



ANNUAL NARRATIVE REPORT:

BAHAMAREEFS

January – December 2024

Programme Overview

Programme Title & Project Number		Programme Duration	
Programme Title: Impact Funding for BahamaReefs Program Programme Number: <u>00129653</u> Programme webpage: N/A		Start Date: 12 December 2021 End Date: 31 December 2029	
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country/ies: Commonwealth of The Bahamas Priority Coral Reef Site/s: BahamaReefs Priority Coral Climate Refugia Sites include Grand Bahama, Abaco, Andros and Exuma		Implementing Partner/s: Perry Institute for Marine Science (PIMS), Elizabeth Harbour Conservation Partnership (EHCP), Bahamas Protected Areas Fund (BPAF), Access Accelerator Small Business Development Centre (AASBDC), Bahamas National Trust (BNT), Coral Vita (CV)	
Total Approved Budget			
Total GFCR Budget: USD\$7,975,699 The Nature Conservancy: USD\$4,900,000 [UNCDF Blue Bridge, if applicable]: \$3,075,699 [Other Co-recipients, if applicable]: N/A			
Programme Description			
<p>The BahamaReefs program aligns with and directly contributes to the GFCR’s mandate to “Protect”, “Transform”, “Restore” and “Recover” priority coral reef sites and reef-dependent communities. BahamaReefs is building a pipeline of investable opportunities within the Blue Economy to promote long-term coral reef conservation and restoration success. The program is supporting the most promising and innovative solutions and expects to achieve the following outcomes over the lifetime of the project:</p> <ol style="list-style-type: none">1. Improved management effectiveness of climate refugia and MPAs;2. Livelihoods of reef-dependent communities are strengthened; and3. Coral reefs, associated ecosystems and local communities are restored. <p>To meet these outcomes, the program will deliver a series of activities in-country:</p> <ul style="list-style-type: none">• Identify and recommend climate resilient corals for protection and management;• Encourage coral reef conservation by effectively managing marine protected areas through sustainable financing and the development of climate smart MPA management plans;• Advocate for and support the creation of a National Coral Reef Conservation Plan and permitting framework for coral restoration; and• Develop and implement a pipeline of investable opportunities in the Blue Economy to tackle climate change, support coral reef health and strengthen local communities. <p>These activities along with project interventions or reef positive solutions will be initially implemented in four program areas across The Bahamas to increase the resilience of corals and reef-dependent communities: Grand Bahama, Abaco, Andros, and Exuma.</p>			

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I. Executive Summary

1. Programme Progress Update

During the reporting period, TNC facilitated a Climate Smart MPA Management Planning Inception Workshop with BNT to help build foundational knowledge and support the development of 3 climate smart MPA management plans and provide capacity building for the BNT. Nineteen participants attended the inception workshop.

BNT was invited to participate in 3 follow-up virtual learning sessions and 2 in-person workshops to identify climate threats impacting MPAs, propose interventions and incorporate climate resilient updates into management plans. Seventeen participants attended the working sessions.

The Bahamas Protected Areas Fund leveraged GFCR funding to pilot a voluntary opt-in donation platform called "Click-2-Clear" and assess 2 promising financial mechanisms:

- *Parametric insurance for storm response*, which would allow BPAF to mobilize funds to respond to and recover from climatic impacts, such as hurricanes, to corals and other marine ecosystems.
- *Impact investment model for reef positive solutions*, which would help projects and reef positive businesses become established and further developed through small grants, impact loans, and mentorship and technical assistance.

BPAF generated over **USD\$66K** in revenues from the Click-2-Clear platform in 2024.

During the reporting period, TNC engaged protected area and other key agencies in a series of planning meetings including a one-day workshop to commence work on development of a national marine protected areas co-management framework and policy. TNC also facilitated a stakeholder meeting with the Department of Environmental Planning & Protection and other key actors to brainstorm the elements to be included in the National Coral Reef Conservation Plan (NCRCP). Approximately, 9 government and non-government organizations participated in the meeting.

TNC and the Small Business Development Centre (SBDC) continued to refine SBDC's project concept which outlines the following:

- a. Creation of an online knowledge hub;
- b. Design and launch the Blue Economy Accelerator Program for 4 cohorts over 2 years; and
- c. Development and implementation of capacity building strategies to promote sustainable reef positive practices in the blue economy.

TNC and partners collaborating on the Northern Bahamas Mangrove Restoration (NBMR) Project restored a total of 53.4 Ha of degraded mangrove habitat in Abaco and Grand Bahama. To date, 198,936 mangroves have been planted or dispersed by project partners across 78Ha of habitat.

TNC engaged the University of The Bahamas to complete a draft baseline above and below ground carbon study for Grand Bahama and Abaco. Long-term monitoring plots were established at 15 plots and baseline data was collected.

TNC and Terra Carbon completed a financial gap analysis which estimates the full cost of restoration at approximately \$10 million USD over a 20-year period, with a current funding gap of ~\$7.6 million USD. TNC and Terra Carbon also completed a high-level assessment of the relevant legal and policy

considerations of developing a carbon offset project to finance the restoration of mangroves in The Bahamas.

TNC and mangrove restoration partners also hosted an in-person sustainable finance and policy workshop to engage the Office of the Prime Minister's Climate Change & Environmental Advisory Unit, the Ministry of the Environment's Forestry Unit, and the Department of Environmental Planning and Protection. The workshop served as a learning exchange for colleagues from The Bahamas, Jamaica, Mexico and the USA.

The Reef Rescue Network (RRN) now engages 25 partners who receive technical assistance and financial support from the RRN in the creation, maintenance, capacity building, and marketing of their coral restoration efforts. The network generated approximately **USD\$47K** through registration fees, annual membership fees, and merchandise sales in 2024.

The cost and benefit analysis of implementing the post storm emergency response program demonstrates the annualized benefits in avoided damages to tourism and fisheries is up to 100 times greater than the costs of running a program. This analysis provides the economic basis for repairing storm-damaged reefs, including via the use of insurance proceeds and other financial tools.

Coral Vita will begin growing corals at its land-based farm and prepping them for outplanting in the new year. CV's business model is predicated on ecotourism experiences and selling restoration as a service to customers such as resorts, coastal private property owners, developments, government and complemented by financing from other mechanisms.

2. Milestones and Adaptations

During the reporting period, TNC established a Program Steering Committee (PSC). The PSC is a multi-stakeholder body whose purpose is to provide high-level oversight, advice and guidance to the BahamaReefs Program Management Unit (PMU) and approve key program decisions. TNC convened the PSC in Q3 2024.

In Q2, the GFCR embarked on a mission to The Bahamas to assess the BahamaReefs program and assist TNC with preparations for the replenishment request. The mission also served to support the monitoring and evaluation component of the program and assess the practical implementation of the GFCR M&E results framework.

Key findings from the GFCR Mission include:

- TNC has established good relationships with its partners including the government.
- BahamaReefs program achieved several key milestones. However, the program needs more time before it will be ready to submit a replenishment request to the GFCR Board in the summer.

The BahamaReefs program found itself in a unique position last year. The program had drawn down on the initial tranche of funding disbursed by the GFCR. TNC was advised to submit a pre-replenishment/bridge funding request to cover deficit spending and to continue program implementation. TNC also learned UNCDF was expected to disengage from the program.

TNC was asked to identify a suitable replacement(s) to provide technical assistance, business development advice/support and financial support to both non-profit and for-profit pipeline partners. Conservation International (CI) and its subsidiary CI Ventures were identified as a potential partner organization to replace UNCDF. TNC commenced discussions with CI and CI Ventures to explore the possibility of filling

the role vacated by UNCDF. TNC will also expand its search for a suitable Phase II partner by circulating a call for 'Expressions of Interest'.

TNC will collaborate with consortium partners in the new year to adjust the program for improved administration, increased visibility, technical assistance to pipeline partners and integration of blended finance options.

3. 2025 Outlook

The BahamaReefs program outlook for 2025 includes the following:

- Submission of the full replenishment package and board approval. TNC is planning to submit a full replenishment request in April 2025.
- Onboarding new project staff and consultants. TNC will increase team capacity to assist with managing the BahamaReefs portfolio of work by hiring an Assistant Program Manager and engaging several consultants to help develop discrete streams of work.
- Prioritization and completion of activities identified for funding in the pre-replenishment period e.g. MPA Climate Smart Management Plans, National Coral Reef Conservation Plan, Blue Economy Accelerator Programme, reef insurance feasibility study, etc.
- Advancing discussions with current and future pipeline partners to inform decisions to advance the most promising solutions and execute agreements. TNC will closely collaborate with consortium partners and stakeholders to develop work plans and budgets for Phase II and identify actions to mitigate risks; drawing on lessons learned during the first phase of the program.
- Restructuring the program so that all funds flow through TNC to selected project line managers. At least one or two new pipeline managers will be identified (and onboarded) to provide financial administration, technical assistance and blended finance packages for both for-profits and not-for-profit partners.
- Implementing a program marketing and revised communications strategy in Phase II to scale the BahamaReefs program, increase awareness, strengthen national and local support for program activities, and identify new innovative reef-positive investments.

Finally, TNC will leverage the pre-replenishment period to ensure the program identifies the most promising reef-positive solutions and investment opportunities that demonstrate and align with the GFCR's blended finance approach.

II. Programme Progress Overview

1. Progress Toward Outcomes and Outputs

Outcome 1: Improved management effectiveness of priority coral reef sites, including climate refugia

Output 1.1: Climate change refugia are identified and effectively managed within and outside existing MPAs

Earlier in the program period (2022 & 2023), TNC conducted a series of stakeholder consultations to validate climate refugia sites, identify candidate sites for intervention, and threats impacting coral reefs inside and outside MPAs in the four focal program islands of Grand Bahama, Abaco, Andros and Exuma. Information gathered during these consultations were included in a threat assessment exercise which was conducted during the reporting period and were used to guide the climate smart MPA updates for 3 of the Bahamas National Trust's (BNT) management plans.

Climate-Smart planning is the intentional and deliberate inclusion of climate considerations in natural resource management, realized through adopting forward –looking goals and explicitly linking strategies to key climate impacts and vulnerabilities. TNC and the Reef Resilient Network (RRN) executed a series of climate-smart MPA management planning sessions with the BNT, a nonprofit, nongovernmental organization that manages 33 national parks in The Bahamas. Climate-Smart management planning is a 10-step process that incorporates innovative climate strategies and best practices into Marine Protected Areas (MPAs) design and effective management. It is an important fisheries management tool that is used to strengthen a nation's conservation strategies, improve the effective management of protected areas, and enhance the resilience of coral reefs, critical marine ecosystems and local communities.

In 2023, management plans for the Exuma Cays Land & Sea Park, Moriah Harbour Cay National Park and the Andros Westside National Park were selected to receive MPA climate resilient updates. These parks totalled approximately 661,852 Ha of terrestrial and marine habitat. During the reporting period, in consultation with BNT, it was agreed that Andros Westside National Park should be replaced with a more suitable site [Lucayan National Park (LNP) in Grand Bahama]. This decision was based on technical and scientific advice which shows Andros Westside National Park is heavily dominated by mangroves and protects very few climate refugia corals. Currently, the Exuma Cays Land & Sea Park, Moriah Harbour Cay National Park and Lucayan National Park total 135,513 Ha of marine habitat that will benefit from the climate smart MPA updates.

In Q1, TNC facilitated a Climate Smart MPA Management Planning Inception Workshop with BNT to help build foundational knowledge and support the development of 3 climate smart MPA management plans (Exuma Cays Land & Sea Park, Moriah Harbour Cay National Park and Lucayan National Park) and provide capacity building for the BNT. Nineteen participants attended the inception workshop.

Output 1.2: Drivers of degradation within MPAs are identified and prioritized for intervention to support resilient coral reefs and adjacent communities

During the reporting period, Activity 1.2.1 (Assessment of main drivers of degradation in MPAs) and Activity 1.2.2 (Development and/or review of management plans to include priority interventions to mitigate threats) were integrated into the climate smart MPA management plan updates. TNC incorporated and refined the threat assessment exercise (completed in 2022) with input from BNT staff during the climate smart management planning sessions. Threats were categorized into 3 main categories- vulnerability to climate change, changes in coral cover and vulnerability to local threats. **See VIII. M&E section for further details.**

TNC invited BNT to participate in 3 virtual learning sessions and 2 in-person workshops to discuss and agree upon climate threats impacting each MPA, propose interventions and incorporate climate resilient updates into the 3 management plans. As many as seventeen participants composed of marine managers, planners and administrators from the BNT attended the workshops during this period.

With guidance from TNC, the BNT integrated gender equality safeguards and considerations into the climate smart MPA management planning process. This decision will ensure both women and men have access to participate in management planning and decision-making processes in the future.

Output 1.3: Increased long-term funding for management of priority sites and capacity created to operate proceeds with new financial mechanisms (e.g., an endowment fund, MPA co-management model, etc.)

The Bahamas Protected Areas Fund (BPAF) received GFCR funding (\$86K) to pilot a voluntary opt-in donation platform called “Click-2-Clear” and assess 2 promising financial mechanisms BPAF should explore:

- *Parametric insurance for storm response*, which would allow BPAF to mobilize funds to respond to and recover from climatic impacts, such as hurricanes, to corals and other marine ecosystems.
- *Impact investment model for reef positive solutions*, which would enable BPAF to stimulate the growth of small reef positive businesses that benefit coral reef ecosystems and local communities. This investment model would help projects and reef positive businesses become established and further developed through small grants, impact loans, and mentorship and technical assistance.

The report also provides recommendations BPAF should consider to increase the likelihood of success if it wishes to venture into impact funding:

- increase staff and board capacity,
- establish another endowment fund,
- consider serving as a guarantor for a blue economy program, and
- implement safeguards to monitor, manage and disburse funds.

During the reporting period, BNT continued to refine its concept note for the sustainable financing of Moriah Harbour Cay National Park, Exuma. The final concept note will inform the development of the replenishment documentation. Note, BNT’s pipeline project will be funded during Phase II of the program.

Output 1.4: Enabling policies are catalysed to support coral conservation and restoration

During the reporting period, TNC engaged protected area managers - Department of Marine Resources, Forestry Unit, Bahamas National Trust - and other key agencies in a series of planning meetings including a one-day workshop in June to commence work on development of a national marine protected areas co-management framework and policy. Outcomes of the workshop included initial guidance and recommendations on project scope, policy development including types of co-management arrangements to be explored, stakeholder mapping, research, enabling conditions and ways of working to develop the policy. Subsequently, a multi-agency technical committee was established to provide strategic guidance throughout the process and to review and approve deliverables.

In Q3, TNC facilitated a stakeholder meeting with the Department of Environmental Planning & Protection and other key actors to brainstorm the elements to be included in the National Coral Reef Conservation Plan (NCRCP). An initial outline can be found [here](#) and will be further refined. Approximately, 9 government and non-government organizations participated in the meeting and provided feedback on the development of the NCRCP. It is important to note, the NCRCP will include a section on

recommendations to support the development and implementation of a regulatory and permitting framework for coral harvesting and outplanting in The Bahamas. Recruitment of a consultant to support the development of the plan and the permitting framework also commenced during the reporting period.

Outcome 2: Livelihoods of reef-dependent communities are strengthened by reef-positive businesses

Output 2.1: A reef-positive business accelerator is designed and implemented for micro, small and medium enterprises (MSMEs)

During the reporting period, TNC continued to collaborate with the Small Business Development Centre (SBDC) to refine and agree upon SBDC's reef positive solution the "Blue Economy Accelerator Programme". In Q4, it was agreed that SBDC would achieve the following objectives:

- d. Create an online knowledge hub (resource database) to support the development and implementation of the Blue Economy Accelerator Program;
- e. Design and launch the Blue Economy Accelerator Program. The accelerator will provide conservation and business training and mentorship support for 4 cohorts over 2 years; and
- f. Develop and implement capacity building strategies to promote sustainable reef positive practices in the blue economy.

It is anticipated that SBDC's agreement will be executed in early 2025.

Output 2.2: Reef-positive businesses receive investments (e.g., community-based organizations, larger businesses, etc.)

Elizabeth Harbour Conservation Partnership (EHCP) did not receive a second tranche of funding (USD\$360K) during the reporting period. Consequently, EHCP was unable to pilot the proposed pump-out boat services and begin renovations on the waste treatment center. This delay discouraged EHCP and has created a reputational risk for the GFCR, TNC and the BahamaReefs program. TNC is committed to working closely with EHCP to provide redress and restore partner confidence in 2025.

The BahamaReefs program found itself in a unique position in 2024. Having expended the initial tranche of program funding, TNC was advised by the GFCR to streamline operations and limit implementation and spending to activities already underway. Consequently, attention and resources were diverted away from the continuous screening of new opportunities and redirected to honouring current grant agreements and other contractual obligations. Much of the program work was paused to avoid increasing the current project deficit.

Additionally, TNC invested considerable time and resources navigating the pre-replenishment process and identifying a suitable replacement for UNCDF. The pre-replenishment process took approximately 7-8 months. TNC is committed to screening new businesses opportunities and expanding its pipeline of investments during the bridge funding period. This work will continue into Phase II.

Output 3.1: Blue Carbon Resilience Credits (BCRC) methodology is tested in pilot sites and replicated if feasible

The objective of this proposed solution is to develop a proof-of-concept blue carbon & resilience credit carbon offset market project based on mangrove restoration activities in Hurricane Dorian-impacted areas on Grand Bahama and Abaco islands. The primary determinant of success is that the pilot project is validated by a carbon standard and credits sold to fund mangrove restoration (or the project is determined 'not fit for market').

To determine fitness for market, TNC with Terra Carbon consultants considered five main criteria: restoration potential of the affected area, carbon abatement potential, capacity for implementing restoration & monitoring activities, financial need and enabling policy environment.

During the reporting period, partners collaborating on the Northern Bahamas Mangrove Restoration (NBMR) Project restored a total of 53.4 Ha of degraded mangrove habitat in Abaco and Grand Bahama. To date, 198,936 mangroves have been planted or dispersed by project partners across 78Ha of habitat using a combination of restoration methodologies and with available funding. Preliminary data suggests that mangroves planted in Grand Bahama have a higher survival rate when compared to their counterparts in Abaco. Further data analysis is required to explain this variance. The Master Mangrove Restoration & Monitoring Plan developed in 2023, set a recovery target of 15,000 ha over a 20-year period.

In addition to the consortium of restoration partners, TNC engaged the University of The Bahamas to complete a draft baseline above and below ground carbon study for Grand Bahama and Abaco, with additional ground support from the Forestry Unit and technical report review by Terra Carbon consultants. Long-term monitoring plots were established and baseline data collected for impacted areas on both islands. This exercise also served to build local capacity for long-term monitoring of carbon stocks in and near mangrove restoration areas. The final report will be released in Q2 2025 and represents a first-of-its-kind study for The Bahamas. The Northern Bahamas Mangrove Restoration carbon science working group is discussing the value of publishing a scientific paper and outreach to disseminate results of the study, in addition to further training with local academic institutions.

In July 2024, TNC and Terra Carbon completed a financial gap analysis which estimates the full cost of restoration at approximately \$10 million USD over a 20-year period, with a current funding gap of ~\$7.6 million USD. *(Note: figures are subject to change as restoration partners identify process efficiencies and cost-savings based on lessons learned, and additional philanthropic funding is raised).*

TNC and Terra Carbon also completed a high-level assessment of the relevant legal and policy considerations of developing a carbon offset project to finance the restoration of mangroves in The Bahamas. In summary, existing policies

- promote the role of coastal ecosystems such as mangroves in climate mitigation and adaptation,
- recognize the need for restoration of damaged/degraded areas
- highlight participating in carbon markets and building public-private partnerships to increase funding for adaptation

In continued discussion with the Climate Change & Environmental Advisory Unit in the Office of the Prime Minister, several potential barriers were raised that would need to be clarified and/or overcome by the summer of 2025, in order to list a mangrove restoration carbon market project for The Bahamas with a credible carbon standard, such as Verra. As the government is still in the process of developing its national GHG emissions registry and designing frameworks to operationalize carbon market projects, there are outstanding questions related to NDC's, additionality, Article 6 and corresponding adjustments; also the process of obtaining authorization and permits for project listing is pending on decisions not yet made in the management arrangements of protected areas where restoration is taking place to support long-term permanence of removals from the proposed project area.

TNC and mangrove restoration partners also hosted an in-person sustainable finance and policy workshop to engage the Office of the Prime Minister's (OPM) Climate Change & Environmental Advisory Unit

(CCEAU), the Ministry of the Environment's Forestry Unit, and the Department of Environmental Planning and Protection (DEPP). The workshop served as a learning exchange for colleagues from The Bahamas, Jamaica, Mexico and the USA. Participants were invited to discuss sustainable finance options for to support mangrove restoration and monitoring needs. This included discussions on enabling conditions, methodology and process for an ecosystem-based carbon market project using lessons learned across the region and the Virginia sea grass carbon market project facilitated by TNC. Other proposed financing options were philanthropic and public funding available through UN mechanisms (e.g. Green Climate Fund, Global Environment Facility, Adaptation Fund, pending Loss & Damage fund).

In 2025, TNC will continue engagement with the CCEAU to determine whether identified barriers can be overcome in sufficient time to leverage the start-up capital already invested by non-government actors to catalyze a carbon market project to fill funding gaps.

Output 3.2: Partnerships and training are facilitated to develop business models around restoration that are investable

The Perry Institute for Marine Science (PIMS) agreement with UNCDF expired in December 2023. Without additional funding from the GFCR, PIMS had to leverage cofinancing to scale and fund the Reef Rescue Network (RRN) during the reporting period. Notable achievements during the reporting period include:

- 1,511 corals outplanted on coral reef ecosystems,
- 4 new coral restoration sites established between Eleuthera & New Providence,
- coral bleaching assessment completed for 8 nurseries including sites in Grand Bahama and Andros,
- 11 persons trained in coral restoration programs,
- 16 people trained in PADI Specialty courses e.g. reef rescue, shark conservation and turtle awareness, and
- 54 youths engaged in coral restoration programing. Participants successfully received a PADI Reef Rescue Diver Specialty certification.

The RRN's portfolio now engages 25 partners who receive technical assistance and financial support from the RRN in the creation, maintenance, capacity building, and marketing of their coral restoration efforts. The support and financing of partners has been successful. The RRN generated approximately **USD\$47K** through registration fees, annual membership fees, and merchandise sales in 2024. In Phase II, TNC will work closely with PIMS to support scaling the RRN, finalizing its [Sustainable Finance Plan](#) & [5-year Business Plan](#) and prioritizing implementation of the most promising revenue generating streams during Phase II.

Output 3.3: Climate risk and resilience products, including reef and mangrove insurance, are developed and launched

During the first half of the reporting period, TNC engaged the Government of The Bahamas and other stakeholders and obtained preliminary support for the post storm response reef repair model and risk-financing program and agreement. The government agreed to participate in the model's development and implementation of the program. Meetings were held with the Department of Environmental Protection & Planning (DEPP), Department of Marine Resources, Bahamas Protected Areas Fund, and the Office of the Prime Minister's Climate Change and Environmental Advisory Unit to begin defining the governance, oversight and roles and responsibilities of different stakeholders that will lead, support and implement the post storm response effort.

In collaboration with Alliant Insurance Services, TNC structured a draft parametric insurance policy for coral reefs. TNC and PIMS estimated the financial needs for the four islands under different scenarios of damages and jointly defined the geographical areas and triggers for an insurance policy. Based on this initial structure, Alliant requested quotes from various reinsurers to cover the risk; the insurers responded with quotes ranging from 7 to 12% of the maximum limit of liability of USD 1.2 million. These figures were utilized in the economic analysis completed under contract by Conservation Strategy Fund.

TNC presented the cost and benefit analysis of implementing the emergency response program to partners, which demonstrated that the annualized benefits in avoided damages to tourism and fisheries is up to 100 times larger than the annualized cost of running the program (CSF, 2024). This analysis provides the economic basis for repairing storm-damaged reefs, including via the use of insurance proceeds and other financial tools.

TNC and PIMS also jointly developed a proposal for how to organize the governance of the program, proposing a steering committee that would be led by the government agencies and involving a financial management entity and an implementing entity (PIMS). The proposal is to be revised and approved with stakeholders in 2025.

Finally, given the increasing interest in the concept of resilience insurance—which is a related but separate concept than reef insurance and emergency response—TNC facilitated several information sharing sessions with representatives of UNCDF, Pegasus, GFCR, and Six Senses. TNC also explored with insurance industry representatives a few different pathways to facilitate implementation of the resilience insurance concept on a national scale, rather than at a single site. However, this work on resilience insurance is not part of the existing work plan and no funding has been allocated to it.

TNC also convened meetings with public and private sector stakeholders to discuss designing the institutional arrangements, which will support the post storm response effort. TNC met with the Department of Environmental Protection & Planning (DEPP) to discuss the governance and oversight of the post storm response model and roles and responsibilities. TNC also began exploring a role for BPAF to serve as a potential manager of an Emergency Fund.

Output 3.4: Investments made into coral restoration-focused businesses

In Q2 of 2024, the GFCR announced UNCDF would no longer fill the role of a co-recipient for BahamaReefs. TNC was tasked with finding a suitable replacement with the capacity to fund for-profits. TNC identified and engaged Conservation International (CI) and CI Ventures as a potential partner to replace UNCDF and disburse GFCR funding to Coral Vita (CV). CI Ventures has the capacity to fund for profit businesses and has been identified as a priority partner for the BahamaReefs program.

In 2025, TNC will work closely with CV to finalize its project concept note and workplan and prepare CV to receive its first tranche of funding (\$300K). CV will use grant funding to pilot its outplanting technique(s) at a [demonstration site](#) to generate interest from private and public sector actors to pay for Restoration as a Service (RaaS) by effectively communicating measured community benefits and the increase in ecosystem service values in coastal protection, tourism, and fisheries production. CV will begin growing corals at its land-based farm and prepping them for outplanting at the proposed demonstration site on Grand Bahama Island in the new year.

Coral Vita's business model is predicated on ecotourism experiences and RaaS for customers such as resorts, coastal private property owners, developments, government and complemented by financing

from other mechanisms (e.g., reef insurance, blue bonds, etc.). CV will develop a comprehensive marketing strategy for a pipeline of RaaS clients that can be facilitated from its Freeport farm. This will include:

- A funnel of potential clients and documentation of where in the funnel they are.
- Tactics for targeting and securing two RaaS contracts during the grant period.
- Mechanisms/strategies for expanding the pipeline and targeting different customer segments.

Based on CV's current footprint, it forecasts that the proposed ecotourism and RaaS offerings could yield **USD\$1.1M** in revenues. CV's founders believe that additional investments in upgrades and the expansion of farm facilities could generate as much as **USD\$4.7M**.

2. Grants, Investment, Revenue Mobilised (Maximum 1.5 pages):

I. Grants and Investments:

As reported last year, TNC exceeded its co-finance commitments for the program. At the time of reporting, BahamaReefs secured over **USD\$3.6** million in co-finance. In 2024, new cofinance commitments were secured totalling approximately **USD1,331,000** million dollars. mainly directed to ecosystem restoration activities involving a consortium of partners and climate-smart MPA management planning.

These should be considered as additional co-finance or leverage. See breakdown below:

- a. **USD\$742,000** of private funding secured by **PIMS** to scale mangrove restoration activities on the BahamaReefs focal islands of Grand Bahama & Abaco. This funding was leveraged to advance work already underway on **Activity 3.1.3** (Restore mangrove sites in collaboration with local partners).
- b. **USD\$400,000** of private funding received from **Klinsky Family Foundation** to advance a strategic coral research and restoration programming and build national monitoring capacity at the Bahamas Coral Innovation Hub. Activities will include training to expand capacity for restoration and monitoring among relevant government agencies, protected area managers, academic institutions and/or community-based stakeholders near climate refugia or MPA sites on the BahamaReefs focal islands.
- c. **USD\$125,000** of private funding secured by **TNC Global** to augment the climate smart MPA management planning process (Activity 1.1.3-1.2.2) in The Bahamas.
- d. **USD\$64,000** of private funding committed by the **BNT** to support the BahamaReefs climate smart MPA management planning process.

To date, TNC and partners secured over **USD\$5** million dollars in co-finance commitments for the BahamaReefs Program. This may be a conservative figure as TNC is currently processing other gifts that have been pledged for the restoration, protection and sustainable financing of coral reefs and mangrove ecosystems in The Bahamas.

II. Revenue and Sustainability:

In 2023, PIMS received an initial investment of USD\$250K from the GFCR to scale the RRN and develop a Business & Marketing Plan. PIMS reinvested the GFCR funding into the network and reported earnings of approximately **USD\$47K** from sales, donations, fundraising, and membership fees by the end of 2024. PIMS is expected to receive a second tranche of funding in Phase II to finalize its draft [Sustainable Finance Plan](#) and a [5-year Business Plan](#) and to implement the most promising revenue generation services and products for the RRN.

BPAF received a pure grant in Q4 2023, to pilot “Click-2-Clear”, a voluntary opt-in donation platform, and to assess its capacity to increase the effective management of MPAs while investing in reef positive solutions in the blue economy. Since the launch of the voluntary opt-in platform in Q2 2024, BPAF collected over **USD\$66,500** in revenue. BPAF will likely report higher earnings by the end of its grant in June 2025. BPAF is seeking additional GFCR funding through BahamaReefs to scale the voluntary opt-in program in Phase II by investing in strategic marketing and communications.

These two initiatives had timely executed agreements and were able to generate returns on the initial investment. TNC will continue to engage BPAF, PIMS and other pipeline partners to identify the most viable opportunities for scaling and implementation in Phase II, with guidance from the program steering committee.

III. Next Steps:

As next steps, TNC will continue to secure additional co-financing commitments from new consortium partners added to the pipeline in Phase II of the BahamaReefs program. In 2025, TNC will engage local and regional financial institutions to identify potential opportunities for collaboration and increased program investment, including, but not limited to the Bahamas Development Bank and the Inter-American Development Bank. Further, devising and implementing a BahamaReefs marketing strategy will be critical for attracting and recruiting new reef-positive businesses, solutions and potential investors.

3. Challenges and Lessons Learned:

In Q2 2024, the program found itself in a unique position, by April TNC had drawn down on the initial tranche of funding (\$800,000) disbursed by the GFCR at the start of the program. At the same time, the GFCR informed TNC that UNCDF was expected to disengage from the program and TNC was tasked with finding a suitable replacement with the capacity to offer required technical and financial administrative support to both non-profit and for-profit actors engaged in the program. This would be required before a replenishment request could be submitted. After further discussions, TNC was permitted to submit a pre-replenishment/bridge funding request to cover deficit spending and to continue to implement program activities already underway. This interim funding was approved, and subsequently received in December 2024.

During the period, TNC commenced discussions with Conservation International (CI) and CI Ventures to explore the possibility of this organization filling the role vacated by UNCDF. TNC will also expand its search for a suitable Phase II partner through discussions with other locally-based entities (e.g. Bahamas Development Bank, Bahamas Chamber of Commerce & Employer’s Confederation, Inter-American Development Bank) and circulating a call for ‘Expressions of Interest’.

As time and efforts were diverted to resolving these matters, this slowed pipeline development and the implementation rate of other programmatic activities.

Two pipeline partners with approved projects – Coral Vita and Elizabeth Harbour Conservation Partnership – experienced significant challenges receiving funding from UNCDF during the first phase of the program, which impeded their ability to implement proposed project activities. TNC is in discussions with CI and Coral Vita enter agreements to advance development of their RaaS business model. TNC also re-engaged EHCP. However, they are hesitant to proceed based on their past experience in the project

and perceived risks. Engagement will continue through 2025 towards a decision on their Phase II participation.

Since the program's inception, UNCDF has not provided technical assistance or business development support to partners in the BahamaReefs program. Having an operational Technical Assistance Facility is a recommendation for all GFCR funded programs. Over the past two years, TNC attempted to address this shortfall by organizing blended finance learning sessions during the BahamaReefs annual and mid-year workshops. However, long-term program success is dependent on TNC identifying and engaging an appropriate partner/entity during the pre-replenishment period to fill this role.

During this reporting period we continued to advance conversations at the national level with the Office of the Prime Minister's Climate Change Environmental Advisory Unit. In October, TNC hosted a sustainable financing for mangrove restoration workshop to raise awareness of both the national need for restoration as well as the collaborative effort being taken to fill the gap and consider the enabling conditions methodology and process for ecosystem-based carbon market project. This workshop served as a learning exchange between TNC's Virginia seagrass project and other blue carbon projects in the region. However, during this engagement we were unable to gain a firm position from the government as to whether they will support this project as a sustainable financing mechanism through a mangrove carbon project. Without the support from the Office of the Prime Minister, we are hesitant to advance the project to the listing phase.

While four of the five main criteria for development of a mangrove restoration carbon market project are favorable, addressing outstanding policy questions/barriers prior to close of the project listing window in summer of 2025 may prove difficult. The government is still in the process of developing its national GHG emissions registry and designing frameworks to operationalize carbon market projects, there are outstanding questions related to NDC's, additionality, Article 6 and corresponding adjustments; also the process of obtaining authorization and permits for project listing is pending on decisions not yet made in the management arrangements of protected areas where restoration is taking place to support long-term permanence of carbon removals from the proposed project area. TNC will continue to investigate solutions to these barriers and engage with the CCEAU.

Lessons learned from mangrove restoration efforts to date will also be informative for development of the proposed National Mangrove Restoration & Monitoring Plan.

Establishing the post-emergency response program faces some challenges. The most relevant is securing a steady source of funding to buy the insurance, capitalize the emergency fund, and cover yearly operational costs. With regard to this challenge, it may be valuable to consider both short-term and long-term funding strategies. For example, after identifying a potential sustainable funding source, establishing it and accessing the funds for the post storm response program could be a lengthy process. For further details, see the challenges regarding parametric insurance described below in the 'solutions' section of the report.

While BPAF's Click-to-Clear initiative generated revenue during the reporting period, it was recognized that a more robust marketing plan could drive increased revenues in Phase II.

PIMS is working with RRN partners on marketing efforts, and it is vital that these efforts continue and are scaled. Coral merchandise, programs and staff are available. However, additional investments in marketing are needed in Phase II to scale restoration efforts and attract more tourists to participate in revenue generating activities for the network.

To mitigate further delays in executing agreements with pipeline partners in Phase II, TNC will continue discussions with current and prospective pipeline partners into 2025, to identify the most promising solutions for inclusion in the replenishment package and begin drafting of work plan Exhibits to be included in signed agreements.

In addition to the aforementioned, TNC is also proposing the following changes to address risks and accelerate progress in Phase II of the BahamaReefs program based on experiences to date:

- adoption of a new management and funding flow structure, by moving away from the current co-recipient model and serving as the sole recipient of GFCR funding with disbursement to consortium partners made directly by TNC and through third party line managers, such as CI, who report to TNC.
- prioritize funding and supporting businesses and projects that are willing to execute blended finance in the form of non-grant instruments (recoverable grants, forgivable loans, concessionary loans, guarantees, equity investments, etc.).
- incorporate language into all partner agreements that requires tracking and reporting of GFCR metrics and revenue generated over the lifetime of the program; this may include extending the timeline of agreements to ensure monitoring and reporting activities can be conducted.

4. Emerging Risks

With the disengagement of UNCDF from the BahamaReefs program, this posed a new reputational and organizational risk to TNC and the program. TNC was tasked with identifying a suitable replacement(s) to provide technical assistance, business development advice/support and financial support to both non-profit and for-profit pipeline partners. TNC understands this requirement must be met to qualify for the replenishment and Phase II funding.

Conservation International (CI) and its subsidiary CI Ventures were identified as a potential organization to replace UNCDF. CI serves as the convening agent for the GFCR Grant Programme in Indonesia. CI Ventures has the competence to fund private sector partners, provide technical assistance and blended finance packages to project partners. However, further discussions are needed to determine their capacity to manage other pipeline partners beyond Coral Vita.

III. Solutions

1. Overview of Progress and Composition of Blue Carbon (BC) Solution

The objective of this proposed solution is to develop a proof-of-concept blue carbon & resilience credit carbon offset market project based on mangrove restoration activities in Hurricane Dorian-impacted areas on Grand Bahama and Abaco islands. The primary determinant of success is that the pilot project is validated by a carbon standard and credits sold to fund mangrove restoration (or the project is determined 'not fit for market').

To determine fitness for market, TNC with Terra Carbon consultants considered five main criteria: restoration potential of the affected area, carbon abatement potential, capacity for implementing restoration & monitoring activities, financial need and enabling policy environment.

To date

1. A Northern Bahamas Master Mangrove Restoration & Monitoring Plan has been completed to scale up initial restoration plans and is being implemented; more than 78 ha of mangroves are under restoration through plantings and seed dispersal to accelerate natural recovery; TNC and partners are also utilizing a variety of technology-based tools for planning, monitoring and reporting.
2. Early projections from feasibility studies indicate the potential for carbon abatement as new mangroves grow; a first-of-its-kind Carbon Science & Monitoring Manual has been developed and baseline studies completed. TNC also facilitated training and mentoring for partners to build local capacity to replicate this work for future monitoring.
3. A consortium of partners have been galvanized under the umbrella of the Bahamas Mangrove Alliance and through an MOU with TNC and others; partners and community members have been trained and are participating in ongoing restoration and monitoring activities.
4. A sustainable financial gap analysis was completed based on available information; findings show an estimated cost of approximately \$10M USD with a current funding gap of at least \$7.6M USD.
5. A review of legal and policy instruments reflect the government's commitment to conserving coastal ecosystems and restoring degraded ecosystems, increasing financing for climate adaptation and enabling carbon markets. However, the CCEAU has identified several potential barriers that would need to be overcome by the summer of 2025, in order to list a mangrove restoration carbon market project for The Bahamas before the listing window closes. There is a three-year window allowed for listing from the time active restoration for scaling begins. In the case of the northern Bahamas, that time began in July 2022 when the consortium MOU was signed.

2. Support and Financing of BC

A consortium of partners are committed to undertaking mangrove restoration activities and have collectively raised more than \$2M USD to advance this work. For further information, see progress update on Output 3.1.

3. Challenges and lessons learned for BC

While four of the five main criteria above are favorable, addressing outstanding policy questions/barriers prior to close of the project listing window may prove difficult. The government is still in the process of developing its national GHG emissions registry and designing frameworks to operationalize carbon market projects, there are outstanding questions related to NDC's, additionality, Article 6 and corresponding adjustments; also the process of obtaining authorization and permits for project listing is pending on

decisions not yet made in the management arrangements of protected areas where restoration is taking place to support long-term permanence of carbon removals from the proposed project area.

Notwithstanding technical questions and operational matters, this effort may also be impacted by political will as the current government administration has widely publicized and prioritized its pursuit of a potential sea grass carbon market project and are likely keen to deliver on this pledge before national elections in 2026.

4. Objectives and Milestones for BC in 2025

In 2025, TNC will continue engagement with the CCEAU to determine whether identified policy barriers can be overcome and in sufficient time (summer 2025) to leverage the start-up capital already invested by non-government actors to catalyze a carbon market project to fill funding gaps. The related milestone will be a formal written response from the government with a decision to 'list it or not'.

If the response is positive, then the main milestones will be completion of carbon project description documents and listing with a credible carbon standard. Listing publicly declares the government's intent to develop and validate a market project. If it is not deemed fit for market, then the milestone will be compilation and dissemination of the full mangrove restoration carbon market pilot project report.

Additionally, much has been done to date to create or enhance enabling conditions. TNC and partners are interested in publishing one or more scientific papers based on the restoration work to date and new carbon studies for the northern Bahamas, and sharing the same at conferences.

At the time of writing this report thousands of hectares of damaged and degraded mangroves remain in need of intervention to restore ecosystem function, with an estimated funding gap of at least \$7.6M USD. Project partners have also observed coastal erosion underway as dead standing mangroves disintegrate into the sediment it once held together. Moreover, we also face the reality of future storms that may further impact these areas and time is of the essence to accelerate recovery. Regardless of the government's decision on a carbon market project, TNC and partners will continue to investigate avenues for sustainable and/or long-term financing to address this critical need which has significant implications for nearby coastal communities and the livelihoods of those who depend on these areas. This will include discussions with the government on the potential of the recent debt conversion project facilitated by TNC's Nature Bonds team to provide funding support for restoration efforts within relevant MPAs. While annual funding allocations are limited and committed to achieving defined milestones, there may be an opportunity for the government to direct some funding to this work once protected area managers for these areas are confirmed and move from development of climate-smart MPA management plans to the implementation phase.

1. Overview of Progress and Composition of RRN Solution Portfolio

The Reef Rescue Network (RRN) is a dynamic global solution led by the Perry Institute for Marine Science (PIMS), bringing together dive shops, non-profits, and businesses into a unified mission to restore and protect coral reefs across the Caribbean, including The Bahamas, Aruba, and St. Lucia. With over 50 coral nurseries, RRN engages local communities, tourists, and volunteers in hands-on coral restoration activities, fostering environmental stewardship and raising awareness about marine conservation.

PIMS, driven by its mission "*leading through science, we innovate solutions, create opportunities, and inspire action to protect and restore ocean life for people and the planet,*" oversees various programs encompassing coral reef restoration, mangrove conservation, fisheries research, and community empowerment. PIMS' vision of "thriving seas, empowered communities" guides its holistic approach to marine conservation, ensuring the health of ocean ecosystems and the well-being of the communities that depend on them.

Through the Reef Rescue Network, PIMS combines rigorous scientific research with community involvement and business innovation, making significant strides in coral restoration while empowering local business owners, small and large. This synergistic relationship enhances the effectiveness of both organizations, aligning their efforts to create sustainable, long-lasting impacts in local and global ocean conservation efforts while building the blue economy. By bolstering the blue economy and tourism sectors, RRN not only contributes to the ecological health of marine environments but also supports sustainable tourism practices, providing economic opportunities and fostering a deeper connection between people and the ocean.

The RRN creates job opportunities and supports livelihoods in coastal communities by engaging local dive shops, non-profits, and businesses in coral restoration activities. These activities attract eco-conscious tourists who participate in coral planting and maintenance, generating revenue for local economies. Additionally, our educational programs and community events foster local skills development and environmental stewardship, ensuring that economic growth is both sustainable and inclusive. This holistic approach not only boosts local economies but also ensures the long-term health of marine ecosystems, which are crucial for the continued prosperity of these communities.

Since January 2024, the Reef Rescue Network portfolio has grown: gaining new partners, coral nurseries, outplant plots (restoration sites), as well as coral nursery expansions at existing locations. Increasing the number of coral fragments grown will result in an increase in corals planted back onto reefs, providing ecological benefits such as increased biodiversity, and assisting in the natural recovery of critically endangered coral species. These new partnerships have increased coral restoration activities, increasing the spatial scale of restoration efforts throughout the country, and continuing to crowdsource coral farming to scale up, a necessity that eludes other organizations and business strategies. Further supporting the rehabilitation of local reefs, 1,511 nursery reared coral fragments were successfully planted back onto reefs at different island locations throughout 2024, with photogrammetry utilized to track the success of these corals into the future.

Four new nurseries were established during the last year; Lighthouse Point (Disney Conservation) on Eleuthera, Spirit Nursery on New Providence, Sandals Royal Bahamian nursery (New Providence), and The Cove nursery on Eleuthera. A partnership with Rosewood at Baha Mar on New Providence started in 2024 with a snorkel offering - "The Ocean Guardian Experience" taking guests to a local coral nursery and

nearby reefs to snorkel on a monthly and on demand basis, creating an accessible and educational reef experience while generating revenue for the RRN.

RRN partners are providing an excellent example of regenerative tourism in The Bahamas and supporting jobs and businesses throughout the archipelago. Part of the regenerative tourism solution was to create five Reef Rescue Experiences that provide participants with an educational component describing the importance of coral reefs, the threats reefs face, and steps people can make in their daily lives to help reduce negative impacts to coral reefs, from helping to mitigate climate change to supporting sustainable fisheries, both major degraders of coral reefs ecosystems. Partner capacity building has been completed at each location to facilitate these tourist activities and has been hugely successful throughout the network with partners staff being trained in a variety of activities necessary for their unique location. These training workshops are not only required to allow partners to correctly maintain and outplant from their nurseries but are essential in terms of staff contentment and helping them to feel a sense of pride and ownership of their coral nursery. It further allows the partner staff greater expertise and knowledge which they can then utilize when taking out tourists to their nurseries. Staff at RRN partner locations are further trained in coral nursery maintenance, outplanting, and monitoring techniques.

Creating a shallow water/snorkel experience has opened an entirely new and broader revenue stream for RRN partners who previously offered only scuba diving and has also allowed partners to join who do not offer scuba diving, and instead offered shallow water experiences which have now been enhanced. This experience has allowed an option for those who do not scuba dive to actively participate in learning about coral reefs and restoration. The product emanating from these new shallow water artificial reefs (coral domes) was the creation of the 'Reef Rescue Snorkel', a guided tour of the domes and/or coral nursery to learn about coral reefs and what efforts are being done to restore them. Training individuals as Reef Rescue Snorkel Guides is important to make sure these new experiences are led in a safe and informative manner. For those who are already certified scuba instructors this is an easy workshop for them to attend however for some of the participants this was a completely new work experience and skill set for them offering them a new employment opportunity. In particular, four participants at Long Island Boat Rentals were all boat captains and fishermen who were not scuba instructors and had limited knowledge about coral reef conservation and snorkeling supervision therefore this workshop was one of the most extensive with everything from first aid/CPR training, rescue drills on saving a snorkeling participant, to teaching them about coral reefs and the importance of protecting and restoring it for the future, allowing them to be fully prepared to educate their guests.

Becoming a PADI Open Water Scuba Instructor is a challenging, yet extremely rewarding certification and one that each participant is fully appreciative of. Their corresponding dive stores benefitted greatly from having a scuba instructor work for them and on an individual level these individuals have this certification and work opportunity for life. Becoming an instructor is the first step in becoming certified to teach specialty courses such as the three chosen to be part of the new RRN experiences (Reef Rescue Diver, Shark Conservation, and Sea Turtle Awareness) and therefore a necessary component of being able to offer the full range of activities to maximize revenues. Earning these certifications has allowed partners to offer a wider selection of programs yet focusing on what their guests love to see – sharks, turtles, and corals! Each program provides an educational yet fun experience for guests and can be linked together. Instructors earning these additional Instructor Specialties themselves become educated in the necessary knowledge and skills and have these certifications to add to their resumes, offering an additional set of skills to offer employers.

At the beginning of the funding by GFCR, The Bahamas RRN members worked within an informal network helping to sustain the integrity of the surrounding ocean system by developing coral nurseries in which they grew a small number of fragments of critically endangered coral species and outplanted to reefs. With this program, they developed and sold a dive specialty product to engage their customers in the outplanting process. With the negative economic impact of the COVID-19 pandemic on tourism businesses, there was a need to expand their market and attract new clientele as they seek to recover, rebound, and build business sustainability. The RRN has since restructured to work with a variety of stakeholders to build their collective and individual competitiveness. As already mentioned, to do this, the RRN scaled up our level of coral fragment production, increased the number of coral nurseries within the network, and increased outplanting onto the surrounding reefs so that more reef restoration products could be offered to a new but growing niche market - the recreational scuba diving market for ecosystem restoration and conservation, often now referred to as regenerative tourism. Increasing the number of nursery locations and expanding existing nursery locations for RRN partners has provided them with additional revenue opportunities to offer experiences at separate locations. It also gives them flexibility with offering coral restoration experiences mixed with regular scuba diving excursions without the additional costs of chartering separate boats for tourists wanting to do restoration, therefore increasing cost effectiveness. Expanding nurseries further allows operators to have larger groups participate in restoration activities assisting in raising profits. Increasing the number of fragments, increases the number available to be outplanted back onto the reef providing increased ecological benefits to local reefs at a much larger scale. Outplanting nursery reared corals back onto reefs provides critical habitat for marine species and assists in the biodiversity at these sites. Different genotypes are planted near enough to one another so that during spawning season cross-fertilization can occur to strengthen genetic diversity in the hope for more resilient corals in the future, assisting with the natural restoration of these critically endangered species. For scuba divers visiting these partner dive shop destinations, they want to see healthy aesthetically pleasing coral reefs and outplanting corals onto degraded areas can help to reestablish the natural beauty of these ecosystems to help keep divers coming back to visit.

The RRN frequently provides opportunities to young people to become engaged in marine conservation activities and is highly valuable to their learning and can result in stewardship behaviors to help protect marine environments in the future. Of impact has been providing a Reef Rescue Snorkel to young people who had never snorkeled before and not had the opportunity to visit a tourist destination in their own country, likely due to these activities being very costly. The RRN is helping overcome barriers to participation for local young people.

PIMS RRN teamed up with The Tourism Development Corporation (TDC) of The Bahamas to create an entrepreneurship workshop for those working within the Blue Economy specifically within marine conservation and coral restoration. It was decided early on to have an all-female workshop to allow this under-represented group the opportunity to participate in an event specifically focusing on their needs as women and to provide a safe space for discussion and engagement. Furthermore, assisting with the overall solution goals of empowering women within the marine realm and blue economy. The TDC is charged with developing the local tourism product by enhancing, rejuvenating, and diversifying the touristic offerings, with a mandate to create sustained linkages and collaborative partnerships that will enhance the visitor experience, reduce economic leakage, increase economic viability, and ultimately grow the Bahamian economy. The aim of the Business Development Unit of the TDC is to widen entrepreneurship opportunities and strengthen existing tourism businesses throughout The Bahamas. Through an expert development workshop, the TDC planned a learning environment for the women to not only grow their businesses but to also learn how to sustain their businesses for the long term. The workshop was planned to help businesses at any stage of development to assist in ensuring they are

equipped to maximize their earning potential. Aside from this entrepreneur workshop we are consistently engaging women within our capacity building efforts helping to provide jobs to women and/or additional training to support their career efforts.

The status of coral reef health and resilience of corals in priority sites is positive. Although both wild and nursery coral populations were devastated during the mass bleaching event of 2023, we did not thankfully suffer from any bleaching event in 2024 which has allowed the RRN to repopulate the entire network of nurseries back to full capacity. An outcome of the bleaching event was the need to diversify species beyond just growing the *Acroporids* and therefore in 2025 we have introduced four more species into our network at our nursery off New Providence with the goal of extending this to further nurseries in 2025/6.

2. Support and Financing of RRN

The Bahamas RRN portfolio now engages 25 partners who receive technical assistance and financial support from the RRN in the creation, maintenance, capacity building, and marketing of their coral restoration efforts. Nineteen (19) of those partners are presently offering coral restoration tourism products which are generating business revenues. One (1) partner is providing a revenue share of their coral restoration experience with the RRN. The remaining 7 partners are a mix of conservation and educational facilities with a focus on the ecological aspect of their coral restoration efforts and not participating for financial gain, except 1 that is an NGO and offers their own coral adoption program to generate donations for their own programs. The support and financing of partners to the solution has been successful and some financing of the RRN has been created through registration fees, annual membership fees, and merchandise sales however more sustainable financing mechanisms specific to the RRN are needed.

3. Challenges and lessons learned

- One major challenge was a delay in receiving a research permit from the Bahamian Government, which is necessary to gather coral fragments to populate nurseries. This caused a delay in work getting started and meant once received staff had to be extremely busy on the ground getting all the work completed during the cooler winter months. Another challenge out of our control was that of weather which dictates work when you operate in the open ocean and one that again did alter schedules frequently. It has been a priority to improve governmental relations and assist with the permitting system to allow a smoother and swifter release of the permits in the future.
- The biggest challenge effecting our shallow water coral domes since installation has been ecological. The 2023 mass bleaching event in the country had the most negative impact on these structures due to them being in shallow water and has caused mortality of coral fragments on many of the domes and therefore the team have been, and will continue, to revisit many of the sites to repopulate with new fragments. Moving forward any new dome installations will be at a minimum depth of 15ft in an area of good water flow to help minimize these negative climate effects.
- Although a great number of corals have been outplanted back onto reefs it was hoped for a number at least double this by the end of 2024, yet due to the mass bleaching event occurring in 2023 PIMS staff have been using coral growth to repopulate nurseries back to full capacity rather than outplant at many locations. Outplanting during bleaching events places high stress on the corals and can make survivorship less likely, therefore it is never recommended to outplant during such events and therefore additionally hindered our capacity in this area.

- One of the most challenging parts of the solution is communication with partners. Business owners are extremely busy with the day to day running of their respective tourism businesses and it is often difficult to get replies to emails. To overcome this the PIMS team also utilize WhatsApp for easier and quicker responses and a preferred method of communication from almost all partners. In addition, WhatsApp groups have been made for nearly all partner locations regarding their nurseries with staff included who were engaged with the nursery whether through maintenance or teaching of courses. These groups have allowed PIMS to be able to gather information quickly and it's also allowed an opportunity for staff to message PIMS with questions and assistance as and when needed.
- With the increase of nurseries and the high turnover of staff within the dive industry there will continue to be a need for capacity building and training of new staff throughout the islands. In addition, the increased number of coral fragments being outplanted will require consistent monitoring using photogrammetry and coral reef surveys by the PIMS team to start to effectively monitor the ecological effects of these activities to report back to partners and funders.
- Females were a high priority for all activities, but it was noted that some workshops were difficult to recruit the percentages desired due to a lack of trained females to participate. The most notable was for the PADI Instructor Development Courses which required participants to be a certified Divemaster to participate. It is therefore recommended moving forward to work with partners to encourage and train more females into the scuba diving industry at the entry level to hopefully encourage more to pursue a professional level career.
- PIMS is working with partners on marketing efforts, and it is vital that these efforts continue. The products and staff are in place yet more marketing needs to continue to attract more tourists to participate. Partners need to be more committed to assisting with these efforts moving forward if they are to bear the fruit of their labor and truly see the benefits of this regenerative tourism product.

4. Objectives and Milestones for RRN in 2025

RRN General Objectives:

- Improving the condition of local reefs to prevent local extirpation of reef building corals and support biodiversity and provide ecosystem services to local communities.
- Increasing genetic diversity of key coral species on reefs to improve natural recovery of these species and facilitate adaptation to a changing ocean environment.
- Gaining new insights into coral restoration and reef resilience through targeted research conducted across spatial scales that encompass a wide range of natural variability in biological and environmental conditions as well as human threats.
- Training recreational divers to become citizen scientists, participating in coral conservation and restoration activities, specifically through one of our five Reef Rescue Experiences e.g., our PADI Reef Rescue Diver Distinctive Specialty Course.
- Building public support for coral reef protection and restoration.
- Linking coral restoration with the tourism industry to upscale restoration efforts, improve ocean literacy, and support local livelihoods.

Specific Objectives

10,000 nursery reared corals outplanted back within coral reef ecosystems.

Between November 1st, 2024, till December 31st, 2025, Reef Rescue Network (RRN) Coral Restoration Specialists in collaboration with RRN partners and community members aim to outplant all corals ready for outplanting back onto coral reefs. All outplanting will be completed within current and new plots which will have a photomosaic completed before and after outplanting efforts with data collection conducted according to RRN protocols.

Create 5 new RRN partnerships with corresponding coral nurseries.

Identify and create 5 new RRN partnerships with dive shops or resorts who wish to engage in coral restoration and establish a coral nursery and/or restoration site. RRN Coral Restoration Specialists will install and populate nurseries and then conduct the required capacity building in coral restoration techniques to partner's staff. In addition, PADI training would be provided to allow partners to conduct Reef Rescue experiences.

Introduce microfragmentation methods at 5 nursery locations.

Microfragmentation methods will be introduced into the RRN utilizing the current nursery structures to support the restoration of a wider range of species and allow a diversification to partners offerings. RRN Coral Restoration Specialists will receive training on these new methods before introducing at a limited number of partner locations during a trial period.

Install 8 autonomous reef monitoring structures to promote biodiversity at restoration sites.

Install 8 Autonomous Reef Monitoring Structures (ARMS) within a healthy coral reef ecosystem to encourage settlement of species and then move to a restoration site to potentially support an increase in biodiversity beneficial to both restoration and nursery sites.

A study into the social-ecological factors motivating coral restoration stewardship in projects in The Bahamas.

Consideration of the social elements of coral restoration, particularly the roles and motivations of those engaged in active stewardship, is important to increase resilience of coral reef social-ecological systems. This study aims to explore the key social-ecological elements underpinning coral restoration stewardship within The Bahamas.

Capacity Building for 30 Partner Location Staff in Coral Restoration Methods & Techniques.

At partner locations throughout the network RRN Coral Restoration Specialists will provide training to partner staff on coral nursery maintenance, coral outplanting, and data collection.

PADI Professional Scuba Diving Instructor Training for 31 Individuals.

Reef Rescue Network PADI Course Directors will provide professional scuba diving training to partner staff as well as other individuals wishing to gain employment within the blue economy. A PADI Instructor Development Course will be run in the summer of 2025 in The Bahamas for 6 individuals to become PADI Open Water Scuba Instructors. Throughout the year PADI Instructors at all partner locations will also be trained and certified as PADI Specialty Instructors to facilitate the teaching of the Reef Rescue experiences including PADI Reef Rescue Diver, Shark Conservation, and Sea Turtle Awareness Instructor ratings.

Train & Certify 6 New Reef Rescue Snorkel Guides at Partner Locations.

At partner locations throughout the network RRN PADI Instructors will provide training to partner staff to conduct the Reef Rescue Snorkel. This will include certification as PADI Snorkel Guides encompassing Emergency First Response training to ensure the experience is conducted in a safe manner and a coral restoration educational component to teach snorkelers about coral reefs and restoration activities assisting in their conservation.

1. Overview of Progress and Composition of Reef Insurance Solution

In the past year, stakeholders continued to indicate their preliminary support for the program and expressed interest to remain involved and, where possible, support program development. Stakeholders appear keen to engage in conversations on the long-term financing of the program activities, the institutional arrangements and governance of the program inclusive of their potential roles and responsibilities, identification of an entity that can legally purchase the insurance policy, and training/certification and permitting of reef brigades to conduct emergency response activities using payouts from a financial mechanism. Related to long-term financing, the key question – as in all emergency response programs – is what entities or pathways could be able (and might be willing) to direct funding into the program to pay for yearly operational costs inclusive of the insurance premium and capitalization of an emergency fund.

2. Support and Financing of Reef Insurance

Preliminary conversations with stakeholders suggested government agencies would not be able or willing to contribute financially to the program. However, stakeholders started to identify other potential options to finance the program including the establishment of an endowment fund, and potentially offering reef repair services to private sector entities that may be well positioned contribute to the endowment fund. Several stakeholders expressed interest in the endowment option as well and were keen to join a focused, multi-stakeholder conversation to identify and discuss other financing options. If pursued, we estimate that an endowment of at least 1.5 million USD would be required to generate sufficient returns on an annual basis. Additional sources of financing will be identified and assessed in 2025 in collaboration with stakeholders with the goal of selecting and advancing the funding strategy which is most feasible to implement and most likely to provide sustainable funds over the long-term.

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3. Challenges and lessons learned For Reef Insurance

Establishing the post-emergency response program faces some challenges, being the most relevant to secure a steady source of funding to buy the insurance, capitalize the emergency fund, and cover yearly operational costs. With regard to this challenge, it may be valuable to consider both short-term and long-term funding strategies. For example, even after identifying a potential sustainable funding source, establishing it and accessing the funds for the post storm response program could be a lengthy process. Thus, in the short-term, it may be worthwhile to seek funding from organizations and entities that have funded the premiums of other response programs while those programs established a long-term funding source.

Setting up the institutional arrangement and governance may also prove challenging given the many parties that will be involved and the need to rely on government entities to formalize it. After agreeing on the proposed institutional arrangement and governance structure, TNC will need to identify a government agency willing to draft and submit a cabinet paper to the Office of the Prime Minister (OPM) to seek approval of the governance structure for the response program, the financing thereof, and the roles and responsibilities of the government and other partners. TNC and PIMs will need to identify whether and how we can support the development of the cabinet paper. Once the governance is finalized and endorsed by the OPM, TNC will support PIMS and others to establish the program, training the various entities in their roles and responsibilities.

Another anticipated challenge is securing the annual permits to run the program in case of an emergency, as permits are heavily scrutinized and the process is generally long in duration. Engaged collaboration and clearly defined roles and responsibilities in the institutional arrangement and governance should expedite

the processes to obtain permits and ensure they are available when most needed, after a storm damages the coral reefs.

Finally, increasing funder interest in the related but separate concept of resilience insurance diverted staff time from advancing the emergency response program during the reporting period.

4. Objectives and Milestones for Reef Insurance in 2025

With the business case established, TNC will set up the institutional arrangement required to lead, support and implement a post storm response and risk-financing program in The Bahamas in 2025. TNC will build consensus with government agencies and partners and secure official approval from The Bahamas Government. TNC will also conduct a legal and regulatory review to confirm the entities which have insurable interest. Based on this information, TNC and stakeholders will recommend the entity that would be best positioned to purchase the insurance and distribute any proceeds from an insurance payout to implement the response.

TNC will also define and implement a financial mechanism to fund the purchase of the insurance, the emergency fund and the annual operation of the program. First, TNC will complete a financial assessment to identify appropriate funding sources and a management structure. As previously noted, an endowment whose returns will pay for the purchase of the insurance and the operations of the program is a promising opportunity.

Finally, in 2026, TNC, with the partners appointed in the institutional arrangement, will fully implement the program by organizing, equipping and training the response brigades. TNC will coach the stakeholders throughout the process to buy the insurance and set up the emergency fund.

Lorem ipsum

In summary, the objectives and milestones for 2025 include:

Activity 3.3.2 – Assess institutional and regulatory framework and stakeholder interest

- Legal/Regulatory analysis to confirm the types of entities that could demonstrate insurable interest.
- Assess sources of funding to cover program costs.
- Define and finalize the institutional arrangements and governance structures to manage the funding and implement post-emergency response.
- Determine which entity will serve as the financial management entity and the policy holder.

Activity 3.3.3 – Design and set up the financial structure and institutional arrangements

- Set up the institutional arrangements and governance structures.
- Establish the financial structure/funding mechanism, formalizing institutional arrangements
- Refine and finalize the insurance policy design and structure, if and as needed.

Activity 3.3.4 – Implement the post-emergency response program, including an insurance mechanism (2026).

- Organize, train and equip the teams within the RRN, to secure a swiftly reef repair after a storm.
- With the financial management entity/policy holder, launch bidding process to purchase the insurance.
- Document experience and lessons learned.

IV. Facilities and Conservation Trust Funds

1. Design Overview:

UNCDF agreed to provide technical assistance or business development support to consortium partners in the BahamaReefs program. Unfortunately, UNCDF was unable to provide said services for the program. Over the past two years, TNC attempted to address this shortfall by organizing blended finance learning sessions during the BahamaReefs annual and mid-year workshops.

During the reporting period, TNC began engaging CI as a potential partner that may be able to provide technical assistance and business development support for the program. Discussions with CI are underway and will continue into 2025 as both TNC and CI seek to formalize a partnership. Other entities capable of providing facilities to support existing or new pipeline partners will be engaged in 2025. For example, TNC will target regional and local financial institutions such as the Bahamas Development Bank, Bahamas Chamber of Commerce and Employers' Confederation and the Inter-American Development Bank to identify potential opportunities for collaboration, increased program investment and to scope whether these entities have the capacity to fill this vacant role.

The SBDC will provide technical assistance and business advisory services to small and medium reef-positive businesses in Phase II. Specifically, SBDC will roll-out the following:

- a. Online knowledge hub (resource database) to support the development and implementation of the Blue Economy Accelerator Program;
- b. Launch the Blue Economy Accelerator Program. The accelerator will provide conservation and business training and mentorship support for 4 cohorts over 2 years; and
- c. Capacity building strategies to promote sustainable reef positive practices in the blue economy.

Although SBDC will provide these services for MSMEs through the Blue Economy Accelerator Program, TNC has plans to identify and engage a 3rd party that can provide financial administration, technical assistance and blended finance packages for for-profits and non-profits in the BahamaReefs pipeline.

2. Progress and Challenges: (Maximum 1.5 pages)

Data on program progress and challenges will be collected and shared after the implementation of a technical assistance facility during Phase II.

V. Enabling Environment

1. Policies at National and Sub-National Levels (Maximum 1 page)

Prior to the launch of the BahamaReefs program, The Bahamas achieved a significant milestone by declaring 37 new and expanded marine protected areas (MPAs). The country now boasts more than 70 MPAs across the archipelago. This advancement represents The Bahamas' commitment to meeting the 2020 Caribbean Challenge Initiative and targets under the Convention on Biological Diversity.

Under Outcome 1 of the BahamaReefs program, climate resilient corals around the four focal islands (Grand Bahama, Abaco, Andros and Exuma) are being prioritized for protection. Government has endorsed research, mitigation/response, monitoring and protection of coral reefs, especially within MPAs. TNC estimates approximately 3,166 hectares of coral reefs are protected within MPA boundaries.

During the reporting period, BNT worked on updating 3 MPA management plans for Grand Bahama and Exuma to make them climate smart. A draft management plan for the Lucayan National Park was

submitted in Q4 2024. The BNT is expected to finalize updating all 3 MPA management plans in Q2 2025. It is anticipated that this innovation in protected areas management design will set a new standard and provide a model for the effective management of MPAs into the future.

In Q2, TNC engaged protected area managers - Department of Marine Resources, Forestry Unit, Bahamas National Trust - and other key agencies in a series of planning meetings including a one-day workshop to initiate work on development of a national marine protected areas co-management framework and policy. Subsequently, a multi-agency committee, led by TNC, was established to provide strategic guidance throughout the process and to review and approve deliverables.

Also in Q3, TNC facilitated a stakeholder meeting with the Department of Environmental Planning & Protection and other key actors to brainstorm the elements of the National Coral Reef Conservation Plan (NCRCP) to be developed in 2025-26. The plan is expected to include an indicative budget and list of options for financing. TNC will leverage its wider body of work in the BahamaReefs program to inform the plan and elevate it is a priority program for future public and private funding initiatives.

TNC and Terra Carbon also did a high-level assessment of the relevant legal and policy considerations of developing a carbon offset project to finance the restoration of mangroves in The Bahamas. In summary, existing policies

- promote the role of coastal ecosystems such as mangroves in climate mitigation and adaptation,
- recognize the need for restoration of damaged/degraded areas.
- highlight participating in carbon markets and building public-private partnerships to increase funding for adaptation.

In continued discussion with the Climate Change & Environmental Advisory Unit in the Office of the Prime Minister, several potential barriers were raised that would need to be clarified and/or overcome by the summer of 2025, in order to list a mangrove restoration carbon market project for The Bahamas with a credible carbon standard, such as Verra. As the government is still in the process of developing its national GHG emissions registry and designing frameworks to operationalize carbon market projects, there are outstanding questions related to NDC's, additionality, Article 6 and corresponding adjustments; also the process of obtaining authorization and permits for project listing, and pending decisions on management arrangements of protected areas where restoration is taking place to support long-term permanence of removals from the proposed project area.

2. Enabling Environment Factors & Complementary Initiatives (Maximum 1 page):

In Q4, TNC, The Bahamas Government, IDB and financial partners launched a debt conversion project that will refinance USD\$300 mill of The Bahamas' commercial debt. Savings generated from this process over the next 15 years, will be directed towards improved management of the existing MPA system, development of a marine spatial plan for The Bahamas ocean space and a national mangrove management plan. Anticipated linkages to the programme of work related to this innovative financing mechanism include development of new climate smart MPA management plans, with the potential for government prioritization of MPAs with climate refugia sites and where mangrove restoration is taking place. This project will leverage the climate smart work and training already underway in the BahamaReefs program.

During the reporting period, TNC continued to work closely with the BNT to meet objectives of the GEF 2020 Project entitled, "Meeting the Challenge of 2020 in The Bahamas". The GEF project is a complimentary initiative that seeks to strengthen and integrate MPA management into broader landscape

planning to reduce pressures on ecosystem services and biodiversity. TNC has developed draft zoning plans for five protected areas in Grand Bahama, Andros and Exuma that will be validated and finalized in 2025. These areas include climate refugia.

TNC continues to support the Marine Action Partnership (MAP) for Sustainable Fisheries. The MAP is multistakeholder operation that is designed to strengthen marine law enforcement and fisheries compliance within the Blue Economy. Illegal, unregulated and unreported (IUU) fishing within The Bahamas poses a serious threat to the health of coral reefs, the stability of reef dependent communities and undermines important advancements in protected areas management. The MAP is an important project that aligns with the BahamaReefs Program when considering opportunities for improved enforcement and compliance in focal reef areas through capacity-building and networking with park wardens, fisheries officers, the Bahamas Wildlife Enforcement Network and communities that depend on healthy reef ecosystems.

VI. Gender Equity and Social Inclusion (GESI)

1. Gender Roles and Risks:

The BahamaReefs program has already started mainstreaming gender equality in its program structure with a special focus on creating economic empowerment opportunities for women. For example, in 2023 the RRN implemented an all-female entrepreneurial workshop for women at program sites. Fifteen (15) women participated. Through reef protection, restoration and the creation of reef-positive businesses, BahamaReefs will encourage and support local job creation and entrepreneurship opportunities for women and men. The BahamaReefs M&E Results framework includes sex-disaggregated indicators and gender appropriate targets. During M&E working group sessions, consortium partners agreed to prioritize and track indicators related to gender equality and women's empowerment over the lifetime of the project. The BahamaReefs program will develop and adopt a Gender Action Plan to ensure an inclusive approach is imbedded into the fabric of all project activities.

In Q4 2024, TNC commenced recruitment of a gender consultant. The consultant will conduct a gender analysis and engage local stakeholders to develop a gender action plan that will address and strengthen the voice and agency of both women and men that will access, participate in and be impacted by the BahamaReefs program. The plan will clearly define and elucidate the roles and responsibilities of women and men within the program area. Social risks will be identified, and mitigation measures will be proposed and adopted in Phase II program activities. The gender action plan will be completed in 2025.

2. Programme Actions and Outcomes:

The BahamaReefs program is seeking to achieve the following gender-based milestones and outcomes:

- Roles and responsibilities of women and men are clearly defined, appropriate and gender balanced.
- Outreach is balanced and equitable, and opportunities are extended to both women and men at priority sites on program focal islands. All genders are being engaged and actively providing input, stakeholder feedback and participating in program activities.
- Investments in financial literacy, sustainable livelihoods, and blended finance opportunities are accessible and available to women and men within the program area.
- Program funding, technical assistance and business development support are directed to vulnerable communities and women owned businesses operating in the blue economy.

These outcomes will be further refined and elaborated upon in the BahamaReefs Gender Action Plan.

3. Lessons Learned & Future Direction:

This section will be elaborated upon during the next reporting period after the BahamaReefs Gender Action Plan has been implemented and data is gathered.

VII. Partnerships

1. Partner Contributions:

TNC has an established network of partners that are helping to achieve the BahamaReefs program outcomes. Many of the consortium partners are responsible for implementing reef positive solutions through the BahamaReefs pipeline. Others are nested within the program and are responsible for executing discreet streams of work. Finally, TNC has several government relationships that are critical to the overall success of the program. The nature of these relationships are summarized in the table below.

It is important to note, 2024 was an unusual year for the program. TNC invested considerable time and resources navigating the pre-replenishment process and identifying a suitable replacement for UNCDF. Consequently, attention and resources were diverted away from the continuous screening of new opportunities. Much of the program work was paused to avoid increasing the current project deficit.

Listed in the table below is a summary of the current partnerships and the collaborations secured during the reporting period.

Co-recipient

Name of Partner	Type	Role	Contributions
United Nations Capital Development Fund	Direct (Multilateral)	Served in role as co-recipient supporting pipeline development and management; and providing technical assistance and blended finance services.	In mid-2024, UNCDF was pulled out of the BahamaReefs program due to significant changes in leadership and UNCDF internal structure. TNC was tasked with finding a suitable replacement to fund for-profits, offer financial advisory support, provide innovative financial services/tools, serve as a TAF, etc.

Implementing Partners

Name of Partner	Type	Role	Contributions
Perry Institute for Marine Science (PIMS)	Direct (non-profit/research institute)	Scale the Reef Rescue Network (RRN) through capacity building, business planning and marketing, and implementation of financially sustainable revenue streams.	<ul style="list-style-type: none"> 1,5117 corals outplanted 4 new coral restoration sites established 4 persons trained in coral restoration 43 youths engaged in coral restoration programing RRN collected approximately \$47K in revenue
Elizabeth Harbour Conservation Partnership (EHCP)	Direct (non-profit)	Reduce anchor damage and pollution in Elizabeth Harbour, Exuma through the	Nothing to report as EHCP did not receive a second agreement and tranche of funding in 2024. They

		establishment of moorings and pump out services.	were unwilling to provide any new information without an agreement in place.
Access Accelerator Small Business Development Center (SBDC)	Direct (civil society)	Foster the growth of reef positive businesses and micro, small and medium enterprises through accelerator Provide financial advisory services and innovation support to reef positive solutions.	Revised concept note and workplan for the Blue Economy Accelerator Program.
Coral Vita (CV)	Direct (for-profit)	Pilot restoration techniques at demonstration site in Grand Bahama and prove restoration as a service model	CV began growing corals at its land-based farm in anticipation of receiving an agreement.
Bahamas National Trust (BNT)	Direct (non-profit/quasi-gov.)	Protected areas manager-incorporate climate smart considerations and threat assessments in MPA management planning.	<ul style="list-style-type: none"> Increased capacity for 17 staff via 4 climate smart workshops Submitted draft management plan for the Exuma Cays Land & Sea Park
		Incorporate blended finance solutions to strengthen the effective management of Moriah Harbour Cay Natl. Park	Submitted iterations of concept note and workplan for project concept (sustainable financing of Moriah Harbour Cay Natl. Park) to TNC.
Bahamas Protected Areas Fund (BPAF)	Direct (CTF)	Assess organizational capacity and readiness to scale the effective management of MPAs through blended finance mechanisms and investments in reef positive businesses and interventions in the blue economy.	<p>Collected over USD\$66,500 in revenue from voluntary opt-in platform (Click-2-Clear).</p> <p>Submitted draft assessment which identifies 2 additional financial mechanisms for consideration:</p> <ul style="list-style-type: none"> <i>parametric insurance for storm response; and</i> <i>impact investing in the blue economy.</i>

Government/Research/Civil Society partners/Other

Name of Partner	Type	Role	Contributions
University of The Bahamas	Research	Data collection and analysis	Completed above and below ground soil carbon sampling and

			data collection at 15 sites across Grand Bahama and Abaco.
Bahamas Mangrove Alliance	Civil Society	Scaling and coordination of mangrove restoration efforts	Restored a total of 53.4 Ha of mangrove habitat in 2024.
Department of Environmental Protection & Planning (DEPP)	Government	Government partner and Program Steering Committee (PSC) member	<ul style="list-style-type: none"> • Technical assistance letter executed between TNC & DEPP to foster scientific collaboration, technical advice and policy support • Manages coral reef assets • Approves coral permits • Collaborator on NCRCP and mangrove restoration • Program oversight and direction • BahamaReefs Champion
Department of Marine Resources (DMR)	Government	Government partner and Program Steering Committee (PSC) member	<ul style="list-style-type: none"> • Crafted a letter of no objection at program inception. Long-term partner of TNC. • Manages fisheries assets • Permit approval • Collaborator on co-management policy and contributor on coral reef plan • Program oversight and direction • BahamaReefs Champion
Office of the Prime Minister	Government	Government partner	Advises CA on government's position re carbon markets and also on climate and environment.
Ministry of Tourism-Bahamas Hotel & Tourism Association	Government	Government partner and Program Steering Committee (PSC) member	<ul style="list-style-type: none"> • Program oversight and direction • BahamaReefs Champion
Bahamas Development Bank	Financial Institution	Program Steering Committee (PSC) member	<ul style="list-style-type: none"> • Program oversight and direction • BahamaReefs Champion
Bahamas Chamber of Commerce & Employer's Confederation	Non-profit	Program Steering Committee (PSC) member	<ul style="list-style-type: none"> • Program oversight and direction • BahamaReefs Champion

2. Fostering Collaboration Among Partners (Maximum 1 page):

During the reporting period, TNC convened the 2nd Annual BahamaReefs Workshop during the 21st-23rd of February, 2024 at the All-Inclusive Warwick Hotel on Paradise Island, Nassau, The Bahamas. The workshop was designed to guide the development of the GFCR 2023 Annual Report and obtain partner input; increase coordination of project activities; and build partner capacity through learning sessions on conservation finance and financial sustainability, monitoring, evaluation and learning, and communications and marketing. See workshop [Agenda](#).

Workshop participants gained,

- an increased awareness of program activities through partner [presentations](#),
- improved understanding of innovative finance principles and strategies for building sustainable reef positive solutions, and
- understanding of the impact of SCTLD and 2023 mass bleaching event on program solutions and interventions.

A total of 25 attendees participated in the 2nd Annual Workshop including representatives from the GFCR and Conservation Finance Alliance. By the close of the workshop, BahamaReefs consortium partners agreed to,

- continue to support and contribute to the respective working groups (MEL and Communications);
- share MEL data for tracking and reporting to the GFCR; and
- identify synergies among partners to strengthen collaboration with the goal of scaling project impact.

Unlike the previous year, the BahamaReefs Project Management Unit (PMU) did not convene a mid-year planning session. This decision was based on the fact TNC was in the process of seeking a replenishment from the GFCR. Further, the format of the mid-year report changed. The new report only required updates to the BahamaReefs Results Framework and indicators.

Coordination Lessons and Needs

Navigating the pre-replenishment/bridge funding request and the GFCR approval process in the wake of UNCDF's exit, slowed program implementation and engagement with project partners. Due to the uncertainties surrounding the BahamaReefs program and in the absence of partner agreements, partner communications and coordination were kept to a minimum, especially during the latter half of the year.

VIII. Monitoring and Evaluation (M&E)

1. BahamaReefs Program Strategy & Threat Assessment

TNC completed a climate refugia mapping exercise for the Northern Caribbean (including The Bahamas and Turks & Caicos) in 2022. This exercise incorporated a threat assessment which was validated through a rigorous stakeholder consultation process for the four focal islands within the BahamaReefs program. The threat assessment and abatement exercise was further refined during the reporting period via the Climate Smart MPA Management Planning sessions. The results will be incorporated into the climate resilient updates for the 3 MPA management plans.

Listed below are the threats that are being tackled by consortium partners at priority sites. The proposed interventions are being tracked through the GFCR M&E Results Framework. Threats are grouped into 3 main categories as outlined below (vulnerability to climate change, changes in reef health and vulnerability to local threats):

I. Vulnerability to Climate Change

- **Coral Bleaching:** The summer of 2023, proved to be an abnormally hot period. The increase in sea surface temperatures negatively impacted coral reef health across The Bahamas. PIMS, BNT and Coral Vita assessed the extent and frequency of bleaching events in 2023 and 2024. These partners will continue to monitor reef health as it is anticipated that bleaching events will become more frequent during the lifetime of the program. Findings from these reef assessments will inform the program's monitoring and evaluation framework and resilience strategies.
- **Hurricanes:** TNC and partners will seek to understand how reefs and mangrove ecosystems withstand storm impacts. TNC will continue to explore the post storm response model and risk financing and the viability of a carbon credits market as climate adaptation strategies and innovative finance mechanisms for building resilience. Increased resilience of these marine habitats and the communities that depend on them is a key outcome of The BahamaReefs program.

II. Changes in Reef Health Over Time

- **Loss of Hard Coral Cover:** A loss in coral cover signals coral reef decline. PIMS, BNT and Coral Vita are monitoring changes in coral reef cover, especially reef-building species, through rapid ecological assessments at priority sites. The presence and absence of hard coral cover is an important indicator of coral reef health.
- **Loss of Herbivores and an increase in Macroalgae:** The presence of macroalgae can indicate nutrient imbalances, affect coral reef health and determine whether a site is a good candidate for restoration. PIMS, BNT and Coral Vita are conducting reef health assessments at priority sites to document the presence or absence of fish, urchins, and crabs, which play a critical role in controlling algae and maintaining reef health.
- **Loss of reef rugosity/complexity:** Structural complexity is an indicator of the health of a reef system and marine biodiversity. PIMS is actively monitoring priority sites using innovative techniques such as Structure from Motion (SfM) to build models of reef complexity and to track changes in reef health and the long-term impacts of intervention efforts.
- **Disease Prevalence:** Stony Coral Tissue Loss Disease (SCTLD) caused a significant decline in coral reef health across The Bahamas since the first outbreak in 2020. PIMS, BNT, Coral Vita and DMR are monitoring SCTLD and other coral diseases as a means of guiding

restoration activities. PIMS, BNT and DMR are using antibiotics and other innovative tools to mitigate the spread of SCTLD across the Reef Rescue Network, MPAs and marine reserves.

- **Vulnerable or Endangered Coral:** Identifying and protecting vulnerable coral species using fisheries tools such as MPAs is crucial to the longterm sustainability of coral reefs. The BNT is currently updating 3 MPA management plans to make them climate smart and to enhance protection of climate refugia, endangered species and other critical marine resources.
- **Loss of Ecosystem Services and function:** Consortium partners are assessing the ability of reefs and mangroves to deliver services like fisheries production, tourism benefits, and coastal protection at project sites as a means of rating the health of the ecosystem and selecting future sites for protection or restoration.

III. Vulnerability to Local Threats

The development of a National Coral Reef Conservation Plan, co-management framework, and the implementation of 3 MPA Climate Smart Management Plans are important policies that will address the following local threats:

- **Watershed Runoff/Pollution/Sedimentation:** Land-based sources of pollution affect water quality and reef health. The Elizabeth Harbour Conservation Partnership (EHCP) is seeking to offer pump-out boat services to collect vessel waste and reduce the inflow of pollutants in Elizabeth Harbour, Exuma.
- **Tourism and Shipping Pressure:** High tourism and shipping activities can cause physical damage and pollution. Both the EHCP and the BNT are installing eco-friendly moorings in Exuma to reduce the impact of anchor damage to coral reefs and other sensitive marine habitat on the seafloor.
- **Fishing Pressure:** Overfishing can deplete key species and disrupt reef ecosystems. Climate Smart Management Plans, co-management arrangements and the enforcement of fisheries regulations are important tools for addressing fishing pressure through the BahamaReefs program. The BNT and DMR are exploring and implementing these tools.
- **Coastal Development:** Development activities can lead to habitat loss and increased sedimentation. Future program sites will be selected and prioritized for intervention based on their proximity to population centers and large-scale developments.

Understanding local conditions and identifying site specific threats are important for developing targeted program interventions and informing the program's strategy of enhancing the resilience of coral reefs and local communities.

1. Overview of M&E Activities

During the reporting period, progress was made towards meeting M&E outcomes:

- TNC staff were trained on the use and application of the MERMAID platform;
- ecological baseline data were established in collaboration with consortium partners;
- monitoring targets were finalized and agreed upon; and
- BahamaReefs M&E working group obtained consensus on tracking project progress.

However, limited quantitative and qualitative data were submitted by consortium partners because there were few agreements in place. Despite this setback, TNC was able to complete and submit the GFCR mid-year report and upload data to MERMAID.

2. Entities Responsible for M&E

Below is a list of BahamaReefs consortium partners that compose the M&E working group:

- TNC Northern Caribbean Program: Solomon Gibson
- TNC Caribbean: Catherin Cattafesta
- TNC Global: Eric Roberts and Fernando Secaira
- PIMS: Craig Dahlgren
- BPAF: Gail Fox
- SBDC: Blaire Evans
- Coral Vita: Katelyn Gould
- BNT: Lindy Knowles

Responsibilities of the M&E working group include:

- Collecting and filing metrics in accordance with the GFCR M&E Framework and BahamaReefs Performance Management Plan (PMP).
- Discuss and agree on methods for data collection and processing.
- Adapt the Performance Management Plan (PMP) as needed.
- Report on progress to the GFCR Board.

3. Key Achievements and Insights

In Q3, TNC personnel participated in the GCRMN/GFCR workshop held in Puerto Morales, Mexico. This four-day workshop was insightful; participants were exposed to a wide range of global reporting metrics, tools for conducting assessments and introduced to the MERMAID data collection and reporting platform. TNC is hopeful MERMAID will enhance the tracking and storage of coral reef health data for the BahamaReefs program and will play an instrumental role in communicating the program's impact and successes.

TNC also obtained permission from the Department of Environmental Planning & Protection (DEPP) for project partners to upload their data to the online platform. DEPP also continued discussions with MERMAID to consider how the platform may be used to support other national initiatives.

During the reporting period, TNC georeferenced the BahamaReefs intervention sites to determine the spatial footprint of each solution and to track project implementation as outlined in the GFCR results framework.

4. Challenges and Lessons Learned

The BahamaReefs program faced some challenges due to delays in partner implementation and expiring contracts. Without contracts in place partners are unable to implement their solutions or collect and report on conservation impact and financial data. This issue undermines the utility of the BahamaReefs M&E working group as some partners were not fully engaged and did not see the benefit of investing additional time.

5. Next Steps and Timeline

Only TNC and PIMS were able to unload data to MERMAID during the reporting period. In 2025, TNC will convene a series of training sessions on the functionality of the MERMAID platform with consortium partners. By the end of next year, all partners will be fully equipped to integrate their data and utilize the MERMAID platform.

IX. Programme Management

1. Decisions and Resolutions by Governance Body:

During the reporting period, TNC established a Program Steering Committee (PSC). The PSC is a multi-stakeholder body whose purpose is to provide high-level oversight, advice and guidance to the BahamaReefs Program Management Unit (PMU) and approve key program decisions. This includes assessing major risks to the BahamaReefs program, and proposing proactive and/or remediation measures to address them effectively.

TNC convened the PSC in Q3 to introduce the BahamaReefs Program and to discuss roles and responsibilities of PSM members. The following agencies were invited to serve on the PSC:

- TNC
- GFCR
- Department of Environmental Planning & Protection
- Department of Marine Resources
- Bahamas Development Bank
- Bahamas Chamber of Commerce & Employer's Confederation
- Ministry of Tourism

During the first PSC meeting the committee agreed to the following:

- ratify PSC TOR; and
- convene a steering committee meeting in 2025 to share the vision and plans for Phase II of the BahamaReefs program. TNC will also take the opportunity to receive feedback on the annual report, the proposed Phase II program strategy and identify areas for strengthening the program. The meeting will likely be scheduled in Q2.

Please use this [LINK](#) to access the meeting minutes. The PSC is expected to provide TNC with support and feedback on the preparation of the replenishment package.

2. Work Plan & Budgetary Adjustments:

During the reporting period, TNC submitted a pre-replenishment/bridge funding request in the amount of **USD\$1,840,542** to maintain momentum towards achieving program objectives while negotiating a partnership agreement with a new entity. The amount of the pre-replenishment request includes spending incurred as well as a projected costs for ongoing program activities between the period of April 1st, 2024 through April 30th, 2025. Listed below are the program activities that require pre-replenishment funding:

1. Climate smart MPA management planning;
2. Design and launch of the Blue Economy Accelerator Programme;
3. Continued implementation of the Master Mangrove Restoration & Monitoring Plan for the Northern Bahamas;
4. Finalizing the Reef Insurance Feasibility Study;
5. Funding support to Coral Vita (CV) and continued engagement with other pipeline partners;
6. Implementation of the M&E framework & Performance Management Plan; and
7. Program management and development of the replenishment package for Phase II.

The pre-replenishment budget can be accessed using this [LINK](#).

3. Operational Adjustments:

The PMU continued to meet biweekly during the reporting period. The team met to integrate new members of the PMU, discuss program progress, breakdown the work, resolve roadblocks, clarify issues and agree on next steps. TNC increased the capacity of the PMU by adding a Policy Advisor to the team. TNC also informed the GFCR early in the year, the program would pursue a replenishment request.

In Q2, the GFCR embarked on a mission to The Bahamas to assess the BahamaReefs program and prepare TNC, consortium partners and key stakeholders for the replenishment request. The GFCR advised it was important that the replenishment be designed to accelerate the strategic objectives of the GFCR, demonstrate the program's adaptive management, and addresses challenges or changes to the program's operating context in Phase II. The mission also served to support the monitoring and evaluation component of the program and assess the practical implementation of the GFCR M&E results framework.

Listed below are a few findings from the GFCR Mission:

- Key program achievements include: (i) BPAF's voluntary opt-in program (Click 2 Clear) is under implementation; (ii) EHCP installed 64 Eco-mooring buoys and strengthened capacity with its first tranche of funding; (iii) PIMs expanded the RRN network with the construction of 14 additional nurseries and creation of five new coral-related experiences, and (ii) TNC is making good progress on mangrove restoration efforts and scoping insurance mechanisms.
- Although the program has made satisfactory progress on, it is behind on others due to ambitious timelines, issues related to staffing/capacity changes and UNCDF halting disbursement of funding to consortium partners.
- TNC has good relationships with its partners including Government e.g. Department of Environmental Planning & Protection and the Department of Marine Resources.
- The BahamaReefs program is not ready to present its replenishment request to the GFCR Board in June 2024. This is not feasible given the structural changes to the program i.e. transitioning away from UNCDF engagement.

Based on the last finding, it was agreed TNC should seek a pre-replenishment/bridge funding request instead.

TNC also met biannually with GFCR to share progress updates. TNC, as the CA for the BahamaReefs Program, and consortium partners were invited to share program updates. Note, UNCDF did not participate in these calls considering the change in their role. In Q4, TNC also participated in a special meeting with GFCR's Technical Working Group to present the pre-replenishment request.

Key decisions made during the reporting period include,

- TNC to hire additional capacity to oversee, manage and scale implementation of program activities.
- UNCDF to disengage from the BahamaReefs program and TNC to find alternative partner.
- TNC to submit pre-replenishment request to cover spending incurred and fund program activities underway.
- TNC cancelled mid-year workplanning meeting and diverted resources to navigating pre-replenishment process and preparing the requisite documentation.

- BahamaReefs Policy Advisor will lead development of Natl. Coral Reef Conservation Plan, elaboration of the framework for co-management of fisheries and MPAs and other policy related matters.
- Consortium partners without agreements are not required to report on GFCR M&E metrics including EHCP & PIMS.
- EHCP to inform TNC if and how it wishes to re-engage with the BahamaReefs program.
- TNC to convene a PSC meeting in 2025 to share the vision for Phase II of the BahamaReefs program and receive feedback on replenishment package.

4. Operational Challenges & Mitigation:

As previously discussed, TNC found itself in a unique position last year. The BahamaReefs program had drawn down on the initial tranche of funding disbursed by the GFCR. TNC was advised to submit a pre-replenishment/bridge funding request to cover deficit spending and to continue program implementation. TNC also learned UNCDF was expected to disengage from the program.

The disengagement of UNCDF from the BahamaReefs program posed a reputational and organizational risk to TNC and the program. TNC was tasked with identifying a suitable replacement(s) to provide technical assistance, business development advice/support and financial support to both non-profit and for-profit pipeline partners. This is a requirement to qualify for the pre-replenishment and the full replenishment.

CI and its subsidiary CI Ventures were identified as a potential organization to replace UNCDF. CI and CI Ventures were included in the pre-replenishment documentation which was approved by the GFCR last fall. During the pre-replenishment period, TNC will collaborate with CI and consortium partners to adjust the programme for improved administration, increased visibility, technical assistance to pipeline partners and integration of blended finance options.

5. Replenishment

TNC is planning to submit replenishment request in April 2025. TNC will work closely with GFCR to have the replenishment package prepared for the Executive Board meeting in July. TNC will collaborate with consortium partners and stakeholders to develop work plans and budgets for Phase II and identify actions to mitigate risks; drawing on lessons learned during the first phase of the program and gleaned from discussions with other Convening Agents such as MAR Fund. Partner meetings will be planned for February/March in the new year. See replenishment [workplan](#) and [responsibility matrix](#) for your information.

X. 2025 Objectives

1. 2025 Objectives

TNC's top priorities for 2025 include the following:

- Submission of the full replenishment package and board approval. TNC is planning to submit a full replenishment request in April 2025. The replenishment package will define the strategy for Phase II of the BahamaReefs program. TNC will work closely with the GFCR to prepare the replenishment package for its board meeting in July.
- Onboarding new project staff and consultants. TNC will increase team capacity to assist with managing the BahamaReefs portfolio of work by hiring an Assistant Program Manager. TNC will also hire consultants to help develop and advance discrete streams of work including but not limited to the National Coral Reef Conservation Plan, the Gender Action Plan, legal analysis and review of insurable interest of coral reef assets, etc.
- Completion of activities prioritized in the pre-replenishment period. Namely, TNC will continue to provide BNT with the scientific and technical support to finalize updates to MPA Climate Smart Management Plans, develop the National Coral Reef Conservation Plan, finalize the design and launch the Blue Economy Accelerator Programme, finalize the reef insurance feasibility study, disburse first tranche of funding to Coral Vita, continued implementation of the BahamaReefs M&E Results Framework & Performance Management Plan, execution of outstanding agreements with consortium partners, etc.
- Discussions with current and future pipeline partners to inform decisions to advance the most promising solutions and execute agreements. TNC will closely collaborate with consortium partners and stakeholders to develop work plans and budgets for Phase II and identify actions to mitigate risks; drawing on lessons learned during the first phase of the program. BNT's concept note will be finalized and included in the full replenishment package for funding in Phase II. TNC is working with SBDC to execute an agreement in the new year. PIMS will receive its second tranche of funding during the replenishment period. TNC will reengage Blue Action Lab (BAL) to determine level of interest and best fit for the BahamaReefs program in Phase II.
- TNC will restructure the program so that all funds flow through TNC to selected project line managers. At least one or two new pipeline managers will be identified (and onboarded) to provide financial administration, technical assistance and blended finance packages for both for-profits and not-for-profit partners.
- Implementing a program marketing and revised communications strategy in Phase II to scale the BahamaReefs program, increase awareness, strengthen national and local support for program activities, and identify new innovative reef-positive investments.

- Complete in-depth legal review of the types of entities that can serve as the insurance policy holder based on insurable interest and subsequently engage relevant entities and determine which entity will serve as the policy holder and/or the financial management entity. TNC is engaging legal counsel to complete the legal review.
- Assess various sources of financing to sustain the long-term operations of the program. TNC will contract an entity to identify potential sources of financing, estimate the amount of revenue that could be generated, identify for each source the pathway, feasibility, and timeline for establishing and accessing the funds, etc. A facilitated, multi-stakeholder conversation on financing options may also be utilized.
- Seek agreement from stakeholders on the final structure of institutional arrangements and governance of the program and identify and begin to implement steps required to formalize the arrangements and operationalize the governance. One on one conversations with key entities will identify concerns and questions on the draft proposed structure. After concluding those conversations and addressing as many of the concerns and questions as possible, TNC and PIMs will convene a multi-stakeholder conversation to work through any final issues, seek agreement on a final structure, and identify a government entity willing to submit a cabinet paper to the OPM for review and approval/endorsement.
- Assuming a long-term source of financing can be identified to support annual operations including the reef insurance premium payments and potentially capitalizing an emergency fund, TNC expects to initiate tasks 3.3.3 and 3.3.4 pending the availability of funds to cover the expected costs of implementing these tasks.

Finally, TNC will leverage the pre-replenishment period to ensure the program identifies the most promising reef-positive solutions and investment opportunities that demonstrate and align with the GFCR's blended finance approach. TNC will take decisive action and critical steps to increase the likelihood of peak program performance including

- efficient and effective execution of the BahamaReefs workplan and budget expenditure,
- timely narrative and financial reporting,
- incorporation of risk management procedures,
- inclusion of equitable gender-based opportunities,
- implementation of GFCR M&E results framework,
- strengthening of program governance and partnerships, and
- leveraging co-financing, grant funding, innovative financial mechanisms and investment capital.

XI. Communication, Visibility and Knowledge Management

1. Strategic Role of communications:

During the BahamaReefs 2nd Annual Workshop, the Communications Working Group approved and finalized the BahamaReefs Communications Plan. Working group members also agreed to the following:

- Disseminate the BahamaReefs Factsheet and promotional videos via partner networks,
- Contribute to GFCR Quarterly Newsletters,
- Host a joint community event to promote the program on world wetlands day, world oceans day and or world coral reefs day,
- Participate in a BahamaReefs media blitz or media tour,
- Promote the BahamaReefs program on partner websites/landing pages,
- Convene quarterly working group meetings to advance program communications objectives, and
- Finalize communications metrics for the program.

However, progress towards achieving the project's communications objectives was short-lived. There were two main contributing factors, a) BahamaReefs Communications Specialist went on an extended medical leave, and b) TNC pivoted its attention to submitting a pre-replenishment request for GFCR approval.

2. Alignment with programme goals:

Despite setbacks in 2024, the program celebrated a few communications highlights during the year:

- TNC participated in a coral reef panel discussion to promote the BahamaReefs program and the GFCR. This event was hosted by MSC Cruise Lines; a diverse group of stakeholders were invited to attend the panel such as government reps., top coral reef experts and researchers from around the world, representatives from academia and the conservation world, etc.
- TNC organized and moderated a panel discussion to discuss SDG#12 and the importance of coral reef legislation and recommendations for improving the permitting system to support restoration efforts.
- TNC and PIMS participated in an Earth Day event organized by the Department of Environmental Planning and Protection (DEPP) to showcase the program and raise awareness about coral reef conservation and restoration.
- PIMS hosted 3 educational events and trained 54 youths in coral restoration techniques.
- PIMS participated in a media influencer tour to promote the RRN across The Bahamas. The media tour targeted dive shops, hotels and other reef positive businesses in the tourism sector.

3. Effectiveness and Future Planning:

TNC is seeking a marketing and communications firm to support its Northern Caribbean Program more broadly, including supporting BahamaReefs communications needs in 2025. The consultant will prioritize development and the roll out of a marketing strategy, which will include the promotion of the BahamaReefs program and a targeted outreach and engagement with key actors especially in the business sector. TNC will engage actors such as the Tourism Development Corporation, Bahamas Development Bank, The Bahamas Chamber of Commerce & Employer's Confederation and will participate in select local and international conferences such as the Bahamas Business Outlook and Reef Futures. The new BahamaReefs Assistant Program Manager will support coordination of these efforts.

4. Knowledge Sharing:

As shared in the communications highlights above, TNC and partners leveraged multiple events and platforms in 2024 to raise awareness of the program, coral restoration needs and solutions in The



Bahamas. Otherwise, limited time and resources were available to invest in the development of new communications tools and resources. TNC plans to enhance this area in 2025.



1. Annex A – Results Framework

GUIDANCE

Submit the programme's results framework as a separate Excel document, following the GFCR results framework format. Ensure it includes baselines and targets for all GFCR indicators and sub-indicators. For any clarifications, please contact **Gabriel Grimsditch** at UNEP gabriel.grimsditch@un.org



2. Annex B – Programme Milestones by Activities

Programme Milestones by Activities Table

Deliverable or Milestone	Initial Date of Completion	Target of Completion	Revised Date of Completion	Status	Supporting Text
Outcome 1: Improved management effectiveness of priority coral reef sites, including climate refugia					
Output 1.1: Climate change refugia are identified and effectively managed within and outside existing MPAs					
Activity 1.1.1: Climate change refugia and level of current protection assessment					
Climate refugia prioritized in agreement with local actors	Q2, 2022		Q4, 2022	Achieved	TNC completed a climate refugia model for the Northern Caribbean and conducted a series of virtual stakeholder meetings to validate results of the model across the 4 focal islands e.g. Grand Bahama, Abaco, Andros and Exuma
Activity 1.1.2: Discussion with government, protected area managers and local scientists on climate change refugia assessment					
Climate refugia prioritized in agreement with local actors.	Q4, 2022		Q1, 2023	Achieved	TNC met with 23 representatives including government, MPA authorities and subject matter experts and presented the results of climate refugia model and stakeholder feedback.
Activity 1.1.3: Support to MPA managers to develop and implement climate-smart management plans					
Training of MPA managers delivered and 3-4 management plans under review	Q4, 2024		Q2, 2025	On-track	<p>In 2023, the BNT prioritized and selected 3 management plans for the climate resilient updates. The sites included the Exuma Cays Land & Sea Park, Moriah Harbour Cay Natl. Park and the Andros Westside National Park.</p> <p>In Q1, Andros Westside National Park was replaced with Lucayan National Park (LNP) in Grand Bahama. This decision was based on technical and scientific advice. Currently, the Exuma Cays Land & Sea Park, Moriah Harbour Cay National Park and <u>Lucayan National Park</u> total 135,513 Ha of marine habitat.</p>



Management plans are updated by trained protected areas managers using climate considerations	Q4, 2024	Q2, 2025	On-track	In Q1, TNC planned and facilitated a Climate Smart MPA Management Planning Inception Workshop to build climate resilient foundational knowledge for BNT. Nineteen participants attended the inception workshop.
Output 1.2: Drivers of degradation within MPAs are identified and prioritized for intervention to support resilient coral reefs and adjacent communities				
Activity 1.2.1: Assessment of main drivers of degradation in MPAs				
Threats to coral reefs in MPAs are identified and interventions are prioritized	Q4, 2022	Q4, 2024	Achieved	<p>TNC conducted a series of stakeholder consultations in 2022 to validate climate refugia sites, identify candidate sites for intervention, and identify threats impacting coral reefs within MPAs. Information gathered during the consultations were used to inform the threat assessment exercise and guide the climate updates for the 3 management plans.</p> <p>During the reporting period, TNC facilitated 3 virtual learning sessions and 2 in-person workshops to help build climate resilient capacity for the BNT.</p>
Activity 1.2.2: Development and/or review of management plans to include priority interventions to mitigate threats				
3 management plans are reviewed/developed to include threat abatement and interventions	Q4, 2023	Q2, 2025	On-track	Updates are underway. The draft management plans are on-track to be submitted by the end of Q2 next year.

Outcome 1: Improved management effectiveness of priority coral reef sites, including climate refugia cont.
Output 1.3: Increased long-term funding for management of priority sites and capacity created to operate proceeds with new financial mechanisms (e.g., an endowment fund, MPA co-management model, etc.)



Activity 1.3.1: Assessment and roadmaps for new national and regional financial mechanisms to mobilize additional resources to MPAs				
Feasibility studies completed and roadmaps for new financial mechanisms developed	Q2, 2023	Q4, 2024	Achieved	<p>BPAF's grant was executed in Q3, 2023. The purpose of the grant is to assess BPAF's capacity and readiness to support the effective management of Managed Protected Areas (MPAs) by incorporating blended finance solutions and strategic investments in reef positive businesses/interventions that increase the resilience of coral reefs and reef dependent communities.</p> <p>Preliminary findings from the assessment suggest that BPAF should consider increasing staff and board capacity, establish an endowment fund, consider the role of serving as a guarantor for blue economy program, and implement safeguards to monitor, manage and disburse funds.</p>
Activity 1.3.2: Implementation of new financial mechanisms for MPAs				
New financial mechanisms under implementation	Q4, 2024	Q1, 2025	On-track	<p>Identification and implementation of voluntary opt-in platform, "Click-2-Clear". BPAF is collaborating with The Bahamas Government to develop and implement the Click-2-Clear platform which allows visitors to make donations to the trust fund for the effective management of the Bahamas Protected Areas Network. Since the implementation of the voluntary opt-in platform in Q2, BPAF has collected over USD\$66,500 in revenue.</p> <p>BPAF is also considering 2 additional financial mechanisms for future implementation:</p> <ul style="list-style-type: none"> • <i>parametric insurance for storm response;</i> • <i>and</i> • <i>impact investing in the blue economy.</i>
Activity 1.3.3 Implementation of BNT's 'Blended Finance strategy for the effective management of MPAs'				



MPA project starts investments and continued development	Q4, 2023	Q4, 2026	On-track	<p>In 2023, BNT developed and submitted a new project concept note for the sustainable financing of the Moriah Harbour Cay National Park in Exuma. BNT partnered with EHCP and installed 34 mooring buoys within the park's boundaries later that fall. The moorings will help to generate revenues for the park.</p> <p>BNT's reef positive solution is expected to receive funding in Phase II of the BahamaReefs program.</p>
Output 1.4: Enabling policies are catalysed to support coral conservation and restoration				
Activity 1.4.1: Support government to develop framework around co-management of fisheries and MPAs				
Policy pieces to be developed have an agreed workplan with the government and consultants are hired	Q4, 2024	Q2, 2025	On-track	<ul style="list-style-type: none"> During the reporting period, TNC convened a one-day workshop with protected areas managers to commence work on the development of a national marine protected areas co-management framework and policy.
Policy pieces are developed and consultations with stakeholders are underway	Q4, 2024	Q2, 2026	On-track	<ul style="list-style-type: none"> A Terms of Reference was completed to hire a consultant to support policy development.
Activity 1.4.2: Support the development of a national coral reef conservation plan				
Policy pieces to be developed have an agreed workplan with the government and consultants are hired	Q4, 2024	Q1, 2025	On-track	<p>In Q3, TNC facilitated a stakeholder meeting to brainstorm the elements of the National Coral Reef Conservation Plan (NCRCP)</p> <p>In 2025, TNC will recruit a consultant to help develop the NCRCP.</p>
Policy pieces are developed and consultations with stakeholders are underway	Q4, 2024	Q2, 2026	On-track	This work will commence in Q1 2025.
Activity 1.4.3: Support the development of a regulatory and permitting framework for coral harvesting and outplanting				



Policy pieces are developed and consultations with stakeholders are underway	Q4, 2024	Q2, 2026	On-track	This work will commence in Q1 2025.
Outcome 2: Livelihoods of reef-dependent communities are strengthened by reef-positive businesses				
Output 2.1: A reef-positive business accelerator is designed and implemented for micro, small and medium enterprises (MSMEs)				
Activity 2.1.1: Design Blue Economy Programme Accelerator with SBDC				
The Blue Economy Programme Accelerator is designed and launched	Q4, 2024	Q4, 2025	On-track	<p>In Q1, TNC reengaged SBDC, convened meetings, and began collaborating on refining the SBDC's reef positive solution and initiated the granting process.</p> <p>TNC to execute grant directly with SBDC in early 2025. The launch of the Blue Economy Accelerator Program is scheduled for Q2.</p> <p>Note, activities 2.1.2 and 2.1.3 are dependent on the design and launch of the Blue Economy Accelerator Program.</p>
Output 2.2: Reef-positive businesses receive investments (e.g. community-based organizations, larger businesses, etc.)				
Activity 2.2.1: Support to EHCP for the establishment of the mooring and pump out services business				
Investments in CAPEX carried out in Elizabeth Harbour and staff trained to operate services	Q4, 2024	Q2, 2025	Phase II	<p>In 2023, the Elizabeth Harbour Conservation Partnership (EHCP) installed 64 moorings in the harbor to reduce anchor damage to the seabed. It was anticipated that revenue collection would begin in 2024.</p> <p>However, EHCP informed TNC the moorings were purchased and installed with funding from a different donor. As a result, EHCP was uncomfortable attributing the conservation and financial benefits to the GFCR.</p> <p>Further, during the reporting period, EHCP did not receive a second tranche of funding from UNCDF as</p>



				anticipated. EHCP was unable to implement the pump-out boat services operation, renovate the waste treatment plant. With support from the GFCR, TNC is committed to working closely with EHCP to provide redress and restore partner confidence in 2025.
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Deliverable or Milestone	Initial Date of Completion	Target of Completion	Revised Target Date of Completion	Status	Supporting Text
Outcome 3: Coral reefs and associated ecosystems are restored to increase resilience					
Output 3.1: Blue Carbon Resilience Credits (BCRC) methodology is tested in pilot sites and replicated if feasible					
Activity 3.1.1: Develop feasibility studies for the two pilot sites in Abaco and Grand Bahama					
Feasibility studies on the two pilot areas in Grand Bahama and Abaco carried out	Q2, 2022	Q2, 2025	Pre-replenishment period	TNC and Terra Carbon consultants completed a Carbon Accounting Field Manual and held a capacity-building workshop in Q2, 2023. The four-day workshop trained 21 local partners in mangrove carbon accounting best practices including field and laboratory work.	
				In Q3 of 2023, TNC executed a contract with the University of The Bahamas (UB) to conduct a baseline above and below ground carbon study on Grand Bahama and Abaco in collaboration with the Forestry Unit.	
				A draft of the baseline carbon study was completed during the reporting period. The final report will be released in Q2, 2025 and represents a first-of-its-kind study for The Bahamas.	
Activity 3.1.2: Develop Carbon project documents					



Carbon project documents developed for Grand Bahama and Abaco and restoration works initiated	Q4, 2022	Q4, 2024	On-track	<p>Inputs for development of the carbon project description documents have been completed or are underway:</p> <ul style="list-style-type: none"> • a Master Mangrove Restoration Plan (inclusive of initial restoration activities proposed by project partners and scaled up to meet carbon project thresholds) – May 2023, • Sustainable finance gap analysis worksheet • policy analysis (underway), and • baseline field studies (underway). <p>An initial draft of the carbon project description documents was prepared in 2024. TNC will complete and submit the proposed carbon project documents to government in 2025, for consideration.</p>
Activity 3.1.3: Restore mangrove sites in collaboration with local partners				
Projects verified and restoration works continued	Q4, 2022	Q4, 2024	On-track	<p>TNC signed a multi-party Memorandum of Understanding (MOU) on World Mangrove Day in 2023, with the intent of scaling and coordinating mangrove restoration efforts across on Grand Bahama and Abaco. Parties to the MOU include The Nature Conservancy, Bonefish & Tarpon Trust, Perry Institute for Marine Science, Waterkeepers Bahamas, Bahamas Agriculture and Marine Science Institute, Bahamas National Trust, Blue Action Lab, and the Forestry Unit within the Ministry of the Environment and Natural Resources.</p> <p>A national proclamation and press release also accompanied the MOU signing on World Mangroves Day.</p>



				<p>In Q3, 2023, TNC convened the 2nd Annual Mangrove Restoration Planning and Evaluation Workshop in Abaco. Twenty-nine (29) representatives from partner organizations including government participated in the workshop.</p>
				<p>A sub-grant to Perry Institute for Marine Science (PIMS) on behalf of Bahamas Mangrove Alliance (BMA) was executed in August 2023 to support and scale up restoration and monitoring efforts. The BMA is working in collaboration with the affected communities, TNC and other partners to prioritize and implement work plan activities.</p> <p>TNC helped to secure an additional USD\$150,000 grant from the GEF Small Grants Program (SGP) for the BMA to support mangrove restoration efforts.</p>
				<p>With co-financing support from COMON Foundation (USD\$100,000), Paul M. Angell Foundation (USD\$50,000), and John A. Woollam Foundation (USD\$25,000) TNC sub-grantees achieved the following in 2023:</p> <ul style="list-style-type: none"> - Bonefish and Tarpon Trust (BTT) constructed an additional ten mangrove nursery troughs and expanded the nursery capacity to 50,000 mangroves. Five local volunteers were enlisted to oversee the construction and maintenance of these nurseries. During the grant period, BTT in collaboration with its partners, organized eleven mangrove planting events, which resulted in 41,400 red mangrove seedlings being outplanted. These events were

				<p>bolstered by the participation of over 200 volunteers. Additionally, ten local schools were educated and engaged during the outplanting events. See final report</p> <ul style="list-style-type: none"> - Perry Institute for Marine Science (PIMS) developed a Mangrove Report Card to serve as a quantitative and qualitative baseline evaluation of the health of Bahamian mangrove systems using data collected over the past decade in The Bahamas. The report card revealed knowledge gaps in understanding of the health of Bahamian mangrove system. The satellite analysis was a good first step, however on the ground measurements of impact is also needed. - Friends of the Environment (FRIENDS) raised awareness about the value of mangrove ecosystems through social media advertisement engaging more than 73,000 people; these posts highlighted ecosystem services such as land protection, essential habitat, and carbon sequestration. FRIENDS opened up their new Learning Center in May 2023 and developed a temporary mangrove exhibit to help raise awareness of the project with approximately 375 students and community members viewing the exhibit. Additionally, they participated in 3 mangrove plantings with various partners, including with BTT, Project Healing Waters and other restoration partners. Seven schools received Coral Courtesy and
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				<p>Mangrove Manners posters. In total, 16 mangrove field trips were conducted with over 690 students.</p> <p>In 2024, nineteen participants attended the 3rd Annual NMBR Workshop. This event concluded with a mangrove planting event, which contributed to the restoration of 78Ha of mangrove habitat.</p> <p>During the reporting period, the Bahamas Mangrove Alliance partners collected Baseline data on mangrove cover, growth rates, water quality, salinity and fish/benthic communities. This exercise was made possible with funding from GFCR.</p> <p>In 2025, the data will be analysed and findings on the efficacy of restoration efforts will be shared.</p> <p>Note, this activity is expected to wrap-up in 2025.</p>
Activity 3.1.4: Take Blue Carbon Resilience Credits to market				
Blue Carbon and Resilience Credits methodology finalized and taken to market for validation	Q4, 2023	Q4, 2025	On-track	<p>In 2024, TNC and partners invited government to participate in a sustainable finance (SusFin) and policy workshop to discuss innovative financial schemes for scaling mangrove restoration and the prospects of pursuing a carbon market opportunity.</p> <p>In 2025, TNC will convene a follow-up SusFin workshop and will seek a no objection from The Bahamas Government to pursue a carbon markets project.</p> <p>Note, this stream of work will be informed by Activity 3.1.2.</p>



Deliverable or Milestone	Initial Target Date of Completion	Revised Target Date of Completion	Status	Supporting Text
Outcome 3: Coral reefs and associated ecosystems are restored to increase resilience				
Output 3.2: Partnerships and training are facilitated to develop business models around restoration that are investable				
Activity 3.2.1: Deliver capacity building on reef restoration, business planning and marketing for dive shops part of the Reef Rescue Network (RRN)				
Increased revenues for dive shops with new restoration dive packages	Q4, 2025	Q4, 2025	On-track	<p>In 2023, PIMS took the following steps to generate new revenue streams for the network:</p> <ul style="list-style-type: none"> launched New RRN website including RRN merchandise and online store (inc. specialty e-manual) implemented RRN Administration Fees (Registration and Annual Fees) created 4 new coral nursery experiences launched the “Coral is Calling” marketing campaign in collaboration with the Ministry of Tourism, Out Islands Promotion Board, IDB and other partners. <p>In 2024, the PIMS partnered with Rosewood Hotel to launch an Ocean Guardian Snorkel experience in New Providence. Hotel guests participate in a guided snorkel to learn about coral reefs and the importance of coral restoration and conservation. Proceeds from the snorkel excursion are donated to the RRN.</p> <p>During the reporting period, the RRN generated approximately \$47K in revenue from sales, donations, fundraising, and membership fees.</p>



RRN funding model developed and network is sustainable	Q4, 2025	Q4, 2025	Phase II	<p>In 2023, PIMS developed a draft Sustainable Finance Plan and a 5-year Business Plan for the RRN. Unfortunately, PIMS was unable to finalize the plan and prioritize other revenue generating activities because UNCDF was unable to execute a new agreement.</p> <p>TNC or an alternative partner will work closely with PIMS in 2025 to execute a new agreement to finalize the RRN business plan and implement the most promising revenue streams in Phase II.</p>
Output 3.3: Climate risk and resilience products, including reef and mangrove insurance, are developed and launched				
Activity 3.3.1: Build the business case for reefs to be repaired and insured				
Business case for reef insurance in The Bahamas carried out and decision made on funding for next steps	Q4, 2022	Q2, 2025	Pre-replenishment period	<p>Between 2022-2023, TNC reef insurance team engaged approximately 60 stakeholders during virtual meetings in the four program focal areas. The purpose of the consultations was to assess stakeholder interest, capacity, and willingness to repair reefs, establish financial mechanisms (insurance and emergency fund) to finance reef repair, and identify sites that could be covered by a reef insurance policy.</p> <p>In 2024, TNC and Conservation Strategy Fund (CSF) presented an economic analysis study to estimate the losses to the economy from cyclone impacts on the fisheries and tourism sector, employees in those sectors and their dependents, as well as to government tax revenue; the analysis found losses to fisheries were estimated at USD\$51M and losses to the tourism sector were estimated at USD\$2.6B. The cost of the avoided losses in tourism and</p>



				<p>fisheries came out to be 100 times larger than the cost of running the program.</p> <p>TNC and PIMS, in consultation with interested parties, assessed historic damages to reefs, identified how a response program could be implemented and operated in The Bahamas, and estimated the cost of such response.</p> <p>Alliant Insurance Services, an insurance broker, and TNC defined the parameters of a parametric insurance for The Bahamas and secured premium cost estimates from multiple re/insurance markets. The re/insurance industry appears eager to sell this type of product in The Bahamas and elsewhere.</p> <p>TNC engaged the Department of Environmental Planning and Protection (DEPP) and Department of Marine Resources (DMR) and began scheduling engagements with the Bahama Protected Areas Fund and the Office of the Prime Minister. During the meetings with DEPP and DMR, TNC shared work to date and sought feedback on the post storm response and risk-financing program for The Bahamas, identified potential roles for DEPP and DMR in program implementation as well as any permitting, legal or regulatory challenges. Both government departments agreed a need existed for this type of program and expressed interest to continue learning about it and to be involved in both development and implementation, while allowing program development to be led by PIMS and TNC. Based on the conversation, permitting a post storm response should not be a hurdle to</p>
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				<p>implementation though both inter-departmental coordination for permit review and approval as well as distinctions between restoration and research permits will need to be worked out in advance.</p> <p>In 2024, TNC also engaged the Bahama Protected Areas Fund and the Office of the Prime Minister's Climate Change and Environmental Advisory Unit to share the work to date, identify barriers and challenges, and potential roles. Both entities saw the value of implementing the program and were keen to learn more and further discuss financing, potential policyholders, the design of the insurance policy, the roles and responsibilities of entities operating the program, and certification requirements for reef brigades. They also offered several suggestions for program development.</p> <p>In 2024 the team also provided input and feedback on the efforts of Impact House to assess BPAF's potential role and facilitated several conversations on the topic of resilience insurance with GFCR, UNCDF, Pegasus, and Six Senses, as well as with insurers. The completion of the business case was slightly delayed further due to the intricacies of navigating the pre-replenishment process. The new date for finalizing the business case is Q2, 2025.</p>
Activity 3.3.2: Assess the institutional and regulatory framework				
Legal/regulatory framework assessed, financial sources and structure assessed, and institutional arrangement assessed and designed.	Q2, 2023	Q4, 2025	Phase II	Earlier in the program, TNC secured pro-bono legal counsel from experts in insurance law, policy, and contracts at Covington and Burling. This initial legal assessment of coral reef and mangrove insurance in The Bahamas found no major obstacles to implementing a reef or mangrove insurance policy



				<p>in the country, though some gray area remained as to which entities could demonstrate insurable interest and legally purchase the insurance.</p> <p>TNC is engaging legal counsel to this activity in Phase II of confirm the types of entities that can serve as the policy holder based on insurable interest, which will then allow conversations to proceed with select entities that could serve in this role.</p> <p>Based on discussions with stakeholders, TNC developed a preliminary concept of the institutional arrangement and governance of the program in Q4, 2024. The preliminary concept details roles and responsibilities of a project steering committee, a financial management entity, and an implementing entity overseeing response activities; the concept also identifies partners that may perform key roles.</p> <p>In Q2, 2025, TNC and PIMs will discuss the proposal with government agencies and reach an agreement on a final structure for institutional arrangements and governance.</p> <p>In Q2, 2025 TNC will undertake an assessment of sources of financing to sustain the long-term operations of the program and seek stakeholder input on long-term program financing. Program.</p>
Activity 3.3.3: Design and set up the financial structure and institutional arrangements to manage the response				
Institutional arrangements, governance framework, and financial structure established.	Q4, 2024	Q2, 2026	Phase II	In collaboration with key institutions involved in the program, TNC will formalize the institutional arrangements and governance framework and set up the financial structure.



				During Phase II of the BahamaReefs program, TNC and partners will prioritize identifying funding streams to cover the insurance premiums and will finalize the design of a parametric insurance for The Bahamas.
Activity 3.3.4: Implement the insurance mechanism				
Reef brigades trained, reef insurance mechanism implemented, and first policy placed.	Q4, 2024	202677	Phase II	Given the strong interest of stakeholders in developing the post storm response and risk financing program, TNC, PIMS/RRN are preparing to train the first brigade members in the country (brigades component of the response) and to design and establish the governance and agreements among the different parties (governance component).
Output 3.4: Investments made into coral restoration-focused businesses				
Activity 3.4.1: Support to Coral Vita land-based coral farm expansion				
Capacity of coral farm expanded	Q2, 2023	Q4, 2026	Pre-replenishment period	It was originally envisioned that Coral Vita would receive funding from UNCDF to cover operational costs (labor and utilities) as the company developed and implemented other revenue streams to fund farm operations i.e. eco-tourism, restoration contracts, crowd funding, etc.
Additional customers hiring services and farm expanded to large-scale	Q2, 2023	Q4, 2026	Shifted to Year 3	
Increased revenues from restoration and ecotourism	Q2, 2023	Q4, 2026	Shifted to Year 3	However, in Q4 of 2022, the GFCR asked Coral Vita to adjust the scope of its project to provide restoration services for the Six Senses property, an eco-friendly boutique investment in Grand Bahama, led by Weller Development and Pegasus Capital Advisors.
Farm expanded to achieve giga-scale	Q2, 2023	Q4, 2026	Pre-replenishment period	



				<p>In Q2 of 2024, TNC was tasked with finding a suitable replacement for UNCDF. TNC identified CI & CI Ventures as an appropriate partner. Coral Vita will receive its first tranche of funding during the pre-replenishment period in 2025.</p>
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3. Annex C– Dashboard Intake Form

GUIDANCE

The Dashboard Intake Form is a critical input for the GFCR dashboard, which monitors and analyzes the status of all programmes. This dashboard enables real-time tracking and provides actionable insights into programme progress. Ensuring the accuracy and completeness of the data from the start is essential for maintaining a reliable overview of programme performance. Programmes will update this form at the annual and mid-annual reporting stages. Previously completed Dashboard Intake Forms will be shared by the GFCR with the Convening Agent.

- Ensure all data fields are completed comprehensively with accurate and verified information. Cross-check entries against programme records and reporting materials for consistency.
- Use the workbook to provide detailed data that complements the high-level analysis presented in the narrative report.
- For clarifications or guidance, contact Rammahi Al Rammahi, Junior Programme Consultant, at rammahi.al.rammahi@uncdf.org

1. Review and Validate Existing Data: The excel file is pre-filled using data from earlier reporting periods.

- Ensure the pre-filled sections are accurate and consistent with current programme activities and achievements.
- Validate all data fields to ensure alignment with the narrative report.

2. Add Updates to Key Sections: Ensure all relevant new information is added.

- **Solutions:** Add new solutions implemented during this period, along with associated metrics and progress.
- **Facilities:** Record additional facilities such as Technical Assistance Facilities, Special Purpose Vehicles/Entities, Financing Facilities, and Conservation Trust Funds established, including relevant details.
- **Policy Work:** Include updates on new or ongoing policy activities, agreements, and milestones achieved.
- **Partners:** Document new partners engaged during this period, specifying their roles and contributions.

4. Annex D – Risk Log

Risk Log

Event / Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Permit approvals to restore degraded coral reefs and/or to scale-up coral restoration efforts delayed or denied	<p>Co-implementers permit applications lacking necessary information</p> <p>Delays in signing of permit agreements by co-implementers due to legal clauses and permit fees</p>	Reef positive solutions/interventions may be significantly delayed or halted	Regulatory	<p>L= 3</p> <p>I= 3</p> <p>Moderate</p>	<p>GFCR & CA to engage government and advocate for and impress importance of programme and potential benefits to people and nature</p> <p>Government agency increased staffing capacity and has cut permitting processing time in half</p> <p>There have been improvements in online permitting system. There are fewer technical glitches</p> <p>CA to engage government and provide technical support where possible</p> <p>Co-implementers to prioritize and advance aspects of work not dependent on</p>	The timeline on government approvals has improved.



					<p>government approvals and permits</p> <p>Co-implementers constructively engage government officials and follow-up routinely</p> <p>Co-implementers ensure permit applications meet all government requirements</p>	
<p>Coral refugia and project implementation sites may be subject to coral bleaching, the spread of SCTLD and other coral diseases</p>	<p>Act of God</p>	<p>Loss of coral refugia</p> <p>Increase in prevalence of degraded reefs</p> <p>Positive benefits to coral reefs reduced</p> <p>Increased vulnerability of corals and reef-dependent communities</p>	<p>Operational</p>	<p>L= 4</p> <p>I= 4</p> <p>Substantial</p>	<p>Co-implementers to conduct routine monitoring to track changes in coral reef health</p> <p>Co-implementers to seek permission from government to implement mitigative measures i.e. shade corals, move corals to deeper water or relocate gene stock and or coral fragments to land-based nurseries</p> <p>Co-implementers to select intervention sites free of SCTLD</p>	<p>Bleaching, spread of SCTLD and disease are Acts of God.</p> <p>However, consortium partners are actively monitoring coral colonies for disease outbreaks and using antibiotics and other mitigation measures to reduce the spread of SCTLD.</p> <p>Consortium partners have also been granted approval by government to move corals to</p>



					Co-implementers to apply antibiotic treatments to mitigate infections (if/when necessary)	deeper cooler water or move fragments into temperature controlled environments in land based facilities.
CA and partner assets are likely to be impacted by hurricanes/tropical cyclones	Act of God	Exposure/loss of assets and people due to flooding, storm surge and high winds Program implementation delayed or halted Increased vulnerability of reef-dependent communities	Safety & Security	L=3 I= 3 Moderate	Secure people and assets prior to storm Develop and implement contingency plans and emergency response plans	
Changes in CA and partner staffing and time required to recruit new project staff might hamper program implementation	Loss of key project staff Extended timeline to recruit new staff Limited number of qualified persons available for recruitment	Program progress interrupted, slow/delayed implementation Reduced time for delivering project activities and results Quality of project deliverables negatively impacted	Organizational & Reputational	L=3 I= 3 Moderate	Adjust/redistribute staff responsibilities as necessary Seek internal support to temporarily fill gaps until new hires have been recruited Streamline and improve hiring processes	TNC will hire an Assistant Program Manager and recruit a marketing firm in 2025 to scale implementation and improve program performance. TNC successfully recruited blended finance director and policy advisor



		Possible financial losses within the project			Expand recruitment efforts through partner networks	between 2023-2024.
NEW: Challenges identifying a suitable replacement for UNCDF	<i>Limited capacity in-country and regionally to fill role</i>	<i>Loss of funder confidence</i> <i>Unable to qualify for replenishment</i> <i>Inability to identify and onboard for-profit pipeline partners</i> <i>Lack of technical assistance facility</i>	<i>Reputational & Operational</i>	<i>L=3</i> <i>I= 3</i> <i>Moderate</i>	<i>Seek guidance and recommendations from the GFCR</i> <i>Develop and circulate RFP/TOR at locally and internationally</i>	



5. Annex E – Solution Case Study Template

These technical case studies aim to provide an in-depth exploration of GFCR solutions. The case studies will highlight key lessons, challenges, and impacts from GFCR-supported projects, offering insights to practitioners, policymakers, and investors on replicable and scalable solutions.

The case studies should communicate first and foremost the **financial engineering and blended finance design** behind solutions of the programme. This includes the partners involved, the financing flows, the types of financing utilised (*i.e.*, grants, recoverable grants, concessional loans, commercial loans, guarantees, credits, etc.), and how it results in financial sustainability and leverage of investment capital. In addition, it should reflect the benefits to coral reef ecosystems and communities.

The technical case studies serve to:

- Share experiences and expertise across the GFCR-supported programmes.
- Create a knowledge base to encourage other organisations/businesses to implement blended finance solutions that have positive outcomes on coral reef ecosystems.
- Publicise the work of Programmes to potential public and private funding organisations.

Please submit 1-2 case studies to represent your programme’s work. Following your submission, The UN Global Team will edit the piece and add further information drawing upon the solutions database and indicators from the M&E reporting including:

- (Solutions database) Information about drivers of degradation addressed, GFCR funds allocated, achieved milestones, and future plans
- (F8.1-3) Co-financing leveraged, broken down into public & private co-financing with a note on whether this co-financing is secured or committed.
- (F8.5) Financial Mechanisms used
- (F9.2) Number, type and value of sustainable revenue streams
- (F9.1) Current and/or expected revenue generated to date or ROI

The team will then schedule a call or work with you in-person, at the next REEF+ regional convening you attend, to add any further information and finalise the case study. **If you have already worked with the UNGT to submit a case study in 2024, you do not need to submit any more case studies. Thank you for your work!**

Solution Title	<i>(This could be the business name or description of mechanism)</i>
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Context	<i>What specific problem does this solution hope to solve? What would be the impact if this problem is not addressed?</i>
Website or other links	
Image	<i>Please share at least one image highlighting this solution.</i>
<p style="text-align: center;">FINANCE SOLUTION</p> <p><i>**This is the most important part of the case study!! This section should aim to demonstrate whether blended finance is working to support coral reef ecosystems and communities.</i></p>	
Finance Solution Diagram	<i>Please include a graphic which illustrates how this financial solution operates.</i>
GFCR Fund usage	<i>Elaborate specifically on how GFCR funds were spent supporting this solution, including quantitative breakdown.</i>
Company Overview (Reef-positive business only)	<i>Provide a narrative overview of the reef-positive business.</i>
Finance Solution Overview	<i>Provide an overview of the finance solution or the form of the support provided to the reef-positive business.</i> <ul style="list-style-type: none"> • Describe the structure and financing flows. • Describe the types of technical assistance provided. • Describe the types of financing provided (e.g., grants, recoverable grants, concessional loans, commercial loans) and the choice for the deployment of those financial archetypes. Highlight why they are appropriate and catalytic. • Describe how this intervention results in financial sustainability and leverage of investment capital.
<p style="text-align: center;">IMPACT</p>	
Impact Ambition	<i>Narrative overview: what impact are you hoping to achieve, or have already achieved? How will your solution mitigate drivers of coral reef degradation and benefit communities?</i>
Fund Indicators	<i>If you disaggregate data collection by solution, please provide information on any of the following indicators:</i>



	<table border="1"> <tr> <td>% Local coral cover</td><td> <i>Baseline:</i> <i>Target:</i> <i>Current status:</i> </td></tr> <tr> <td>Local Fish biomass</td><td> <i>Baseline:</i> <i>Target:</i> <i>Current status:</i> </td></tr> <tr> <td>Area of coral reefs under conservation and sustainable management</td><td> MPAs and OECMs: <i>Baseline</i> <i>Target</i> <i>Current status:</i> LMMAS and fisheries management: <i>Baseline</i> <i>Target</i> <i>Current status:</i> </td></tr> <tr> <td># Local jobs maintained and new jobs to be created</td><td> <i>Target:</i> <i>Current status:</i> </td></tr> </table>	% Local coral cover	<i>Baseline:</i> <i>Target:</i> <i>Current status:</i>	Local Fish biomass	<i>Baseline:</i> <i>Target:</i> <i>Current status:</i>	Area of coral reefs under conservation and sustainable management	MPAs and OECMs: <i>Baseline</i> <i>Target</i> <i>Current status:</i> LMMAS and fisheries management: <i>Baseline</i> <i>Target</i> <i>Current status:</i>	# Local jobs maintained and new jobs to be created	<i>Target:</i> <i>Current status:</i>
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# Local jobs maintained and new jobs to be created	<i>Target:</i> <i>Current status:</i>								
Project Indicators	<i>Please share any additional indicators that you are planning to track regarding this solution.</i>								
Community and Stakeholder Engagement	<i>Have you involved local communities or stakeholders in the development and implementation of your solution? What role do they play in ensuring the long-term success of your initiative?</i>								
TAKEAWAYS									
Process and Challenges	<i>How did you develop this solution, and what key factors did you consider during its design? What challenges did you face during development and implementation, and how have you addressed them so far?</i>								
Key Takeaways	<i>What are some of the key lessons you've learned during this process? Are there any aspects you would approach differently if you were to start over? What advice would you give to others looking to develop reef-positive businesses or finance mechanisms?</i>								

6. Annex F – GESI Action Report

As indicated in Section VI, a gender action plan consultant will be hired to develop a Gender Action Plan and Implementation Strategy during the pre-replenishment period. Included below is the draft framework. The BahamaReefs Program will seek to create economic opportunities for women while encouraging gender equality through project interventions and solutions in each Outcome using clear metrics, timelines, and delivery routes.

Gender Action Plan Framework

Linked Programme Outcome	Objective	Action	Indicator	Milestone	Remarks
Outcome 1: Improved management effectiveness of priority coral reef sites, including climate refugia	Strengthen participation of women and men in stakeholder consultations to advance key program activities i.e. validation of climate refugia, climate smart MPA management planning, public policy consultations and decision making processes, etc.	<p>Provide equal opportunities for men and women to participate in stakeholder consultations.</p> <p>Develop climate smart management strategies that promote gender equality involving men and women in the public and private sector.</p> <p>Develop and implement gender sensitive safeguards during public policy consultations.</p>	<p>Number of women and men participating in the public consultation process (providing feedback on the selection of climate refugia, policy development, etc.)</p> <p>Time, date, and locations of stakeholder engagements are guaranteed safe for women.</p> <p>No. of women and men reporting awareness and understanding of MPA plans, rules and regulations</p>	Women are being reached and actively choosing to participate in stakeholder engagements	Gender analysis to be executed by consultant (gender specialist). Analysis will assist with solidifying gender action plan for mainstreaming.
Outcome 2: Livelihoods of reef-dependent communities are strengthened by reef-positive businesses	Promote women entrepreneurship through capacity building. Enhancing livelihoods connected to coral reefs, reef-positive businesses, etc.	Provide opportunities for women to participate in the Blue Economy Accelerator Programme, the Elizabeth Harbour Conservation Partnership (EHCP)	At least X% of women participate in business development opportunities, Blue Economy Accelerator Programme, and comms. and	<p>Blue Economy Accelerator Programme is prioritizing funding women owned businesses.</p> <p>Roles and responsibilities (clarity and</p>	Gender analysis to be executed by gender specialist. The goal is to provide equitable business opportunities for women through the Blue Economy Accelerator Program and EHCP.

		and trained in business development, communications and marketing.	marketing workshops.	appropriateness of governing and policy frameworks) with local employment favoured and gender balanced.	
	Expand business opportunities for women across different sectors in The Blue Economy	Support the diversification and expansion of livelihood/business opportunities for women in The Blue Economy.			
Outcome 3: Coral reefs and associated ecosystems are restored to increase resilience	Promote equal opportunities for men and women in in the dive industry and in coral and mangrove restoration activities.	<p>Provide targeted trainings in the dive industry and in coral and mangrove restoration methodologies.</p> <p>Develop and implement gender sensitive safeguards in tourism and restoration activities.</p>	Number of women and men participating in coral and mangrove restoration events/training opportunities.	Restoration partners are including women in training and outplanting events	Gender analysis to be executed by gender specialist.



7. Annex G – Safeguards

CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS	
Principles 1: Human Rights	
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? ¹	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
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? <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
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	

¹ 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.



Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <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? Mitigation measure: However, only protected areas (PA) managers have the authority to autonomously operate in MPAs. BahamaReefs consortium partners and other stakeholders may receive permission to conduct research, monitoring, restoration or interventions in sensitive areas. Permission is granted through a robust permitting structure managed by the PA manager. The PA manager will also enforce and oversee project intervention efforts in MPAs and other sensitive areas.	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? Mitigation measure: Harvesting and outplanting of mangroves and corals are a key component part of project activities. Consortium partners are subject to strict guidelines and the Government of The Bahamas' robust permitting structure. This system ensures the integrity of the resource and enforces stringent repercussions for lawbreakers. Consortium partners must comply with government regulations, best practices, permitting requirements and submit data collected and final reports to the Bahamas Government after completion of project activities.	Yes
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <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) See mitigation measures outlined under 1.6.	Yes
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?	No



<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>		
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ² 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
BahamaReefs program interventions are subject to increase in sea surface temps., ocean acidification, and storm events. See risk table for mitigation measures outlined in Risk Log (Annex D).		
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)? <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?	Yes
All project sites are subject to extreme climatic events i.e. cyclones or hurricanes. Appropriate mitigation measures have been outlined in Risk Log (above). See Annex D. See also risk mitigation table.		
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

² In regards to CO₂, '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.]



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
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
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? ³	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
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
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)?	No

³ 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.



	<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>	
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?	No
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
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?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
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? <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>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No