year 3, allowing the certification of the credits in this same year and revenues flowing from Year 4 on. The potential for revenue generation and commercial investment will be determined during the prefeasibility phase, but it is anticipated that USD500,000 <sup>78</sup> would be provided by private carbon offtakers (one time investment) for the project development and implementation.  |   |                                     |                           |            |
| Current stage and timeline (100 words)        | Currently, an IKI (International Climate Initiative of the government of Germany) project is being formulated together with CORALINA, and could include co-finance for carrying out the prefeasibility studies for blue carbon projects in the Seaflower Biosphere Reserve (probably for mangroves and   |   |                                     |                           |            |

<sup>77</sup> For Blue Carbon project certification.

<sup>78</sup> For implementation of blue projects activities (restoration, etc.): funds to be obtained from co-financiers and/or potential carbon offtakers.



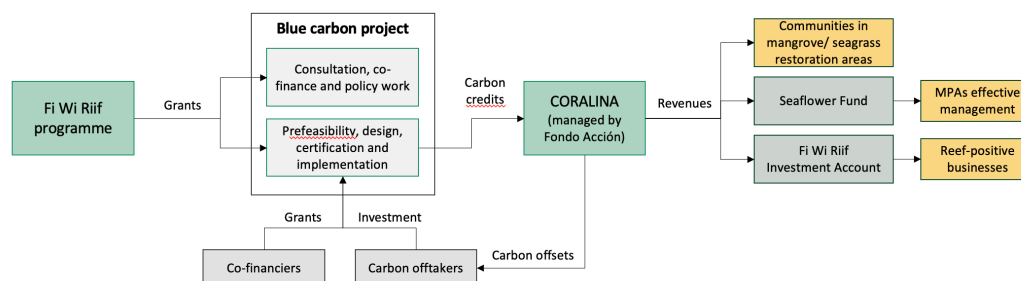
| <b>Intervention #6 – Blue Carbon Projects</b> |  |
|---|--|
|   | <p>maybe for seagrasses). The Fi Wi Riif programme will coordinate with this project in order to align, build synergies and ensure sufficient funds are leveraged both for the prefeasibility study and for the certification phase.</p> <p>The intervention is at a planning stage and the expected milestones and timeline are:</p> <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- Initial stakeholder consultations (with the communities and all the relevant actors), as part of the prefeasibility study for blue carbon</li> <li>- Leverage co-financing for the prefeasibility study and for certification processes.</li> <li>- Support policy work in order to make it possible for Natural National Parks in Colombia to access carbon certification, in particular those exposed to highly destructive natural events.<sup>79</sup> This restriction affects the McBean Lagoon Natural National Park, containing the most extensive mangrove areas in Providencia, also the most affected by Hurricane Iota.</li> </ul> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- Blue carbon projects are designed, with leveraged resources from other donors and/or potential carbon offtakers. The Project Design Documents are built and submitted for validation in a particular certification standard.</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- Blue carbon projects are implemented<sup>80</sup> monitored, verified, and registered, generating credits</li> </ul> |
| Connectivity<br>(100 words)                   | <p>Carbon credits can finance mangrove and seagrass recovery activities and generate income for associated communities. Part of the carbon revenues could feed the Seaflower Fund or the Investment Account, supporting MPA conservation activities and reef-positive businesses.</p> <p>Mangrove and seagrass conservation activities will benefit coral health and resilience, as well as food security and coastal protection. Local communities will see the benefits of conservation and its potential for income generation, which will contribute to them further valuing and protecting coastal and marine ecosystems.</p>   |

<sup>79</sup> At the moment, blue carbon certification is not possible in Colombia for National Natural Parks (NNP) or parks with restricted conservation use, due to international carbon standard requirements on additionality. Regulatory work is needed for allowing carbon certification in parks affected by extreme natural events, such as is the case for the McBean Lagoon NNP.

<sup>80</sup> With leveraged resources from potential carbon offtakers.

### Intervention #6 – Blue Carbon Projects

Business  
model  
graphic



### Intervention #7 – Sea Turtle Conservation Programme

#### Intervention #7 – Sea Turtle Conservation Programme

Short  
Summary  
(100 words)

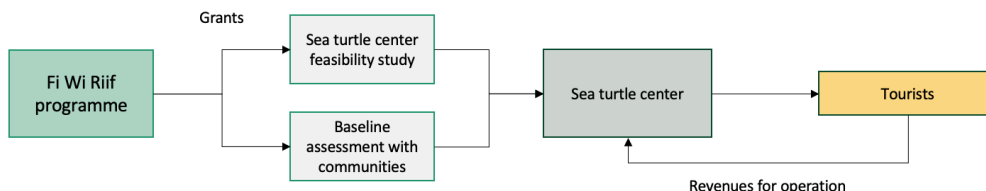
Sea turtles are a fundamental component of coral reef ecosystems, even if their populations are reduced to a fraction of the original numbers because of hunting since the eighteenth century. Turtles graze on and renew seagrasses and sponges, contributing to ecological functioning of ecosystems; without grazing, primary production of seagrasses is useless, and they become senescent, losing the capacity to retain sediments and nutrients, and creating anoxic habitats, favorable to the development of coral diseases. This intervention intends to 1) generate conditions for the long-term recovery of turtle populations in the Archipelago, increasing the knowledge on turtles in the Archipelago Biosphere Reserve; 2) support local communities in the development of their environmental knowledge, sustainable development and blue/green economy through ecotourism and nature-based tourism on good practices for the conservation of sea turtles in the Archipelago (tied to Intervention #5); and 3) contribute to the strengthening of institutional capacities at the local and national levels for decision-making, management, control and surveillance on the protection of sea turtles. This will include field work to study and monitor sea turtles, carry out an awareness campaign, environmental education and outreach with children and adults, development and implementation, in a participatory way, of sustainable business plans in ecotourism with emphasis on sea turtles, and, mainly, the creation of a turtle center for the rescue, recovery and release of sea turtles. This would be the first sea turtle center in Colombia and could serve as a model of productive project for communities around the conservation of sea turtles and the health of the ocean.

| <b>Intervention #7 – Sea Turtle Conservation Programme</b> |   |
|--|---|
| Coral Reef ecosystem impact (100 words)                    | Senescence of seagrasses caused by low levels of grazing has been related with coral diseases <sup>81</sup> . Diseases are the main cause of coral living tissue loss and are a difficult problem to face as there are no functional responses to its general impact. In this sense, helping to keep the conditions for coral reefs health is one of the few effective measures. Recovering turtle populations and their role in coral reef ecosystems as seagrass and sponge eaters is expected to help on the recovery of basic ecological balance and coral reef health.   |
| Target beneficiaries (100 words)                           | The beneficiaries of the intervention are the local communities of P&SC and San Andrés, children, youth and adults (women and men), as well as the tourists visiting the Archipelago (around 1 million per year). For local communities, the turtle conservation programme will provide education, awareness and capacity building about the importance of the sea turtles. It will also provide income opportunities for a group of locals that will be involved in the monitoring activities, mainly fishers, and local groups that can be involved in the center functioning and nature-based tourism activities. More turtles will increase the tourism attractiveness of the islands. For tourists, the center will provide a new experience to learn about turtles and their importance for the marine ecosystems.  |
| Actors involved (50 words)                                 | <ul style="list-style-type: none"> <li>• CORALINA is responsible for the management of the Seaflower Biosphere Reserve, and will have a central role in the programme.</li> <li>• Parques Nacionales, through the McBean Lagoon NNP, will also be involved to contribute to turtle monitoring in its area.</li> <li>• Fondo Acción will provide funds and technical assistance for the design of the programme and its implementation</li> <li>• ProSeaLand will initially lead the design and implementation of the turtle conservation programme, coordinating local activities and the participation of fishers and other local people, as well as coordinating with Fundación Tortugas del Mar for the technical aspects</li> <li>• Fundación Tortugas del Mar is a Colombian NGO leading the work on sea turtle conservation through a community-based approach, with solid experience in other regions, including the Caribbean coast. They will lead the technical aspects in the first phase and might lead implementation of the sea turtle conservation programme in phase II.</li> </ul> |
| GFCR Investment  | Maybe. The turtle conservation project could require a substantial investment for scaling-up and developing into an independent and thriving initiative. It could become a major tourist attraction in San Andrés, following the model of   |

<sup>81</sup> Jeremy B. C. Jackson, et al. "Historical Overfishing and the Recent Collapse of Coastal Ecosystems." Science, vol. 293, no. 5530, American Association for the Advancement of Science, 2001, pp. 629–38, <http://www.jstor.org/stable/3084305>

| <b>Intervention #7 – Sea Turtle Conservation Programme</b> |  |                            |                           |              |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
|--|--|----------------------------|---------------------------|--------------|--------------------|----------------------|----------------------------|---------------------------|-------|-------|------------|------------|------------|------------|-------------------------------------|------------|--|--|------------|-----------|--|--|--|--|-------|------------|------------|------------|--------------|
| Fund (50 words)  | Projeto Tamar <sup>82</sup> in Brazil, with very successful visitor centers and marketing products that complement the funding of turtle conservation activities.  |                            |                           |              |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Grant Financing (USD)                                      | <p>A first estimative of Fundación Tortugas del Mar shows that a minimum of USD530,000 needs to be invested in grants to structure and kick-off the programme. In Phase I, USD180,000 will be earmarked to detail the programme design and start the monitoring activities necessary for establishing a baseline of the sea turtle populations. Part of these resources will be used for the feasibility study of a business model around the center. A reference for this model is the project called TAMAR, operating in Brazil for several years with turtle centers in different places of the Brazilian coast. Additional resources (USD250,000) will need to be raised with other sources, which Fondo Acción believes can be mobilized through CSR donations. In Phase II, the provincial government could provide in-kind support estimated at USD100,000 in the form of a space for the sea turtle center to be built. A recoverable grant could then be provided by the Fi Wi Riif programme for the building of the center. The center would have revenue sources associated to tourism, such as entrance fees and a shop with merchandise and local handicraft.</p> <table> <tr> <th>Finance instrument</th><th>GFCR Grant Fund Cost</th><th>Private Grant Co-financing</th><th>Public Grant Co-financing</th><th>TOTAL</th></tr> <tr> <td>Grant</td><td>USD180,000</td><td>USD250,000</td><td>USD100,000</td><td>USD530,000</td></tr> <tr> <td>Concessional Loan/Recoverable Grant</td><td>USD500,000</td><td></td><td></td><td>USD500,000</td></tr> <tr> <td>Guarantee</td><td></td><td></td><td></td><td></td></tr> <tr> <td>TOTAL</td><td>USD680,000</td><td>USD250,000</td><td>USD100,000</td><td>USD1,030,000</td></tr> </table> |                            |                           |              | Finance instrument | GFCR Grant Fund Cost | Private Grant Co-financing | Public Grant Co-financing | TOTAL | Grant | USD180,000 | USD250,000 | USD100,000 | USD530,000 | Concessional Loan/Recoverable Grant | USD500,000 |  |  | USD500,000 | Guarantee |  |  |  |  | TOTAL | USD680,000 | USD250,000 | USD100,000 | USD1,030,000 |
| Finance instrument   | GFCR Grant Fund Cost   | Private Grant Co-financing | Public Grant Co-financing | TOTAL        |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Grant  | USD180,000   | USD250,000                 | USD100,000                | USD530,000   |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Concessional Loan/Recoverable Grant                        | USD500,000   |                            |                           | USD500,000   |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Guarantee  |  |                            |                           |              |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| TOTAL  | USD680,000   | USD250,000                 | USD100,000                | USD1,030,000 |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Investment Leverage (100 words)                            | The investment leverage potential will be assessed in Phase I when a feasibility study for a business model will be carried out.   |                            |                           |              |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |
| Current stage and timeline (100 words)                     | <p>This intervention is in conceptual phase. Fundación Tortugas del Mar was engaged in the programme development phase to help design the objectives and estimate initial costs, but a more detailed plan needs to be developed in the beginning of Phase I. Main milestones expected are:</p> <p><u>Phase I:</u></p> <ul style="list-style-type: none"> <li>- Turtle conservation actions are designed and start implementation</li> <li>- The turtle population baseline is assessed</li> </ul>  |                            |                           |              |                    |                      |                            |                           |       |       |            |            |            |            |                                     |            |  |  |            |           |  |  |  |  |       |            |            |            |              |

<sup>82</sup> <https://www.tamar.org.br/>

| <b>Intervention #7 – Sea Turtle Conservation Programme</b> |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>- A feasibility study for a business model based on tourism revenues is carried out. Biodiversity markets are explored to help achieve financial sustainability for the turtle conservation programme.</li> </ul> <p><u>Phase II:</u></p> <ul style="list-style-type: none"> <li>- The turtle population is monitored, and the first results of the conservation efforts are assessed</li> <li>- The sea turtle center is built and starts operations.</li> </ul> <p><u>Phase III:</u></p> <ul style="list-style-type: none"> <li>- The turtle conservation programme has a clear continuity and financial sustainability strategy, including monitoring actions to assess impact in the long term</li> </ul>   |
| Connectivity<br>(100 words)                                | <p>As already mentioned, the sea turtle conservation programme will be directly linked to the educational center Escuela del Mar, as both are expected to evolve to physical spaces offering activities and experiences with a tourism-base revenue model. Also, both interventions will be coordinated by the local co-implementer ProSeaLand and may become hubs for behavior change in the islands. It is expected that the sea turtle center will be established in San Andrés, where most of the tourism takes place, and the Escuela del Mar in P&amp;SC, where the Raizal culture is prevalent. In addition, the participation of fishers in the monitoring, rescuing and conservation of sea turtles may be linked to a debt relief mechanism in Intervention 4. This means that fishers that take concessional loans through the facilitated credit scheme to acquire new boats will have an incentive to participate in the sea turtle conservation programme.</p> |
| Business<br>model<br>graphic                               |  <pre> graph LR     A[Fi Wi Riif programme] -- Grants --&gt; B[Sea turtle center feasibility study]     A -- Grants --&gt; C[Baseline assessment with communities]     B --&gt; D[Sea turtle center]     C --&gt; D     D --&gt; E[Tourists]     E -- "Revenues for operation" --&gt; D   </pre>   |



# GLOBAL FUND FOR CORAL REEFS

## SECTION F – FINANCING OVERVIEW AND STRATEGY

| F. FINANCING OVERVIEW                    |   |  |  |  |
|--|---|--|--|--|
| F.1. Grant Cost Overview by Outcome      |   |  |  |  |
| Component                                | Total GFCR Grant Cost   | Proportion deployed as Traditional Grant | Proportion deployed as Concessional Instrument |  |
| Outcome 1                                | 2,075,000   | 100%                                     |  |  |
| Outcome 2                                | 3,500,000   | 60%                                      | 40%  |  |
| Outcome 3                                | 425,000   | 100%                                     |  |  |
| Prog Management                          | 1,440,000   |  |  |  |
| <b>Direct Costs</b>                      | <b>7,440,000</b>  |  |  |  |
| Indirect Costs (7%)                      | 560,000   |  |  |  |
| <b>TOTAL</b>                             | <b>8,000,000</b>  |  |  |  |
| F.2. Grant Co-financing                  |   |  |  |  |
| F.2.1. Co-financing Strategy (200 words) | <p>As a trust fund, Fondo Acción operates as an aggregator of funding for different programmes. Given its consolidated financial position, it normally is able to co-finance its programmes by providing institutional support that is not charged to programme budgets. This type of in-kind co-financing will be provided by Fondo Acción and the co-implementers of the programme. This will refer mainly to the time of senior staff contributing to the programme implementation.</p> <p>Additionally, Fondo Acción envisions it can match Fi Wi Riif resources with other funders to implement specific outputs. This is the case of the Blue Action Fund (BAF), which currently has an open Call for Proposals targeting</p> |  |  |  |



|  |   |
|--|---|
|  | <p>effective management of MPAs and sustainable livelihoods in coastal communities in the Caribbean.<sup>83</sup> Fondo Acción already implements a BAF project in the Pacific coast and was encouraged by the BAF team to present a proposal for the Seaflower MPA system. The proposal will be delivered by November 2022 and if it is selected by BAF, it would provide complementary resources to the Fi Wi Riif activities. Also, Fondo Acción is in conversation with INVEMAR and Patrimonio Natural (the other Colombian trust fund and a partner of Fondo Acción in other initiatives) about a new project that will dedicate resources for blue carbon projects in the Archipelago. This project is under appraisal by the International Climate Initiative (IKI) of the German government. There is also a group of international donors, the Blue Nature Alliance (BNA),<sup>84</sup> in contact with Fondo Acción, as they are launching their Caribbean strategy, which has a focus on supporting large MPAs, such as the Seaflower Reserve. It is envisioned that BNA will most probably provide technical assistance to the MPA management, which would support the Seaflower Fund creation efforts. A new full-size GEF project focused on mainstreaming biodiversity conservation in the tourism sector in the Archipelago is also under development by Conservation International (CI) and CORALINA as executing agencies and WWF-US as implementing agency.<sup>85</sup> It has a GEF budget of USD2.6 million and complementary outputs, such as: developing business models for sustainable tourism; promoting Interinstitutional coordination; and an awareness campaign about the importance of biodiversity. CI and Fondo Acción have worked together in several occasions and are also in conversations for finding synergies between the Fi Wi Riif programme and the new GEF project. CORALINA annual M&amp;E budget is also considered as in-kind co-finance, as the programme will benefit from the monitoring activities of coral reefs that are already carried out by the environmental authority.</p> <p>Finally, Fondo Acción plans to expand the blended finance strategy for coral reefs to the Pacific Ocean through co-financing. In this region, Fondo Acción is part of the regional trust fund PACIFICO Foundation, which will implement a programme focused on supporting MPAs, including a sustainable blue economy component. Fondo Acción also manages the endowments for the Malpelo Flora and Fauna Sanctuary and for the programme La Minga, which supports three coastal community-managed MPAs.</p> |
|--|---|

<sup>83</sup> [https://www.blueactionfund.org/wp-content/uploads/2022/06/Call4Proposals\\_WiderCaribbeanSea.pdf](https://www.blueactionfund.org/wp-content/uploads/2022/06/Call4Proposals_WiderCaribbeanSea.pdf)

<sup>84</sup> The Blue Nature Alliance is a global partnership founded and led by Conservation International, The Pew Charitable Trusts, The Global Environment Facility, Minderoo Foundation, and the Rob & Melani Walton Foundation. <https://www.bluenaturealliance.org/our-approach>

<sup>85</sup> <https://www.worldwildlife.org/projects/mainstreaming-biodiversity-conservation-in-the-tourism-sector-of-the-protected-areas-and-strategic-ecosystems-of-san-andres-old-providence-and-santa-catalina-islands>





| F.2.2. Grant co-financing overview |                                       |              |   |                              |
|------------------------------------|---------------------------------------|--------------|---|------------------------------|
|                                    | Co-financing Source                   | Amount (USD) | Status  | Relevant programme component |
|                                    | Fondo Accion                          | 56,000       | Secured.<br>Corresponds to staff time covered by the organization   | All components               |
|                                    | Fondo Acción and ISA (energy company) | 36,000       | Secured.<br>Corresponds to a project in Providencia to support agroecology and awareness  | Output 3.2                   |
|                                    | ProSeaLand                            | 45,000       | Secured.<br>Corresponds to staff time covered by the organization   | Outputs 1.2, 2.2, 3.2, 3.3   |
|                                    | ProSeaLand                            | 300,000      | Ambition (Call for proposals of the Ocean Innovation Challenge.<br>ProSeaLand submitted the proposal "Marine Protected Areas as Drivers in Post Pandemic Post | Outputs 2.2, 3.2             |



|  |                         |   |  |  |
|--|-------------------------|---|--|--|
|  |                         |   | Hurricane Recovery in Seaflower Biosphere Reserve")  |  |
|  | CORALINA                | 1,050,000<br>(175,000/<br>year in 6<br>years) | Secured.<br>Corresponds to<br>staff time covered<br>by the<br>organization and<br>its annual M&E<br>budget         | Outputs 1.1, 1.2, 1.3, 1.4, 2.1, 2.2 and 3.3 |
|  | CORALINA                | 100,000                                       | Anticipated.<br>Corresponds to in-<br>kind support to<br>conservation<br>agreements                                | Output 2.2                                   |
|  | National government     | 300,000                                       | Anticipated. Co-<br>finance for<br>supporting<br>sustainable<br>businesses and<br>recovery after<br>Hurricane Iota | Output 2.3                                   |
|  | Provincial government   | 140,000                                       | Anticipated. Use of<br>building for<br>Escuela del Mar<br>and sea turtle<br>center                                 | Outputs 3.2 and 3.3                          |
|  | IKI/ Patrimonio Natural | TBC   | Anticipated.<br>Amount is to be  | Output 1.4 (blue carbon)                     |



|  |   |                |   |                            |
|--|---|----------------|---|----------------------------|
|  |   |                | confirmed and project is to still in appraisal process.   |                            |
|  | Blue Action Fund                                | 2 to 4 million | Ambition (Call for proposals open for the Caribbean. Fondo Acción already implements a BAF project in the Pacific and was encouraged by BAF to apply) | Outputs 1.1, 1.2, 1.3, 2.2 |
|  | Blue Nature Alliance                            | TBD            | Anticipated. This is probably in-kind support through technical assistance for the MPAs in the Seaflower Reserve.                                     | Output 1.1                 |
|  | TBD   | 250,000        | Ambition. CSR contribution for the sea turtle conservation program and center   | Output 3.3                 |
|  | International Development Financial Institution | 3,500,000      | Ambition. Capitalization of the Seaflower Fund  | Output 1.1                 |



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|  |   |                           |                               |                     |
|--|---|---------------------------|-------------------------------|---------------------|
|  | Philanthropic institutions  | 180,000                   | Fi Wi Riif Investment Account | Outputs 2.1 ans 2.3 |
|  | TOTAL   | 7.8M-9.8M (>1.1M secured) |                               |                     |
| F.3. Commercial Investments            |   |                           |                               |                     |
| F.3.1. Investment Strategy (200 words) | <p>Fondo Acción envision a partnership with a commercial bank to implement one of the programme’s pipeline interventions, the facilitated credit scheme for sustainable fishing. The strategy is that with some grant resources from the GFCR, Fondo Acción can cover interest costs so that a bank can offer concessional loans for the artisanal fishers to renew their fleet after the losses with Hurricane Iota.</p> <p>Additionally, the Fi Wi Riif Investment Account will deploy part of its GFCR resources as recoverable grants, identifying investment opportunities that can be attractive to other impact investors, that may co-invest in the portfolio or individually in a specific business. An investment strategy to reach the expected leverage will be developed.</p> <p>Finally, the programme includes a blue carbon project (with the possibility of complementary revenue streams, such as biodiversity markets and resilience credits) to restore the essential mangroves of the Archipelago that were severely damaged by Hurricane Iota. The strategy for this project is to partner with carbon offtakers that can invest their capital in the project development and implementation in exchange of the carbon credits to be generated. This is a future opportunity that may interest the GFCR Equity Fund.</p> <p>Fondo Acción has extensive experience and track record working with sustainable value chains, providing technical assistance to community-based enterprises, providing investments to new business models, and engaging with other funders. This experience is detailed in Annex V.</p> <p>It is important to note that at this moment Fondo Acción is not confirming a 1:4 leverage ratio. This is mainly because of the initial mapping of initiatives (in Annex VI), which has shown that most businesses in the target sectors are micro and small enterprises. There is a possibility that Intervention 4 (facilitated credit scheme for boat acquisition) generates a higher leverage and also that larger businesses can be identified in the waste management sector. If this is confirmed, the leverage ratio would be increased. Additionally, if a large</p> |                           |                               |                     |



|   |   |                          |           |             |  |
|---|---|--------------------------|-----------|-------------|--|
|   | infrastructure deal in waste management or eco-tourism business is identified by the programme and/or the GFCR Investment Fund, the programme will reach a leverage ratio of 1:4. |                          |           |             |  |
| F.3.2.<br>Commercial<br>Investment<br>Overview  |   |                          |           |             |  |
|   | Source of Invest. Capital   | Category                 | Amount    | Status      | Relevant programme component or intervention |
|   | Provincial government   | Tourism fee              | 5,000,000 | Ambition    | Seaflower Fund                               |
|   | TBD   | Commercial Bank          | 1,000,000 | Anticipated | Facilitated Finance for Sustainable Fishing  |
|   | TBD carbon offtaker)  | Equity / investment Fund | 850,000   | Anticipated | Blue carbon                                  |
|   | TBD   | Other impact investors   | 2,000,000 | Ambition    | Fi Wi Riif Investment Account                |
|   | TOTAL   |                          | 8,850,000 |             |  |
| F.4. GFCR Grant Leverage of Investment Capital  |   |                          |           |             |  |
| Below, indicate the GFCR grant leverage of the programme using the totals in categories F.1., F.2.2, and F.3.2. |   |                          |           |             |  |
| F.4.1. Leverage Ratio GFCR Grant to Investment Capital (F.1. : F.3.2.)  |   |                          |           | 1: 1.1      |  |
| F.4.2. Leverage Ratio GFCR Grant to grant co-financing (F.1. : F.2.2.)  |   |                          |           | 1: 1.2      |  |



# GLOBAL FUND FOR CORAL REEFS

## Annex I: Results framework

| Indicator   | Baseline   | Phase I Target<br>Y 1-2  | Phase II Target<br>Y 2-3 | Phase III Target<br>Y 4-6  | Means of Verification                            | Responsible partner                                     |
|---|--|--------------------------|--------------------------|--|--|---|
| GFCR Fund-Level Indicators <sup>86</sup>  |  |                          |                          |  |  |   |
| F1. Reef fish species abundance and biomass:<br><ul style="list-style-type: none"> <li>F.1.1. Reef Fish Species abundance</li> <li>F.1.2. Reef Fish Biomass<sup>87</sup></li> </ul> | F.1.1: TBD<br>F.1.2: TBD   | F.1.1: TBD<br>F.1.2: TBD | F.1.1: TBD<br>F.1.2: TBD | F.1.1 TBD<br>F.1.2 Increase by up to 10%   | Baseline assessment report<br>Monitoring reports | CORALINA, INVEMAR, University/CEMarin                   |
| F2. Benthic cover and composition:<br><ul style="list-style-type: none"> <li>F.2.1 Live coral cover (%)</li> </ul>  | F.2.1 <sup>88</sup> : 38% (average)<br><ul style="list-style-type: none"> <li>P&amp;SC: 44%</li> <li>San Andrés: 46%</li> <li>Cays of Serrana, Roncador, Quitasueño, Bolívar and Albuquerque: 36%</li> <li>Cays of Serranilla and Bajo Nuevo: 35%</li> </ul> |                          |                          | F.2.1: 40% (2% increase in live coral cover, i.e. 1,745 additional ha) <sup>89</sup> | Monitoring reports                               | CORALINA, INVEMAR, University/CEMarin                   |
| F3. Integrated Local Threat Index<br><ul style="list-style-type: none"> <li>F.3.3. Fishing pressure (in tons)</li> </ul>  | F.3.3: TBD   |                          |                          | F.3.3: At least 5% below total quota   |  | Secretaría de Agricultura y Pesca, fishers associations |

<sup>86</sup> F1, F2 and F3 indicators missing baseline values and targets will be assessed through partnerships with local institutions.

<sup>87</sup> Details of species monitored will be defined in initial baseline studies. Species could include coral fishes, lobsters, conch, urchins and herbivorous fishes.

<sup>88</sup> See Tables 1 and 2 in Annex III, Part 1, for more details (Total live coral cover: 87,267 ha/ Total coral area: 232,300 ha).

<sup>89</sup> On top of the increase in live coral cover, it is expected that avoided destruction of live coral cover will be achieved through programme interventions.



| Indicator   | Baseline   | Phase I Target<br>Y 1-2   | Phase II Target<br>Y 2-3   | Phase III Target<br>Y 4-6   | Means of Verification  | Responsible partner         |
|---|--|---|--|---|--|-----------------------------|
| F4. Proportion of coral reefs and associated ecosystems (mangroves and seagrasses) within effectively managed protected areas and other effective area-based conservation measures <ul style="list-style-type: none"> <li>F.4.1 Total coral reef area in zone of influence</li> <li>F.4.2. Coral reef area under management<sup>90</sup></li> <li>F.4.3 MPAs management effectiveness index<sup>91</sup></li> </ul> | F4: 95% of coral reefs under management (% average management effectiveness) <sup>92</sup><br><br>F.4.1.: 232,300 ha<br><br>F.4.2. 218,850 ha <sup>93</sup><br><br>F.4.3.: TBD | F4: 100% of coral reefs under management (no variation in average management effectiveness)<br><br>F.4.1.: 232,300 ha<br><br>F.4.2.: 232,300 ha <sup>94</sup><br><br>F.4.3.: baseline value |  | F4: 100% of coral reefs under management (5% increase in average management effectiveness expected)<br><br>F.4.1.: 232,300 ha<br><br>F.4.2.: 232,300 ha <sup>95</sup><br><br>F.4.3.: TBD (5% average increase expected) | MPA declaration document for Serranilla and Bajo Nuevo<br>Management effectiveness reports for Seaflower MPAs at the beginning and at the end of the project<br>Reports on impact of conservation agreements | CORALINA, McBean Lagoon NNP |
| F5. Ratio of private and market finance to GFCR Grant Fund allocations<br><b>Grant side:</b> <ul style="list-style-type: none"> <li>F.5.1. Traditional grants deployed</li> <li>F.5.2 Concessional debts issued</li> <li>F.5.5 Recoverable grants</li> </ul> <b>Private investment side:</b> <ul style="list-style-type: none"> <li>F.5.6. Equity invested</li> </ul>   | F5. n/a<br><br><b>Grant:</b><br>F.5.1 USD 0<br>F.5.2 USD 0<br>F.5.5 USD 0<br><b>Private investment:</b><br>F.5.6. USD 0<br>F.5.7 USD 0<br>F.5.9 USD 0<br>F.5.10 USD 0          | F5. n/a<br><br><b>Grant:</b><br>F.5.1 USD 3 million<br>F.5.2 USD 1 million<br>F.5.5 USD 200,000<br><b>Private investment:</b><br>F.5.6. USD 0<br>F.5.7 USD 0<br>F.5.9 USD 0<br>F.5.10 USD 0 | F5. TBD<br><br><b>Grant:</b><br>F.5.1 USD 11 million<br>F.5.2 USD 1 million<br>F.5.5 USD 800,000<br><b>Private investment:</b> | F5. TBD<br><br><b>Grant:</b><br>F.5.1 USD 16.1 million<br>F.5.2 USD 1 million<br>F.5.5 USD 1.7 million<br><b>Private investment:</b><br>F.5.6. TBD<br>F.5.7 USD 3 million<br>F.5.9 USD 500,000<br>F.5.10 USD TBD        | Fondo Acción reports to the GFCR<br>Partner bank reports to Fondo Acción<br>Supported initiatives reports to Fondo Acción  | Fondo Acción                |

<sup>90</sup> Areas under management are considered as those formally protected or managed as MPAs or LMMAs (locally managed marine areas).

However, management effectiveness in these areas will be measured in the first Phase. It is expected that with additional finance coming from the Seaflower fund and with other interventions in this programme, the management effectiveness could increase by 5%.

<sup>91</sup> CORALINA expects a new management effectiveness measurement in 2023 within the framework of the GEF project implemented by WWF-CI. Previous measurements indicated effectiveness of 55.6% in 2013 and 33% in 2009.

<sup>92</sup> The current average management effectiveness is going to be assessed in collaboration with CORALINA in the first six months of Phase I.

<sup>93</sup> Serranilla and Bajo Nuevo cays, with 13.450 ha of coral area, are not part of the Seaflower MPA (although they are in the Seaflower Biosphere Reserve).

<sup>94</sup> The cays of Serranilla and Bajo Nuevo should soon be declared as new MPAs or LMMAs.

<sup>95</sup> The cays of Serranilla and Bajo Nuevo should soon be declared as new MPAs or LMMAs.





| Indicator  | Baseline                                 | Phase I Target<br>Y 1-2   | Phase II Target<br>Y 2-3  | Phase III Target<br>Y 4-6                       | Means of Verification   | Responsible partner    |
|--|--|---|---|---|---|------------------------|
| <ul style="list-style-type: none"> <li>F.5.7. Private debt issued</li> <li>F.5.9. Market-based financial flows (e.g., blue carbon flow, park entrance fee)</li> <li>F.5.10. Financed business revenue</li> </ul> <b>Public investment side:</b> <ul style="list-style-type: none"> <li>F.7.4 Estimates of government funding, site-based revenues, endowment returns, etc</li> </ul> | <b>Public investment:</b><br>F.7.4 USD 0 | <b>Public investment:</b><br>F.7.4 USD 0  | F.5.6. USD 0<br>F.5.7 USD 0<br>F.5.9 USD 350,000<br>F.5.10 USD TBD<br><b>Public investment:</b><br>F.7.4 USD5,000,000 | <b>Public investment:</b><br>F.7.4 USD5,000,000 |   |                        |
| F6. Ratio of Co-financing leveraged <ul style="list-style-type: none"> <li>F.6.1. Grants, technical assistance, and other concessional co-financing</li> </ul>   | F.6.1 USD 0                              | F.6.1 USD 0   | F.6.1 USD 2 to 4 million  | F.6.1 USD 3 to 5 million                        | Fondo Acción reports to the GFCR  | Fondo Acción           |
| <b>Outcome 1 – Increased protection and recovery of coral reef sites in Marine Protected Areas and climate refugia</b>   |  |   |   |   |   |                        |
| Output 1.1: A financial sustainability strategy is designed for the Seaflower Biosphere Reserve MPA system, with the creation of the Seaflower Fund  |  |   |   |   |   |                        |
| I.1.1.1 Seaflower Fund launched  | -  | Seaflower Fund Creation Committee installed<br>Financial gap analysis and targets defined<br>Founding documents developed | Seaflower fund formally established and Seaflower Fund Executive Committee installed                                  |   | Minutes of Committee Meetings<br>Documents: Financial gap analysis, bylaws, operational manual, capitalization strategy | Fondo Acción, CORALINA |
| I.1.1.2 Capitalization of the Seaflower Fund (USD)   | 0  | 0 (capitalization strategy and fundraising campaign designed)   | 3 million USD   | 10 million USD                                  | Proof of effective Fund capitalization (account statements, transfer certificate, etc.)                                 | Fondo Acción, CORALINA |



| Indicator  | Baseline | Phase I Target<br>Y 1-2  | Phase II Target<br>Y 2-3  | Phase III Target<br>Y 4-6  | Means of Verification   | Responsible partner                          |
|--|----------|--|---|--|---|--|
| I.1.1.3 Additional yearly funding provided by the Seaflower Fund for MPA management plans activities (in % of total funding required <sup>96</sup> ) | 0%       | 0%   | 0%  | 20% <sup>97</sup>  | Financial gap analysis study<br>Annual financial report from the Seaflower Fund or proof of transfers from FA98 to the Seaflower Fund                             | CORALINA, Fondo Acción                       |
| Output 1.2: Monitoring tools to assess reef health evolution are supported, with a special focus on diseases to look for control options             |          |  |   |  |   |  |
| I.1.2.1 Effective monitoring of reef health evolution is in place  | -        | Baselines assessed by co- implementers and partners  | Expected results assessed through mid-term evaluation<br>Control options for reef diseases systemized | Achieved results assessed through final evaluation<br>Reef disease control initiatives supported | Baseline data reports<br>Mid-term and final evaluation reports<br>Report on control options for reef diseases<br>Reports on disease control initiatives supported | CORALINA, INVEMAR, University/ CEMarin       |
| Output 1.3: Coordination between relevant institutions is established to improve MPAs management and to avoid destructive and illegal fishing        |          |  |   |  |   |  |
| I.1.3.1 Improved institutional coordination for MPA management and enforcement regarding destructive fishing   | -        | At least 2 meetings of the Mesa Técnica Nacional Seaflower (CCO) including a sub-group on fisheries enforcement are organized<br>A plan/strategy for improved enforcement of | At least 2 strategic enforcement actions implemented  | TBD (depending on the strategy defined in Phase I and results of Phase II)                       | Meeting minutes of Mesa Técnica Nacional Seaflower with subgroup on fisheries<br>Plan for improved C&S<br>Reports on enforcement actions implemented              | Fondo Acción, Comisión Colombiana del Océano |

<sup>96</sup> The total funding required for implementing the MPA system management plans (or recurrent conservation activities) will be determined in Phase I through a consultancy on the financial gap analysis.

<sup>97</sup> With an initial estimate of USD 2 million per year for managing the Seaflower MPA system, a capitalisation objective of USD 10 million, and a net return of around 5%, the Seaflower Fund could generate 500,000 USD per year, i.e. 25% of total MPA recurrent costs.

<sup>98</sup> Fondo Acción will administer the Seaflower Fund's endowment and sinking resources.



| Indicator   | Baseline  | Phase I Target<br>Y 1-2  | Phase II Target<br>Y 2-3  | Phase III Target<br>Y 4-6   | Means of Verification   | Responsible<br>partner |
|---|---|--|---|---|---|------------------------|
|   |   | fisheries in<br>Seaflower is defined   |   |   |   |                        |
| <b>Output 1.4: Blue carbon initiatives are studied and developed</b>  |   |  |   |   |   |                        |
| I.1.4.1 Blue carbon projects<br>studied and developed   | Blue Carbon stock<br>estimates for<br>mangroves and<br>seagrasses in<br>Seaflower MPAs<br>available | Stakeholder<br>consultation process<br>carried out   | Funds leveraged<br>for prefeasibility,<br>design and<br>validation of blue<br>carbon projects<br>(target Phase II:<br>350,000 USD)<br>Prefeasibility<br>study for carbon<br>projects finalized<br>Blue Carbon<br>Project Design<br>Documents<br>validated | Funds leveraged for<br>implementation of blue<br>carbon project activities<br>(target Phase III:<br>500,000 USD)<br>At least 1 carbon project<br>implemented, verified<br>and registered,<br>generating credits | Report on stakeholder<br>consultation process<br>Report on prefeasibility<br>study<br>Proof of funds leveraged<br>Project Design Documents<br>Proof of PDD validation | CORALINA,<br>INVEMAR   |
| I.1.4.2 Quantity of blue<br>carbon credits issued (tCO <sub>2</sub> e<br>avoided or absorbed)   | 0   | 0  | 0   | TBD <sup>99</sup>   | Proof of credits generated  | Fondo Acción           |
| <b>Output 1.5: A roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs is defined</b>   |   |  |   |   |   |                        |
| I.1.5.1 Roadmap to implement<br>blended-finance strategy for<br>Colombian Pacific coral reefs<br>conservation defined   | -   | Roadmap defined in<br>collaboration with<br>partners operating in<br>the Tropical Eastern<br>Central Pacific<br>corridor | TBD depending<br>on results of<br>roadmap   | TBD   | Report on blended-<br>finance strategy roadmap<br>for Colombian Pacific coral<br>reefs conservation   | Fondo Acción           |
| <b>Outcome 2 – Reef-dependent livelihoods improved with recovery after major shocks</b>   |   |  |   |   |   |                        |
| <b>Output 2.1: A long-term local governance system and the Fi Wi Riif Investment Account are established to support local enterprises with reef-positive business models that provide improved livelihoods to communities</b> |   |  |   |   |   |                        |

<sup>99</sup> The quantity of carbon credits issued will depend on the carbon projects identified. A more precise target can be established during Phase II.



| Indicator  | Baseline | Phase I Target<br>Y 1-2   | Phase II Target<br>Y 2-3  | Phase III Target<br>Y 4-6   | Means of Verification   | Responsible partner  |
|--|----------|---|---|---|---|--|
| I.2.1.1 The Fi Wi Riif Investment Account is set up  | -        | <ul style="list-style-type: none"> <li>Fi Wi Riif Technical Committee installed holds at least 2 meetings</li> <li>Operational procedures for Investment Account established</li> </ul> | <ul style="list-style-type: none"> <li>The Fi Wi Riif Technical Committee meets at least 3 times</li> </ul> | <ul style="list-style-type: none"> <li>The Fi Wi Riif Technical Committee meets at least 6 times</li> <li>The Fi Wi Riif Investment Account Executive Committee is established, to support the selection of enterprises after year 6</li> </ul> | <ul style="list-style-type: none"> <li>Operational manual for Fi Wi Riif Investment Account</li> <li>Meeting minutes of Fi Wi Riif Technical Committee</li> </ul> | Fondo Acción   |
| Output 2.2: Conservation agreements are established with local communities to protect species and improve ecosystems health and fish stocks <sup>100</sup>   |          |   |   |   |   |  |
| I.2.2.1 Adhesion rate of artisanal fishers to conservation agreements in Roncador and Albuquerque (%)  | -0       | 0   | 80%   | 90%   | <ul style="list-style-type: none"> <li>Copy of signed conservation agreements</li> <li>Monitoring reports</li> </ul>  | CORALINA, AUNAP, Fondo Acción, ProSeaLand, fishers federations |
| I.2.2.2 Amount disbursed to local communities through conservation agreements  | -        | 60,000 (design)   | 300,000   | TBD   | <ul style="list-style-type: none"> <li>Monitoring reports</li> </ul>  | Fondo Acción   |
| Output 2.3: Reef-positive business models with clear revenue streams incubated through support via technical assistance and blended finance investments, generating livelihood opportunities for local communities |          |   |   |   |   |  |
| I.2.3.1 Amount of credit facilitated for sustainable fishing fleet <sup>101</sup>  | 0        | USD 1 million in concessional loans (partner bank)  | TBD   | TBD   | <ul style="list-style-type: none"> <li>Partner bank reports</li> </ul>  | Fondo Acción   |

<sup>100</sup> Additional indicators for monitoring the impact of conservation agreements on coral reefs and on the communities will be defined in Phase I (see proposed indicators in Section E – Intervention #3). These indicators could include live coral cover area, fish abundance in Roncador and Albuquerque, number of boats/fishers entering sites, fishing amounts, fishing revenues, perception by fishers of conservation agreements, etc. The baseline for live coral cover area is known in the 2 sites: 2,980 ha in Roncador and 3,020 ha in Albuquerque. It is expected to grow by 2% at the end of the programme.

<sup>101</sup> Additional indicators for monitoring the impact of this facilitated finance initiative on coral reefs and on the communities will be defined in Phase I (see proposed indicators in Section E- Intervention #4). These indicators could include reduced fisheries catch in Providencia and Santa Catalina, herbivorous fish abundance and coral cover indicators in the areas around P&SC, increase in fisher's average monthly income, fish availability in P&SC islands, etc.



| Indicator   | Baseline   | Phase I Target<br>Y 1-2    | Phase II Target<br>Y 2-3             | Phase III Target<br>Y 4-6  | Means of Verification   | Responsible partner                                      |
|---|--|----------------------------|--------------------------------------|--|---|--|
| I.2.3.2 Debt repayment success (in %) (for the facilitated credit initiative for a sustainable fishing fleet)                           | -  | -                          | 100%                                 | 100%   | Partner bank reports  | Fondo Acción, ProSeaLand, partner bank                   |
| I.2.3.3 Number of local enterprises supported by Fi Wi Riif Investment Account (% owned/led by women)                                   | 0  | 13 <sup>102</sup>          | 25 (accumulated figure)              | 40 <sup>103</sup> (accumulated figure) (at least 55% led/owned by women) | Agreements signed with local enterprises  | Fondo Acción, ProSeaLand, Fi Wi Riif Technical Committee |
| I.2.3.4 Amount committed to local enterprises by Fi Wi Riif Investment Account (in USD, disaggregated by grants and reimbursable types) | 0  | USD 800,000 <sup>104</sup> | USD 1.5 million (accumulated amount) | USD 3 million <sup>105</sup> (accumulated amount)                        | Annual technical and financial monitoring reports (from businesses and from Fondo Acción)                         | Fondo Acción, ProSeaLand, enterprises                    |
| I.2.3.5 Improvement of reef-positive initiatives/enterprises with the support of the programme <sup>106</sup>                           | TBD: Score of the initiatives at the start of the project based on evaluation criteria |                            |                                      | Improvement of the scores by at least 25% at the end of the programme    | Reports on evaluation of initiatives at start of the project<br>Monitoring reports by Fondo Acción and ProSeaLand | Fondo Acción, ProSeaLand                                 |
| I.2.3.6 Amount of additional funding mobilized by the Fi Wi Riif Investment Account   | 0  |                            |                                      | USD 2 M (from investors, donors, commercial banks, or public programmes) | Proof of funding mobilized  | Fondo Acción   |
| <b>Outcome 3 – Reef restoration and adaptation technologies are developed based on local knowledge</b>                                  |  |                            |                                      |  |   |  |
| <b>Output 3.1: Reef health recovery and low carbon technologies are systematized, and innovative business models are developed</b>      |  |                            |                                      |  |   |  |

<sup>102</sup> Including 12 businesses and 1 coral restoration initiative

<sup>103</sup> This is an estimate and will depend on the type of initiatives that apply for support from the Investment Account and the size and needs of the initiatives. The numbers will be adjusted during programme implementation.

<sup>104</sup> Disaggregation between traditional and reimbursable grants will depend on demand.

<sup>105</sup> It is expected that USD 1.8 million are disbursed as traditional grants and USD 1.2million as reimbursable grants.

<sup>106</sup> Reef-positive initiatives that receive support, either through the Investment Account or through the intervention pipeline will be assessed on a set of criteria, and given a score, in order to monitor their evolution. These criteria will be defined at the start of the programme and could include business profitability, contribution to livelihoods (employment, earnings, etc.), innovation, environmental and social standards, etc. A score will be given to these initiatives before the support and at the end of the programme.



| Indicator  | Baseline           | Phase I Target<br>Y 1-2   | Phase II Target<br>Y 2-3                          | Phase III Target<br>Y 4-6  | Means of Verification  | Responsible partner                    |
|--|--------------------|---|---|--|--|--|
| I.3.1.1% of innovative business models associated with reef health recovery and low carbon technologies receiving support from the Fi Wi Riif Investment Account | -                  | 0% (reef health recovery and low carbon technologies that can be developed into business models will be systematized) | TBD   | TBD  | Report systematizing reef health recovery and low carbon technologies<br>Minutes of Investment Account selection processes | Fondo Acción                           |
| <b>Output 3.2: A community awareness and engagement programme is implemented to support reef health recovery efforts with training delivered to local actors</b> |                    |   |   |  |  |  |
| I.3.2.1 Number of beneficiaries <sup>107</sup> engaged in training and awareness activities  | TBD                | TBD   | TBD   | TBD  | Reports on training and awareness activities and attendance sheets   | Fondo Acción, ProSeaLand               |
| I.3.2.2 Increase in community awareness and knowledge on marine ecosystems (including reefs) and their vulnerability   | TBD <sup>108</sup> | -   | 10%   | 20%  | Survey results at the beginning of the project, midterm, and at the end of the project                                     | ProSeaLand                             |
| I.3.2.3 Number of cultural and educational activities offered by Escuela del Mar   | 0                  | 2   | TBD   | TBD  | Annual reports on activities carried out   | ProSeaLand/Escuela del Mar             |
| I.3.2.4 Percentage of Escuela del Mar costs covered by its own revenue streams   | -                  | 0% (Business plan developed for Escuela del Mar)  | TBD   | TBD  | Business plan for Escuela del Mar<br>Financial reports   | ProSeaLand                             |
| <b>Output 3.3: A turtle conservation programme is supported to increase turtle population, supporting reef health and improving tourism attractiveness</b>       |                    |   |   |  |  |  |
| I.3.3.1 A turtle conservation programme is launched in the archipelago   | -                  | A sea turtle conservation action plan is defined  | The sea turtle population baseline is established | Sea turtle populations are monitored, and conservation actions implemented<br>A financial sustainability strategy is defined | Sea turtle conservation action plan<br>Baseline report<br>Monitoring reports<br>Sustainability strategy                    | ProSeaLand, Fundación Tortugas del Mar |
| <b>Output 3.4: Coral reef restoration initiatives are supported through a specific funding window of the Fi Wi Riif Investment Account</b>                       |                    |   |   |  |  |  |

<sup>107</sup> Disaggregated by gender and age

<sup>108</sup> A survey will be defined and carried out at the start of the programme with a representative sample of the population and then repeated at midterm and at the end of the programme.



| Indicator  | Baseline | Phase I Target<br>Y 1-2                 | Phase II Target<br>Y 2-3                  | Phase III Target<br>Y 4-6                 | Means of Verification                 | Responsible<br>partner |
|--|----------|---|---|---|---------------------------------------|------------------------|
| I.3.4.1 Number of hectares under restoration efforts | TBD      | At least 1 hectare is under restoration | At least 2 hectares are under restoration | At least 3 hectares are under restoration | Baseline report<br>Monitoring reports | Fondo Acción           |



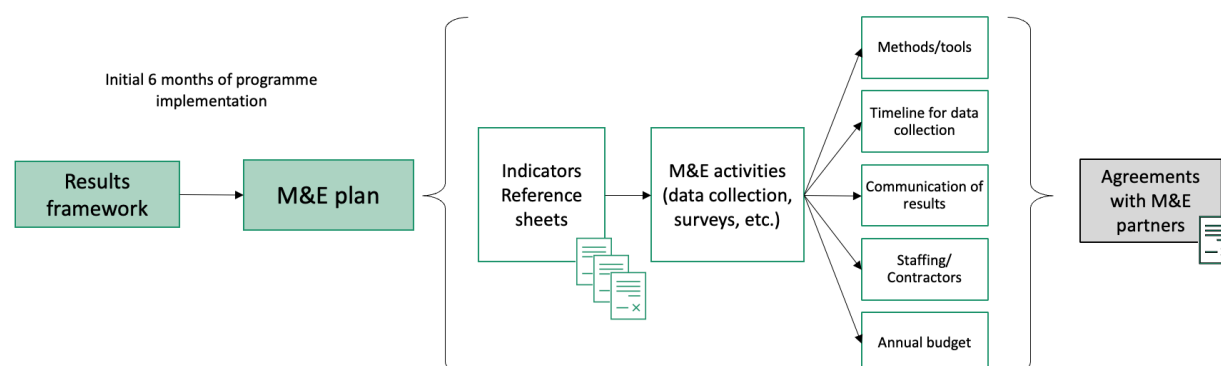
# GLOBAL FUND FOR CORAL REEFS

## Annex II: Summary of M&E Strategy (1-Page max)

Fondo Acción's Programme Management Unit (PMU) will be responsible for the overall programme monitoring, and its full-time M&E specialist, with the support of the other members of the team and in coordination with local institutions involved in M&E and with co-implementers, will lead the development of a full M&E strategy during the first 6 months of the programme. The Fi Wi Riif M&E framework will be aligned with GFCR's monitoring guidance and Fondo Acción's M&E requirements. The M&E strategy will include detailed indicator reference sheets (including a description of the indicator, the unit of measure, disaggregation, the data collection plan and data quality issues) as well as information on the roles of the M&E partners.

Fondo Acción will ensure the gender action plan as well as specific communication indicators are taken into account for the development of the full M&E strategy. A gender specialist will support the M&E strategy development at the beginning of the project. This will ensure the programme has a gender-responsive M&E system in line with the GFCR M&E strategy. The gender-responsive M&E system should serve to analyze the outcomes and differentiated impacts of interventions on women and men of different ages and backgrounds, to be able to document and communicate lessons learned and good practices, and feed information back into programme design, making adjustments, particularly in cases of unintended consequences. Gender responsive implementation and gender adaptive management will thus be ensured. Data collection for gender analysis will be embedded into the project's overall data collection and analysis activities – including M&E and reporting – as a way to make processes more efficient, avoid silos, and reduce any unnecessary time and resource burdens on staff.

Figure 6 – Fi Wi Riif M&E Plan development process



As mentioned in Annex I, agreements will be established at the beginning of the programme between Fondo Acción and local institutions such as CORALINA, INVEMAR, and the National



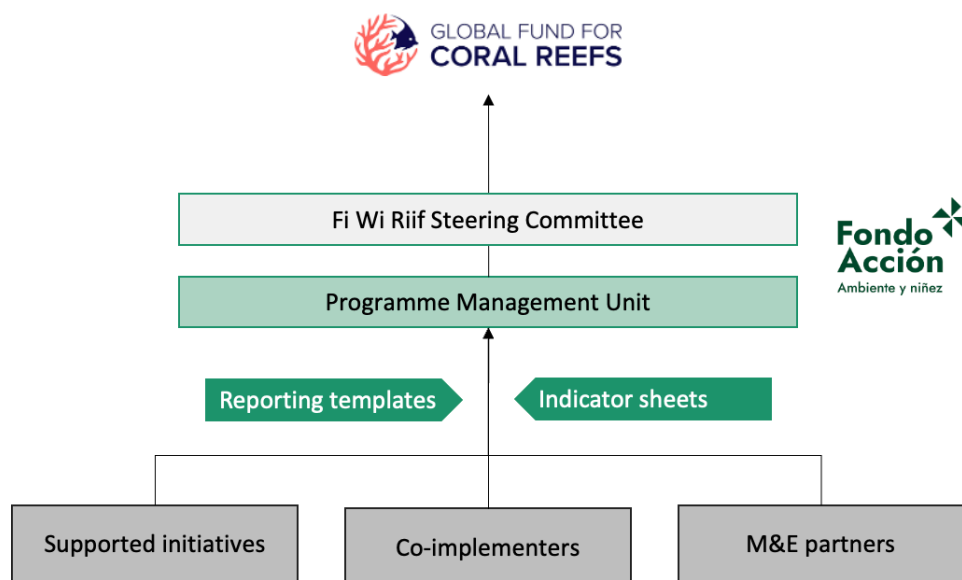


University (including CEMarin), in order to assess baselines and monitor ecological indicators (i.e. reef fish abundance and biomass, live coral cover, MPA management effectiveness, reef disease incidence, etc.). The annual monitoring made by CORALINA is considered co-finance of this programme. In order to assess artisanal fishing pressure, FA will consult data from the Agriculture and Fisheries Secretariat and from local fishers' associations. Other high level financial indicators such as the ratio of private and market finance to GFCR Grant Fund allocations or the ratio of co-financing leveraged, will be assessed directly by FA's PMU.

The PMU will be in charge of registering baseline values and defining targets for programme specific indicators, directly related to the activities carried out within the Fi Wi Riif programme. It will do so with the support of co-implementers (CORALINA, ProSeaLand, and McBean Lagoon NNP), that will be engaged in M&E through the formal agreements signed with Fondo Acción.

A specific M&E scheme will be designed for the Fi Wi Riif Investment Account, as part of the M&E strategy, including a set of indicators that will be assessed for supported reef-positive initiatives. These M&E indicators will measure aspects such as business profitability, socioeconomic impact, gender-inclusivity, innovation or environmental and social standards. Reef-positive businesses supported through the Investment Account will report regularly on these indicators, using reporting templates provided by Fondo Acción. An assessment of each initiative before and after the programme's support will be carried out (potentially through a scoring card) based on the M&E indicators, to measure its evolution.

Figure 7 – Fi Wi Riif M&E reporting structure



Other initiatives in the intervention pipeline, in particular the No-take No-entry zones conservation agreements (intervention #3), the facilitated finance scheme for fishing boats (intervention #4), and the Blue Carbon project (intervention #4) will require additional



indicators, on top of the ones indicated in the results framework in Annex I, for monitoring their impact on ecosystems and on the local communities. These indicators will be defined during the design phase of the initiatives, together with all the details on how they will be assessed. Some initial ideas for these indicators can be found in section E, under each intervention's description.

The M&E strategy will also determine how Fondo Acción and its partners in the Fi Wi Riif programme will support the global collective effort for monitoring bleaching, ocean acidity, water quality, and impact and frequency of natural disasters.

Specific attention will be given to take into account Fi Wi Riif cross-cutting priorities (gender equality, valorization of the Raizal people and culture, and children and youth empowerment) for the M&E framework design.



## Annex III: Section B – Priority Coral Reef Ecosystems Supporting information (10-page max)

### Part 1- Environmental Analysis Supporting Material

The 232,300 ha (87,267 ha with significant live coral cover) of coral reef areas in the Archipelago represent about 77% of Colombia's coralline areas. The reefs include a 32 km long reef barrier in Providencia, the second longest in the Caribbean (after Belize's) and some of the few atolls in the Caribbean (see Table of coralline areas and images below). There is extensive coral growth up to 60 meters deep.

A 50% loss of live coral cover was reported in San Andrés in the 1980's, when an extensive mortality event took place in the wider Caribbean Sea mainly due to bleaching events and pathogenic diseases (such as black band and white band diseases).<sup>109</sup> In P&SC and the cays, the mortality is supposed to have been similar. After that, reefs have been rather stable as coral and algal coverages (about 40%) didn't show significant changes in reef monitoring from 1998 to 2017, even if live coral cover is slowly descending as algae cover increases, diseases persist, and herbivorous population keeps being reduced. In P&SC and the cays, the mortality is supposed to have been similar; currently live coral cover is lower than in San Andrés, but fishes are more abundant<sup>110</sup>. Deeper reefs are in a better condition, and it is possible to find living corals down to 60 meters deep. Cays, affected by industrial and illegal fishing, have 13±7%, average living coral cover, according to the Global Reef Expedition (GRE) studies in Serranilla.<sup>111</sup> Even so, the studied reefs were classified as the second-best cover and the first in fish abundance among the sites studied by GRE in the Caribbean.

The Pristine seas – NatGEO expedition in 2022 to Serranilla and Bajo Nuevo reported very good results in coral cover and sharks' abundance, but not so much in other big fishes, suggesting illegal and industrial fishing impacts. Serranilla and Bajo Nuevo are to be declared as new MPAs after these results and as part of the Colombia government commitment to achieve 30% of marine protected areas. A 20-year study<sup>112</sup> found no statistically significant decrease in coral cover or increase in algal coverage since 1998 and suggested that bleaching did not affect more than 3% coral cover nor kill extensive reef areas. Relating to fish abundance and according to the same study "...permanence with higher values of (herbivorous) *Scaridae* and *Acanthuridae* is observed while *Serranidae* and *Lutjanidae* (groupers and snappers fishers' favorites) are constant over time even when with lower values. Registering less and less carnivores is a constant in the Colombian Caribbean".<sup>113</sup> Lionfish populations are lower than other Colombian and western

<sup>109</sup> Garzón-Ferreira, J., & Kielman, M. (1995). Extensive mortality of corals in the Colombian Caribbean during the last two decades. *Oceanographic Literature Review*, 9(42), 77

<sup>110</sup> Ibid.

<sup>111</sup> Carlton, R., Dempsey, A., Thompson, L., Heemsoth, A., Lubarsky, K., Faisal, M., and Purkis, S. (2021). Global Reef Expedition Final Report. Khaled bin Sultan Living Oceans Foundation, Annapolis, MD. Vol 15 <https://www.livingoceansfoundation.org/wp-content/uploads/2021/10/GRE-Final-Report.pdf>

<sup>112</sup> Op.cit. Navas et.al, 2019

<sup>113</sup> Ibid



Caribbean places. Beyer et al<sup>114</sup> did not include the site's Bioclimatic Units (BCUs) into the top 50 world BCUs, an unexpected result may be generated by the study focus on the shallow parts of the reefs, although sites performances are well qualified.

In Providencia, coral diseases are not severe. The white plague and dark spots can be observed but are not significant. It is also relevant that even category 5 Hurricane Iota was not enough to generate catastrophic effects in the reefs, nor in seagrasses around Providence.<sup>115</sup> Therefore, the Archipelago's coral reefs can be considered resilient and a climate refugia. There is significant knowledge and data produced about the natural conditions of the site's ecosystems and biodiversity (see references in Annex 2). The main knowledge gap about the coral reefs could be related with how to face diseases, maybe the main drivers of live coral cover reduction, as well as of algal cover increase; in this sense it's important to analyze the role of seagrasses in mitigating the risk of coral and sea urchin diseases<sup>116</sup>; knowledge on reef restoration, recovery, and health strengthening technologies is also needed.

Eastern Pacific coralline areas in Colombia are only 1,470 ha (with 50 ha relevant live cover) but are very important as they are some of the few and widely dispersed Eastern Pacific coral reefs. They are submitted to extreme physical conditions (El Niño Southern Oscillation events) limiting their development and diversity but play an important role as coral ecosystems and climate refugia. Gorgona Island reefs, the biggest in Colombia, are extremely beautiful having dense populations of fishes and turtles; Malpelo Island is a renowned dive site. First reports of bleaching in Colombia, by 1976, were in Gorgona; however, reefs are considered healthy. All coralline areas (including the coastal ones in the Northern Chocó area) are protected: Gorgona and Utría are National Parks and Malpelo is a Flora and Fauna Sanctuary. Colombia is part of the CMAR regional initiative (see Annex 4) and recently signed an international commitment to increase the area protected within the Tropical Eastern Central Pacific Corridor.<sup>117</sup>

The main drivers of degradation in the Archipelago are:

- **Invasive species and diseases:** coral diseases could be the main cause of live coral cover reduction, estimated in 50% during an extensive mortality event in the 1980's, that included bleaching episodes; a disease affecting the *Diadema* sea urchin reduced the populations of this important herbivore favoring algal expansion. Diseases keep threatening natural and restored coral cover and could be related to ecological imbalances, favoring noxious microbial development, due to long term processes of coral reef ecosystems deterioration, including

<sup>114</sup> Beyer, HL, Kennedy, EV, Beger, M, Chen, ChJ, Cinner, JE, Darling, ES, Eakin, C M, Gates, RD, Heron, SF. et al. 2018. Risk-sensitive planning for conserving coral reefs under rapid climate change. Conservation letters 11(6).

<https://doi.org/10.1111/conl.12587>

<sup>115</sup> Sanchez, Laura, J. D. González, N. Bolaños y R. Azcarate. 2020. Evaluación preliminar del estado de los arrecifes de coral y pastos marinos de la isla de providencia tras el paso del huracán Iota. CORALINA - INVEMAR. Instituto de Investigaciones Marinas y Costeras José Benito Vives de Andrés, Santa Marta. 32 p.

<sup>116</sup> JBC. Jackson, et al. "Historical Overfishing and the Recent Collapse of Coastal Ecosystems." Science, vol. 293, no. 5530, American Association for the Advancement of Science, 2001, pp. 629–38, <http://www.jstor.org/stable/3084305>.

<sup>117</sup> <https://cop26.minambiente.gov.co/colombiaenlacop26/colombia-firmo-en-la-cop26-la-declaracion-que-protege-los-oceanos/>



lack of seagrasses grazing by turtles, favoring organic matter accumulation, decomposition, and microbial growth<sup>118</sup> (see also Degraded Coastal Ecosystems bullet below). Coral mortality because of bleaching has been relatively low, destroying about 3% of live coral cover in the last 20 years. However, its impact, in combination with coral and urchin diseases, favored algae that take advantage and are preventing coral recovery.

- **Overfishing and destructive fishing:** extensive industrial, illegal destructive fishing and overfishing, affect stocks, including the populations of herbivore fishes and turtles, affecting trophic structures and ecosystems' health. Industrial and illegal fishing vessels, the later coming from Honduras, Jamaica and Nicaragua, fish in the cays, even in no take zones, far from control centers, using and misusing fish and lobster wire nets, long lines, and compressor diving, disturbing, removing and destroying corals and depleting stocks of lobster, conch, and coral fishes. Illegal boats capture all kind of fishes, including parrot fishes and sharks. Small-scale fishers overfish mainly groupers (*Serranidae*), snappers (*Lutjanidae*) and turtles, mostly as incidental fishing. The 2019 fishing quotas of 495 tons of lobster, 9 tons of queen conch and 895 tons of white fish probably were exceeded by 5% according to local estimates.
- **Land-based and marine-based pollution:** the Caribbean Sea water is polluted because of continental and islands runoff. This is complemented by local pollution generated by runoff from the island, mainly in San Andrés. Local runoff is mainly due to human population wastewaters and nutrients and sediments due to natural erosion processes increased by deforestation and cattle ranching and worsened by hurricane deforestation in Providencia. Pollution is related with algal growth affecting coral reefs and with extensive arrivals of floating *Sargassum* affecting reefs and beaches.
- **Coastal development:** Including navigation channels dredging, filling of coastal zones, removal of mangroves and seagrasses and coastal infrastructures construction. These impacts began 50 years ago and are not very well known, even if they continue today; intensive beach erosion is its more visible symptom. Besides coastal development, different drivers impact coastal ecosystems. Hurricane Iota caused extensive mangrove deforestation affecting its productivity, nutrient retention, and biodiversity nursery functions. Seagrasses are affected by the sharp decline in turtle populations, "the world's most valuable reptile", because of hunting in Providencia since the end of the 19<sup>th</sup> century; seagrass beds, due to lack of grazing, are senescent and have low productivity, and reduced use of primary production, affecting seagrass natural capacity of run-off retention and transformation of excess nutrients into biomass. Therefore, the degradation of coastal ecosystems affects water pollution and reduce potential productivity of fisheries among other perverse effects, all of them affecting coral reefs health. Coastal development degradation has affected reefs in San Andrés, but it is not significant in Providencia and the cays, where most reefs are located, as mass tourism and mega hotels have been rejected until now in P&SC, but it keeps being a potential threat.

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<sup>118</sup> JBC. Jackson, et al. "Historical Overfishing and the Recent Collapse of Coastal Ecosystems." *Science*, vol. 293, no. 5530, American Association for the Advancement of Science, 2001, pp. 629–38, <http://www.jstor.org/stable/3084305>



- **Unsustainable tourism:** San Andrés receives about 1.2 million visitors a year, implying intensive use of beaches, nearshore reefs and seagrasses, and of marine transportation (mainly outboard boats and marine motorcycles), as well as excessive demands on local resources (reinforcing overfishing, including that on Providencia and Santa Catalina), pressing coral reef dive sites, and generating liquid and solid waste.

Table 1 – Priority sites coral reef area

| Priority Site N° | Name of Site  | Total Coralline Area (ha) | Live Coral Cover Area (ha) | % Live Coral Cover Area/ Total Coralline Area |
|------------------|---|---------------------------|----------------------------|---|
| 1                | <i>Providencia and Santa Catalina</i>                                 | 28,520                    | 12,490                     | 44%   |
| 2                | <i>San Andrés</i>   | 9,750                     | 4,470                      | 46%   |
| 3                | <i>Cays of Serrana, Roncador, Quitasueño, Bolívar and Albuquerque</i> | 180,580                   | 65,600                     | 36%   |
|                  | <i>Cays of Serranilla and Bajo Nuevo</i>                              | 13,450                    | 4,707                      | 35%   |
|                  | <b>TOTAL</b>  | <b>232,300</b>            | <b>87,267</b>              | <b>38%</b>                                    |

Table 2 – Northern and Southern cays detailed coral reef area

| Cays                  | Total Coralline Area (ha) | Live Coral Cover Area (ha) | % Live Coral Cover Area/ Total Coralline Area |
|-----------------------|---------------------------|----------------------------|---|
| Serrana               | 32,140                    | 7,440                      | 23%   |
| Roncador              | 5,010                     | 2,980                      | 59%   |
| Quitasueño            | 132,020                   | 49,600                     | 38%   |
| Courtstown or Bolívar | 5,030                     | 2,560                      | 51%   |
| Albuquerque           | 6,380                     | 3,020                      | 47%   |
| Subtotal              | 180,580                   | 65,600                     | 36%   |
| Serranilla            | 12,000                    | 4,200                      | 35%   |
| Bajo Nuevo            | 1,450                     | 507                        | 35%   |
| Subtotal              | 13,450                    | 4,707                      | 35%   |
| <b>TOTAL</b>          | <b>194,030</b>            | <b>70,307</b>              | <b>36%</b>                                    |

Figure 8 – Seaflower Biosphere Reserve map including general map and detailed reef areas in red. Source: CORALINA, INVEMAR<sup>119</sup>

<sup>119</sup> CORALINA-INVEMAR. 2012. Gómez López, D. I., C. Segura-Quintero, P. C. Sierra-Correa y J. Garay-Tinoco (Eds). Atlas de la Reserva de Biósfera Seaflower. Archipiélago de San Andrés, Providencia y Santa Catalina. INVEMAR y CORALINA-. Serie de Publicaciones Especiales de INVEMAR # 28. Santa Marta, Colombia 180 p.  
<http://www.invemar.org.co/redcostera1/invemar/docs/10447AtlasSAISeaflower.pdf>



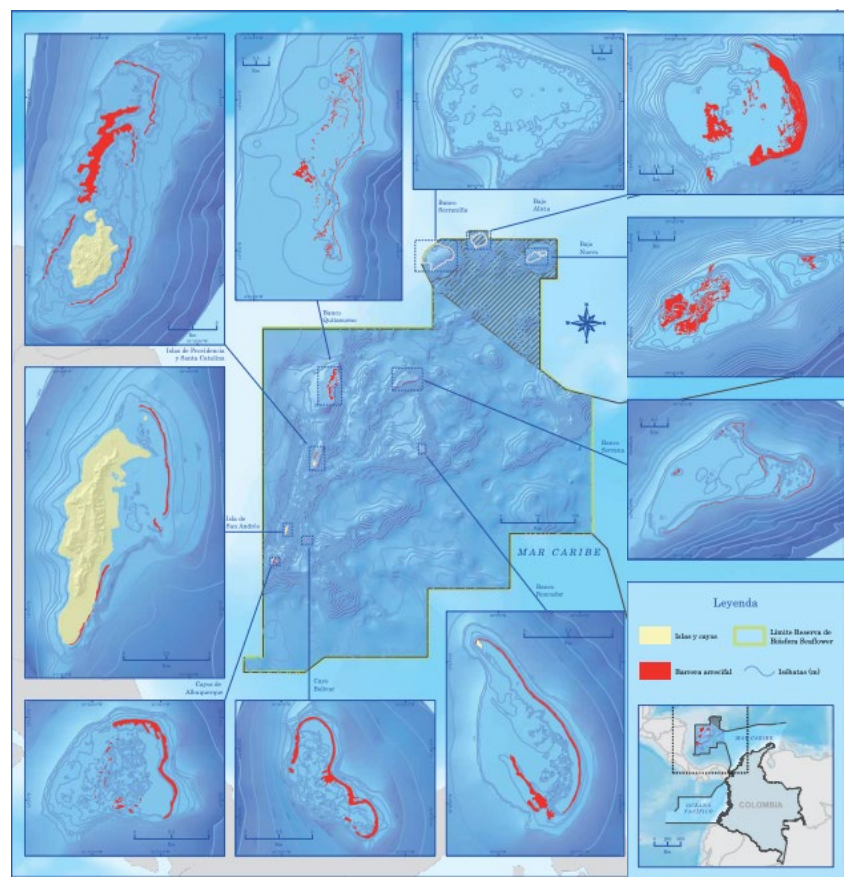




Figure 9 – Islands of Providencia and Santa Catalina with coral reefs (orange), seagrasses (light green) and mangrove areas (dark green). Source: CORALINA and INVEMAR





Figure 10 – Island of San Andrés with coral reefs (orange), seagrasses (light green) and mangrove areas (dark green). Source: CORALINA and INVEMAR

### CMAR and PACIFICO

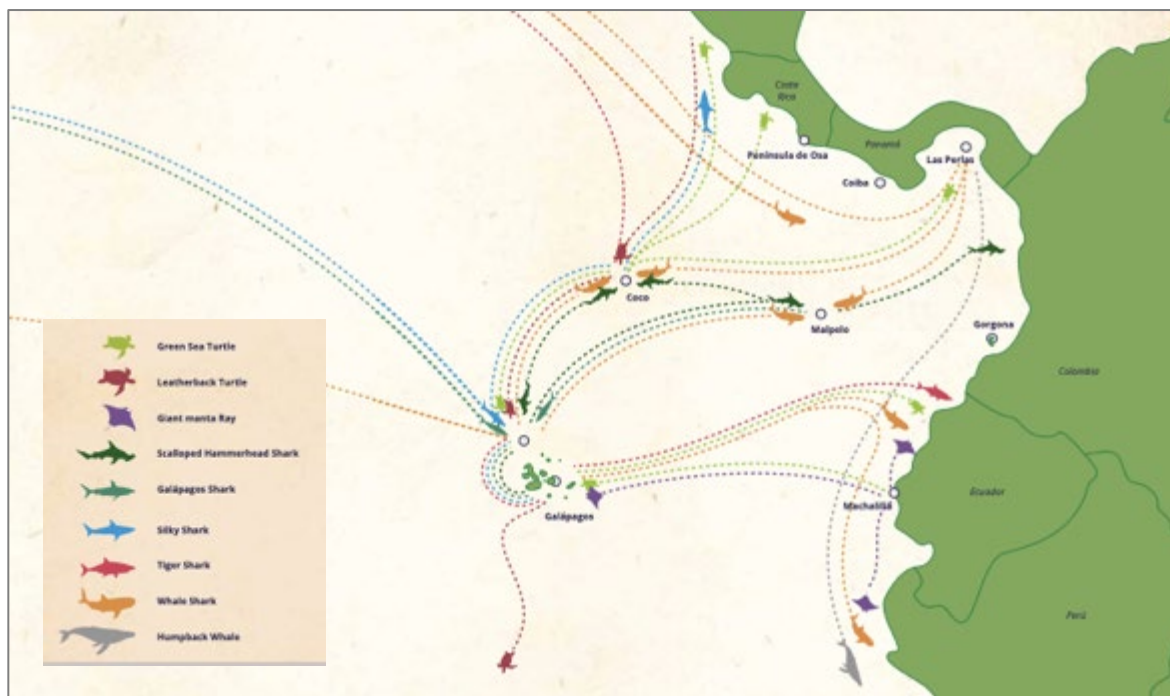
The Eastern Tropical Pacific Seascape (ETPS) includes the coast and exclusive economic zones (EEZs) of Ecuador, Colombia, Panama and Costa Rica. The region is rich in marine biodiversity, hosting emblematic species such as tuna, sharks, marine turtles, whales and seabirds, and comprises five core marine protected areas (MPAs) (four of which are UNESCO World Heritage Sites):

1. Isla de Coco National Park (Costa Rica)
2. Coiba Island National Park (Panama)
3. Gorgona Island Natural National Park (Colombia)
4. Malpelo Island Fauna and Flora Sanctuary (Colombia)
5. Galápagos Marine Reserve and National Park (Ecuador)

The area has great importance for the countries' economies and for the wellbeing of coastal communities, highly dependent on fisheries and tourism. The five core MPAs, and the connectivity areas between them, used as migration routes by emblematic species, are crucial for biodiversity conservation. Scientific research shows solid evidence of a high connectivity, both with respect to sharks, sea turtles and fish. One of the most important results suggests that the

ETPS is, in fact, just one interconnected ecosystem, reinforcing the need to manage the MPAs as part of one consolidated ecological system. The map below considering nine different studies, illustrates the different routes identified for the studied species.

*Figure 11 – Map of migratory species in the TECP region. Source: Migramar, 2018.*



The cross-border characteristic feature of the area makes the management, control, and protection of the marine area difficult. The need to work at a regional level in the four countries is a challenge, in a gigantic marine geographic area and on the high seas, where any intervention has high costs and significant management requirements. In terms of the environmental agenda, the governments of Colombia, Costa Rica, Ecuador, and Panama recognized that their protected areas face common threats and signed the “Declaration of San José” in 2004, creating the CMAR, the Tropical Eastern Pacific Marine Corridor. The CMAR is a voluntary intergovernmental initiative to promote coordination and protect the biodiversity in the EEZs of the territorial seas of the four countries, considering the five MPAs above-mentioned as its core areas.

The CMAR established an Action Plan 2019-2024, and it is an active governance body in the region. To implement its plan, CMAR has a formal collaboration with PACIFICO.

PACIFICO is a regional conservation trust fund (CTF), an innovative regional coordination and funding platform that seeks financial sustainability in the implementation of strategic actions for the long-term conservation of key coastal-marine ecosystems and the wellbeing of coastal communities within the ETPS. PACIFICO was created in 2012 as a coordination initiative resulting from the intention of four national CTFs to mobilize additional financial resources for regional initiatives:

1. Asociación Costa Rica por Siempre (in Costa Rica)
2. Fundación Natura (in Panamá)
3. Fondo Accion (in Colombia)
4. Patrimonio Natural (in Colombia)

After working together in planning and structuring the regional platform for four years, the funds established the PACIFICO Foundation in 2016, a legally independent institution registered in Panamá. Each of the founding national environmental funds is represented on the PACIFICO Board of Directors, setting policy, promoting due diligence, and ensuring that the regional programs align with national efforts.

PACIFICO and CMAR signed a MoU in 2017 with a joint five-year workplan. They have developed a fundraising strategy and have mobilized resources from the German and French international cooperation. PACIFICO implements regional actions, and the conservation trust funds in each country support the MPAs through their national-based programmes and financial mechanisms.

*Figure 12 – Coral areas in the Colombian Pacific*



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## Part 2- Social Analysis Supporting Material

The GDP of the Archipelago has corresponded to less than 0.2% of the national GDP in the last years (0.13% in 2020).<sup>120</sup> The economy is based mainly on tourism and commerce (around 50% of GDP), complemented by subsistence agriculture and fishing, which are insufficient to supply the islands (most of the food for daily consumption is imported). Ecosystem services provided by coral reefs are essential for the population of the Archipelago, including food and nutrition, tourism attractions and coastal protection.

The Colombian Ocean Commission (CCO) published a paper on the value of Seaflower Biosphere Reserve (including all the Archipelago) ecosystem services<sup>121</sup>. It points out that Seaflower provides ecosystem goods and services estimated at 267,000 to 353,000 million dollars a year. A large part of these goods and services come from coral reefs; for example, food production, tourism, protection against coastal erosion and natural phenomena such as hurricanes, biodiversity, climate regulation, carbon sequestration and oxygen production, among others. The Archipelago fishing quota of 895 tons of fish, 150 of lobster tail and 9 of conchs could be estimated in at least USD 8,000,000/year at current local purchase prices (July 2022).

The economy was affected by the Covid-19 pandemic, with the halt of tourism in 2020, and strongly impacted by Hurricane Iota, which hit the islands in November 2020 and severely damaged 98% of the built structures in Providencia. The central government started a reconstruction programme,<sup>122</sup> which is currently the main source of employment and income and is helping the tourism businesses to have revenues again. However, it brought around 2,000 external workers, causing impact in the islands' natural resources and distortions in the economy and culture, and has not dedicated significant resources to the recovery of the coral reefs. The tourism sector in San Andrés already recovered even with the Covid-19 pandemic risks, receiving around 1.2 million tourists in the last 8 months of 2021, more than the usual number and surpassing the carrying capacity of the island.

In general, flows of capital in Providencia and Santa Catalina have been mainly focused on small tourism enterprises and fisheries. Barriers for capital attraction are related to lack of political and administrative organization, corruption, resistance to new business models and limited coordination among different stakeholders and interests. Part of the public sector actors and private investors insist on mass tourism models, with mega-hotel projects that do not have the support of the local population and have not been implemented yet. In San Andrés, this model has caused overcrowding and environmental degradation, with few benefits for the local people,

<sup>120</sup> <https://www.mincit.gov.co/CMSPages/GetFile.aspx?guid=f9c86df4-1e5f-403f-adf9-0dfc670bf4bc>

<sup>121</sup> Prato, J. and Newball, R. (2015). *Aproximación a la valoración económica ambiental del departamento Archipiélago de San Andrés, Providencia y Santa Catalina – Reserva de la Biósfera Seaflower*. Secretaría Ejecutiva de la Comisión Colombiana del Océano SECCO, Corporación para el desarrollo sostenible del Archipiélago de San Andrés, Providencia y Santa Catalina - CORALINA. Bogotá. <https://cco.gov.co/docs/publicaciones/valoracion-seaflower.pdf>

<sup>122</sup> <https://idm.presidencia.gov.co/prensa/Paginas/La-reconstruccion-de-Providencia-y-Santa-Catalina-lo-que-hay-son-resultados-211114.aspx>





many of which live in poverty. Mass tourism has also damaged coral reefs due to large groups of divers with reduced supervision causing unintended damage with the diving gear. There is an opportunity in San Andrés to shift the tourism sector towards more sustainable and reef-positive practices.

In the Archipelago, there is a strong sense of community and pride of the Raizal cultural heritage, as well as awareness about the importance of natural resources conservation and sustainable development. The local population is resourceful, working in different productive activities to complement their income. There is community drive to engage in small-scale nature-based businesses, such as native-owned lodges, artisanal fisheries and diving schools. However, there is a high level of informality in the economic activities and in land tenure, which is an issue to access commercial credit. In this sense, the reconstruction process after the hurricane included two programmes financed by the central government to support local enterprises and collective groups with around USD 1.4 million for San Andrés, Providencia and Santa Catalina. The resources were directed to the acquisition of equipment, tools and inputs to reactivate local businesses. The programmes also delivered some capacity building activities to strengthen management skills but had a limited duration (six months).<sup>123</sup>

### Part 3- Policy Analysis Supporting Material

The project is aligned with the National Policy on Biodiversity and Ecosystem Services,<sup>124</sup> specifically with its thematic axis on biodiversity, conservation, and nature protection. This axis highlights the need to carry out conservation actions in areas, including protected, coastal-marine, and insular landscapes, intending to maintain flora and fauna populations and strengthen the resilience of socio-ecological systems, supported by the provision of ecosystem services provided by these areas. This framework includes a target for 2030 to reduce direct pressures on marine diversity, ensure conservation, and promote the sustainable use of aquatic resources at the national level.

Local ownership in the islands of San Andrés, and mainly in Providencia and Santa Catalina, have been critical factors in promoting models of conservation and sustainable development. For example, mobilizations against foreign investment in tourism (1994-1995) led to the intervention of the Ministry of Environment and the declaration of the McBean Lagoon National Natural Park. The Management Plan of this park prioritizes, among other actions, the establishment of natural resource use agreements, especially related to fisheries and tourism, the recovery of coral formations, and the integration of climate change into planning instruments.<sup>125</sup>

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<sup>123</sup> <https://prosperidadsocial.gov.co/Noticias/comienza-operacion-de-mi-negocio-raizal-y-emprendimiento-colectivo-en-san-andres-y-providencia/>

<sup>124</sup> Available in Spanish at: <https://www.minambiente.gov.co/wp-content/uploads/2021/10/Pol%C3%81tica-Nacional-de-Gestio%C3%81n-Integral-de-la-Biodiver.pdf>

<sup>125</sup> Management plan 2017-2022. Available in Spanish at: <https://runapadmin.parquesnacionales.gov.co/default/general/descargarplan?pid=285>



With the declaration of the Archipelago as Seaflower Biosphere Reserve (2000), CORALINA acquired several commitments, which led to the creation of the Seaflower MPA by the Ministry of Environment (in 2005). The programme will also be aligned with the management plan of the area and the agreements on its zoning, which determine where industrial fishing is prohibited, and only artisanal fishing can take place.

Regarding climate change, the project is aligned with three climate change adaptation measures defined in the Colombian NDC, updated in December 2020.<sup>126</sup> One seeks to promote the management of the Coastal Environmental Units (including the insular Caribbean) with ecosystem-based adaptation actions on mangroves, seagrasses, and other ecosystems. Second, to develop climate change adaptation and risk management initiatives for the sustainable use of mangroves (blue carbon). Third, integrate climate change considerations into planning instruments for the tourism sector as critical to the national economy.

In terms of international commitments, Colombia has announced in the UN Ocean Conference in Lisbon in June 2022 that it has secured 30% of its ocean as a protected area, becoming the first Western nation to do so, and eight-years ahead of a 2030 deadline.<sup>127</sup> The cays of Serranilla and Bajo Nuevo in the Archipelago are part of the new MPAs to be declared in the next months.

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<sup>126</sup> Available in Spanish at:

<https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Colombia%20First/NDC%20actualizada%20de%20Colombia.pdf>

<sup>127</sup> <https://thecitypaperbogota.com/news/colombia-first-western-nation-to-protect-30-of-its-ocean/>



## Annex IV: Section C – Programme Strategy Supporting information

Activities written in red are included in the first 18-months budget (in Excel attached to this proposal).

| <b>Outcome 1 – Increased protection and recovery of coral reef sites in Marine Protected Areas and climate refugia</b>                              |  |
|---|--|
| Output 1.1: A financial sustainability strategy is designed for the Seaflower Biosphere Reserve MPA system, with the creation of the Seaflower Fund |  |
| Activity 1.1.1 – Install and operate the Seaflower Fund Creation Committee  | FA develops operational procedures and invites and confirms local representation to compose the committee; facilitates meetings and covers logistic costs of the committee meetings  |
| Activity 1.1.2 – Develop initial studies and founding documents of the Seaflower Fund   | FA hires consultancies to develop: (i) studies that include updating the MPAs system financial gap analysis and targets; (ii) founding documents that include developing the Fund's bylaws (purpose and governance) and operational manual; and (iii) a capitalization strategy with a detailed fundraising campaign (actions, budget, and timeline) |
| Activity 1.1.3 – Launch the Seaflower Fund  | FA hires a consultancy to support the development and implementation of a communication strategy to launch the fund, including the production of required materials and the organization of potential events   |
| Activity 1.1.4 – Carry out capitalization strategy  | FA carries out a roadshow to present the fund to potential international donors; hires support to develop legal instruments needed to direct resources from the provincial budget  |
| Output 1.2: Monitoring tools to assess reef health evolution are supported, with a special focus on diseases to look for control options            |  |
| Activity 1.2.1 – Collect baselines for programme indicators   | FA establishes agreements with M&E partners (including the co-implementers) and supports data collection (through samples, specific expeditions, etc.), including about diseases and threats affecting reefs   |
| Activity 1.2.2 – Systemize control options for diseases affecting reefs   | FA hires scientific studies to test control options for the diseases and publish results, with an emphasis on planning potential solutions. FA promotes exchanges with MAR Fund, Healthy Reefs Initiative, and other actors in the Caribbean working to combat diseases affecting reefs.   |
| Activity 1.2.3 – Carry out mid-term evaluation  | FA hires independent consultancy to evaluate programme results and suggest adaptive management strategies  |
| Activity 1.2.4 – Support control options for diseases affecting reefs   | FA finances actions to implement control options that are proven to reduce diseases (to be defined after results of Activity 1.2.2)  |
| Activity 1.2.5 – Carry out final evaluation   | FA hires independent consultancy to evaluate programme results and develop assessment report with lessons learned  |
| Output 1.3: Coordination between relevant institutions is established to improve MPAs management and to avoid destructive and illegal fishing       |  |
| Activity 1.3.1 – Establish alliance to coordinate efforts for improved MPA management and enforcement regarding destructive fishing                 | FA facilitates meetings and covers logistic costs to promote collaboration between the Colombian Commission for the Oceans, CORALINA, Ministry of Foreign Affairs, the Navy and other public agents that are responsible for MPA improved management and enforcement regarding destructive fishing   |
| Activity 1.3.2 – Develop an enforcement strategy/ plan for the Seaflower Biosphere Reserve and its MPA system                                       | FA hires consultancy to draft a Memorandum of Understanding (MoU) between partners and to develop an enforcement strategy/plan for fisheries control in the Seaflower Biosphere Reserve and its MPA system, including funding needs and targets.   |





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| Activity 1.3.3 – Support strategic actions for improved enforcement   | FA finances strategic actions for improved enforcement by the relevant institutions, including potentially additional regulations, if required (to be defined after results of Activity 1.3.2)   |
| <b>Output 1.4: Blue carbon initiatives are studied and developed</b>  |  |
| <b>Activity 1.4.1 – Carry out a prefeasibility study for blue carbon (mangroves and seagrasses)</b>   | FA hires a consultancy to develop a prefeasibility study for blue carbon (mangroves and seagrasses), including consultations with affected communities   |
| Activity 1.4.2 – Develop blue carbon project(s) with sustainable livelihood activities  | FA engages potential carbon offtakers to leverage resources for the development of blue carbon project(s) proven to be feasible that aggregate sustainable livelihoods   |
| Activity 1.4.3 – Support implementation activities  | FA co-finance with potential carbon offtakers the blue carbon project activities (replanting of mangroves, recovery of seagrasses, livelihood alternatives, etc.) and coordinates governance and benefit sharing mechanisms with the involved communities  |
| Activity 1.4.4 – Verify and register carbon credits   | FA hires independent verification of project(s) and registers credits to be sold in the carbon markets (Colombian or voluntary international market)   |
| <b>Output 1.5: A roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs is defined</b>   |  |
| <b>Activity 1.5.1 – Promote exchanges with Pacific partners about the Fi Wi Riif programme</b>  | FA organizes a workshop or meetings with its partners in the Pacific, including CMAR, to share the mechanisms of the Fi Wi Riif programme and explore pathways for a blended finance strategy for the conservation of the Colombian Pacific coral reefs  |
| <b>Activity 1.5.2 – Develop roadmap for a blended-finance strategy for the Colombian Pacific coral reefs</b>  | FA hires a consultancy to facilitate discussions with partners in the Pacific, including CMAR, and develop a roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs   |
| <b>Outcome 2 – Reef-dependent livelihoods improved with recovery after major shocks</b>   |  |
| <b>Output 2.1: A long-term local governance system and the Fi Wi Riif Investment Account are established to support local enterprises with reef-positive business models that provide improved livelihoods to communities</b> |  |
| <b>Activity 2.1.1 – Install and operate the Fi Wi Riif Steering and Technical Committees</b>  | FA develops operational procedures and invites and confirms local representation to compose the committees, facilitates meetings and covers logistic costs of the committee meetings   |
| Activity 2.1.3 – Develop an investment strategy to reach the leveraging targets of the Fi Wi Riif Investment Account  | FA hires a consultancy to develop an investment strategy based on the portfolio of businesses selected by the Fi Wi Riif Investment Account, in a way to leverage commercial investments and other resources to these businesses.  |
| <b>Output 2.2: Conservation agreements are established with local communities to protect species and improve ecosystems health and fish stocks</b>  |  |
| <b>Activity 2.2.1 – Design conservation agreements with the active participation of fishers and local stakeholders</b>  | CORALINA, supported by FA and ProSeaLand, negotiates conservation agreements with fishers to create a no-take no-entry zone in the cays of Roncador and Albuquerque, including environmental offsetting or corporate social responsibility donation mechanisms, disbursement procedures and monitoring and reporting mechanisms. CORALINA prepares agreements and signs with participants, triggering initial disbursements to beneficiaries |
| Activity 2.2.2 – Monitor conservation agreements and assess impacts   | FA finances M&E activities (coordination of data collection, systemizing and reporting) to assess impact of conservation agreements  |



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| Activity 2.2.3 – Develop a continuity strategy for the conservation agreements   | FA hires a consultancy to develop with the co-implementers a continuity and replication strategy for the conservation agreements, potentially linked to the Seaflower Fund, in a way to recover fish stocks and coral reefs in the whole Archipelago   |
| Activity 2.2.4 – Establish new funding agreements for additional conservation agreements in other areas or continue agreements in the same areas   | FA with ProSeaLand negotiate new conservation agreements with fishers to create a no-take no-entry zones in other sites for consistent ecosystem recovery  |
| Output 2.3: Reef-positive business models with clear revenue streams incubated through support via technical assistance and blended finance investments, generating livelihood opportunities for local communities |  |
| Activity 2.3.1 – Launch first call for proposals targeting local enterprises with reef-positive business models  | FA develops and launches first call for proposals documents targeting local enterprises with reef-positive business models and a specific window for restoration projects; provides support to applicants during application period; coordinates selection process with Fi Wi Riif Technical Committee; defines and communicates selected projects to receive support. A socioeconomic baseline will be developed by ProSeaLand so that the monitoring of the effects of supported interventions can be later assessed (through Activity 2.3.7). |
| Activity 2.3.2 – Establish facilitated finance scheme for sustainable fishing fleet  | FA designs a facilitated credit scheme with a partner bank in consultation with fisher associations for boat acquisition, equipment, adaptation, establishing required conditions for sustainable fisheries in the cays, monitoring and reporting requirements, and debt relief mechanisms; FA covers interest rates and debt relief mechanisms, so that the bank provide loans with zero (or very low) interests.   |
| Activity 2.3.3 – Carry out an assessment of the impacts and opportunities in the waste management sector   | FA will conduct an assessment to better understand the impacts of poor wastewater treatment and waste management in general in San Andrés, and the potential solutions and investment opportunities in this sector.  |
| Activity 2.3.4 – Establish agreements with selected enterprises with reef-positive business models   | FA prepares agreements (may be recoverable and non-recoverable grants) with selected enterprises to receive business development support to consolidate their revenue streams and potentially access investment capital, establishing monitoring and reporting requirements, and reimbursement procedures (if any); FA disburses first tranche to the selected enterprises   |
| Activity 2.3.5 – Select innovative business models associated with reef health recovery and low carbon technologies  | FA with the support of the Fi Wi Riif Technical Committee selects innovative business models associated with reef health recovery and low carbon technologies that were identified through output 3.1 to receive support from the Fi Wi Riif Investment Account. Local organizations will be identified to implement these models.   |
| Activity 2.3.6 – Establish agreements with selected local organizations with innovative business models associated with reef health recovery and low carbon technologies   | FA prepares grant agreements (non-recoverable) with selected local organizations to receive business development support to test their business models and develop their revenue streams, establishing monitoring and reporting requirements; FA disburses first tranche to the selected local organizations   |
| Activity 2.3.7 – Monitor portfolio and identify investment opportunities   | FA, with the support of co-implementers and partners, monitors all agreements to collect information on effects of the projects on coral reefs and communities; to ensure fisher associations follows conditions and starts to pay back the concessional loans; to identify the innovative business models that can achieve break-even point and potentially receive additional support  |

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| Activity 2.3.8 – Leverage investment capital to scale-up reef-positive business models  | FA helps enterprises to prepare investment concepts and materials; presents the portfolio investment opportunities to potential investors (including the GFCR Investment Fund, depending on size of investments); leverages investment capital at the portfolio level or individually to enterprises to scale-up the reef-positive business models                   |
| <b>Outcome 3 – Reef restoration and adaptation technologies are developed based on local knowledge</b>  |  |
| Output 3.1: Reef health recovery and low carbon technologies are systematized, and innovative business models are developed                               |  |
| Activity 3.1.1 – Systematize reef health recovery and low carbon technologies initiatives   | FA hires a systematization study of reef health recovery and low carbon technologies already used locally and from other locations, including algae collection and use, sustainable maritime transport, and waste management solutions that can be developed into business models  |
| Activity 3.1.2 – Open application to support innovative business models associated with systematized reef health recovery and low carbon technologies     | FA identifies local organizations that can develop the innovative business models associated with reef health recovery and low carbon technologies and invite them to apply for the Fi Wi Riif Investment Account in order to receive grant support to test and implement the models (as a pre step of Activity 2.3.4)   |
| Output 3.2: A community awareness and engagement programme is implemented to support reef health recovery efforts with training delivered to local actors |  |
| Activity 3.2.1 – Establish co-implementation agreement with ProSeaLand  | FA prepares co-implementation agreement with Fundación ProSeaLand including the coordination of the community awareness and engagement programme and the implementation of the educational and cultural center Escuela del Mar (School of the Sea); the agreement establishes monitoring and reporting requirements, as well as disbursement of resources conditions |
| Activity 3.2.2 – Design business plan for the educational and cultural center Escuela del Mar (School of the Sea)   | ProSeaLand with the support from a consultant carries out the design (governance, structure, and business plan) of the business plan of educational and cultural center Escuela del Mar (School of the Sea)  |
| Activity 3.2.3 – Implement communication and visibility strategy for local stakeholder engagement   | FA and ProSeaLand implement communication and awareness actions planned, including the production of materials in local language (creole) targeting the institutional strengthening of community and cultural organizations  |
| Activity 3.2.4 – Install and launch activities of the educational and cultural center Escuela del Mar (School of the Sea)                                 | ProSeaLand installs the facilities of the educational and cultural center Escuela del Mar (School of the Sea) and launches its training activities targeting reef health recovery  |
| Activity 3.2.5 – Implement additional revenue streams of the educational and cultural center Escuela del Mar (School of the Sea)                          | ProSeaLand implements additional for-profit activities related to the Raizal culture and traditions (festivals, souvenirs, paid educational activities etc.) to generate revenue streams that are sufficient to maintain the center in the long term   |
| Output 3.3: A turtle conservation programme is supported to increase turtle population, supporting reef health and improving tourism attractiveness       |  |
| Activity 3.3.1 – Establish agreement for the coordination of the sea turtle conservation programme  | FA establishes agreement with a co-implementer for the coordination of the sea turtle conservation programme (could be through ProSeaLand or directly with   |



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|  | another institution <sup>128</sup> that reports to FA); the agreement establishes monitoring and reporting requirements, as well as disbursement of resources conditions  |
| <b>Activity 3.3.2 – Develop the sea turtle conservation action plan</b>  | Co-implementer coordinating the sea turtle conservation programme develops the action plan for the conservation actions to be implemented in collaboration with local partners, fishers and communities.  |
| <b>Activity 3.3.3 – Develop a feasibility study for a business model for the sea turtle center</b>   | FA hires a consultancy to develop a feasibility study for a business model for the sea turtle center, which will focus on tourism-based revenues and explore the possibility of biodiversity markets.   |
| <b>Activity 3.3.4 – Assess sea turtle population baseline</b>  | Co-implementer coordinating the sea turtle conservation programme assesses sea turtle population baseline in collaboration with local partners, fishers and communities   |
| <b>Activity 3.3.5 – Monitor sea turtle populations and implement conservation actions</b>  | Co-implementer coordinating the sea turtle conservation programme implements sea turtle conservation action plan in collaboration with local partners, fishers and communities  |
| <b>Activity 3.3.6 – Develop financial sustainability strategy</b>  | FA hires consultancy to work with the co-implementer coordinating the sea turtle conservation programme to define a clear continuity and financial sustainability strategy, including the possibility to explore biodiversity markets   |
| <b>Output 3.4: Coral reef restoration initiatives are supported through a specific funding window of the Fi Wi Riif Investment Account</b>                   |   |
| <b>Activity 3.4.1 – Launch a specific funding window for coral reef restoration projects within the Fi Wi Riif Investment Account Calls for Proposals</b>    | FA develops a specific request for restoration projects in the Archipelago to submit proposals to continue their restoration efforts and to develop revenue streams linked to restoration, as a way to provide financial sustainability to the initiatives. This activity will have the technical coordination of CORALINA. A workshop for exchanges on coral reef restoration and lessons learned from recent experiences will be organized with CORALINA and the potential applicants of this call for proposals, as a way to build on restoration results to date. |
| <b>Activity 3.4.2 – Monitor restoration success and financial sustainability of the supported projects</b>   | FA will monitor the rate of survival of the supported coral reef restoration initiatives and will systematize lessons learned to keep on improving restoration efforts.   |
| <b>Activity 3.4.3 – Include specific funding windows for restoration projects in the subsequent Calls for Proposals of the Fi Wi Riif Investment Account</b> | FA will select additional restoration initiatives to receive support from the programme as a way to expand the coral reef restored area.  |

<sup>128</sup> Fundación Tortugas del Mar is an experienced organization with sea turtle conservation actions in collaboration with fishers and communities. They were consulted during the full proposal preparation and could coordinate the programme in collaboration with ProSeaLand.



Table 3 – Milestones per phase

| Outputs   | Milestones   |   |  |
|---|--|---|--|
|   | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3  | Phase III – Years 4 to 6   |
| <ul style="list-style-type: none"> <li>Output 1.1: A financial sustainability strategy is designed for the Seaflower Biosphere Reserve MPA system, with the creation of the Seaflower Fund</li> </ul> | <ul style="list-style-type: none"> <li>The Seaflower Fund Creation Committee is installed (first meeting) with clear operational procedures and local representation</li> <li>Initial studies and founding documents of the Seaflower Fund are hired and developed by specialized consultancies</li> </ul> | <ul style="list-style-type: none"> <li>The Seaflower Fund is launched with a defined governance, operational procedures in place and a capitalization strategy under implementation</li> <li>The Seaflower Fund Creation Committee is discontinued and the Seaflower Fund Executive Committee is installed as the main governing body</li> <li>The Seaflower Fund receives initial capital (GFCR funds for the endowment capitalization challenge are matched and disbursed)</li> </ul> | <ul style="list-style-type: none"> <li>The Seaflower Fund is further capitalized and starts disbursing resources to protected areas, the Biosphere Reserve, and other areas under different protection models</li> </ul> |
| <ul style="list-style-type: none"> <li>Output 1.2: Monitoring tools to assess reef health evolution are supported, with a special focus on diseases to look for control options</li> </ul>            | <ul style="list-style-type: none"> <li>Funding agreements in place and initial disbursements made to programme co-implementers and partners, including for the assessment of baselines required for the programme monitoring and evaluation plan</li> </ul>  | <ul style="list-style-type: none"> <li>Mid-term evaluation with assessment of expected results and adaptive management plan is carried out</li> <li>Control options for diseases affecting reefs are tested and systemized</li> </ul>   | <ul style="list-style-type: none"> <li>Final evaluation with assessment of achieved results is carried out</li> <li>Control options for diseases affecting reefs that are proven to reduce them are supported</li> </ul> |
| <ul style="list-style-type: none"> <li>Output 1.3: Coordination between relevant institutions is established to improve MPAs management and to avoid destructive and illegal fishing</li> </ul>       | <ul style="list-style-type: none"> <li>A formal collaboration with the Colombian Commission for the Oceans, CORALINA, Ministry of Foreign Affairs, and other public agents, is established to help coordinate efforts for improved</li> </ul>  | <ul style="list-style-type: none"> <li>Strategic actions for improved enforcement are implemented by the relevant institutions with the support of the programme, including potentially additional regulations, if required</li> </ul>  | <ul style="list-style-type: none"> <li>TBD depending on the strategy defined in Phase I and results of Phase II</li> </ul>   |



| Outputs   | Milestones   |  |  |
|---|--|--|--|
|   | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3   | Phase III – Years 4 to 6   |
|   | enforcement. An MoU is signed and support is provided by the programme for the development of a strategy/plan.   |  |  |
| <ul style="list-style-type: none"> <li>Output 1.4: Blue carbon initiatives are studied and developed</li> </ul> | <ul style="list-style-type: none"> <li>Initial stakeholder consultations (with the communities and all the relevant actors), as part of the prefeasibility study for blue carbon</li> <li>Leverage co-financing for the prefeasibility study and for certification processes.</li> <li>Support policy work in order to make it possible for Natural National Parks in Colombia to access carbon certification, in particular those exposed to highly destructive natural events.<sup>129</sup> This restriction affects the McBean Lagoon Natural National Park, containing the most extensive mangrove areas in Providencia, also the most affected by Hurricane Iota.</li> </ul> | <ul style="list-style-type: none"> <li>Blue carbon projects are designed, with leveraged resources from other donors and/or potential carbon offtakers. The Project Design Documents are built and submitted for validation in a particular certification standard.</li> </ul> | <ul style="list-style-type: none"> <li>Blue carbon projects are implemented<sup>130</sup> monitored, verified, and registered, generating credits</li> </ul> |

<sup>129</sup> At the moment, blue carbon certification is not possible in Colombia for National Natural Parks (NNP) or parks with restricted conservation use, due to international carbon standard requirements on additionality. Regulatory work is needed for allowing carbon certification in parks affected by extreme natural events, such as is the case for the McBean Lagoon NNP.

<sup>130</sup> With leveraged resources from potential carbon offtakers.



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| Outputs  | Milestones   |  |  |
|--|--|--|--|
|  | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3   | Phase III – Years 4 to 6   |
| <ul style="list-style-type: none"> <li>Output 1.5: A roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs is defined</li> </ul>   | <ul style="list-style-type: none"> <li>An initial roadmap to implement a blended-finance strategy for the conservation of the Colombian Pacific coral reefs is defined in consultation with partners, including CMAR, operating in the Eastern Tropical Pacific Seascape</li> </ul>  | <ul style="list-style-type: none"> <li>TBD depending on Phase I milestone</li> </ul>   | <ul style="list-style-type: none"> <li>TBD depending on Phase I milestone</li> </ul>   |
| <ul style="list-style-type: none"> <li>Output 2.1: A long-term local governance system and the Fi Wi Riif Investment Account are established to support local enterprises with reef-positive business models that provide improved livelihoods to communities</li> </ul> | <ul style="list-style-type: none"> <li>The Fi Wi Riif Steering and Technical Committees are installed (first meeting) with clear operational procedures and local representation</li> <li>The Fi Wi Riif investment account is created</li> </ul>  | <ul style="list-style-type: none"> <li>The Fi Wi Riif Steering and Technical Committees are active and support programme implementation with local ownership and transparency</li> </ul> | <ul style="list-style-type: none"> <li>At the end of the sixth year, The Fi Wi Riif Steering and Technical Committees are discontinued and the Fi Wi Riif investment account committee is established (with members from the previous committees) to support the selection of enterprises to receive investments after year 6</li> </ul>   |
| <ul style="list-style-type: none"> <li>Output 2.2: Conservation agreements are established with local communities to protect species and improve ecosystems health and fish stocks</li> </ul>  | <ul style="list-style-type: none"> <li>Socio-economic study to determine the opportunity cost and the amount of the incentive is carried out</li> <li>Benefit-sharing mechanism is defined through a participatory process</li> <li>The conservation agreements are designed and signed (this would be done between the fisher associations and CORALINA)</li> </ul> | <ul style="list-style-type: none"> <li>Agreements are implemented with collective benefits delivered</li> </ul>  | <ul style="list-style-type: none"> <li>Conservation agreements are monitored and their impact is assessed. A strategy for the continuity of conservation agreements is designed, potentially linked to the Seaflower Fund</li> <li>Conservation agreements are continued in the long term for consistent ecosystem recovery with sustainable funding coming from the Seaflower Fund</li> </ul> |



| Outputs  | Milestones   |  |   |
|--|--|--|---|
|  | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3   | Phase III – Years 4 to 6  |
| <ul style="list-style-type: none"> <li>Output 2.3: Reef-positive business models with clear revenue streams incubated through support via technical assistance and blended finance investments, generating livelihood opportunities for local communities</li> </ul> | <ul style="list-style-type: none"> <li>A first call for proposals targeting local enterprises with reef-positive business models is launched, including a specific window for restoration initiatives</li> <li>The facilitated finance scheme is designed with a partner bank, through a participatory approach with the fisher associations</li> <li>Fishers receive finance and acquire new vessels or adapt/equip existing ones</li> <li>Enterprises selected receive business development support to consolidate their revenue streams and potentially access investment capital</li> <li>The impacts of poor wastewater treatment on coral reefs are studied and potential solutions and investments opportunities identified.</li> </ul> | <ul style="list-style-type: none"> <li>A second call for proposals is launched. Enterprises selected receive business development support to consolidate their revenue streams and potentially access investment capital</li> <li>Fishers implement required conditions for sustainable fisheries in the cays; monitoring activities take place and may provide mechanisms for debt relief</li> <li>Innovative business models associated with reef health recovery and low carbon technologies that were identified (Output 3.1 below) receive support from the Fi Wi Riif investment account to be developed by local enterprises</li> <li>Investment capital is leveraged (potentially from the GFCR Investment Fund) to scale-up local enterprises with reef-positive business models</li> </ul> | <ul style="list-style-type: none"> <li>A third call for proposals is launched.</li> <li>Fishers start to repay their debt</li> <li>Investment capital is leveraged (potentially from the GFCR Investment Fund) to scale-up local enterprises with reef-positive business models</li> <li>Enterprises that develop innovative business models (Output 3.1 below) consolidate their revenue streams and achieve break-even</li> </ul> |
| <ul style="list-style-type: none"> <li>Output 3.1: Reef health recovery and low carbon technologies are systemized, and innovative business models are developed</li> </ul>  | <ul style="list-style-type: none"> <li>A systemization of reef health recovery and low carbon technologies already used locally and from other locations is carried out, including algae collection and use, sustainable</li> </ul>  | <ul style="list-style-type: none"> <li>Innovative business models associated with reef health recovery and low carbon technologies that were identified receive support from the Fi Wi Riif investment account to be</li> </ul>  | <ul style="list-style-type: none"> <li>Enterprises that develop innovative business models consolidate their revenue streams and achieve break-even (Output 2.3)</li> </ul>   |





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| Outputs   | Milestones   |   |   |
|---|--|---|---|
|   | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3  | Phase III – Years 4 to 6  |
|   | maritime transport, and waste management solutions   | developed by local enterprises (Output 2.3)   |   |
| <ul style="list-style-type: none"> <li>Output 3.2: A community awareness and engagement programme is implemented to support reef health recovery efforts with training delivered to local actors</li> </ul> | <ul style="list-style-type: none"> <li>Materials presenting the programme are prepared in local language (creole) and presented to stakeholders</li> <li>The community awareness and engagement programme is designed in collaboration with ProSeaLand</li> <li>Design (governance, structure, and business plan), installation and equipment of the educational and cultural center Escuela del Mar (School of the Sea) are carried out</li> <li>The community awareness and engagement programme starts implementation, to be later included in the educational and cultural center Escuela del Mar</li> </ul> | <ul style="list-style-type: none"> <li>The educational and cultural center Escuela del Mar (School of the Sea) delivers training activities targeting reef health recovery</li> <li>The educational and cultural center Escuela del Mar (School of the Sea) develops revenue streams related to the Raizal culture and traditions (festivals, souvenirs, paid educational activities etc.)</li> </ul> | <ul style="list-style-type: none"> <li>The educational and cultural center Escuela del Mar (School of the Sea) has a consolidated educational programme that rescues and values the Raizal culture and traditions related to the health of reefs and marine ecosystems, and has consolidated revenue streams</li> </ul> |
| <ul style="list-style-type: none"> <li>Output 3.3: A turtle conservation programme is supported to increase turtle population, supporting reef health and improving tourism attractiveness</li> </ul>       | <ul style="list-style-type: none"> <li>The turtle population baseline is assessed</li> <li>Turtle conservation actions are designed and start implementation</li> <li>A feasibility study for a business model based on tourism revenues is carried out. Biodiversity markets are explored</li> </ul>  | <ul style="list-style-type: none"> <li>The turtle population is monitored, and the first results of the conservation efforts are assessed</li> <li>The sea turtle center is built and starts operations.</li> </ul>   | <ul style="list-style-type: none"> <li>The turtle conservation programme has a clear continuity and financial sustainability strategy, including monitoring actions to assess impact in the long term</li> </ul>  |



| Outputs   | Milestones   |   |  |
|---|--|---|--|
|   | Phase I – first 18 months  | Phase II – Years 2 (second half) and 3  | Phase III – Years 4 to 6   |
|   | to help achieve financial sustainability for the turtle conservation programme   |   |  |
| <ul style="list-style-type: none"> <li>Output 3.4: Coral reef restoration initiatives are supported through a specific funding window of the Fi Wi Riif Investment Account</li> </ul> | <ul style="list-style-type: none"> <li>A coral reef restoration project is selected through a specific funding window within the first Call for Proposals of the Fi Wi Riif Invest Account</li> <li>Exchanges between organizations involved in coral reef restoration are facilitated by the programme to discuss restoration results and solutions to potential failures.</li> </ul> | <ul style="list-style-type: none"> <li>Coral reef restoration results are collected and systematized to extract lessons learned for future restoration efforts.</li> <li>Additional coral reef restoration projects are selected through a specific funding window within the second Call for Proposals of the Fi Wi Riif Invest Account</li> </ul> | <ul style="list-style-type: none"> <li>Additional learning is systematized and shared with partners involved in coral reef restoration.</li> <li>Financial sustainability of coral reef restoration projects is reinforced with business plans and fundraising efforts.</li> </ul> |



# GLOBAL FUND FOR CORAL REEFS

## Annex V: Section D – Governance and Partners Supplementary Information (5 pages max)

Table 4 - Roles and Responsibilities of the Governance and Operational components

| Governance and Operational Components  | Composition   | Roles and responsibilities  |
|--|---|---|
| <b>Fi Wi Riif Steering Committee</b>   | <p>Composed of 7 members, representing:</p> <ul style="list-style-type: none"> <li>• Provincial Government</li> <li>• CORALINA</li> <li>• Raizal people from San Andrés</li> <li>• Raizal people from Providencia &amp; Santa Catalina</li> <li>• Coral reef specialist</li> <li>• Universidad Nacional (Caribbean campus)</li> <li>• Fondo Acción (ensuring the secretariat of the Committee)</li> </ul> | <ul style="list-style-type: none"> <li>• Provide overall strategic direction and programme oversight, ensuring focus is kept in-line with programme's goals and objectives</li> <li>• Ensure alignment with public policies and national and regional priorities</li> <li>• Review and approve the annual work plan and budget of the programme prepared by the programme management unit (PMU)</li> <li>• Review and approve technical and financial reports, audit recommendations and external evaluations to insert adaptive management to the programme</li> <li>• Oversee the programme's support to the Seaflower Fund creation process and provide inputs to the Seaflower Fund Creation Committee where necessary</li> <li>• Provide inputs to programme evaluations</li> <li>• Support the definition of new targets, where necessary, in coordination with the management unit, co-implementers and the GFCR</li> <li>• Support communication actions that raise the visibility of the programme, representing the programme publicly, and assist with fundraising activities</li> <li>• Facilitate the implementation of the programme, removing possible institutional or community barriers and obstacles that may arise</li> </ul> |
| <b>Programme Management Unit (PMU)</b> | <ul style="list-style-type: none"> <li>• Technical Coordinator</li> <li>• Technical Assistant</li> <li>• Administrative Assistant</li> <li>• Financial Coordinator</li> <li>• E&amp;S specialist</li> <li>• Communication specialist</li> <li>• M&amp;E specialist</li> <li>• Legal assistant (part time)</li> <li>• Accountant (part time)</li> </ul>  | <ul style="list-style-type: none"> <li>• Prepare and implement the programme's annual work plans and budgets</li> <li>• Coordinate the programme financial management, including leveraging of co-finance and fundraising</li> <li>• Ensure compliance with fiduciary and safeguard standards throughout programme activities</li> <li>• Coordinate risk assessment and management actions</li> <li>• Coordinate the fulfilment of monitoring and evaluation (M&amp;E) requirements</li> </ul>  |

| Governance and Operational Components    | Composition  | Roles and responsibilities   |
|--|--|--|
|  |  | <ul style="list-style-type: none"> <li>• Consolidate financial and technical reporting and deliver reports to donors and the Steering Committee</li> <li>• Carry out all procurement procedures for consultants, partners and beneficiaries that will receive resources from the programme.</li> <li>• Monitor and accompany consultancies and initiatives and evaluate providers following Fondo Acción's procedures.</li> <li>• Carry out the programme's communication and visibility strategy</li> <li>• Liaise with public authorities, partners, and beneficiaries</li> <li>• Coordinate and supervise the work of the co-implementers</li> <li>• Participate and serve as secretariat of the programme's committees (Steering Committee, Technical Committee, and Seaflower Fund Creation Committee), convening meetings and keeping accurate meeting minutes</li> <li>• Actively support and facilitate programme evaluations</li> </ul> |
| <b>Fi Wi Riif Technical Committee</b>    | Composed of 9 members, representing: <ul style="list-style-type: none"> <li>• Fondo Acción</li> <li>• CORALINA</li> <li>• Provincial Government (technical repr.)</li> <li>• Chamber of Commerce of SAP&amp;SC</li> <li>• A specialist in community-based businesses</li> <li>• Universidad Nacional (Caribbean campus)</li> <li>• Raizal people from San Andrés</li> <li>• Raizal people from Providencia &amp; SC</li> </ul> | <ul style="list-style-type: none"> <li>• Recommend a set of criteria to select initiatives for the investment account portfolio, based on the programme's objectives</li> <li>• Follow targets and indicators for the investment account and recommend adjustments if necessary</li> <li>• Assess enabling conditions needed (baselines, policies, training, awareness campaigns, etc.) for monitoring and supporting initiatives</li> <li>• Oversee the preparation of the selection procedures and documentation</li> <li>• Analyze and score pre-selected proposals from eligible beneficiaries</li> <li>• Provide recommendations on potential improvements and adjustments required in the proposals</li> <li>• Make a reasoned recommendation to the PMU on the proposals to be supported</li> </ul>   |
| <b>Seaflower Fund Creation Committee</b> | Composed of representatives from the following institutions/ stakeholders: <ul style="list-style-type: none"> <li>• Provincial government</li> <li>• CORALINA</li> <li>• Fondo Acción</li> <li>• Municipal authority</li> <li>• Old Providence McBean Lagoon National Park</li> </ul>  | <ul style="list-style-type: none"> <li>• Define the profile of the Seaflower Fund (purpose, thematic areas, financial instruments, governance), based on previous analysis on the protected areas financial gaps, in consultation with local stakeholders and potential donors</li> <li>• Facilitate enabling conditions for government support to the Fund establishment and capitalization</li> <li>• Review and approve terms of reference prepared by the Programme Management Unit for the required consultancies for the Fund operationalization (bylaws, operational manual, fundraising strategy, etc.)</li> </ul>   |



| Governance and Operational Components           | Composition   | Roles and responsibilities  |
|---|---|---|
|   | <ul style="list-style-type: none"> <li>• Raizal people from San Andrés</li> <li>• Raizal people from Providencia &amp; SC</li> <li>• Private sector</li> <li>• Current and potential donors, if interested (BNA, Blue Planet Fund, etc.)</li> </ul>   | <ul style="list-style-type: none"> <li>• Review, discuss and validate the operationalization documents prepared by the consultants</li> <li>• Support a fundraising campaign for the Fund capitalization</li> <li>• Approve the composition of the Seaflower Fund Executive Committee once the Fund is capitalized and support its launch</li> </ul>  |
| <b>Fondo Acción's Joint Financial Committee</b> | <p>This committee is already an operational committee of Fondo Acción. It is composed of the following members:</p> <ul style="list-style-type: none"> <li>• Executive Director of Fondo Acción and/or</li> <li>• Administrative &amp; Finance Director of Fondo Acción</li> <li>• Representatives from asset manager (JP Morgan)</li> <li>• Representatives of Fondo Acción Board of Directors and some donors of endowment funds</li> </ul> | <ul style="list-style-type: none"> <li>• Oversee the investment management of the Fi Wi Riif programme funds pooled with Fondo Acción's endowment</li> <li>• Ensure sufficient liquidity is available for Fi Wi Riif engagements</li> <li>• Administer the Seaflower Fund resources within Fondo Acción's portfolio, once it is launched, according to the investment policy of the endowments</li> <li>• Monitor investments, returns, market conditions and market trends</li> <li>• Evaluate the asset manager's performance and compliance with the investment policy and make recommendations to Fondo Acción Board of Directors</li> </ul>  |
| <b>Co-implementers</b>                          | <p>The programme envisages to work with 3 main co-implementers:</p> <ul style="list-style-type: none"> <li>• ProSeaLand</li> <li>• CORALINA</li> <li>• McBean Lagoon National Park authority</li> </ul>   | <p>General roles and responsibilities of co-implementers:</p> <ul style="list-style-type: none"> <li>• Support the PMU in liaising and collaborating with beneficiaries, local authorities and institutions</li> <li>• Support the PMU with monitoring and evaluation activities</li> <li>• Submit technical and financial reports to the PMU on activities carried out</li> </ul> <p>Specific roles and Responsibilities of CORALINA and McBean Lagoon National Park authority:</p> <ul style="list-style-type: none"> <li>• Carry out and coordinate coral reef monitoring activities, including coordination with scientific partners</li> <li>• Provide leadership and advocate for the creation of the Seaflower Fund</li> <li>• Facilitate information and documentation required for the creation of the Seaflower Fund (related studies, MPA financial gap analysis, potential funding sources, etc.)</li> </ul> <p>Roles and Responsibilities of ProSeaLand:</p> |



| Governance and Operational Components | Composition | Roles and responsibilities   |
|---------------------------------------|-------------|--|
|                                       |             | <ul style="list-style-type: none"> <li>• Support the PMU with community awareness and engagement activities</li> <li>• Support the PMU in sourcing new pipeline opportunities for the investment account, when required</li> <li>• Assist in the development of agreements with local artisanal fisher organizations</li> <li>• Identify and implement technical assistance and capacity building activities in support of local initiatives (potential candidates or beneficiaries of the Investment Account)</li> <li>• Assist the PMU on considering the local culture, traditions, socioeconomic and gender issues in the design and implementation of activities</li> </ul> |

## Fondo Acción's track record

Fondo Acción is a private Colombian fund with 20+ years' experience of sustainable investment in childhood and the environment. With 29 permanent staff currently in its headquarters in Bogota and 56 temporary staff allocated to specific projects, it operates in the whole territory of Colombia. Established in June 2000 as a private non-profit foundation, it started administering a bilateral debt swap between the governments of the United States and Colombia, from the Enterprise for the Americas Initiative. Since then, the Board and Executive Direction have positioned FA for growth as an efficient, transparent and cost-effective administrator of environmental and child development funds.

### Deploying resources to private entities

The Conservation Finance Alliance (CFA) published a study on the evolution of conservation trust funds (CTFs)<sup>131</sup> in which a case study was dedicated to Fondo Acción and its strategies to engage with the private sector. The content below is extracted from this case study.

Fondo Acción has been increasingly and adaptively investing in private sector engagement (PSE) strategies, rooted in the conviction that conservation on its own is not viable when confronted with rural communities with strong socio-economic needs. Based on these strategic decisions, Fondo has invested heavily in three PSE strategies: finance community-based and rural productive enterprises; influence biodiversity compensation and carbon markets; and impact investing.

<sup>131</sup> Conservation Trust Funds 2020: Global Vision, Local Action. Available at: [https://static1.squarespace.com/static/57e1f17b37c58156a98f1ee4/t/5fc78161a038a451bcefe41d/1606910380954/CTF2020\\_Final.pdf](https://static1.squarespace.com/static/57e1f17b37c58156a98f1ee4/t/5fc78161a038a451bcefe41d/1606910380954/CTF2020_Final.pdf)



Since its establishment, Fondo Acción has implemented innovative financing mechanisms to generate income alternatives for rural producers and support sustainable landscape management. Fondo has expanded its role from second-tier financing, to provide technical support, organizational strengthening, and capacity building. This evolution has also meant an increase and diversification of Fondo's staff, to include expertise in, for example, marketing, business models, and value chains. Currently, Fondo Acción supports partners and allies with technical, legal, and administrative expertise, from the legal establishment of a business to the improvement of their value chains to reach more developed markets.

**KEY CHARACTERISTICS OF FONDO ACCIÓN THAT HAVE ENABLED IT TO PLAY THE ROLES DESCRIBED WITHIN THESE PSE STRATEGIES:**

- **Legal nature:** Being a private and independent organization gives confidence to donors and the private sector. Because it manages two debt-for-nature swaps, Fondo Acción has a strong board with diverse representation, including from the Colombian and U.S. governments.
- **Quality management system:** Internal controls and policies that increase the accountability of the CTF, guide the management of technical and financial information, and support Fondo's cost structures for project administration. Fondo Acción's accreditation to the Green Climate Fund and the World Bank underscores the quality of its internal systems and processes.
- **Government relationship:** Fondo Acción works closely with the Government to build productive relationships with all sectors. Fondo Acción aligns its projects and programs with national, regional, and local development goals.
- **Adaptability:** Fondo Acción adapts readily to the needs of its clients and partners but is strict with compliance of its rules and the quality and the impact of its actions. It has a clear set of operating rules, with defined spaces for decision-making and follow-up. It does not approach its clients and partners with a preconceived recipe but is open to jointly designing a project based on the needs at hand.
- **Capacity-building:** Fondo Acción has a commitment to building the capacity of partner communities and businesses, thereby increasing the sustainability of Fondo's actions and supporting partners' access to other funding sources.
- **Track record:** Fondo has a long history of working on environmental and childhood issues.
- **Efficiency:** Strong policies and procedures have increased efficiency through quick processes, such as Fondo's calls for proposals process and its relations with the private sector.
- **Inclusive:** There is a commitment to build processes that link initiatives and stakeholders to achieve broader and more sustainable results, rather than focusing only on specific targets or objectives in a program-by-program approach.
- **Risk Management:** Fondo Acción steps-up to new challenges and manages risks with mitigation strategies.

*Source: Conservation Trust Funds 2020: Global Vision, Local Action (CFA, 2020).*

Examples of Fondo Acción engagement with private entities include (in chronological order):

- **Sustainable Bio-enterprises** (Bionegocios Sostenibles) started in 2007, as an accelerator effort to improve the profitability of environmentally beneficial community enterprises that contribute to conservation efforts and social development. This programme benefited 23 enterprises and was branched-out in 2015 to strengthen value chains. This sub-program has a more integrated business approach, where Fondo Acción takes a leadership role towards connecting producers with target and segmented markets. The program provides financial resources and technical assistance to enable producers to





reach a level where they can become subjects of investment or credit from the private or financial sector. Business roundtables have been organized within the program, and Fondo Acción has partnered with reputed impact investors, such as Acumen, and final consumer guilds (such as gourmet restaurants) to support specific value chains. An evolution can also be seen in the financial instruments used by Fondo Acción, which leverage resources or commitments from the beneficiaries, either through their commitments in the execution agreements for the donations, or by providing co-finance (in-kind or financial). Revolving funds, like in the case of forestry, cocoa and fisheries, are also in progress, whereby income generated by these activities is converted into working capital and re-invested by the producers themselves.

- **Sustainable Colombian Cattle Ranching** (Ganadería Colombiana Sostenible) was a large-scale effort with a total program value of USD 34.4 million implemented from 2010 to 2020, in which Fondo Acción functioned as the financing mechanism. The main objective was to transform traditional unsustainable cattle ranching practices, into sustainable production systems, while demonstrating that these practices also improve productivity. A payment system for the ecosystem services (PES) provided by the participating ranches, was designed as an incentive to support the ranchers financially and technically, while the improved practices produced economic results. Fondo Acción administered the payments under the PES scheme, based on individual contracts with the ranchers, and provided legal support required for the program's implementation. Payments to the ranchers were made in 4 instalments, according to their conservation efforts and the land use changes measured during the program. This effort included 4,100 beneficiaries in five regions of the country. It comprised 83 municipalities in 12 administrative departments, covering 100,515 hectares of environmentally friendly production.
- **Biodiversity compensation**. Colombia adopted a legal framework for a mandatory mechanism of compensation for loss of biodiversity (2012). Private companies that already had a corporate social responsibility relation with Fondo Acción, looked to continue the collaboration. FA has defined general guidelines and a whole strategy to make sound compensations beyond mere compliance. Companies can undertake the compliance activities directly or through a third party, which could be Fondo Acción. This was the case of AngloGold Ashanti, for which Fondo Acción coordinated the work of a team of experts to design an environmental compensation plan for a mining operation in the Colombian Andes.
- **Carbon markets**. Between June 2018 and December 2019, Fondo Acción allocated USD 1.8 million to 8 REDD+ projects operated and owned by ethnic communities in the Colombian biogeographic Chocó (Pacific coast); with this, the communities were able to implement activities necessary for verification, including hiring local technical and administrative units, conducting workshops and issuing VCUs, among others. The resources were recovered in April 2020 with the sale of carbon credits (USD 1.2 million)





and a donation from international cooperation (USD 600,000). These resources funded collective needs of the communities. Based on this successful outcome, in 2020 Fondo Acción launched its Green and Blue Carbon Unit (UCV&A in Spanish), to share its experience and skills developed with the design, implementation, certification and commercialization of forest carbon projects in Colombia. The UCV&A is Fondo Acción's most recent integrated capital programme, which focuses on reducing carbon emissions, protecting biodiversity and improving the livelihoods of local people with an intergenerational and gender approach. The UCV&A supports the development of carbon projects through four types of resources:

- technical resources for the design, establishment and certification of projects using international carbon premium standards, biodiversity and social technical assistance for new projects;
  - financial resources through a revolving fund operated with funds provided by the Americas Initiative and administered by Fondo Acción, which provides seed funding for project design and establishment;
  - administrative management resources, with the administrative team to operate benefit-sharing mechanisms to manage carbon revenues equitably among project owners, using all procedures and protocols designed to manage national and international donations;
  - and sales resources to facilitate transactions in the Colombian and international voluntary market and a list of satisfied buyers that enable Fondo Acción to provide sales support to verified projects.
- Mission Impact Investment Fund (FIMI)<sup>132</sup>. Following the example of large family funds and foundations in the United States, Fondo Acción created a mission-aligned impact investment fund (FIMI) in 2018. This strategy evolves from Fondo's experience in supporting numerous communities in productive and commercial improvements. USD 2.5 million from Fondo Acción's endowment earnings are directed to invest in business models that could generate financial, social, and environmental returns, aligned with its mission. FIMI operates as an accelerator fund, providing patient and catalytic capital to expanding ventures, to enhance their potential impact and attract other stakeholders to support local entrepreneurship. To date FIMI has provided investments to 4 private companies, as detailed in the table below:

Table 5 – FIMI's investments to date

| Company name   | Activity and expected impact  | Investment type provided   | Amount   |
|--|---|--|--|
| Los viajes del Boga S.A.S. (Awake travel)<br><a href="https://awake.travel/">https://awake.travel/</a> | Nature tourism, working directly with communities in the territories (hosts), transferring most of the economic value paid by the tourists and training communities | <ul style="list-style-type: none"> <li>• Equity</li> <li>• Convertible debt</li> </ul> | <ul style="list-style-type: none"> <li>• USD180.000</li> <li>• USD100.000</li> </ul> |

<sup>132</sup> <https://fondoaccion.org/2020/10/15/fimi/>



| Company name   | Activity and expected impact   | Investment type provided                    | Amount     |
|--|--|---|------------|
|  | permanently to improve their skills and knowledge in services to tourists, in exchange for the care and conservation of ecosystems.  |   |            |
| Mucho Colombia S.A.S.<br><a href="https://comemucho.com/">https://comemucho.com/</a>                             | A digital platform for responsible consumption that seeks to democratize access to good food from the field to the table, protecting the wellbeing of all: consumer, producer and environment, reducing the intermediation chain   | • Equity                                    | USD150.000 |
| ZhanaSolutions Green Engineering S.A.S.<br><a href="https://zhanasolutions.com/">https://zhanasolutions.com/</a> | Integral service of grease waste management in industrial kitchens, through the development and operation of a technology that allows to capture +95% of grease to be reused as fuel (circularity), with the capacity to save +300K m3 of water/year and to support initiatives of sustainable cities and communities. | • SAFE (Simple Agreement for Future Equity) | USD120.000 |
| Páramo Snacks S.A.S.<br><a href="https://www.paramosnacks.com/">https://www.paramosnacks.com/</a>                | Development of healthy snacks (baked and fat-free), working directly with producer associations in high mountain ecosystems, preserving the 'páramo' ecosystem and providing technical assistance for the development of organic and agro-ecological practices.  | • Convertible debt                          | USD100.000 |

### Management of endowment funds

Fondo Acción manages different investment accounts pooled under one formal trust to improve performance. Fondo Acción directly governs the investments, hiring one asset manager and keeping decision-making within its own governance system, including a joint finance committee and its Board of Directors. Fondo Acción institutional endowment has currently with USD 31.7 million. It also manages three other endowments subaccounts pooled with its own endowment, for specific purposes in Colombia: the Tropical Forest Conservation Agreement, endowment established in 2004 and currently holding USD 8.1 million; the Malpelo endowment, established in 2009 with USD 5 million from Fondo Acción and from the Global Conservation Fund of Conservation International (GCF/CI) to benefit the Malpelo Flora and Fauna Sanctuary in the Pacific, currently holding USD 7 million and USD 2.3 million of investments through sub-grants; and La Minga endowment, established in 2017 with USD 2.65 million from GCF/CI and the Walton Family Foundation to benefit three MPAs in ethnic territories in the Pacific coast of the country, currently holding USD 3.3 million and complemented by a sinking account in which USD 4.4 million has been raised, allowing the capitalization of the endowment. All endowment sub-accounts are invested together with the main endowment, following the same investment policy, which includes clear ESG criteria. Fondo Acción distributes net earnings monthly, proportionally to the contribution of each sub account to the portfolio.



According to the most recent reports of Fondo Acción's asset manager (JP Morgan) from June 2022, the current market value of the combined endowment is USD 48.4 million. This amount is a result of the negative return of -15.1% recorded during 2022 so far. As a comparison horizon, the indicator for the previous year (2021) had been 16.32%, for the previous three (3) years (2019 - 2021) it recorded 14.49%; the average of the previous five (5) years (2017 - 2021) was at 10.72% and, the return on the equity account since its formation in 2008 showed an internal rate of return of 21.68%.



**Annex VI: Section E – Programme Pipeline Supplementary Information (5 pages max)**

**Table of mapped initiatives and enterprises**

Fondo Acción and ProSeaLand carried out an initial mapping of initiatives in the target sectors, including sustainable fisheries, nature-based tourism, waste management and others. The total number of mapped initiatives in this initial exercise is 106, being 63 in San Andrés, 35 in Providencia and Santa Catalina. This database will be used to communicate the Fi Wi Riif Investment Account funding opportunities. The graphs below show different breakdowns of the information. The complete database of mapped initiatives and enterprises is available at: <https://docs.google.com/spreadsheets/d/1IyXizB4P3DdQbbhuuCOYZY8LbdcVLJqd/edit?usp=sharing&ouid=116536311644573427540&rtpof=true&sd=true>

Figure 13 – Number of mapped initiatives per type of organization

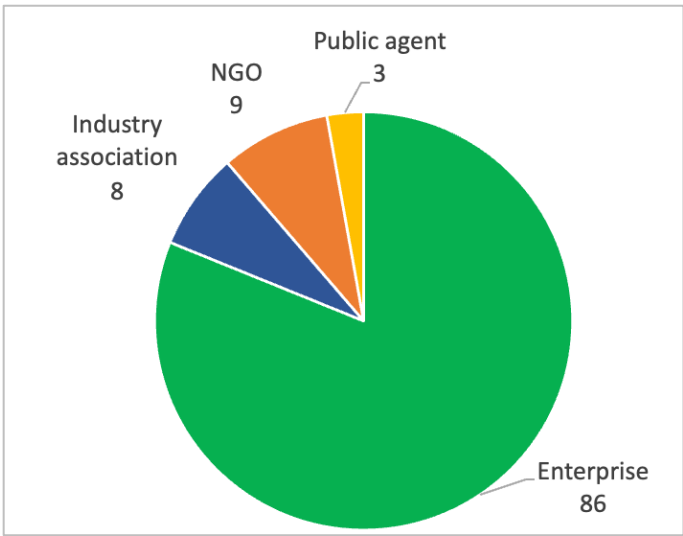
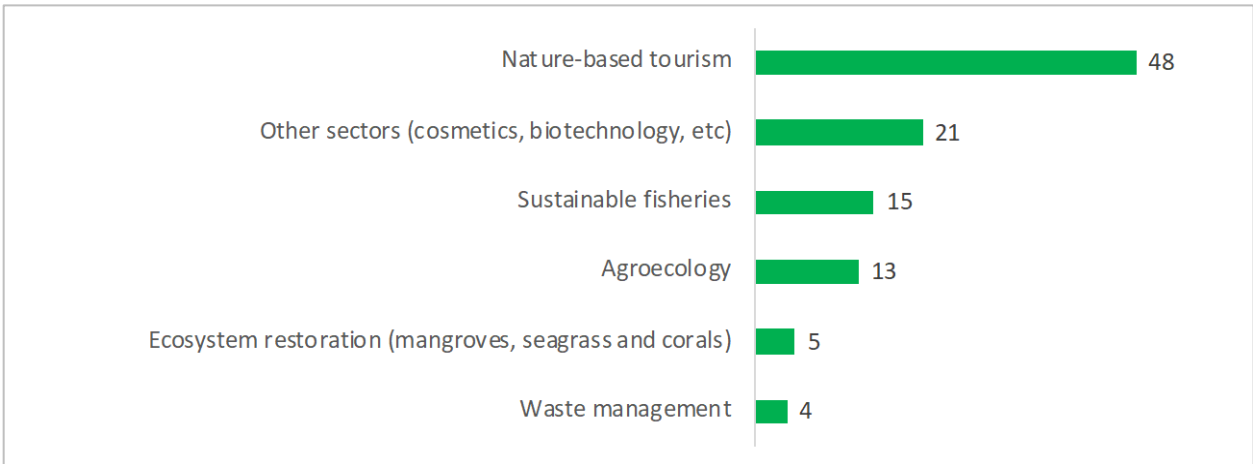


Figure 14 – Number of mapped initiatives per sector





### **EcoGourmet: sustainable and equitable business in the fisheries value chain, a model of social responsibility<sup>133</sup>**

In 2004, Fondo Acción and Conservation International Colombia (CI) signed a strategic alliance within the framework of Colombia's biodiversity policy to support initiatives aimed at minimizing biodiversity loss, preventing species extinction, stimulating the management of protected natural areas, and consolidating conservation corridors. Within the framework of the alliance, the national programme “Por Nuestros Mares” (For Our Seas) was created in 2009, with the following objectives:

- Improve management of protected areas with an emphasis on marine and coastal ecosystems.
- Promote the creation of community protected areas at the national level, as well as the creation and/or strengthening of conservation corridors with high participation of the community in general.
- Promote the development of proposals for economic alternatives for coastal communities that minimize the negative impact on threatened species and ecosystems.

As part of this programme and specifically of the last objective, the EcoGourmet initiative was developed, between 2011 and 2018, to identify and support cases of excellence in which a sustainable and equitable business model is applied in the artisanal fisheries value chain. This chain ranges from the conservation and sustainable management of hydrobiological resources and marine-coastal ecosystems by local organizations, to responsible consumption by informed end consumers, and has numerous intermediate links that include fishery input processors, marketers and restaurants.

The business model promoted by EcoGourmet is based on a qualitatively different relationship between final distributors of fish products (either restaurants or marketing outlets) and community suppliers, in which it is possible to optimize the achievement of conservation objectives and sustainable and equitable use of natural resources, generating commercial profitability for the parties and raising awareness and loyalty among final consumers. The end result is the creation of a virtuous circle that can be communicated and replicated on a larger scale.

The first phase of EcoGourmet was implemented from 2011 to 2013, with a first call for proposals that financed the consolidation of a commercial partnership between a restaurant chain (Lao Kao S.A, restaurants Wok) and a community-based fisheries organization (Red de Frío de Bahía Solano), with the implementation support of MarViva Foundation. Through this initiative, the fishers adopted sustainable practices, improved their quality assurance processes, and signed a commercial agreement with the restaurant chain that allowed them to increase their market share by 12%. Additionally, 197 Wok restaurant customers attended the consumer talks, and

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<sup>133</sup> Information in Spanish:

<https://conservation.maps.arcgis.com/apps/MapJournal/index.html?appid=f929fe862f354c33b32907e0eaa4cd91>



598,790 customers were exposed to the fish and responsible consumption materials. More importantly, at the start of the project, 6% of customers valued environmental commitment in their fish consumption choices; by the end of the project this figure was 21%.

The second phase of EcoGourmet ran from 2014 to 2018, when the successful model implemented in the first phase was replicated to fifteen artisanal fishers organizations, which benefited 526 people directly linked to the organizations and local communities. On the consumer side, six restaurants in Bogota and one in Cali were engaged in the commercial agreements and sensitization efforts.

The alliance between Fondo Acción and CI ended in 2018, and CI has continued the EcoGourmet programme in the Colombian Pacific and Caribbean. Fondo Acción, based on the lessons learned, replicated the model to agricultural value chains based on agrobiodiversity. The Fi Wi Riif programme expects to replicate the model focusing on artisanal fisheries and fair-trade agreements.

## **Annex VII: Section F – Financing Overview (5 pages max)**

*Here provide additional details on the financing strategy and information regarding secured or anticipated co-financing and investment. If letters of intent for co-financing or investment are available, they can be included here.*



# GLOBAL FUND FOR CORAL REEFS

## Annex VIII - Communication and Visibility (Max 1-Page)

### A. Key Comms Info

|   |  |
|---|--|
| Programme Name:   | Fi Wi Riif programme   |
| Convening Agent Org.:   | Fondo Acción   |
| Programme Lead/Manager:<br>(name, title, email)                                   | Elizabeth Valenzuela Camacho, Technical Director,<br><a href="mailto:evalenzuela@fondoaccion.org">evalenzuela@fondoaccion.org</a>  |
| Programme Communication<br>Lead: (name, title, email)                             | David Fayad Sanz, Communication Specialist,<br><a href="mailto:dfayad@fondoaccion.org">dfayad@fondoaccion.org</a>  |
| Twitter and LinkedIn Account<br>Handles & Links:                                  | @FondoAccion <a href="https://www.linkedin.com/company/fondo-para-la-accion-ambiental-y-la-ni-ez/mycompany/">https://www.linkedin.com/company/fondo-para-la-accion-ambiental-y-la-ni-ez/mycompany/</a> |
| Coordinating/implementing<br>agencies/organizations/partne<br>rs LinkedIn Links:  | n/a  |
| Coordinating/implementing<br>agencies/organizations/partne<br>rs Twitter Handles: | n/a  |

### B. Programme Communications Strategy Objectives

- **Objectives:**

The Fi Wi Riif communications strategy pursues two main objectives: to influence attitudes and instigate reef-positive change locally and globally, and to increase visibility of the programme's work and impact. It will showcase how blended finance supports coral-reef rescue, based on the following action pillars:

- **Defining the Programme's Unique Identify & Reason for Being**
- Identifying ecosystem-based value, climate-resilience, threats, needs, innovative programming approach and impact
- Communicating programme vision, transformational activities, value-add
- Profiling and visualising the GFCR's programme-level 'Reef-Positive Investment Ecosystem'
- Showcasing programme coalition: consortium of conservation actors to bring their impact to the next level
- **Positioning and Differentiating the Programme**



- Demonstrating investable reef-positive solutions are reducing degradation drivers, blended finance benefits, replicable/scalable models (programme or intervention level)
- Differentiating the programme within the SDG 14 landscape (i.e., investment ecosystem, scale and scope of the deployment, etc.)
- Communicating opportunities (e.g., potential to catalyse significant levels of finance, innovative win-win reef-positive development pathways, etc.)
- Amplifying wider contributions (incl. wider SDG benefits, 30x30 ambitions, achievement of national priorities, post-2020 global biodiversity framework aims, etc.)
- **Inspiring and Mobilising Reef Action Locally & Nationally**
- Engaging, inspiring, and mobilising target audiences and key stakeholders (e.g., through developing strong case studies and communications tools) - including:
  - Forging partnerships with National/local government bodies/officials, NGOs, civil society, key opinion leaders, etc.
  - Attracting co-financers and potential investors
- Spotlighting work of local conservation heroes, local organizations, engaged community members/leaders/entrepreneurs, etc.
- Receiving and supporting coverage through media, events, publications, and other features
- Facilitating information exchanges and tools leading to knowledge generation and capacity building.

Furthermore, the strategy aims to contribute to position in the public agendas of decision-makers the urgency of strengthening regulatory frameworks, reinforcing coastal and marine conservation efforts, and supporting economic alternatives for communities that contribute to the protection, recovery and sustainable use of coral reefs.

The communications strategy will be aligned with and contribute to the Gender Action Plan defined for this programme.

A more detailed communications plan will be produced once the programme begins implementation, and will be constantly monitored and updated.

- **Key Messages:**

Fi Wi Riif key communication messages will be related to:

- Showcasing supported reef-positive solutions:
- Overview of problem/challenge faced
- Description of the supported solution & how it is linked to national and international priorities
- How grants support incubation and de-risking for local businesses or how blended finance contributes to increased conservation
- Describing the impact linked to project activities, including leveraged finance, how drivers of reef degradation were reduced, positive livelihoods impact in reef-dependent communities, wider SDG achievements, and how community climate adaptation and recovery after major shocks was supported.
- Amplifying women, youth and indigenous Raizal leadership/engagement.





These strategic messages will use a powerful narrative, including quotes from key stakeholders (e.g., local entrepreneurs, community leaders and beneficiaries, local government officials, conservation heroes, etc.), as well as good-quality supporting visuals (e.g., pictures and videos). Gender mainstreaming, Raizal culture valorisation and youth empowerment are cross-cutting issues in the Fi Wi Riif programme, and will be considered when conveying key messages.

- **National Media Engagement Plan (One paragraph overview):**

The Fi Wi Riif communication strategy will include a national media engagement plan aimed at involving national and local newspapers and magazines, radio stations, television channels and internet and social media actors and influencers in supporting programme goals. National and local media will have a major role for improving public awareness and education on the urgency of safeguarding coral reef ecosystems and reef-dependent communities in Colombia and throughout the world. An initial mapping of local media channels and key communication stakeholders was made for the Archipelago and can be found in the *Table of communication channels and key stakeholders* below.

- **Key Performance Indicators/Monitoring and Evaluation Overview:**

The following key performance indicators (KPIs) will serve to monitor and evaluate the effective implementation of the communications strategy:

- Established public programme profile and visual identity (online web profile, key messaging framework, branding guideline, creative/visual asset tools)
- Number of case studies and photo essays that demonstrate "reef-positive solutions" and human/community impact stories.
- Number of published articles, posts, photo essays, blogs, impact stories, infographics, etc.
- Number of produced audio-visual content including video stories and programme overview, testimonials, event recordings, etc.
- Number of event engagements, including hosting, co-hosting and featuring at events (national, international).
- National and local media coverage (number of features, articles, interviews, etc.)

- **Event Engagement Plan (One paragraph overview):**

Fi Wi Riif will engage in local, national, regional and international events, hosting, co-hosting and featuring at events, in order to provide visibility to the programme, share and learn about innovations and good practices on blended finance and innovative public-private partnerships for coral reef-protection, and increase awareness on the vulnerability and importance of these critical marine ecosystems. Events will be co-planned with GFCR when possible.

Local events such as music or traditional Raizal festivals will be targeted in order to engage the Archipelago's communities and local social, cultural and political leaders.

The Fi Wi Riif programme could be publicly launched in the 27<sup>th</sup> Conference of the Parties of the UNFCCC (COP 27) in Sharm El-Sheikh, Egypt, in November 2022.



- **Anticipated Content Production:**

The following content is expected to be produced during programme implementation:

- Photographic material
- Presentations (slides)
- Written articles
- Social media posts (Twitter, LinkedIn, Instagram, Facebook)
- Podcasts
- Infographics
- Videos on programme/activity overview, ecosystem footage, testimonials from local leaders, coral conservation champions, or community actors, and event recordings

In order to ensure the high quality of this material, professional support will be hired as necessary. Fondo Acción will select a communications lead to hold Admin status on the GFCR Trello Board and manage the programme communications stream. The Trello Board will be used by the convening agent for accessing guidance on GFCR branding, templates, logos and general guidelines, as well as for sharing the written and audio-visual content produced by Fi Wi Riif.

Programme-related communications materials will adhere to GFCR guidelines and recommendations and require clearance by GFCR Head of Communications prior to public release.

- **Strategy Key Performance Indicators/M&E:**

- Amount (USD) of resources invested by the programme and leveraged
- Number of community members (disaggregated by gender and age) directly benefited by programme activities
- Number of local businesses supported or created
- Number of hectares of coral reefs with improved conditions or increased protection

These indicators will be regularly monitored by the M&E team and local partners and their evolution will be reported through communication contents.

## **Resources**

- **Human Resources:**

A full-time Communication Specialist will be engaged within Fondo Acción's Programme Management Unit (PMU), and will be responsible for the overall implementation of the communication strategy. CORALINA and ProSeaLand, the main co-implementers, will each appoint a communications focal point that will work in close cooperation with Fondo Acción's Communication Specialist.

The PMU's team, including a Technical Coordinator, Technical Assistant, Administrative Assistant, Financial Coordinator, Specialist in social and environmental standards, and M&E specialist, will also be engaged in facilitating communication activities.

The Communication Specialist will carry out the following roles:

- Build the programme communications strategy and detailed plan



- Track and report on communications KPIs and liaise with M&E specialist to gather strategic information on programme results
- Manage and control the communication budget
- Coordinate the design of outreach material, including in creole, and hiring any providers required
- Build case studies on the successful experiences supported by the programme
- Organize high-level national and international events that raise the visibility of the programme and coordinate the participation of the high-level speakers and key opinion leaders
- Coordinate all communication activities within programme events targeted at capacity building, awareness or consultations
- Update social media channels of Fondo Accion regarding the programme and update GFCR Trello Board so that posts can be reproduced through the GFCR social media channels
- Carry out media relations at the local and national level in coordination with Fondo Acción communication coordinator
- Coordinate all communication actions with GFCR communication specialist, including the production of co-branded materials
- One communication focal point in each co-implementer (ProSeaLand and CORALINA)

- **Financial Resources:**

Communication budget allocated for the first 18 months:

| Action   | Amount (USD) |
|--|--------------|
| Communication materials for the programme launch and mobilization of media vehicles at the national and international levels | 35,000       |
| Communication specialist full-time based in the Archipelago  | 36,000       |
| Total  | 71,000       |

The communication budget represents 3,66% of the overall programme budget allocated for the first 18 months.

- **Partnerships:**

The following national and local actors will be involved in Fi Wi Riif communication together with Fondo Acción:

- GFCR global team
- United Nations Information Centre (UNIC) in Bogotá
- Fundación PACIFICO
- CMAR
- CORALINA
- Comisión Colombiana del Océano
- AUNAP (Autoridad Nacional de Acuicultura y Pesca)
- McBean Lagoon National Park
- INVEMAR



- ProSeaLand Foundation
- Partner bank to be engaged by the programme
- MAR FUND
- Partnerships will also be established with local and national media vehicles

### **C. Anticipated Communications Deliverables**

1. A Power Point presentation (including reef ecosystem description; importance of local ecosystem; impact on additional species and/or adjacent ecosystems; MPA /co-management status/classification in terms of conservation; UNESCO status; how the reef will benefit from the action, including how local drivers of degradation are targeted and/or reduced; description of the local target community (profile) and intended local community benefits; how the reef will benefit from the action, including how local drivers of degradation are targeted and/or reduced; whether the action is scalable or replicable; whether the intervention benefits vulnerable/disadvantaged groups; and local partnerships)
2. Ecosystem and target community photos
3. Convening Agent quote
4. Government representative quote or video message (local, regional or national level)
5. Baseline Quotes: Gathering short quotes and/or stories from the local community regarding the reef, including local importance and degradation factors.
6. Global Event Representation – KOLs (key opinion leaders): A listing of attainable speakers for increased programme visibility through global events, is presented below and will be regularly updated as the programme progresses.
7. Initial Stories: Fondo Acción will provide 3 or more draft “stories” of actual or anticipated GFCR supported actions that will have impact on the reef and local communities. Stories will be no longer than 1.5 pages. Wherever possible, stories will demonstrate:
  - a. How the reef will benefit from the action, including how local drivers of degradation are targeted and/or reduced;
  - b. Local community benefits;
  - c. Status and results, if available;
  - d. Whether the action is scalable or replicable;
  - e. Whether the intervention benefits vulnerable/disadvantaged groups (e.g. women, indigenous, youth, disabled, etc.);
  - f. Local partnerships;
  - g. Impact on additional species and/or ecosystems; and
  - h. Relevant pictures and video footage.
8. Programme Video: Fondo Acción will produce a snapshot video presenting Fi Wi Riif, including the ecosystem, how local threats will be reduced, and the coordinated consortium approach.
9. Once programme implementation begins, a communications/strategic engagement call will be scheduled by the Fondo Acción’s communication representative for Fi Wi Riif every 8-10 weeks to discuss programme activities, identify stories, and discuss strategic engagement opportunities at the national, regional and global levels.
10. Regular joint collaboration on development of stories and assets for communications (social media, events, website and newsletter content, etc.).
11. Regular reporting of stories through the Fund reporting templates.



12. Coordination with the Secretariat for bi-annual strategic briefings of relevant country-level representatives (including CBD and UNFCCC country delegates).

### High-Level Speakers

| Name                    | Title                              | Relevant Notes & Links  |
|-------------------------|------------------------------------|---|
| Natalia Arango          | Executive Director<br>Fondo Acción | Conservation Biologist, MSc Evolutionary Ecology<br><a href="https://co.linkedin.com/in/natalia-arango-20b97028">https://co.linkedin.com/in/natalia-arango-20b97028</a>                       |
| Elizabeth Valenzuela    | Technical Director<br>Fondo Acción | Biologist, MSc Environment and Sustainable Development<br><a href="https://www.linkedin.com/in/elivalenzuela">https://www.linkedin.com/in/elivalenzuela</a>                                   |
| Profesor Germán Marquez | Director<br>ProSeaLand             | Biologist, MSc Marine Biology, PhD Tropical Ecology.<br><a href="https://idea.unal.edu.co/idea/idea_personal.html">https://idea.unal.edu.co/idea/idea_personal.html</a>                       |
| Arne Britton González   | Director of<br>CORALINA            | Business Manager, Mg Marine and Coastal Resource Management.<br><a href="https://coralina.gov.co/en/coralina/perfil-del-director">https://coralina.gov.co/en/coralina/perfil-del-director</a> |

### Other Speakers

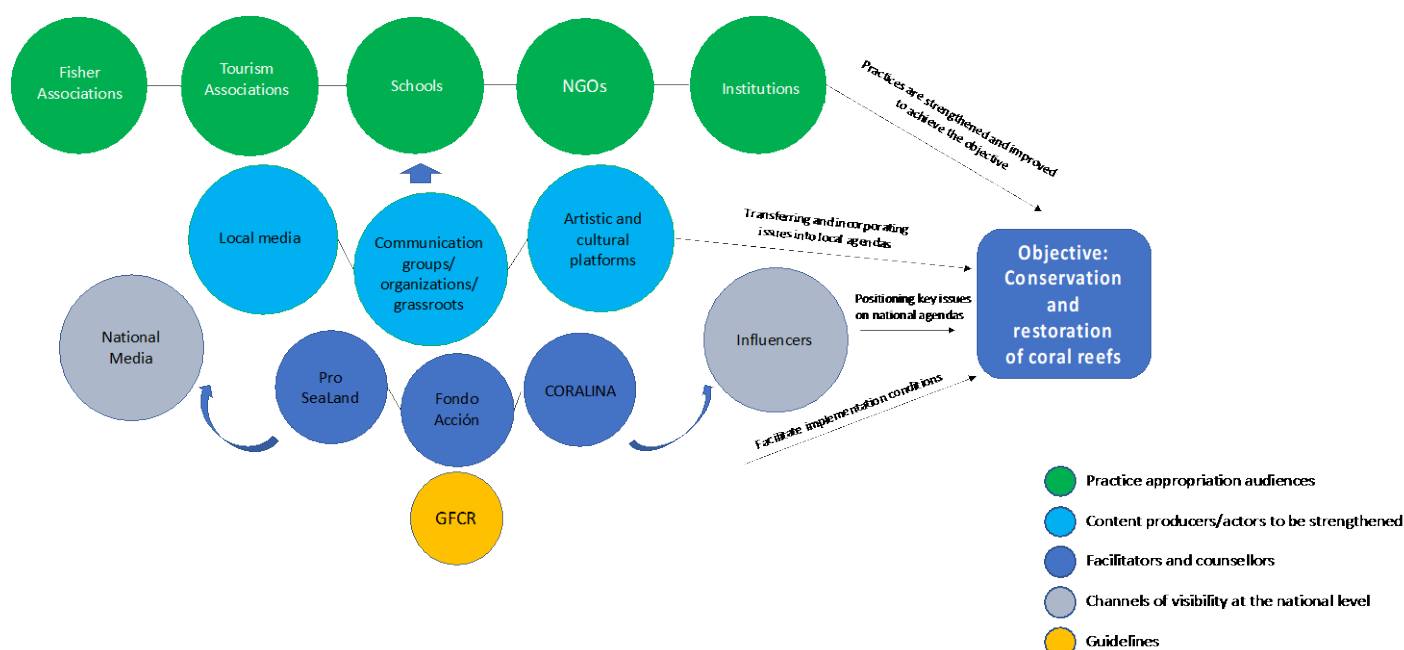
| Name                   | Title  | Relevant Notes & Links   |
|------------------------|--|--|
| Edgar Jay: I Fish      | Legal Representative of the Archipelago's Fishers Federation/ I Fish           | Local community leader – Artisanal Fisheries                         |
| Josephine Huffington   | Director Citizen oversight/ Raizal movement                                    | Leader of indigenous civic organization                              |
| Marcela Cano           | Director of McBean Lagoon National Park  | Government representative - Parques Nacionales Naturales de Colombia |
| Jennifer Yepes         | President of Chamber of Commerce of San Andrés, Providencia and Santa Catalina | Private sector   |
| Karla Barrientos Muñoz | Technical Director Fundación Tortugas del Mar                                  | NGO  |

## **ADDITIONAL INFORMATION**

### **Stakeholder mapping for communications/Fi Wi Riif programme**

This stakeholder map represents the key agents, their roles and relationships in the communication processes (see diagram). They are described below:

1. Guidelines: The institution that gives the framework for action.
2. Facilitators and Counsellors: the organizations in charge of implementing the strategy, integrating the different actors, channeling resources, ensuring the quality of processes and products and the relevance of messages.
3. Channels of visibility at the national level: platforms to make products visible and contribute to the positioning of relevant issues in national agendas.
4. Content producers/actors to be strengthened and leaders whose role can have a positive impact on the conservation and sustainable use of reefs (to be agreed in the first phase of implementation).
5. Practice appropriation audiences: audiences in which changes in practices can contribute to the achievement of the objective (local businesses, fishers, tourism associations, tourists, among others).



**Table of interviewed stakeholders during programme design**

| Name           | Position / Title            | Company/Organization | Organization type |
|----------------|-----------------------------|----------------------|-------------------|
| Arne Britton   | Director                    | CORALINA             | Government        |
| Ricxie Newball | Deputy Director of Planning | CORALINA             | Government        |



| Name                       | Position / Title  | Company/Organization   | Organization type      |
|----------------------------|---|--|------------------------|
| Nacor Bolaños              | Coordinator Protected areas   | CORALINA   | Government             |
| Gilberto Antonio Myles     | Deputy Director of Seas and Coasts                                    | CORALINA   | Government             |
| Randy Rodolfo Manuel Henry | Secretary of Agriculture and Fisheries (currently actng governor)     | Provincial government  | Government             |
| Edgar Jay                  | Legal representative  | Fishers Federation/ I Fish                                     | Association            |
| Josephine Huffington       | Director  | Citizen oversight/ raizal movement                             | Civic organization     |
| Juan Camilo Forero         | Executive Secretary   | Colombian Ocean Comission                                      | Government             |
| Marcela Cano               | Director  | McBean Lagoon National park                                    | Government             |
| Jennifer Archbold          | Director  | Paradise Tours Contact (Tourism association)                   | Local                  |
| Adriana Santos             | Director  | National University (Caribbean campus)                         | Academia               |
| Francisco Arias            | Director  | Marine Research Institute INVEMAR                              | Government             |
| Paula Sierra               | Scientific Deputy   | Marine Research Institute INVEMAR                              | Government             |
| Jennifer Yepes             | President   | Cámara de Comercio de San Andrés, Providencia y Santa Catalina | Private sector         |
| Andrés Ososrio             | Director  | CEMARIN /Centro de Excelencia en Ciencias Marinas)             | Academy                |
| María Fernanda Maya        | Representante legal   | Fundación Blue Indigo  | NGO                    |
| Johanna Aguado             | Legal representative  | Fundación Ecoculture   | NGO                    |
| Randy Rodolfo Manuel Henry | Secretario Agricultura y Pesca, (frecuentemente Gobernador Encargado) | Gobierno provincial  | Government             |
| Karla Barrientos Muñoz     | Technical Director  | Fundación Tortugas de Mar                                      | NGO                    |
| Eduardo Lunazzi            | Journalist  | Welcome Publishing House / Welcome Magazine                    | Press / Communications |
| Billy Lunazzi              | Journalist  | Welcome Publishing House / Welcome Magazine                    | Press / Communications |
| Marcela Ampudia            | Director  | Agroprovidencia  | Communications         |
| Ignacio Cabeza             | Scuba diving instructor   | Felipe Dive Shop   | Private sector         |
| Gabriela Domínguez         | Director  | Blue Lizard Studio   | NGO                    |
| David Barrios              | Strategic Ecosystems Advisor  | Colombian Ocean Comission                                      | Government             |
| Erick Leonardo García      | Fisheries Management Advisor  | Colombian Ocean Comission                                      | Government             |



# GLOBAL FUND FOR CORAL REEFS

**Table of communication channels and key stakeholders contacts**

| DIGITAL MEDIA                                  |                               |             |  |  |   |           |   |              |  |              |
|--|-------------------------------|-------------|--|--|---|-----------|---|--------------|--|--------------|
| MEDIO  | CONTACTO                      | TELÉFONO    | DIRECCIÓN  | MAIL   | WEB   | Followers | Facebook  | Followers FB | Instagram  | Followers IG |
| Ecos del Archipiélago – Online TV channel      | NA                            | NA          | NA   | NA   | <a href="https://www.youtube.com/c/EcosDelArchipelago">https://www.youtube.com/c/EcosDelArchipelago</a>                       | 1100      | NA  | NA           | NA   | NA           |
| Ecos del Archipiélago – online station         | NA                            | NA          | NA   | NA   | NA  | NA        | <a href="https://www.facebook.com/ecosdelarchipelago">https://www.facebook.com/ecosdelarchipelago</a>   | 750          | NA   | NA           |
| Sanandreshoy.com                               | NA                            | NA          | NA   | NA   | NA  | NA        | NA  | NA           | sanandreshoy   | 349          |
| Revista Welcome Caribe (magazine)              | Casa Editorial Welcome Caribe | (8) 5127981 | Carrera 2#11-41, San Andrés Isla   | secretaria@welcomesanandres.com  | <a href="https://www.welcomesanandres.com/dev/author/crativelab/">https://www.welcomesanandres.com/dev/author/crativelab/</a> | NA        | <a href="https://www.facebook.com/Revista-Welcome-Caribe-122796853751/?ref=ts">https://www.facebook.com/Revista-Welcome-Caribe-122796853751/?ref=ts</a>   | 12.136       | <a href="https://www.instagram.com/welcomecaribe/">https://www.instagram.com/welcomecaribe/</a>                                | 2916         |
| San Andrés y Providencia Colombia (Government) | NA                            | NA          | NA   | NA   | <a href="http://www.sanandres.gov.co/">http://www.sanandres.gov.co/</a>   | NA        | <a href="https://www.facebook.com/pages/San%20Andres%20y%20Providencia,%20Colombia/230596320300829/">https://www.facebook.com/pages/San%20Andres%20y%20Providencia,%20Colombia/230596320300829/</a> | 10.664       | NA   | NA           |
| The Archipiélago Press                         | NA                            | 316 3864344 | Sarie Bay Carrera 12 A No. 3-57 interior 1. San Andrés 880001 San Andrés, Colombia | <a href="mailto:director@thearchipelagopress.co">director@thearchipelagopress.co</a> | <a href="https://thearchipelagopress.co/">https://thearchipelagopress.co/</a>   | NA        | <a href="https://www.facebook.com/cepizarro777">https://www.facebook.com/cepizarro777</a>   | 90.597       | thearchipelago - <a href="https://www.instagram.com/thearchipelago/?hl=es">https://www.instagram.com/thearchipelago/?hl=es</a> | 7.941        |





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#### DIGITAL MEDIA

| MEDIO  | CONTACTO | TÉLFONO                   | DIRECCIÓN                     | MAIL   | WEB   | Followers | Facebook  | Followers FB | Instagram   | Followers IG |
|--|----------|---------------------------|-------------------------------|--|---|-----------|---|--------------|---|--------------|
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| Revista Zona<br>Turística | NA                        | 315<br>6820510                    | NA  | <a href="mailto:zonaturisticasai@gmail.com">zonaturisticasai@gmail.com</a> | NA  | NA  | <a href="https://www.facebook.com/Zonaturisticasai/">https://www.facebook.com/Zonaturisticasai/</a>  | 9.900                     | NA                        | NA                        |
| El Isleño                 | NA                        | NA                                | C.C. New Point<br>Plaza Local 207<br>Telefax 512 7981                   | direccion@welcomesanandres.com<br>direccion@xn--elisleo-9za.com            | <a href="https://www.xn--elisleo-9za.com/">https://www.xn--elisleo-9za.com/</a> | direccion@welcomesanandres.com /<br>direccion@xn--elisleo-9za.com | Desde 2010:<br><a href="https://www.facebook.com/El-Isle%C3%B1ocom-126890277346299/">https://www.facebook.com/El-Isle%C3%B1ocom-126890277346299/</a> | 52.925                    | elisleo.com_              | 4.243                     |



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| El Correo | NA       | NA       | YOUTUBE:<br><a href="https://www.youtube.com/channel/UCxKvr7-zbRIS1PGkWRgi8cg?view_as=subscriber">https://www.youtube.com/channel/UCxKvr7-zbRIS1PGkWRgi8cg?view_as=subscriber</a> (1 suscriptor) desde hace 2 años no hacen publicaciones | <a href="mailto:elcorreonews@gmail.com">elcorreonews@gmail.com</a> | <a href="https://elcorreonews.com/">https://elcorreonews.com/</a> | NA           | <a href="https://www.facebook.com/Elcorreonews">https://www.facebook.com/Elcorreonews</a> | 178          | elcorreonews | 12           |



## Annex IX: Budget and workplan

*Refer to budget and workplan Excel template provided by the Secretariat.*

## Annex X: Social and Environmental Compliance

### Part 1- Social and Environmental pre-screening checklist

| CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS  |                    |
|---|--------------------|
| Principles 1: Human Rights  | Answer<br>(Yes/No) |
| 1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of vulnerable/marginalized groups?                       | No                 |
| 2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>134</sup> | No                 |
| 3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?  | No                 |
| 4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?                                       | No                 |
| 5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?   | No                 |
| 6. Is there a risk that rights-holders do not have the capacity to claim their rights?  | No                 |
| 7. Have local communities or individuals (including local opinion leaders), given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?                                    | No                 |
| 8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and/or individuals?  | No                 |
| Principle 2: Gender Equality and Women's Empowerment  |                    |
| 1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?   | No                 |

---

<sup>134</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



|  |  |     |
|--|--|-----|
| 2.   | Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?  | No  |
| 3.   | Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?   | No  |
| 4.   | Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?<br><i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>   | No  |
| <b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below |  |     |
| <b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>   |  |     |
| 1.1  | Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?<br><i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>  | No  |
| 1.2  | Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?  | Yes |
| 1.3  | Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)   | No  |
| 1.4  | Would Project activities pose risks to endangered species?   | No  |
| 1.5  | Would the Project pose a risk of introducing invasive alien species?   | No  |
| 1.6  | Does the Project involve harvesting of natural forests, plantation development, or reforestation?  | Yes |
| 1.7  | Does the Project involve the production and/or harvesting of fish populations or other aquatic species?  | Yes |
| 1.8  | Does the Project involve significant extraction, diversion or containment of surface or ground water?<br><i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>  | No  |
| 1.9  | Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)   | No  |
| 1.10   | Would the Project generate potential adverse transboundary or global environmental concerns?   | No  |
| 1.11   | Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?<br><i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i> | No  |



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| Standard 2: Climate Change Mitigation and Adaptation        |   |     |
|---|---|-----|
| 2.1   | Will the proposed Project result in significant <sup>135</sup> greenhouse gas emissions or may exacerbate climate change?   | No  |
| 2.2   | Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?  | Yes |
| 2.3   | Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?<br><i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population’s vulnerability to climate change, specifically flooding</i> | No  |
| Standard 3: Community Health, Safety and Working Conditions |   |     |
| 3.1   | Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?   | No  |
| 3.2   | Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?   | No  |
| 3.3   | Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?  | No  |
| 3.4   | Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)   | No  |
| 3.5   | Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?   | No  |
| 3.6   | Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?  | No  |
| 3.7   | Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?   | No  |
| 3.8   | Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?  | No  |
| 3.9   | Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?   | No  |
| Standard 4: Cultural Heritage                               |   |     |
| 4.1   | Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)         | No  |

<sup>135</sup> In regard to CO<sub>2</sub>, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]



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|  |   |     |
|--|---|-----|
| 4.2  | Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?  | No  |
| <b>Standard 5: Displacement and Resettlement</b> |   |     |
| 5.1  | Would the Project potentially involve temporary or permanent and full or partial physical displacement?   | No  |
| 5.2  | Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?  | No  |
| 5.3  | Is there a risk that the Project would lead to forced evictions? <sup>136</sup>   | No  |
| 5.4  | Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?  | No  |
| <b>Standard 6: Indigenous Peoples</b>            |   |     |
| 6.1  | Are indigenous peoples present in the Project area (including Project area of influence)?   | Yes |
| 6.2  | Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?  | Yes |
| 6.3  | Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?<br><i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i> | No  |
| 6.4  | Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?  | No  |
| 6.5  | Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?  | Yes |
| 6.6  | Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?   | No  |
| 6.7  | Would the Project adversely affect the development priorities of indigenous peoples as defined by them?   | No  |
| 6.8  | Would the Project potentially affect the physical and cultural survival of indigenous peoples?  | No  |
| 6.9  | Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?  | No  |

<sup>136</sup> Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.





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| Standard 7: Pollution Prevention and Resource Efficiency |   |
|--|---|
| 7.1  | Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?  |
| 7.2  | Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?  |
| 7.3  | Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?<br><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i> |
| 7.4  | Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?   |
| 7.5  | Does the Project include activities that require significant consumption of raw materials, energy, and/or water?  |

## PART 2 – IDENTIFYING AND MANAGING SOCIAL AND ENVIRONMENTAL RISKS

For additional guidance on Questions 1 to 6, please refer to UNDP's [Social and Environmental Screening Procedure \(SESP\)](#).

### QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

*Briefly describe in the space below how the Project mainstreams the human-rights based approach*

The programme implementation will follow Fondo Acción's institutional policies, including its Social and Environmental Policy, its Code of Ethics, its Gender Policy, and its Policy for the recognition, promotion and protection of the rights of children and adolescents. All these policies are based on the promotion and protection of human rights and the recognition of children and adolescents as subjects of rights and their best interests. Young people are the main subject of one of the most important already identified interventions, the Escuela del Mar, intended to improve youth knowledge and valuation of local and traditional knowledge. Moreover, one of the cross-cutting approaches to all project activities is the recognition and valorization of the Raizal culture and the traditional knowledge of this ethnic group. Raizal people represent 90% of the population in Providencia and Santa Catalina and 30% of the population in San Andrés. The programme will also value the local language in its activities. The respect for their culture and practices is also a way to ensure human rights will be respected. Fondo Acción will include the mandatory alignment with its policies in all agreements with co-implementers, partners and supported organizations and reporting templates will make sure to capture any human-rights related risks.

*Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment*

Women are significant members in the Archipelago society in different fields, including tourism and commerce, but also in government and agriculture, and even in fishing activities, usually considered a man work. The programme is supposed to reinforce this involvement, as many of the identified possible interventions and interested local organizations are women-led. The programme will adopt Fondo Accion Gender Equality Policy (2022)<sup>137</sup> and has established gender sensitive targets and indicators for all the

<sup>137</sup> <https://fondoaccion.org/wp-content/uploads/2021/03/POLITICA-SOBRE-IGUALDAD-DE-GENERO-Aprobada-CDCAIA-Suscrita.pdf>



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outputs, which are detailed in the attached Gender Action Plan. The Fi Wi Riif programme is committed to a gender focus that is open to the participation of girls, boys, adolescents, men, women, and people with different types of gender identities (e.g., transgender and nonbinary). Also, it comprises three thematic axes: I) Gender equality and childhood. II) Gender equality and conservation. III) Empowerment.

I) Gender equality and childhood is related to the care and protection of early childhood, boys, girls, and adolescents; the strengthening of protective environments that allow them to enjoy their rights. Also, it means their participation in the decisions that affect them.

II) Gender equality and conservation recognize that there are differences associated with gender and its links with the use, access, control, and conservation of natural resources. This recognition allows interventions that mitigate existing gaps.

III) The empowerment of boys, girls, adolescents, women, men, and people with a different gender identity contributes in a positive way to the management of their lives, in the possibility of influencing their community by intervening in social, relational, and political aspects.

**Briefly describe in the space below how the Project mainstreams environmental sustainability**

The main objective of the programme is to create conditions for the sustainable management of the Archipelago and the Seaflower Biosphere Reserve coralline areas, which are fully included in an MPA system. The focus on financial sustainability of the proposed interventions is a strategy to mainstream environmental sustainability. The engagement of local communities through a robust governance system and through participatory processes that aim at achieving environmental sustainability is also an important strategy. This will be essential to implement environmental conservation efforts, such as the establishment of No-Take No-Entry zones; the recovery and proper management of fisheries; the support to nature-based tourism as a way to reorient tourism towards more sustainable practices for using reefs as an attraction. Finally, the programme includes the creation of an educational and awareness center, the Escuela del Mar, which will raise awareness for the importance of coral reefs and the marine resources in general; will systematize traditional practices and provide capacity building for the adoption of reef-positive practices in navigation, fisheries and tourism; will target local communities and tourists through educational activities. The investment in behavior change through this intervention will also support environmental sustainability.

**QUESTION 2: What are the Potential Social and Environmental Risks Identified?**

*Note: Describe briefly potential social and environmental risks identified in Annex 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Annex 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.*

**QUESTION 3: What is the level of significance of the potential social and environmental risks?**

*See Annex 3 for descriptions of ratings.  
Note: Respond to Questions 4 and 5 below before proceeding to Question 6*

**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**

**Risk Description**

**Impact and Probability (1-5)**

**Significance (Low, Moderate, High)**

**Comments**

*Description of assessment and management measures as reflected in the Project design. If Strategic Environmental and Social Assessment is required, note that the assessment should consider all potential impacts and risks.*



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|  | <i>See Annex 3, Table 1 and 2</i> | <i>See Annex 3 Table 3</i>          |  |  |
|--|-----------------------------------|-------------------------------------|--|--|
| Risk 1. Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas | I = 1<br>P = 1                    | <b>Low</b>                          | All the area is protected, so the programme is expected to have positive effects in critical habitats. The proposed activities will respect existing regulations aimed at protecting these areas   | Monitoring of areas along the programme is included; most impacts are expected to be positive.   |
| Risk 2. The Project involve harvesting of natural forests, plantation development, or reforestation                | I = 1<br>P = 1                    | <b>Low</b>                          | Some reforestation and forest management of mangroves are included, that could have some secondary effects.  | Monitoring is included; most impacts are expected to be positive.  |
| Risk 3. The Project involve the harvesting of fish populations or other aquatic species                            | I = 3<br>P = 5                    | <b>Moderate</b>                     | Changes in fishing activities are very important in the programme: creation of No-take No-entry zones, fishing in different grounds to reduce pressure in traditional ones, promote the use of traditional fishing gears, etc.                   | Monitoring is included; most impacts are expected to be positive. In the case of fishing pressure, currently with the phase-out of industrial fishing in the Reserve, the total fishing quota is not being fully used, which allows for increasing fishing volumes in different sites by the local fishers.  |
| Risk 4. Potential outcomes of the Project sensitive or vulnerable to potential impacts of climate change           | I = 3<br>P = 3                    | <b>High</b>                         | Even if the reserve is a climate refugia, the coral reef sites are exposed to climate change impacts, such as hurricanes and bleaching events. Extreme bleaching events did not happen until now in the Archipelago Seaflower Biosphere Reserve. | Monitoring is included. A recent category 5 hurricane didn't damage the reefs significantly, even if it deeply affected mangroves and terrestrial forests, and built infrastructures. The restoration of mangroves through a blue carbon project and the restoration of coral reefs affected by the hurricane are included in the project and will support the resilience of ecosystems and communities. |
| Risk 5. The proposed Project possibly affect customary rights to resources   | I = 2<br>P = 5                    | <b>Moderate</b>                     | Restrictions in access to some marine areas and resources, affecting customary uses, must be included in the planned conservation agreements   | These impacts are a part of the agreements for the development of the programme, but all are supposed to be voluntary and will only be included in the conservation agreements with the free, prior, and informed consent of the communities.  |
| <b>QUESTION 4: What is the overall Project risk categorization?</b>  |                                   |                                     |  |  |
| <b>Select one (see Annex IV – Table 4, or <a href="#">SESP</a>, for guidance)</b>                                  |                                   |                                     | <b>Comments</b>  |  |
| <i>Low Risk</i>  |                                   | <input checked="" type="checkbox"/> | Except by possible extreme climate change events, the programme could be considered low risk.  |  |
| <i>Moderate Risk</i>   |                                   | <input type="checkbox"/>            |  |  |
| <i>High Risk</i>   |                                   | <input type="checkbox"/>            |  |  |



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| QUESTION 5: Based on the identified risks and risk categorization, what requirements of the Social Environmental Standards are relevant? |                                     |  |
|--|-------------------------------------|--|
| Check all that apply   |                                     | Comments   |
| <i>Principle 1: Human Rights</i>   | <input type="checkbox"/>            |  |
| <i>Principle 2: Gender Equality and Women's Empowerment</i>  | <input checked="" type="checkbox"/> | Even if there is a relatively good local gender equality condition, efforts must be made to reduce gender-based discrimination and empower women economically through the support of their participation in the programme governance, activities and in the business sector  |
| <i>1. Biodiversity Conservation and Natural Resource Management</i>  | <input checked="" type="checkbox"/> | Systematic and constant monitoring of fishing will be essential to ensure that the annual quota is not surpassed and that no fishing ground is overfished at any point as a result of the programme's activities.  |
| <i>2. Climate Change Mitigation and Adaptation</i>   | <input checked="" type="checkbox"/> | The programme aims at recovering coral reef health also to improve the coastal protection they provide to the islands' ecosystems and communities. In addition, the programme will restore mangroves that also improve coastal protection for the communities. Finally, the programme will ensure the businesses supported include an insurance component, so that they are better protected financially in case of another hurricane. |
| <i>3. Community Health, Safety and Working Conditions</i>  | <input type="checkbox"/>            | n/a  |
| <i>4. Cultural Heritage</i>  | <input checked="" type="checkbox"/> | Cultural heritage of Raizal people is endangered, as many traditional sustainable practices are being replaced with unsustainable ones, for instance in fishing. The programme will recognize and value the Raizal culture, language and their traditional knowledge.  |
| <i>5. Displacement and Resettlement</i>  | <input type="checkbox"/>            | n/a  |
| <i>6. Indigenous Peoples</i>   | <input checked="" type="checkbox"/> | Raizal people are recognized in Colombian Constitution as one of its ethnic groups, with its own language, territory and traditions. The programme is very conscious of this condition and has been developed with the collaboration and participation of local people. Raizal representatives from both islands will have seats in all governing bodies of the programme's governance system.   |
| <i>7. Pollution Prevention and Resource Efficiency</i>   | <input type="checkbox"/>            |  |

### PART 3 – RATING THE IMPACT, PROBABILITY AND SIGNIFICANCE OF RISK

**Table 1: Rating the “Probability” of a Risk**

| Score | Rating   |
|-------|----------|
| 5     | Expected |



|   |                   |
|---|-------------------|
| 4 | Highly Likely     |
| 3 | Moderately Likely |
| 2 | Not Likely        |
| 1 | Slight            |

**Table 2: Rating the “Impact” of a Risk**

| Score | Rating     | Social and environmental impacts   |
|-------|------------|--|
| 5     | Critical   | Significant adverse impacts on human populations and/or environment. Adverse impacts high in magnitude and/or spatial extent (e.g. large geographic area, large number of people, transboundary impacts, cumulative impacts) and duration (e.g. long-term, permanent and/or irreversible); areas impacted include areas of high value and sensitivity (e.g. valuable ecosystems, critical habitats); adverse impacts to rights, lands, resources and territories of indigenous peoples; involve significant displacement or resettlement; generates significant quantities of greenhouse gas emissions; impacts may give rise to significant social conflict |
| 4     | Severe     | Adverse impacts on people and/or environment of medium to large magnitude, spatial extent and duration more limited than critical (e.g. predictable, mostly temporary, reversible). The potential risk impacts of projects that may affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples are to be considered at a minimum potentially severe.  |
| 3     | Moderate   | Impacts of low magnitude, limited in scale (site-specific) and duration (temporary), can be avoided, managed and/or mitigated with relatively uncomplicated accepted measures  |
| 2     | Minor      | Very limited impacts in terms of magnitude (e.g. small affected area, very low number of people affected) and duration (short), may be easily avoided, managed, mitigated  |
| 1     | Negligible | Negligible or no adverse impacts on communities, individuals, and/or environment   |

**Table 3: Determining the “Significance” of Risk**

|        |   |  |  |  |  |  |
|--------|---|--|--|--|--|--|
| IMPACT | 5 |  |  |  |  |  |
|        | 4 |  |  |  |  |  |
|        | 3 |  |  |  |  |  |



|  |   |   |   |   |   |   |
|--|---|---|---|---|---|---|
|  | 2 |   |   |   |   |   |
|  | 1 |   |   |   |   |   |
|  |   | 1 | 2 | 3 | 4 | 5 |
| PROBABILITY                                |   |   |   |   |   |   |
| Green = Low; Yellow = Moderate; Red = High |   |   |   |   |   |   |

**Table 4: Overall Social and Environmental Risk Categorization of the Project**

| Risk Categories | Description  |
|-----------------|--|
| <b>Low</b>      | Projects that include activities with minimal or no risks of adverse social or environmental impacts.  |
| <b>Moderate</b> | Projects that include activities with potential adverse social and environmental risks and impacts, that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard best practice, mitigation measures and stakeholder engagement during Project implementation. Moderate Risk activities may include physical interventions (e.g. buildings, roads, protected areas, often referred to as “downstream activities”) as well as planning support, policy advice, and capacity building (often referred to as “upstream” activities) which may present risks that are predominantly indirect, long-term or difficult to identify. |
| <b>High</b>     | Projects that include activities – either “upstream” or “downstream” activities – with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process. High Risk activities may involve significant impacts on physical, biological, ecosystem, socioeconomic, or cultural resources. Such impacts may more specifically involve a range of human rights, gender, and/or environmental sustainability issues.   |



## Annex XI: Programme risk Management matrix

| Risks  | Risk Level:<br>Very high<br>High<br>Medium<br>Low<br>(Likelihood x Impact) | Likelihood:<br>Almost Certain - 5<br>Likely - 4<br>Possible - 3<br>Unlikely - 2<br>Rare - 1 | Impact:<br>Extreme - 5<br>Major - 4<br>Moderate - 3<br>Minor - 2<br>Insignificant - 1 | Mitigating measures   | Responsible Unit/Person |
|--|--|---|---|---|-------------------------|
| <b>Contextual risks</b>  |  |   |   |   |                         |
| Climate change effects damaging reefs  | High   | 3   | 3   | The Fi Wi Riif programme will be supporting projects that protect, enhance, and restore coral reefs and associated ecosystems. These ecosystems are critical for both climate change mitigation and adaptation. Specifically, the programme is focused on improved management effectiveness of priority coral reef sites, including climate refugia. These areas are more resilient to the impacts of climate change.       | Fondo Acción            |
| Major natural disasters in projects areas  | High   | 3   | 4   | The programme will aim to increase climate change resiliency and reduce vulnerability to natural disasters through strengthening the livelihoods of reef-dependent communities through reef-positive businesses and ensuring that coral reefs and associated ecosystems are restored.   | Fondo Acción            |
| Outbreaks of Stony Coral Tissue Loss Disease (SCTLD) and other diseases affecting corals and sea urchins | High   | 3   | 4   | The programme will have a specific focus on diseases in its monitoring strategy. An activity is planned to test control options for the diseases and publish results, with an emphasis on planning potential solutions. Fondo Acción will promote exchanges with MAR Fund, the Healthy Reefs Initiative, and other actors in the Caribbean working to combat diseases affecting reefs, to find ways to tackle the diseases. | Fondo Acción            |



| Risks                            | Risk Level:<br>Very high<br>High<br>Medium<br>Low<br>(Likelihood x Impact) | Likelihood:<br>Almost Certain - 5<br>Likely - 4<br>Possible - 3<br>Unlikely - 2<br>Rare - 1 | Impact:<br>Extreme - 5<br>Major - 4<br>Moderate - 3<br>Minor - 2<br>Insignificant - 1 | Mitigating measures   | Responsible Unit/Person     |
|----------------------------------|--|---|---|---|-----------------------------|
| <b>Programmatic risks</b>        |  |   |   |   |                             |
| Lack of political buy-in         | Low  | 2   | 3   | Fondo Acción and ProSeaLand have been in discussion with strategic government agencies throughout the stakeholder engagement of the project preparation phase, especially CORALINA and the Secretariat of Agriculture and Fisheries of the provincial government. The project interventions presented to date have been widely accepted. The national government has made strong commitments related to the creation and management of MPAs, and the programme will align all interventions with national commitments and priorities. Fondo Acción will engage with the new national government to ensure the project is supported by the Ministry of Environment and the national parks agency. Governmental agencies will participate in the programme governance, in all governing bodies. | Fondo Acción and ProSeaLand |
| Limited investment opportunities | Medium   | 3   | 3   | As outlined in Annex VI, the programme has mapped several projects, initiatives, and businesses to compose the Fi Wi Riif Investment Account pipeline. The programme will provide technical assistance, training, development of business partnerships and piloting to create investable opportunities. A study to identify opportunities in the waste management   | Fondo Acción                |





| Risks  | Risk Level:<br>Very high<br>High<br>Medium<br>Low<br>(Likelihood x Impact) | Likelihood:<br>Almost Certain - 5<br>Likely - 4<br>Possible - 3<br>Unlikely - 2<br>Rare - 1 | Impact:<br>Extreme - 5<br>Major - 4<br>Moderate - 3<br>Minor - 2<br>Insignificant - 1 | Mitigating measures   | Responsible Unit/Person |
|--|--|---|---|---|-------------------------|
|  |  |   |   | sector is also planned to increase the universe of potential reef-positive businesses.  |                         |
| <b>Institutional risks</b>   |  |   |   |   |                         |
| Limited local capacity and skills relating to business management    | Medium   | 3   | 2   | Fondo Acción has extensive experience in supporting community-based enterprises and MSMEs and will provide support to local organizations in terms of business administration, marketing, accounting, etc.  | Fondo Acción            |
| Lack of stakeholder participation                                    | Low  | 1   | 3   | Fondo Acción is partnering with local institutions that are recognized leaders in the Archipelago. Moreover, the programme is making local stakeholders the protagonists of decision-making by including them in all governing bodies and by carrying out participatory processes in all interventions. The programme has a communication plan and awareness campaign that will be delivered in Spanish and in the local language (creole). | Fondo Acción            |
| Limited sources of long-term for the continuity of the interventions | Medium   | 2   | 3   | Some of the interventions will need to develop financial sustainability plans, such as the conservation agreements, the Escuela del Mar, and the sea turtle conservation programme. These essential actions may benefit from the Seaflower Fund in the future for their financial sustainability.   | Fondo Acción            |
| <b>Fiduciary risks</b>   |  |   |   |   |                         |
| Project cost overrun   | Low  | 2   | 3   | Fondo Acción's track record, experience and structure provide a strong base for financial accountability and expenditure control. The   | Fondo Acción            |



| Risks   | Risk Level:<br>Very high<br>High<br>Medium<br>Low<br>(Likelihood x Impact) | Likelihood:<br>Almost Certain - 5<br>Likely - 4<br>Possible - 3<br>Unlikely - 2<br>Rare - 1 | Impact:<br>Extreme - 5<br>Major - 4<br>Moderate - 3<br>Minor - 2<br>Insignificant - 1 | Mitigating measures   | Responsible Unit/Person |
|---|--|---|---|---|-------------------------|
|   |  |   |   | Programme Steering Committee will also review all financial and technical reporting. A full-time team will be in place in the PMU to oversee the project management and reporting.  |                         |
| Investment risk   | Medium   | 3   | 3   | By prioritizing community based, local MSMEs there is a risk that some of the supported businesses cannot become self-sustained or pay back recoverable grants or concessional loans. Fondo Acción will provide support to the selected businesses to help them overcome these challenges and will use GFCR grant resources to de-risk investments. | Fondo Acción            |
| <b>Assumptions:</b> <ul style="list-style-type: none"> <li>Local enterprises and organizations are willing to engage in the programme governance and activities</li> <li>By strengthening local businesses and providing financial resources, the local communities engage in reef-positive activities and understand the importance of coral reefs for their livelihoods</li> <li>Fondo Acción and the co-implementers are able to mobilize the expected co-finance and investment leverage, given the strong track record of Fondo Acción and the relevance of the Seaflower Biosphere Reserve globally.</li> </ul> |  |   |   |   |                         |

The risk-management methodology is depicted below, where the risk level is measured as the product of Likelihood and Consequence.



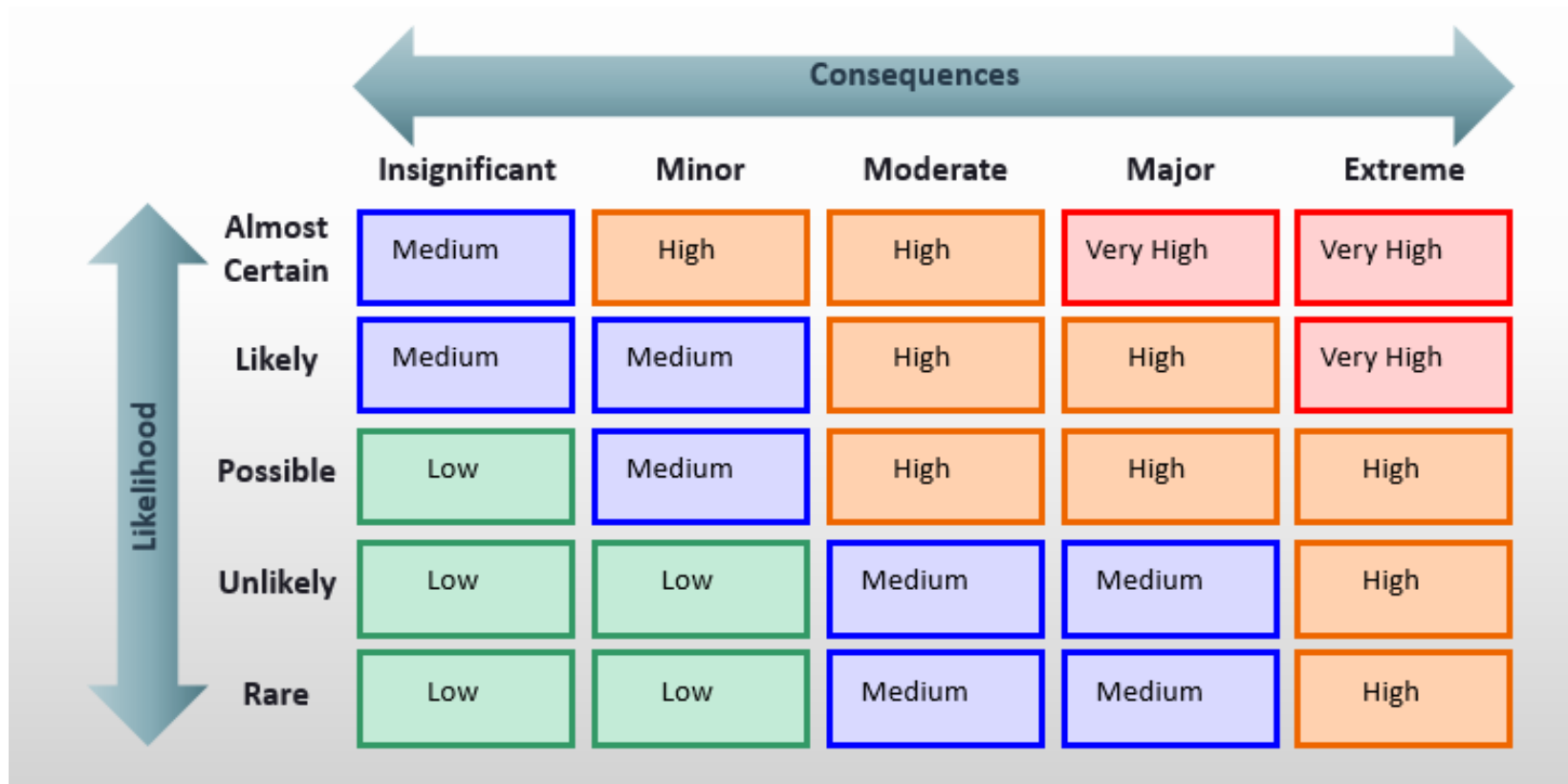
# GLOBAL FUND FOR CORAL REEFS

| Likelihood         | Occurrence  | Frequency                                 |
|--------------------|---|---|
| <b>Very Likely</b> | The event is <b>expected</b> to occur in most circumstances | Twice a month or more frequently          |
| <b>Likely</b>      | The event <b>will</b> probably occur in most circumstances  | Once every two months or more frequently  |
| <b>Possibly</b>    | The event <b>might</b> occur at some time                   | Once a year or more frequently            |
| <b>Unlikely</b>    | The event <b>could</b> occur at some time                   | Once every three years or more frequently |
| <b>Rare</b>        | The event <b>may</b> occur in exceptional circumstances     | Once every seven years or more frequently |

| Consequence          | Result  |
|----------------------|---|
| <b>Extreme</b>       | An event leading to <b>massive</b> or <b>irreparable</b> damage or disruption |
| <b>Major</b>         | An event leading to <b>critical</b> damage or disruption                      |
| <b>Moderate</b>      | An event leading to <b>serious</b> damage or disruption                       |
| <b>Minor</b>         | An event leading to <b>some</b> degree of damage or disruption                |
| <b>Insignificant</b> | An event leading to <b>limited</b> damage or disruption                       |

|                        | Consequences      |            |              |                |                |                  |
|------------------------|-------------------|------------|--------------|----------------|----------------|------------------|
| Likelihood             | Insignificant (1) | Minor (2)  | Moderate (3) | Major (4)      | Extreme (5)    |                  |
| <b>Very likely (5)</b> | Medium (5)        | High (10)  | High (15)    | Very High (20) | Very High (25) | <b>Very High</b> |
| <b>Likely (4)</b>      | Medium (4)        | Medium (8) | High (12)    | High (16)      | Very High (20) | <b>High</b>      |
| <b>Possible (3)</b>    | Low (3)           | Medium (6) | High (9)     | High (12)      | High (15)      | <b>Medium</b>    |
| <b>Unlikely (2)</b>    | Low (2)           | Low (4)    | Medium (6)   | Medium (8)     | High (10)      |                  |
| <b>Rare (1)</b>        | Low (1)           | Low (3)    | Medium (3)   | Medium (4)     | High (5)       | <b>Low</b>       |
|                        |                   |            |              |                |                |                  |

| Level of risk    | Result   |
|------------------|--|
| <b>Very High</b> | Immediate action required by executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Risk cannot be accepted unless this occurs.                                    |
| <b>High</b>      | Immediate action required by senior/ executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.                   |
| <b>Medium</b>    | Senior Management attention required. Mitigation activities/ treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.                                      |
| <b>Low</b>       | Management attention required. Specified ownership of risk. Mitigation activities/treatment options are recommended to reduce likelihood and/or consequence. Implementation of monitoring strategy by risk owner is recommended. |



The diagram is a risk matrix for coral reefs. It features a horizontal axis labeled 'Consequences' with five categories: Insignificant, Minor, Moderate, Major, and Extreme. The vertical axis is labeled 'Likelihood' with five categories: Almost Certain, Likely, Possible, Unlikely, and Rare. The matrix cells are color-coded and contain risk levels: Low (green), Medium (blue), High (orange), and Very High (red). The risk level generally increases as both the consequence and the likelihood increase.

|            |                | Consequences  |        |          |           |           |
|------------|----------------|---------------|--------|----------|-----------|-----------|
|            |                | Insignificant | Minor  | Moderate | Major     | Extreme   |
| Likelihood | Almost Certain | Medium        | High   | High     | Very High | Very High |
|            | Likely         | Medium        | Medium | High     | High      | Very High |
|            | Possible       | Low           | Medium | High     | High      | High      |
|            | Unlikely       | Low           | Low    | Medium   | Medium    | High      |
|            | Rare           | Low           | Low    | Medium   | Medium    | High      |



# GLOBAL FUND FOR CORAL REEFS

## Annex XII: Technical review criteria for Programme Documents

| Category              | Criteria  | Weight in category | Weight of total |
|-----------------------|---|--------------------|-----------------|
| 1. Mandatory criteria | 1.1 Submission is appropriate, complete and follows guidelines outlined in the call for proposal  | Pass/Fail          |                 |
|                       | 1.2 Feasible timeframe (2-8 years) with quantitative milestones on a semi-annual basis  | Pass/Fail          |                 |
|                       | 1.3a Clearly delineated impact metrics positively affecting coral reefs and associated ecosystems and coastal and reef-dependent communities (e.g., x hectares protected, x% increase in fish density, x% increase in biodiversity, alternative incomes for xx fishers, coastal protection for xx households, etc.) | Pass/Fail          |                 |
|                       | 1.3b Drivers negatively affecting coral reefs and associated ecosystems identified and clear actions to mitigate (e.g. overfishing: impose a no-take zone, agricultural runoff: introduce upstream regulation and enforcement)  | Pass/Fail          |                 |
|                       | 1.3c Monitoring plan adequately described tied to delivering proposed impact metrics and appropriately resourced  | Pass/Fail          |                 |
|                       | 1.5 Co-investment from local sponsors (can be in the form of funding or in-kind/staff time)   | Pass/Fail          |                 |
|                       | 1.6a Revenue generation schemes are included  | Pass/Fail          |                 |
|                       | 1.6b Already revenue generating   | Pass/Fail          |                 |
|                       | 1.6c If Point 1.6b is 'Fail' then does the proposal include a clear, feasible route to market and eventually secure financial sustainability?   | Pass/Fail          |                 |



|                            |  |           |     |
|----------------------------|--|-----------|-----|
|                            | 1.7 Clear budget with overhead/management accounting for no more than 18% (breakdown by outcome and output)  | Pass/Fail |     |
|                            | 1.8 Targeted grant to investment leverage ratio is 1:3 or above.   | Pass/Fail |     |
| 2. Relevance               | 2.1 Relevance of approach according to GFRC vision and the SDGs (drivers addressed and use of blended finance mechanisms)  | X/10      | 75% |
|                            | 2.2 Theory of Change and rationale for the proposal is clear with potential for scaling-up and replication   | XX/10     |     |
|                            | 2.3 Conservation and biodiversity outcomes are project priorities with multiple drivers of degradation addressed and tied to milestones appropriately timed and measured (clearly stated; % increase in live coral cover, reduction of invasive species, increase in fish density, hectares protected, reduction in pollution, etc.) | XX/20     |     |
|                            | 2.4 Blue finance mechanisms are viable and include appropriate timeline to implementation (business models using blue bonds, debt, guarantees to attract investment, etc.)   | XX/20     |     |
|                            | 2.5 Scale of positive impact for coastal and reef dependent communities. (i.e. number of benefactors and type)   | X/10      |     |
|                            | 2.6 Project aims to address issues of gender and social inclusion with clear metrics, timelines, and delivery routes (e.g. more economic opportunities for women)  | X/5       |     |
| 3. Delivery and operations | 3.1 Roles and responsibilities (clarity and appropriateness of governing and policy frameworks) with local employment favored and gender balanced  | X/5       | 25% |
|                            | 3.2 Capacities or convening agent and partners (technical capacities and/or abilities), readiness of actors involved, baseline metrics, capacity for monitoring and reporting impacts  | X/5       |     |

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|



|  |  |     |  |
|--|--|-----|--|
|  | 3.3 Duration and milestones (clarity and appropriateness of), with risks and mitigating factors delineated   | X/5 |  |
|  | 3.4 Budget adequacy (cost-efficiency and appropriateness)  | X/5 |  |
|  | 3.5 Stage of development—is the concept past the idea stage, demonstrated by financing secured, signed partnership agreements, signed contracts with the community or government, IP produced, or other contractual evidence | X/5 |  |

|  |  |  |
|--|--|--|
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# GLOBAL FUND FOR CORAL REEFS

## **Annex XIII: Accountability, financial management, and public disclosure**

[TEXT IS FIXED DO NOT CHANGE]

The Programme will be using a pass-through fund management modality where UN Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Programme through the AA.

The convening agent and recipient organizations shall assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent of the Global Fund for Coral Reefs (Multi-Partner Trust Fund Office). Such funds will be administered by each recipient organizations, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each recipient organizations shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Recipient Organizations recovered through programme support costs will be 7%. All other costs incurred by each entity in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. The project management cost should not exceed 18%.

Funding by the GFCR will be provided on an annual basis, upon successful performance of the programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the GFCR.

Partners must comply with GFCR Fund brand guidelines, which includes information on donor visibility requirements.

Each recipient organization will take appropriate measures to publicize the GFCR and give due credit to the other partners. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, partners, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each recipient organization and partners in all external communications related to the GFCR.

## **Annex XIV: Project Administrative Arrangement for Recipient Organizations**

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the GFCR will:





- Disburse funds to each of the Recipient Organizations in accordance with instructions from the GFCR Global Team. The AA will normally make each disbursement within fifteen (15) business days after having received instructions from the GFCR Global Team along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by Recipient Organizations and provide the GFCR annual consolidated progress reports to the donors and the GFCR Global Team;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the Recipient Organizations. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations' headquarters);
- Disburse funds to any RO for any costs extension that the GFCR Global Team may decide in accordance with the GFCR rules & regulations.

#### **Accountability, transparency and reporting of the Recipient Organization:**

Each Recipient Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Recipient Organization in accordance with its own regulations, rules, policies and procedures, including those relating to interest

The Recipient Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by the Executive Board, the cost of such activity should be included in the project budget;

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.

#### **Reporting:**

Each Receipt Organization will provide the Administrative Agent and the Fund Secretariat with:

| Type of report                    | Due when    | Submitted by  |
|-----------------------------------|-------------|---|
| Bi-annual project progress report | 15 June     | Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist  |
| Annual project progress report    | 15 November | Convening Agent on behalf of all implementing and recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist |

|  |  |  |
|--|--|--|
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|   |  |  |
|---|--|--|
| End of project report covering entire project duration  | Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides) | Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist |
| Annual progress report, which may contain a request for additional GFCR allocation if the context requires it | 15 December  | Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team                   |

For the preparatory grant financing, the full programme document will be considered as the annual reports. The GFCR Global team might request a summary of the preparatory activities.

#### Financial Reports and timeline

The financial reporting requirements for the below follow the 8 UNDG budget categories.

| <b>Timeline</b>  | <b>Event</b>   |
|--|--|
| <b>28 February</b>   | Annual reporting – Report <b>Q4 expenses</b> (Jan. to Dec. of previous year) |
| <b>30 April</b>  | Report <b>Q1 expenses</b> (January to March)                                 |
| <b>31 July</b>   | Report <b>Q2 expenses</b> (March to June)                                    |
| <b>31 October</b>  | Report <b>Q3 expenses</b> (January to September)                             |
| <b><i>Certified final financial report to be provided at the quarter following the project financial closure</i></b> |  |

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

#### **Ownership of Equipment, Supplies and Other Property**

Matters relating to the transfer of ownership by the Recipient Organization will be determined in accordance with applicable policies and procedures defined by the Fund.

#### **Public Disclosure**

The Fund Secretariat and Administrative Agent will ensure that operations of the GFCR are publicly disclosed on the GFCR website (<https://globalfundcoralreefs.org>) and the Administrative Agent website (<http://www.mptf.undp.org>)

#### **Final Project Audit for recipient organization projects (Not Applicable to Preparatory Grant)**

An independent project audit will be requested by the end of the project (For multi-year projects the GFCR Executive Board might request add. audit reports). The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

|  |  |  |
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**Special Provisions regarding Financing of Terrorism**

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of Fund Secretariat, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

**Annex XV: Provisions Related to the Prevention of and Response to Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) involving Implementing Partners (IPs)**

- 1. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
  - a. In the implementation of the activities under this Project Document, **the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).**
  - b. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, **the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment (“SH”).** SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.
- 2. A) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, **have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action.** These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:
  - i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
  - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, **where the Implementing Partner and its sub-parties have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the**

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- training material available at UNDP;**
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties have been informed or have otherwise become aware, and status thereof;
  - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
2. B) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

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