



GLOBAL FUND FOR
CORAL REEFS

**ANNUAL NARRATIVE REPORT:
GFCR Partnerships and Knowledge
Management Facility
January – December 2023**

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1. Programme Overview

Programme Title & Project Number	Programme Duration
Programme Title: GFCR Partnerships and Knowledge Management Facility Programme Number: 00128244	Start Date: August 2021 End Date: December 2030
Total Approved Budget	
Total GFCR Budget: US\$ 721,869	
[Organisation]: UNDP	
[Sub-grantees, if applicable]: Conservation Finance Alliance (CFA)	
Total Approved co-financing from other sources: US\$ 150,000	
[Co-funder 1 - SIDA Global Environment Programme]: US\$ 150,000	

2. Executive Summary

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

UNDP continues to play a central role in the development and day-to-day implementation of the GFCR through both participation on the GFCR Executive Board (EB) and delivery of activities under the UNDP GFCR Project. UNDP serves on the EB of the GFCR and contributes significant input on the Fund’s Investment Vision, Strategy and Decisions, including project and site selection for investments. Adnan Awad—Head of Water & Ocean Governance, Nature Hub, represents UNDP on the GFCR EB, with Midori Paxton—Director, Nature Hub as Alternate Board Member. Penny Stock, Senior Technical Advisor for Nature Pledge 2030, Nature Hub, leads implementation of the UNDP GFCR project. The UNDP abstains from decisions that involve this programme, as determined by the GFCR’s EB Rules & Procedures.

Over the course of 2023, UNDP and CFA (as a Responsible Party of the project) have advanced core GFCR workstreams directly related to the delivery of *Track III: Strategic Partnerships and Knowledge Management*. Notable achievements in this reporting period include:

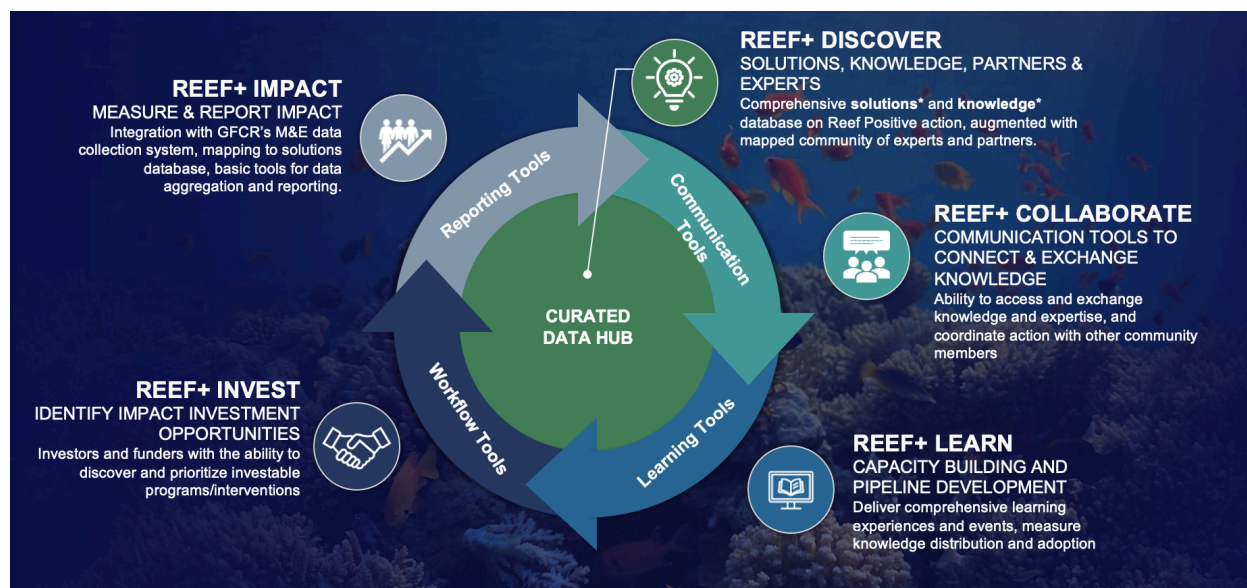
The development of the GFCR Strategic Plan and its integration within the GFCR Investment Plan. Following a consultation process and workshops, a draft discussion presentation, developed together with the GFCR Global Team, was presented to the GFCR EB during the November 2023 meeting. The Strategic Plan and its performance targets will be finalised during the first half of 2024.

Establishing key strategic financing partnerships with GFCR. UNDP and CFA have provided significant strategic, substantive, and technical advice and inputs to develop strategic partnerships with GFCR, notably with the Global Environment Facility (GEF) through two stand-alone International Waters (IW) projects (Polynesia and potentially Eastern Caribbean focused on Coral Reef Finance & Blue Economy) and as integrated within the GEF8 Blue & Green Islands Integrated Programme (BGI-IP), which includes 15 participating countries across three SIDS regions. Secondly, the GFCR and UNDP’s Biodiversity Finance

Initiative (BIOFIN) have agreed to jointly identify practical on the ground partnerships and promote the deployment of coral reef finance in five interested GFCR/BIOFIN countries. At a country level , UNDP, as the Convening Agent for the GFCR Egypt Programme , facilitated a US\$14.1million finance agreement signebetween the United States Agency for International Development (USAID) and GFCR,for the development and implementation of the Egyptian Red Sea Initiative.

The **GFCR Community of Practice (REEF+)** completed its first year of implementation. Reef-positive solutions from GFCR programmes were collected and included with other initiatives from implementing partners. By the end of December 2023, the number of REEF+ members were over 400, and a total of 230 solutions, including 37 GFCR-supported solutions, and approximately 500 news and knowledge items were active on the site.

The development of a business plan for GFCR REEF+ set out a strategic vision for the creation of five interconnected pillars on Knowledge, Collaboration, Learning, Finance, and Impact. It aims to build and empower the GCFR Community, facilitate connectivity among investors, entrepreneurs, and practitioners, as well as share bankable REEF+ solutions incubated by GFCR programmes.



Strengthening GFCR’s governance, management and programme implementation. Best practice guidance for investment in Ecotourism was posted on GFCR REEF+ in March 2023. Sustainable Fisheries, and Blue Carbon best practices have been drafted in August 2023 and will undergo a review process with the UNGT before finalising in 2024.

I. Programme Objectives

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

i. Articulation and adaptive management of the GFCR’s Investment Plan and vision for 2021-2030.

Analysis and consolidation of GFCR Investment Plan, clearly articulating investment objectives and vision for all GFCR partners. The plan will identify Key Performance Indicators (KPIs) to achieve its overall outcomes and adapt the Fund's Theory of Change (TOC) based on initial outcomes, evolving science, and other feedback. The analysis of business models and finance instruments will help ensure effective blended finance solutions with Grant and Investment Windows; and the development, testing and utilisation of a tool to identify investable solutions and other finance mechanisms for specific coral reef regions or sites.

ii. Successfully developed and coordinated GFCR partnerships with the Vertical Funds, international finance institutions and other co-financing partners.

Activities include the development and submission of a successful GEF multi-country project to provide matching financing for Track II investments (upon successful negotiation with GEF), as well as technical support to deliver and implement a successful GFCR-GCF proposal, including the exploration of emerging opportunities with World Bank and other IFIs.

iii. A dedicated Knowledge Management platform for replication and scaling-up of successful GFCR initiatives.

The development and launch of a comprehensive Knowledge Management System will assure high quality and value to GFCR partners and collaborators. The production of country and thematic case studies, communication stories and other knowledge products will promote GFCR best practice and ensure robust country programmes. GFCR-related peer reviewed and self-published papers will be developed and submitted on select topics.

iv. Robust policy architecture defining policies and guidance to ensure alignment of project activities and investments with the Fund's objective and Theory of Change.

The development and endorsement of GFCR general investment principles, Risk Management System (RMS), Social and Environmental Safeguards (SES) Policy, Gender Policy, with ongoing implementation and oversight by UNDP will strengthen the implementation of country programmes and ensure alignment with the Fund's investment principles. Further, sector-based guidance and impact standards will align investment activities with GFCR objectives and outcomes. The design and implementation of a capacity development programme will ensure that the GFCR policies, standards, and norms are mainstreamed through its portfolio.

II. Programme Implementation & Results

A. Programme Results Overview

UNDP, together with CFA, has completed the following outputs and activities under its four key components. A detailed description of progress and results is provided in *Annex A*.

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

Following the approval of the GFCR Investment Plan at EB2, the process to develop a high-level Strategic Plan commenced in 2023. Analysis of 31 interviews conducted with key stakeholders informed a strategic planning exercise conducted at the GFCR UNGT retreat in Geneva. A draft discussion presentation, developed together with the GFCR Global Team, was presented to the GFCR EB during the November 2023 meeting. GFCR coalition targets were developed in the Strategic Plan to ensure alignment with the



achievement of the GFCR's priority outcomes. Input was provided to the development of the M&E Toolkit including the refinement of several financial indicators.

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

UNDP and CFA have provided significant strategic, substantive, and technical advice and inputs to develop Strategic Partnerships with GFCR. The four most notably partnerships include:

- GFCR is currently exploring the potential of two GFCR-GEF IW projects in the Caribbean and Polynesia. These projects propose to enhance the capacities of priority coral countries (especially LDCs and SIDS) to ensure fair representation and equitable access to blended finance for coral conservation and build investable coral-positive business pipelines in key regions and ecosystems. The specific country locations are currently under discussion.
- UNDP has been selected by the GEF Secretariat to lead the GEF8 Blue & Green Islands Integrated Programme (BGI-IP), including 15 participating countries across the three SIDS regions, with opportunities to establish GFCR blended finance initiatives that unlock private investment in commercially viable coral-positive businesses and supply chains (on and off-reef). The country overlap between GFCR countries and the BGI-IP include Belize, Micronesia, Seychelles, Papua New Guinea and Maldives, of which UNDP is leading BGI programmes in Seychelles and Papua New Guinea. Further opportunities to link with REEF+ and align with GFCR investments in parallel countries are being explored
- GFCR and UNDP's Biodiversity Finance Initiative (BIOFIN) have agreed to jointly identify practical on the ground partnerships that promote the deployment of coral reef finance in five interested GFCR/BIOFIN countries. There are 13 countries where BIOFIN and GFCR both either currently have existing programmes or intend to by mid-2024. In addition, BIOFIN is entering a new phase which will enable 91 additional GEF-eligible countries to design their National Biodiversity Finance. At a country level, UNDP, as the Convening Agent for the GFCR Egypt Programme, facilitated a US\$14.1million finance agreement signed between the United States Agency for International Development (USAID) and GFCR, for the development and implementation of the Egyptian Red Sea Initiative.

3. Knowledge Management System for replication and scaling GFCR initiatives

Since the [GFCR REEF+ Community of Practice \(REEF+\)](#) launch in December 2022, REEF+ has expanded with a full range of [solutions](#) that include many of the GFCR programs and other initiatives from implementing partners. By the end of December 2023, the number of REEF+ members were over 400 and a total of 230 solutions, of which 37 were GFCR-supported solutions, and approximately 500 news and knowledge items were on the site. Once the REEF+ digital platform is converted to a standalone GFCR platform, a series of inclusion criteria for solutions and knowledge products will be created.

UNDP conducted [polls and interviews](#) within the GFCR community to refine the platform design plans and community priorities for 2024. Following this research, the team collaboratively revised the [combined site architecture](#) and generated new content to populate the site. Once the technology provider has been onboarded in Q2 2024, UNDP will execute digital platform updates, including integrating the platform into the GFCR website, redesigning the website, streamlining platform design, and curating content.

In addition to the online platform, a REEF+ programme of events, webinars, and learning opportunities was launched for 2023, including:

- REEF+ contributed material to the GFCR Q1-4 [newsletters](#) in a dedicated REEF+ Community of Practice / Additional engagements section which included globally identified coral reef-positive solutions, opportunities, and demonstrative knowledge products.
- The bimonthly “Practitioner Discussion” series was launched in Q3, enabling practitioners to share challenges, successes, knowledge, and other experiences in designing and implementing the GFCR’s country and regional programmes. The first set of discussions were held in early September on the topics of the development and support of Reef positive businesses with interventions from MAR+ Invest, New Ventures, and Matanataki, attended by 54 participants. The second Practitioners discussion covered the M&E Toolkit with UNEP and was conducted in November 2023 with 78 participants. Recordings of both discussions ([one](#) and [two](#)) are available on REEF+. Following the first practitioners’ discussion, Fondo Acción connected with MAR+ Invest to plan exchange and learning initiatives following up on the discussion themes. The two programmes are now also in touch with the Convening Agent in Mozambique to discuss experience in impact investment, the investment approach of MAR Fund, and reef insurance.
- CFA organised a [side event](#) at the IMPAC5 conference in Vancouver in February 2023 with event partners including the Conservation Strategy Fund, Blue Finance and the Prince Albert II of Monaco Foundation on private investment in Marine Protected Areas. This side event also highlighted Blue Finance’s work with the GFCR as one of the most interesting models of GFCR interventions.
- At the Seventh Assembly of the Global Environment Facility (GEF) in August 2023, GFCR and UNDP hosted a [side event](#) on “Leveraging GEF’s and GFCR’s Blended Finance Approach for a Healthy Ocean.”

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

The UNDP and CFA continue to refine its analysis of business models and finance instruments, strengthening the GFCR’s investment portfolio. In this reporting period, best practice guidance for Ecotourism was posted on GFCR REEF+ in March 2023. Sustainable Fisheries, and Blue Carbon best practices have been drafted and will undergo a review process with the UNGT before finalising in 2024. UNDP and CFA continue to support the development of biodiversity credits through its engagement with the Biodiversity Finance Alliance and its active application on the ground through the UNDP-led Maldives programme.

B. Indicator-Based Performance Assessment

Outputs & Activities	Indicators	Target Completion	Implementation Status & Actual Completion Date
1. Production and Adaptive Management of the GFCR Investment Strategy and Plan			
Analysis and consolidation of GFCR Investment Plan	Final Version (2.0)	Dec 2023	Investment Plan 1.0 was endorsed at EB2. Updated Strategic Plan is ongoing, following consultation and design workshops. It is due to be finalised by Q2 2024.

Outputs & Activities	Indicators	Target Completion	Implementation Status & Actual Completion Date
Clearly articulate investment objectives and vision for all GFCR partners	Investment Plan	Dec 2022	As above. Additional refinements ongoing as GFCR investment ecosystems are integrated into the GFCR Strategic Plan, due to be finalised by Q2 2024.
Identify and provide guidance for the Fund's Key Performance Indicators (KPIs) to achieve outcomes	Set of approved Fund-level KPIs	Dec 2023	Key Performance Indicators (KPIs) will be integrated into the GFCR Strategic Plan by Mid 2024. Fund level indicators within the M&E, developed by UNEP with UNDP advice, will be integrated into REEF+ Impact by December 2024.
Adapt Fund's Theory of Change (TOC) based on initial outcomes, evolving science, and other feedback	Investment Plan	Dec 2022	Review and potential changes to be determined as a next/parallel step to Strategic Plan development later in 2024.
Analysis of business models and finance instruments to ensure effective blended finance solutions with Grant and Investment Windows (Tracks 1 and 2)	Investment Plan and specific sector reports/guidance	Dec 2023	Initially completed as part of the Investment Plan 1.0 in June 2021. Best practice guidance for Ecotourism was posted on GFCR REEF+. Sustainable Fisheries, and Blue Carbon best practices have been drafted and will undergo a review process with the UNGT before finalising and publishing on the REEF+ platform by Q2 2024. The deadline for publication of refined best practice guidance documents, in addition to GFCR general principles best practice, is June 2024.
Development, testing and utilisation of a tool to identify investable solutions and other finance mechanisms for specific coral reef regions or sites.	Grant and Investment Management Tool	June 2021	Draft tool to identify finance solutions in coral reef regions and sites was completed in April 2023 and will be pilot tested and refinement before finalisation.
2. Strategic Partnerships			
Develop and submit a successful GEF multi-country project to provide matching financing for Track II investments (upon successful negotiation with GEF)	Concept Note/s prepared; discussions with GEF Sec initiated related to the development of a standalone GFCR GEF project	Dec 2023	Discussions underway with the Global Team to develop a partnership with the Global Environment Facility (GEF) through two stand-alone International Waters (IW) projects (Polynesia and potentially Eastern Caribbean focused on Coral Reef Finance & Blue Economy) by December 2024.. GFCR is already integrated into GEF8 Blue Green Islands Integrated Programme. It is currently under the PPG phase, which includes 15 participating countries across three SIDS regions, and due for submission to the GEF Secretariat in July 2024.

Outputs & Activities	Indicators	Target Completion	Implementation Status & Actual Completion Date
	(20M) and integration of GFCR into the GEF8 BGI-IP		
Develop partnerships with other partners based on emerging opportunities with World Bank and other IFIs	Concept Notes; Project Development Packages	Dec 2023	In 2023, there was expressed interest from the World Bank in Indonesia on coral reef finance and the IFC on waste management. Development of these opportunities are built into the 2024 engagement work plan.
3. Knowledge Management Platform			
Establish a comprehensive Knowledge Management System	KMS platform (REEF+) established and operational with strong engagement	Dec 2023	REEF+ was developed, populated and officially launched at an event at the CBD COP15 in December 2022. Work has expanded by December 2023, with over 400 REEF+ members and a total of 230 solutions, of which included 37 GFCR-supported solutions, and over 500 news and knowledge items were on the site. Conversion of REEF+ onto a standalone platform in 2024 will improve the functionality and community engagement.
Deliver REEF+ Accelerator 1.0 and launch at COP15 assuring high quality and value to Fund partners and collaborators	Ongoing	Dec 2023	Delivered. Progressing to REEF+ 2.0 (Community of Practice) and development of REEF+ Business Plan 2023-2024 (Completed Jan 2023).
Produce case studies, communication stories and other knowledge products as follows: <ul style="list-style-type: none"> • Country case studies • Thematic case studies • Project communications 	Ongoing	Dec 2023	<p>REEF+ contributed material to the GFCR Q1-4 newsletters through content delivery.</p> <p>GFCR programmes are in their infancy. Once lessons are generated these will be captured in country case studies. In the meantime, non-GFCR solutions included on the REEF+ platform provide helpful guidance for existing GFCR programmes. Lessons generated from GFCR programmes will be collected by themes through practitioner discussions and published on REEF+.</p> <p>To date, a total of 230 solutions, of which 37 are GFCR-supported solutions, and over 500 news and knowledge items were on the REEF+ site. 50 High Quality and vetted reef-positive solutions and 50 knowledge posts (including expert articles</p>

Outputs & Activities	Indicators	Target Completion	Implementation Status & Actual Completion Date
			and guidelines documents) are proposed to be completed by Dec 2024.
Produce, socialise and promote GFCR Best Practices	Ongoing	Dec 2023	Best Practices for GFCR General Investment Principles, Sector Investment Principles, Ecotourism best practices completed in March 2023. The first two Convening Agent webinars (Practitioners Discussions) were conducted in September 2023 on Reef positive businesses (interventions from MAR+ Invest, New Ventures, and Matanataki.) The second Practitioners discussion covered the M&E Toolkit with UNEP and was conducted in November 2023. Recordings were shared on REEF+; the first set was viewed 28 times and the second 21.
Preparation and publication of GFCR related peer reviewed and self-published papers on select topics (with the GFCR reporting process from recipients feeding directly into research).	Technical GFCR papers published in Journals such as Nature as well as self-published technical reports.	Dec 2022	A paper exploring the economics and financing of marine protected areas in Egypt's Red Sea area was submitted and published as a letter in Science (https://www.science.org/doi/10.1126/science.adf3377) A revision of the longer paper will be resubmitted to a peer reviewed journal.
4. Elaborate and support GFCR policies, standards, and guidance			
Establish general investment principles for the GFCR	Principles endorsed by Board	Feb 2022	Drafted in September 2022; under revision for re-publishing and promotion by Q2 2024..
Complete drafting and secure EB endorsement of GFCR Risk Management System (RMS), with ongoing implementation and oversight by UNDP	Risk Management System	May 2022	EB endorsement completed; implementation and oversight ongoing by the UNGT programming team in 2023.
Complete drafting and secure EB endorsement of GFCR Social and Environmental Safeguards (SES) Policy, with ongoing implementation and oversight by UNDP	GFCR Social & Environmental Safeguards Policy	May 2022	EB endorsement completed in 2022; implementation and oversight ongoing by the UNGT programming team in 2023.
Complete drafting and secure EB endorsement of GFCR Gender Policy, with ongoing	GFCR Gender Policy	May 2022	EB endorsement completed; implementation and oversight ongoing by the UNGT programming team in 2023.

Outputs & Activities	Indicators	Target Completion	Implementation Status & Actual Completion Date
implementation and oversight by UNDP			
Work with Fund Partners to develop sector-based guidance and impact standards to align investment activities with GFCR objective and outcomes.	Sector-based guidance and impact standards	Mar 2022	<p>Sector based investment principles were completed in June 2022 covering the following sectors: Fisheries, Ecotourism, Aquaculture, Solid Waste Management, Wastewater Management, Financial Institutions, Marine Protected and Conserved Areas (MPCAs), Coral Restoration and Blue Carbon.</p> <p>Sector best practices published for ecotourism in 2023. Fisheries, blue carbon, and Marine Protected Areas in progress.</p>
Develop and implement a training and capacity development programme – for policies, standards, and norms	Capacity Development and Training Programme delivered to GFCR partners and stakeholders	Dec 2023	<p>Training and Capacity Development Programme is under development. Various presentations at regional and global events were presented on coral reef finance.</p> <p>The first two Convening Agent webinars (Practitioners Discussions) were conducted in September on reef-positive businesses (interventions from MAR+ Invest, New Ventures, and Matanataki.) The second Practitioners discussion covered the M&E Toolkit with UNEP and was conducted in November 2023. Recordings were shared on REEF+.</p>

C. Gender Mainstreaming

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

The Gender Policy was discussed with the UNGT, GFCR Partners and PCA during the drafting stage for review and inputs. The policy was endorsed by the GFCR EB in May 2022 and subsequently distributed to Fund stakeholders and published on the GFCR website. The Gender Policy has been applied through all GFCR programmes in 2023 and forms part of the annual reporting, which is reviewed and feedback provided by UNDP.

During 2023, the gender representation within the UNDP staff team was 75% female (3F, 1M). UNDP continues to prioritise gender with its programme delivery as well as encourage a greater representation from the global south and coral nations.

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

Gender Action Report of the GFCR Core Global Team

Required Action	Means of verification	Responsibility	Timing	Reported Progress
A. Governance				
A1. Approve the Gender Policy and Gender Action Plan and distribute it widely	Executive Board Decision followed by distribution to Fund stakeholders and publishing on the GFCR website	Executive Board	FY2022	Approved and distributed.
A2. Strive for gender parity amongst Global Team staff as well as Technical Groups, Executive and Advisory Board members, and promote gender diversity within CA teams	Number and percentage of m/f staff and Board members Baseline: as assessed in early 2022.	Executive Board / UN Global Team	Annually	UNDP staff (IPSA contract holders): Currently 75% female. Expansion of UNDP team expected in 2024.
B. Operational guidance and programme support				
B1. Review the gender section of the programme template as well as other GFCR relevant guidance and procedures to align with the Gender Policy; complement it as needed or requested with additional targeted and more detailed products (i.e., model outlines of templates on gender analysis and gender action plan for programmes)	Template and relevant guidance and procedures aligned with the Gender Policy Number of additional guidance produced	UN Global Team	FY2022	UNDP continues to monitor the use of and reporting in the gender section of the programme template, providing feedback and guidance during the annual reporting period. Capacity building on the application of the gender policy is scheduled in the next reporting period.
C. Resource allocation and budgeting				
C1. GFCR systematically requires CAs to submit funding proposals that include	100% of approved programmes proposals have articulated gender	UN Global Team	Ongoing	All GFCR proposals submitted in Q3-2022 onwards have included a

Required Action	Means of verification	Responsibility	Timing	Reported Progress
a gender analysis and a gender action plan with an implementation budget	analysis and action plan with corresponding budget			Gender Analysis and Action Plan, as prescribed in the new proposal templates.

III. Programme Governance & Management

Role of UNDP

As a founding partner of GFCR, UNDP continues to play a central role in the development and day-to-day implementation of the Fund through both participation on the GFCR EB and delivery of activities under the UNDP GFCR Project. UNDP serves on the EB of the Global Fund for Coral Reefs and contributes significant input on the Fund’s Investment Vision, Strategy and Decisions, including project and site selection for investments. Adnan Awad (Head of Water & Ocean Governance, Nature Hub), with Midori Paxton (Director, Nature Hub) as Alternate, represents UNDP on the GFCR Executive Board. The UNDP abstains from decisions that involve this programme, as determined by the GFCR’s EB Rules & Procedures.

Penny Stock leads UNDP’s GFCR engagement with the UN Global Team for GFCR. In addition, in 2023, the UNDP team has expanded with the part-time contribution of a Programme Analyst and full-time contribution of a REEF+ Community Analyst to lead on REEF+ activities. The UNDP Technical Advisor on Coral Reefs and Finance became vacant at the beginning of 2023. The position was then advertised and the selection process completed before the end of the reporting period.

Technical Support - CFA

Key technical support for the UNDP GFCR Project has been provided by CFA. CFA is contracted under the UNDP GFCR Project as a Responsible Party with set deliverables under the 4 workstreams in close collaboration with UNDP. CFA continues to be well positioned to provide expertise on blended finance mechanisms for coral reef conservation and deliver on the objectives of the GFCR’s Investment Plan, Investment Principles, and knowledge generation & learning support. CFA also contributes an extensive network of over 3000 experts and practitioners from various NGOs, financial institutions, universities, foundations, and the private sector, which can contribute information to support the development of viable reef-first business models (such as sustainable fisheries, blue ecotourism, waste management, blue carbon), identification of priority coral reef sites, assessment of potential implementing partners, knowledge of regulatory ecosystems and more. During 2023 the CFA contributed, through David Meyers, to the Strategic Plan, Partnerships including with the IFC, GEF, and others, the Knowledge Management system, the planning and preparation of the UNDP’s future contributions to the GFCR, and other strategic and programmatic priorities as described in this report. Additionally, the CFA was engaged by the UNDP to support the development of the Egyptian Red Sea Initiative and Gulf of Aqaba programmes (paid via the respective project preparatory grants). This contract was successfully closed at the end of October 2023.

Technical Support – Ubuntu Inc.

Ubuntoo Inc. was contracted under the UNDP GFCR project on a service contract with specific focus on the technological development and initial launch phase for REEF+. This contract ended in April 2023. Please refer to further details in section II.A.3 for work carried out by Ubuntoo in relation to the development and launch of REEF+. Recruitment of a technology provider to support a second phase of work during 2024 is under way.

IV. Resource Mobilisation

UNDP and CFA have been successful in attracting and securing GFCR co-financing investments in 2023 from the following sources:

- **USAID** expressed an interest to support the establishment of a foundation for conservation in the Egyptian Red Sea. This interest resulted in the development of the Egyptian Red Sea Initiative (ERSI) with a US\$14.1million financing agreement signed with the GFCR for the development and implementation of the programme and endowment of a foundation. In 2023, the ERSI proposal was finalised and will be submitted to the GFCR EB in March 2024.
- **Global Environment Facility (GEF)**: GFCR is currently exploring the potential of two GFCR-GEF IW projects in Eastern Caribbean and Polynesia. These projects propose to enhance the capacities of priority coral countries (especially LDCs and SIDS) to ensure fair representation and equitable access to blended finance for coral conservation and build investable coral-positive business pipelines in key regions and ecosystems. It will enable GFCR to build the basis for market-led innovation and develop more robust business approaches through future GFCR programmes, and support upscaling and replication of successful solutions globally beyond the GFCR portfolio.
- UNDP has been selected by the GEF Secretariat to lead the **GEF8 Blue & Green Islands Integrated Programme (BGI-IP)**. The IP includes 15 participating countries with child (sub) projects across the three SIDS regions: Atlantic & Indian Ocean States, Caribbean, and Pacific. The objective of the BGI-IP is to reduce ecosystem degradation, enhance resilience of the coupled socio-ecological systems, and facilitate nature-positive development by applying nature-based solutions in key ecosystems that support climate resilient and sustainable socio-economic development in SIDS, with specific application to the food, tourism and urban sectors. A core pillar of the BGI-IP includes partnerships with private sector partners able to provide catalytic finance and investment capital at scale to accelerate the adoption of proven nature-based solutions and scale up area-based protection and management of vital ecosystems. Partnership with GFCR is expected in relation to REEF+.

V. Communications and Visibility

UNDP and CFA have joined GFCR efforts to elevate the **visibility and recognition of the GFCR since conception**, working to showcase the continued growth and achievements of the GFCR during 2023. UNDP contributed to a range of high-level events in 2023, by coordinating the participation of senior UNDP representatives and other UNDP staff, or providing organisational support. These events include, but are not limited to:

- At the [Monaco Ocean Week](#), the GFCR EB announced the approval of a blended finance programme for the Maldives. Led by UNDP, the Maldives Resilient Reef Ecosystem and Economy for the Future (Maldives RREEF) initiative will establish sustainable financing mechanisms to

support coral conservation and facilitate the development of, and investment in, projects and enterprises that sustainably contribute to the resilience of coral reefs and the atoll communities. The coral reef systems of the Maldives are the seventh largest in the world and the fifth most diverse ecosystem of the world’s reef areas.

- At [COP28](#), UNDP served as a partner and facilitated the launch of the [Coral Reef Breakthrough](#) in partnership with the High-Level Climate Champions (HLCC) and the International Coral Reef Initiative (ICRI). UNDP also managed an event in the Virtual Ocean Pavilion, “[Advancing the Coral Reef and Mangrove Breakthroughs](#),” in collaboration with The Mangrove Alliance, The Nature Conservancy (TNC), and HLCC, which featured the GFCR programme led by the UNDP Fiji Country Office. The Virtual Ocean Pavilion also included a digital exhibit organised by UNDP featuring the Coral Reef & Mangrove Breakthroughs, available throughout the duration of COP28.



- CFA organised a [side event](#) at the IMPAC5 conference in Vancouver (not funded by GFCR) with colleagues on private investment in Marine Protected Areas and the event as able to highlight Blue Alliance Marine Protected Areas’ work with the GFCR in the Philippines country programme as one of the most interesting models of GFCR interventions.
- At the Seventh Assembly of GEF, GFCR and UNDP hosted a [side event](#) on “Leveraging GEF’s and GFCR’s Blended Finance Approach for a Healthy Ocean.”

In 2024, GFCR activities and outputs will receive greater visibility as the UNDP team expands. The team has developed an [active engagement schedule](#) within the REEF+ webinars and practitioner discussions, the creation of bespoke training materials and participation in global fora.

VI. Risk Management and Mitigation

Risk Log						
Event /Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Lack of integration of approved policies (e.g. on gender,	Insufficient awareness and/or guidance for Convening	GFCR programmes do not follow the policies leading to	Operational	Moderate	Active program of engagement and outreach in 2023 by	Training and capacity development activities are expected to

safeguards and risk management) into relevant GFCR programming activities	Agents and other implementation partners	programmes not being designed or implemented in line with the principles of and objectives of the GFCR. Risk of reinforcing existing gender disparities as well as implementing activities that have significant social and environmental risk.			UNDP – in close coordination with the Secretariat – on training and capacity development for CAs and other key partners to support effective implementation of and compliance with relevant Fund policies, standards and norms.	primarily be delivered through REEF+ REEF+ Membership has grown to over 400 and will continue to increase with REEF+ 2024 expansion plans, ensuring greater integration of GFCR policies into programme activities.
Remaining gaps in GFCR policy architecture of relevance to effective and high-integrity programming	Components of the overarching GFCR policy architecture (e.g. on Indigenous Peoples and Local Communities (IPLC), a Grievance Mechanism, Private Sector Policy, Anti-money Laundering and Counter-terrorism Financing Policy) are still under development	Insufficient guidance to CAs and other programming partners, which may present potential issues in terms of developing and implementing effective and high-integrity programming activities	Operational	Low	Additional work, led by UNDP, is expected in 2024 for policies on IPLCs, stakeholder engagement guidance, private sector due diligence, anti-money laundering and counter-terrorism financing, and a global Grievance Resolution Mechanism	Work on additional elements of the GFCR policy architecture will be developed in 2024. Recruitment of relevant experts is currently underway.
Lack of continuity of key project partnerships : CFA	Current contract for CFA will end in September 2023. At this point, it is expected that	Potential recruitment of successful new applicants to continue key UNDP-GFCR	Operational Organisation al	Moderate	TORs for a new deliverable-based contract for the period 2024-2025 has been developed.	Work on priority workstreams will be supported by the UNDP STA and TA.

	<p>CFA's status will change to independent 501c3 as opposed to an arrangement where CFA is hosted by WCS.</p> <p>The continuation of work undertaken so far by CFA under the replenished project (EB10 June 2023) will therefore require readvertisement through due competitive process in line with UNDP's POPP.</p>	<p>workstreams will lead to lack of continuity and disruption.</p> <p>Delays in recruitment may occur due to Quantum transition leading to lack of continuity and disruption.</p>			<p>The IC TOR is due to be advertised shortly in line with UNDP POPP.</p> <p>Potential delays in finalising new contracts have occurred due to Quantum transition.</p>	
<p>Lack of continuity of key project partnerships : Ubuntu Inc.</p>	<p>Current contract for Ubuntu Inc. (total \$63,000) ended in March 2023.</p> <p>The continuation of work undertaken by Ubuntu to develop REEF+ will be supported by the replenished project (EB10 June 2023).</p> <p>Given the expected size of the new service</p>	<p>Potential recruitment of successful new applicants to continue key UNDP-GFCR workstreams will lead to lack of continuity and disruption.</p> <p>Delays in recruitment may occur due to Quantum transition leading to lack of continuity</p>	<p>Operational Organisation al</p>	<p>Moderate</p>	<p>TORs for a new deliverable-based contract for the period 2024-2025 are being developed. The RFP will be advertised and evaluated shortly in line with UNDP POPP.</p> <p>Potential delays in finalising new contracts may occur due to Quantum transition.</p>	

	contract, the RFP will be advertised through due competitive process in line with UNDP's POPP.	and disruption.				
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VII. Adaptive Management

During the 2023 reporting period, three lessons learned have resulted in adaptive measures to strengthen implementation efficiency and effectiveness:

- **UN Global Team structure realignment:** During the 2022-2023 period, the GFCR Grant Fund's day-to-day coordination and operation functions were led by what was known as the GFCR Secretariat, housed in the UN Multi-Partner Trust Fund Office (MPTFO). Those functions have now fully transitioned to UNCDF personnel. Global programmes led by UNCDF, UNDP, and UNEP were regarded as only delivering technical and advisory support to the GFCR Secretariat and Grant Fund. Together, UNCDF, UNDP, and UNEP personnel were regarded as the GFCR UN Global Team (UNGT), but without a clear definition of what the UNGT meant.

This differentiation between secretariat coordination and operational and technical advisory support functions created a construct that resulted in disaggregated workflows and which did not recognize the need for the 3 agencies' roles to be fully coordinated and integrated to accomplish the GFCR Grant Fund objectives and support the wider GFCR Coalition. Furthermore, this created unnecessary confusion for external stakeholders (e.g., Convening Agents, Donors, Investment Fund, Partners, and others) who regard all UN personnel as working as a single GFCR team to support the coalition's overall objectives.

Going forward, the UNGT is expected to provide collective management and coordination, as well as technical and operational expertise to implement GFCR Grant Fund activities at the programme and global levels in support of the wider GFCR coalition objectives. This will require a high level of cooperation and transparency to ensure collaborative decision-making by the three agencies with sufficient visibility to contribute effectively to the strategic direction and management of the Grant Fund, and to support engagement with the Investment Fund and Executive Board.

- **Creating a firewall between implementation support and oversight:** UNDP recognises the need to clearly remove any real or perceived conflict of interest between implementation support and operational oversight of UNDP-led country programmes. As a result, these two functions have been clearly separated, conducted by different staff in separate reporting units. Both units will continue to communicate the need for a clear firewall with relevant Country Offices implementing GFCR-funded programmes. A Programme Specialist will be recruited by UNDP during 2024 (funded by programme support allocation costs in UNDP GFCR programmes (US\$ 50,000 per annum per programme) to oversee UNDP GFCR programmes in future.



- ***Procurement and contracting of services:*** The transition of UNDP’s procurement system to Quantum has created delays in the advertising and contracting of service providers. The success and expansion of the GFCR programme has coincided with this procurement system change. As a result, the UNDP and CFA team have adapted their workplans accordingly, commencing procurement requests earlier, developing longer lead times, and pivoting towards actions that are less reliant on external service providers.

3. Annexes

Annex A: Elaboration of programme outputs and activity achievements

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

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

Analysis and consolidation of GFCR Investment Plan

The Investment Plan guides the prioritisation, implementation strategy and blended finance approach for the GFCR. It sets out the GFCR's strategic vision that unites conservation and sustainable finance goals to achieve the four outcomes of the GFCR Theory of Change across the GFCR financial vehicles. In 2022, it was agreed to update the Investment Plan and integrate a Strategic Plan, taking a higher-level view of the future approaches for the GFCR.

During the reporting period, the project conducted 31 interviews with the GFCR, Convening Agents and Implementing Partners. The process resulted in the development of a SWOT analysis, which informed a strategic planning exercise conducted at the GFCR Global Team (UNGT) retreat in Geneva. A draft discussion presentation including the results of the SWOT analysis, developed together with the GFCR Global Team, was presented to the EB during the November 2023 meeting. The finalisation of the Strategic Plan is a priority action and will be completed by December 2024.

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

Following the approval of the GFCR M&E system by the GFCR EB in June 2023, the EB proposed that the M&E input system, together with the Mermaid platform for underwater coral reef data collection, be integrated into REEF+ Impact to facilitate data acquisition and management. During the reporting period, the project progressed the collaboration with UNEP, Mermaid and other partners to reflect on integration of M&E into REEF+. This is anticipated to be completed by Q3 2024. Further, GFCR coalition targets have been developed in the Strategic Plan to ensure alignment with the achievement of the GFCR's priority outcomes. Input was provided to the development of the M&E Toolkit including the refinement of several financial indicators.

Externally, UNDP and CFA engaged in the design of the Coral Reef Breakthrough, aligning its measurable and science-based targets with the GFCR, demonstrating complementarity between the objectives of the two initiatives. This was launched at the COP28 and resulted in [financial pledges and endorsements for GFCR](#).

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

During 2023, the Strategic Plan interview process highlighted opportunities to update the Theory of Change of the GFCR with the Secretariat based on lessons learnt by its programmes. Currently no changes have been proposed for the TOC but it is possible that some suggested changes will be proposed following the approval of the Strategic Plan in 2024.



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

The UNDP and CFA continue to refine its analysis of business models and finance instruments through its participation in Semestrial Convening Agent calls, global events and direct interactions with Implementing Partners and investors. These engagements have resulted in a series of sector-specific best practice guidance and investment principles in 2022. In this reporting period, best practice guidance for Ecotourism was posted on GFCR REEF+. Sustainable Fisheries, and Blue Carbon best practices have been drafted and are undergoing final revisions.

UNDP and CFA continue to support the development of biodiversity credits through its engagement with the Biodiversity Finance Alliance and its active application on the ground through the UNDP-led Maldives programme.

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

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

Global Environment Facility (GEF)

GFCR is currently exploring the potential of two GFCR-GEF IW projects in Eastern Caribbean and Polynesia. These projects propose to enhance the capacities of priority coral countries (especially LDCs and SIDS) to ensure fair representation and equitable access to blended finance for coral conservation and build investable coral-positive business pipelines in key regions and ecosystems. It will enable GFCR to build the basis for market-led innovation and develop more robust business approaches through future GFCR programmes, and support upscaling and replication of successful solutions globally beyond the GFCR portfolio.

GEF8 Blue & Green Islands Programme Integration

UNDP has been selected by the GEF Secretariat to lead the GEF8 Blue & Green Islands Integrated Programme (BGI-IP). The IP includes 15 participating countries with child (sub) projects across the three SIDS regions: Atlantic & Indian Ocean States, Caribbean, and Pacific. The objective of the BGI-IP is to reduce ecosystem degradation, enhance resilience of the coupled socio-ecological systems, and facilitate nature-positive development by applying nature-based solutions in key ecosystems that support climate resilient and sustainable socio-economic development in SIDS, with specific application to the food, tourism and urban sectors. A core pillar of the BGI-IP includes partnerships with private sector partners able to provide catalytic finance and investment capital at scale to accelerate the adoption of proven nature-based solutions and scale up area-based protection and management of vital ecosystems. Specifically, de-risked by grants and concessional finance, the IP will establish partnerships with financial institutions and corporates in ways that evolve their financial and economic systems; redirect flows from nature-negative to nature-positive with climate co-benefits; create and access new market instruments that promote sustainable management; ensure corporate accountability; increase private finance to protect nature; and catalyse local nature-positive enterprises that empower community action and



generate tangible benefits for ordinary people. In this context, UNDP will work with the GEF and GFCR colleagues to leverage synergies and concrete opportunities for collaboration with GFCR, which supports blended finance initiatives that unlock private investment in commercially viable coral-positive businesses and supply chains (on and off-reef) that benefit local communities in multiple SIDS. Specifically, UNDP will work with GFCR to integrate the Knowledge Platform into the design of the IP's global coordination project as a key platform for solutions sharing, replication and scaling, and resource mobilisation.

UNDP's Biodiversity Finance Initiative (BIOFIN)

UNDP's co-development and facilitation of a technical session on coral reef finance at the 2023 Global BIOFIN conference in South Africa in May 2023 led to establishment of a new partnership between GFCR and BIOFIN. The collaboration aims to jointly identify practical on the ground partnerships and alignment of activities to promote the development and deployment of coral reef finance in five interested GFCR/BIOFIN countries, including potentially Seychelles and Belize. The collaboration with the GFCR, this will include a range of opportunities to be explored, mostly focusing on sharing of coral reef finance solutions with the national teams working on BIOFIN to increase the visibility of coral reef finance in the national BIOFIN processes and increase finance for coral reef conservation, restoration, community support, and private investment.

USAID

Interest from USAID regarding the potential for establishing a foundation for conservation in the Egyptian Red Sea, resulted in the development of the Egyptian Red Sea Initiative (ERSI) was initiated with a USD 14 million financing agreement signed with the GFCR for the development and implementation of the programme and endowment of a foundation. In 2023, ERSI proposal was finalised and due to be formally submitted to the GFCR EB at the next board meeting.

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

3. Knowledge Management System for replication and scaling GFCR initiatives

The GFCR REEF+ Community of Practice (REEF+), is a platform that seeks to build and support communities of practice both thematically across the coral reef financing ecosystem and geographically across GFCR's (initial) portfolio of 24 programming countries and beyond. The initiative is also intended to position the GFCR as the global leader for showcasing the power of innovative blended finance models for driving finance and knowledge exchange towards the effective, long-term conservation and restoration of highly threatened coral reef ecosystems.

Since its launch at the CBD COP15 conference in Montreal, Canada in December 2022, REEF+ has been live and has active content growth with a full range of solutions that include many of the GFCR programs and other initiatives from implementing partners. There are also news articles and upcoming events being shared as well as a member listing and a system for having financial, technical, and other partners list their organisations and participate in REEF+. By the end of December 2023, the number of REEF+

members were over 400 and a total of 230 solutions and over 500 news and knowledge items were on the site.

Continued engagement with Ubuntu to complete the entries of Convening Agents and implementing partners added to the system occurred until the end of the Ubuntu contract (March 2023). Since the end of the contract, the team has been sending knowledge products to Ubuntu to upload but concerted outreach to CAs and implementing partners has been limited since Ubuntu was volunteering their time after April 2023.

With the aim to update the digital platform in 2024, including further integration into the GFCR website, UNDP conducted market research within the GFCR community including stakeholder interviews and a survey. Following this research, the team collaboratively revised the combined site architecture to streamline information flow and generate new content to populate the site, all ready to be deployed once the technology provider has been recruited.

In addition to the online platform, a REEF+ programme of events, webinars, and learning opportunities was launched for 2023-24, including:

- REEF+ contributed material to the GFCR Q1-4 newsletters including globally identified coral reef-positive solutions, opportunities, and demonstrative knowledge products.
- The bimonthly “Practitioner Discussion” series was launched in Q3, enabling practitioners to share challenges, successes, knowledge, and other experiences in designing and implementing the GFCR’s country and regional programmes. The first set of discussions were held in early September on the topics of the development and support of Reef positive businesses with interventions from MAR+ Invest, New Ventures, and Matanataki. The second Practitioners discussion covered the M&E Toolkit with UNEP and was conducted in November 2023. Recordings of both discussions are available on REEF+.
- The GFCR public webinar series was additionally organised, with the first webinar held in February 2024 in partnership with UNESO and more active programming to continue throughout 2024.
- Further in-person convenings of the community of practice have been organised for the future including two regional convenings alongside the GCRMN-GFCR M&E workshops in Q3 2024 and a Reef Action Hub at UNOC 2025, with the primary aim to facilitate knowledge-sharing among all stakeholders and practitioners and to strengthen ties for the coral reef community to investors, donors and policy-makers.

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

Risk Management System (RMS)

Led by UNDP, the GFCR Risk Management System (RMS) was presented to and approved by the GFCR EB meeting held on 24 May, 2022. The RMA documents have been included in GFCR REEF+ and UNDP, with relevant support from CFA and consultants, will continue to coordinate with GFCR partners and donors to appropriately refine the GFCR Risk Management System, linking this strongly to the GFCR project management cycle, Social and Environmental Safeguards and Gender Policies, and Fund-level M&E Strategy.



Social & Environmental Safeguards (SES) Policy

Led by UNDP, the Social and Environmental Standards (SES), was presented for approval and approved at the GFCR EB meeting held on 24 May, 2022. The Social and Environmental Standards (SES), has been included in GFCR REEF+.UNDP, with relevant support from CFA and consultants, will continue to coordinate with GFCR partners and donors to appropriately refine the GFCR Social and Environmental Standards (SES),, linking this strongly to the GFCR project management cycle, Risk Management System and Gender Policy, and Fund-level M&E Strategy.

Gender Policy

Led by UNDP and building on UNDP’s gold standard Gender policy, the GFCR Gender Policy was presented for approval at the GFCR EB meeting held on 24 May, 2022. A [Gender Policy Implementation Guidance Note.pdf](#) guidance note produced to support the operationalisation of the Gender Policy in country programmes.

Sector-based Investment and Impact Standards

Best practice guidance for Ecotourism was posted on GFCR REEF+. Sustainable Fisheries, and Blue Carbon best practices have been drafted and are undergoing final revisions before sharing on GFCR REEF+. Additionally, research was conducted to establish the sector specific principles and can be used for best practices in the following priority sectors: Aquaculture, Financial Institutions, Marine Protected and Conserved Areas (MPCAs), and Coral Restoration. In general, all principles have been integrated into the GFCR M&E system.

Training and Capacity Development Programme

In close coordination with the GFCR Secretariat, UNDP and CFA continued to develop the Training & Capacity Development Programme during 2023 to support effective implementation of and compliance with the above articulated policies, standards and norms for adherence by the Grant and Investment Windows. A detailed programme for Convening Agent exchange for capacity development – called “Practitioners Discussions” was planned with the UNDP and GFCR Global Team for 2023-and 2024. The first two Convening Agent webinars (Practitioners Discussions) were conducted in September on Reef positive businesses (interventions from MAR+ Invest, New Ventures, and Matanataki.) The second Practitioners discussion covered the M&E Toolkit with UNEP and was conducted in November 2023. Recordings were shared on REEF+.

Annex B: Expenditure Report 2023 [Separate Link]