



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT:
Mamuhunan sa mga MPAs
‘Philippines: Responsible Investment in
MPAs’

January – December 2024

Programme Overview

Programme Title and Project Number		Programme Duration	
Mamuhunan sa mga MPAs (‘responsible investment in MPAs’) Programme Number: 00129652 Programme webpage: https://bluealliance.earth/explore-our-mpas/		Start Date: July 2022 End Date: July 2029 (Grant end date: September 1 st , 2026)	
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country: Philippines Priority Coral Reef Site/s: Verde Island Passage (North Mindoro), Southwest Mindoro, Calamian Islands, Northeast Palawan		Implementing Partner/s: Blue Alliance Philippines, Scylla Ltd, SEAFDEC Ltd, Uba SI, Blue Wild Eco Ventures, Aquahub, Icebreaker	
Total Approved Budget			
Total GFCR Budget: US\$3,384,945 Blue finance ECRE: US\$3,384,945			

Programme Description
<p>Launched in July of 2022, the programme named 'Mamuhunan sa mga MPAs ('responsible investment in MPAs') builds up well managed and financially sustainable conservation areas, in close coordination with Government, to regenerate coral reef ecosystems and improve the lives of local coastal communities, especially women. This program will bridge the marine conservation financing gap through innovative, reef-positive businesses (RPBs) in the local blue economy that contribute to alleviating poverty and generating long-term income for the conservation areas.</p> <p>Our program runs to 2029 and has the following objectives:</p> <ul style="list-style-type: none"> ▪ Enhance the management capabilities and financial sustainability of more than 100 MPAs ▪ Regenerate approximately 80,000 hectares of high-biodiversity coral reefs and 1,500,000ha of overfished fishing grounds. ▪ Have a direct positive impact on the livelihoods of an estimated 13,000 fisher and coastal community members (the majority of whom are below the poverty level). ▪ Develop a pipeline of 7 reef-positive solutions in the Blue economy: sustainable eco-tourism, blue-carbon, sustainable fishery, and community-based aquaculture, all contributing financially to the MPA management through dividends and/or revenue sharing. ▪ Consolidate a blended finance impact facility for conservation areas with a target of unlocking US\$20m from impact commercial investors.

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I. Executive Summary

1. Programme Progress Update

During 2024, Blue Alliance (BA) conducted the following significant activities:

- Mitigated local drivers of coral reef degradation through over 90 activities in compliance, enforcement, community engagement, and coral reef conservation and monitoring in & around 83 MPAs grouped in 2 MPA networks.
- Signed 10-year renewable agreements with 5 additional local government units (LGUs) to officially co-manage their MPAs and fishing grounds, bringing the total to 9 LGUs.
- Managed the mangrove crab division of Aquahub Ltd, a RPB company for community-based aquaculture. We invested into nurseries and grow-out fishponds in Mindoro. First revenues were generated for US\$10k.
- Managed the seacucumber division of Aquahub Ltd. We invested into nursery facilities and developed the first community pilot farms in two villages. First revenues are expected in 2026.
- Managed Blue Wild Eco Ventures, a RPB company in responsible ecotourism commercialising coral safari ecotours and managing MPA donations. First revenues in 2024 summed approximately US\$23k.
- Finalised the feasibility of blue carbon RPB projects in Mindoro and Palawan and initiated with Government the preparation of a blue carbon credit pilot project in Palawan for mangrove forest conservation. First revenues are expected in end-2025.
- Developed a partnership with Icebreaker Ltd for the development, fundraising and operations of the Sea Sensorium RPB project based on a mobile version of the Sea Sensorium exhibit centre. First revenues are expected in end-2026.
- Advanced the structuring of the blended finance vehicle with the impact loan facility operational and initial design of refundable grant instruments.
- Launched the impact loan facility for RPBs and MPAs with funds committed from one anchor impact investor.
- Fundraised \$1.4m from one impact investor for the investment capital needs of two of the RPBs (RPBs). Funds will be deployed in 2025 through the impact loan facility.
- Extended the parametric climate insurance for MPAs and RPBs to our new geographies
- Supported community resilience, livelihoods, and empowerment through milkfish farming, rice community trading and ecotourism.

During 2024, BA had the following achievements, in some cases, exceeding 2024 targets:

- Contributed to regenerating approximately 30,420 ha of highly biodiverse coral reefs and 670,900 ha of overfished fishing grounds through improved control of illegal and destructive fishing and increased support to the fisher community.
- Built future sustainable revenue streams for MPAs with a pipeline of five RPB that will contribute financially to the MPA management through dividends and/or revenue sharing. BA, reaching 50% of the 2026 target for relevant Indicator F8.4.
- Two of the RPBs generated US\$33k in incomes, reached 3% of the 2026 target for indicator F9.1.
- Enhanced the MPA management with dedicated staff, seconded government staff, and professional equipment (vessels, motorcycles, ranger stations, and office).
- US\$1m additional private investment secured from impact investor for the RPBs. Adding the funds raised in 2023, we reached 50% of the 2026 target for indicator F8.2 (Amount of private investments).
- US\$0.6m additional philanthropic co-financing secured for the blended finance vehicle. Adding the funds raised in 2023, we reached 45% of the 2026 target for indicator F8.3 (Amount of philanthropic funding).

- Had a positive impact on the livelihoods of an estimated 1,073,000 fisher and coastal community members as indirect beneficiaries (the majority of whom are below the poverty level) and 509 individuals as direct beneficiaries through new jobs and new incomes.

2. Milestones and Adaptations

2026 Key Milestones	2024 Progress
D1.1.1a: 2 co-management agreement signed with LGUs for MPA network in Palawan	Achieved. Co-management agreements signed with 3 LGUs in Palawan
D1.1.1b: co-management agreement signed with LGUs for MPA network in Calamian or other location	Not planned for 2024
D1.1.2: additional co-management agreements signed in Mindoro	Co-management agreement signed with 1 additional LGU in Mindoro
D1.1.3 8 stakeholder meetings	Achieved
D1.1.4: Feasibility study for 1 additional MPA location	In progress with Apo reef National Park, South Palawan, Cagayan and Antique
D1.2.1a: Minimum increase of +20% in the average score for Mindoro MPA management performance / baseline in 2022. D1.2.1b: Minimum increase of +20% in the average score for Palawan MPA management performance compared to baseline in 2024. D1.2.1c: Minimum increase of +20% in the average score for CIG MPA management performance compared to baseline in 2025.	No measurement planned during 2024
D1.2.1d: 120 jobs created in 2026 as MPA staff	94 jobs created since inception
D1.3.1. Business plan for MPA network.	Achieved with business plans for MPA network of Mindoro and NE Palawan completed
D1.3.2. Summary scheme of the blended finance vehicle.	Partially achieved with a preliminary scheme of the vehicle
D1.3.3 At least 2 new investors with interest in the blended finance vehicle for MPAs	Achieved with BNPPARIBAS and SWISS Re
D1.3.4 Harmonised table of Key Performance Indicators	Achieved
D2.1.2a Business plans of a second cohort of reef-positive businesses.	In progress for 4 RPBs
D2.1.5: Beneficiaries of the programmes	509 direct beneficiaries
D2.2.1 Support to CAPEX and OPEX for Aquahub Crab	Partially achieved, as planned
D2.2.2 Support to CAPEX and OPEX for ecotourism	Partially achieved, as planned
D2.2.3 Support to CAPEX and OPEX for Aquahub seacuc	Partially achieved, as planned
D2.2.4 Support to CAPEX and OPEX for supply chain cie	Not planned for 2024
D2.2.5 Support to CAPEX and OPEX for second cohort	Not planned for 2024

The programme has faced 4 main challenges: (i) Unlocking private investment in nature-based solutions; (ii) Effectively mobilizing the Public Private Partnership (PPP) approach for co-management of MPAs; (iii) Developing social enterprises within the Blue economy that are well-governed and capable of achieving triple bottom-line objectives and; (iv) recruitment challenges for the MPA and RPB teams.

To address these challenges, the programme has refined its strategies since 2023, through:

- Strengthening the partnerships with government and community organizations through improved communication, regular and frequent meetings, signing of specific agreements for joint patrolling with Police, signing of collaborative fishery management agreements with communities and introduce the option of secondment contracts with BA for selected government officers.
- Ensuring BA holds a majority shareholder position in the RPB entities or establish legal agreements with the owners to secure the governance alignment with the missions;
- Adapting community-based business models to balance financial sustainability and stakeholder support;
- Coordinating RPB development with all local stakeholders, especially communities;
- Grouping RPB investment projects into a unique loan facility to improve risk-return profiles and reduce transaction costs;
- Bolstered support and capacity building for the local teams from our multi-disciplinary central management team, ensuring regular contact and providing on-demand expertise and access to information.

3. 2025 Outlook

For 2025, the main priorities, objectives, key milestones, and deliverables are the following:

- Expand the project and co-managed MPAs to additional LGUs in Palawan, Mindoro and other provinces.
- Explore co-management agreement with central Government for a national marine park.
- Initiate the construction of the hatchery and nursery facilities of the mangrove crab division of the Aquahub company, diversify and expand to new geographies with fishpond owners and local communities; prepare marketing and sales strategy
- Finalize pre-commercial preparation of the sea cucumber division of the Aquahub company, with farmers and local communities outgrowing farms and commercial partners for the marketing and sales strategy.
- Launch the coral safari product, resort and dive shop involvement, and MPA contributions.
- Support Icebreaker in the fundraising and marketing of the Sea Sensorium
- Implement the pilot blue carbon project in close collaboration with Government in Araceli, Palawan
- Conduct feasibility studies for new RPBs, including an eco-cruise, an eco-lodge, aquaculture company for grouper, upscaling of the existing Aquahub facilities and a fish supply chain.
- Strengthen community milkfish farming, gear swap programmes and sustainable tuna fishing.
- Advance feasibility studies of additional community development activities such as small-scale sea cucumber farms, gear swap for fishers, rabbitfish farming and chicken poultry.
- Complete the structuring of the blended finance vehicle and impact loan facility.
- Identify additional commitments from impact investors and donors.

II. Programme Progress Overview

1. Progress Toward Outcomes and Outputs

Outcome 1: Protection, effective management and sustainable financing of priority coral reef sites and climate change-affected refugia

Output 1.1: Increased area of climate refugia and priority sites designated as MPAs or LMMAs under delegation of management

- Signed 10-year renewable management delegation agreements with 5 additional local government units (LGUs) to officially co-manage their MPAs and fishing grounds, bringing the total to 9 LGUs. The additional LGUs are Sablayan in Mindoro and Roxas, Dumarán, Araceli and El Nido in Palawan. The new areas add 575,000 hectares of fishing ground, 9,600 hectares of coral reefs and 69 MPAs.

Output 1.2: Well-managed LMMAs and no-take zones

- Ninety-four MPA staff with job contracts and four officers from Government under job secondment contract.
- Controlled illegal fishing through daily patrolling in and around the MPAs with sea and foot patrols conducted; missions conducted jointly with coast guards; illegal activities recorded, gears seized, turtle nesting patrols and sea rescue missions to recover lost fishermen.
- Supported 9 community enforcement groups ('Bantay Dagats') to improve monitoring and control activities through fuel support, regular training and development and monitoring of patrol plans.
- Signed MoUs in 2 LGUs with Coastguard, Marine Police, Municipal Police and Bureau of Fisheries and Aquatic Resources (BFAR) for joint enforcement of fishery regulations in Municipal waters
- Fishery and Marine conservation area regulation updated, with a focus on live grouper fishing in Palawan.
- Prepared a gear swap programme for illegal compressor fishing, reef nets and beach nets.
- Delivered comprehensive training in anti-poaching and apprehension techniques.
- Conducted monitoring of coral reefs, fish populations, mangroves, fishery productivity (catch-per-unit of effort campaigns) through baseline ecological data collection campaigns in monitoring sites.
- Collected data for fish landing at two main landing sites.
- Conducted invasive crown-of-thorns removal campaigns and sea-turtle nesting sites management.
- Purchased speedboats, basic scientific and diving equipment, and established one office and two ranger stations.

These and other activities contributed to regenerating approximately 30,420 ha of highly biodiverse coral reefs and 670,900 ha of overfished fishing grounds and to enhancing the management capabilities of MPA teams.

Output 1.3: Preparation and management of public and private investment for MPAs to address some of the key drivers of coral reef degradation & Output 1.4: MPA blended finance investment facilities mobilise public and private investment for MPAs to address some of the key drivers of coral reef degradation

- Defined three instruments: grants, refundable grants, and impact loans. Structured the impact loan facility with impact investors, refining legal, compliance, guarantees, risk hedging, and tax aspects.
- Developed climate parametric insurance solutions to de-risk the investment.
- Completed the financial models, investment plans, Environmental, Social, and Governance and carbon footprint assessments for the five RPBs.
- Advanced the structuring of the blended finance vehicle with the impact loan facility operational and initial design of refundable grant instruments.

- Launched the impact loan facility for RPBs and MPAs with funds committed from one anchor impact investor to cover part of the investment capital needs of two RPBs
- Conducted fundraising activities with investors and donors. Conducted funder mapping, introductions, and developed pitch materials.
- Committed funds from one donor for the RPBs.
- Designed a first round of social and environmental KPIs and impact metrics following GFCR investment principles and guided by international best practices (GIIN, IUCN, BNCFF, SOCMON, METT).

These contributed to building sustainable revenue streams through dividends and/or revenue sharing from the five RPBs, reaching 50% of the 2026 target (indicator F8.4). Additional US\$1m in private investment is mobilized from impact investors for the RPBs, reaching 50% of the 2026 target (indicator F8.2) and additional US\$0.6m in philanthropic co-financing is secured for the blended finance vehicle, reaching 45% of the 2026 target for indicator F8.3.

Outcome 2: Transforming the livelihoods of coral reef-dependent communities

Output 2.1: A pipeline of reef-positive businesses that generate returns for MPAs and address key drivers of coral reef degradation in & around the MPAs is developed

- Aquahub Ltd, a Filipino company, has invested into nursery facilities for mangrove crabs in Mindoro. Aquahub also implemented sixty hectares of grow-out pilot farms in existing fishponds in Mindoro. The company has generated US\$10k in revenue from sales of crabs to national markets.
- Aquahub Ltd has invested also into nursery facilities for seacucumber and implemented four hectares of grow-out pilot farms in Palawan. First revenues are expected in 2026.
- Blue Wild Eco Ventures Ltd has launched the coral safari ecotours in late 2024. The company has conducted also MPA donation campaigns with 968 visitors since early 2024. The company has generated US\$23k in revenue.
- The Blue carbon team has finalised the feasibility of blue carbon RPB projects in Mindoro and Palawan and initiated with Government the preparation of a blue carbon credit pilot project in Palawan for mangrove forest conservation. First revenues are expected in end-2025.
- BA has developed a partnership with Icebreaker Ltd for the development, fundraising and operations of the Sea Sensorium RPB project based on a mobile version of the Sea Sensorium exhibit centre. First revenues are expected in end-2026.
- BA identified potential RPBs, including acquiring an existing eco-lodge, establishing a new eco-cruise company, developing community-based grouper aquaculture, upscaling of the 2 existing Aquahub facilities and building a fishery supply chain company.
- Supported a fisher's producer group for milkfish caging in Mindoro: BA trained men in caging. Training and monitoring are ongoing. BA is evaluating the purchase of equipment for postproduction and marketing.
- Feasibility Studies for Community Development: Ongoing assessments included small-scale sea cucumber farms, gear swaps for fishers, milkfish farming, and poultry projects.

Output 2.2: The MPA blended finance investment facilities mobilise public and private investments for reef-positive businesses

- Aquahub mangrove crabs invested in the construction of the nursery facilities and working capital for the project staff, grow-out farmers, fingerlings, materials, insurance, back office, etc.
- Blue Wild Eco Ventures invested in the vessel, UW communication and gears, sales office and working capital for the coral safari staff, fuel, food, insurance, marketing, etc.

- Aquahub seacucumber invested in the construction of the grow-out pens and working capital for the project staff, grow-out farmers, fingerlings, materials, insurance, back office, etc.

These and other activities contributed to a positive impact on the livelihoods of an estimated 41 communities and contributed to a direct positive impact on the livelihoods of an estimated 509 individuals (F7.1 direct beneficiaries) through new jobs (114 new jobs from MPAs and 6 new jobs from RPBs created since 2022) and revenues. In addition, our work some benefitted 1703 individuals through training. We estimate 48,000 fishers (pre-harvest, harvest and post-harvest) more likely to have increased catch and revenues. This surpassed our original target for GFCR.

Output 3.1: M&E

BA developed an M&E Framework to measure the socio-economic, management and ecological impacts of project activities. The M&E Framework has been harmonized with the GFCR Investment Principles and M&E Strategy to ensure that fund-level indicators are captured. Social and environmental KPIs have been assessed (baseline) in Mindoro through impact metrics on recovery of coral reef ecosystems, livelihood enhancement and sustainable enterprise, and new jobs. BA will finalise collecting and processing baseline information for Palawan in Q1 2025. BA is in the process of refining the Gender Action Plan and will incorporate related indicators into the M&E Framework.

2. Grants, Investment, Revenue Mobilised

Grants and Investments

Private debt investments secured total US\$1.5m since 2023 aiding BA to reach 50% of the 2026 target.

This includes US\$1m impact loan capital raised in 2024 from BNPPARIBAS for Aquahub mangrove crab and Aquahub Seacucumber. Deployment will start in early 2025. We are in discussion with eight impact investors (commercial banks, DFIs, family offices) about additional funding.

Grants secured total US\$0.9m since 2023 which is 45% of the corresponding target. This includes US\$0.5m catalytic capital signed in 2024 with Swiss Re for the RPBs and MPAs and US\$0.1m catalytic capital signed in 2024 with UBS Optimus Foundation for MPAs. We have identified additional funding with other donors (UKAID, Builders). **Public investment secured totals approx.. US\$60k** in kind capital from the 9 LGUs which is 75% of the target and supports salaries, fuel and other direct expenses.

Revenue and Sustainability

Incomes generated during 2024 through the RPBs reached 100% of their 2024 target and 3% of the 2026 target. They included the following:

- US\$10k revenues generated by Aquahub mangrove crabs. The sales and market price of crabs are in line with our expectations. Demand from main cities like Manila is high and ready to pay for the premium of this kind of product with a story. However, our pilot farms were impacted by a disease originating from neighbouring fishponds, which affected survival rates and productivity.
- US\$23k revenues generated by Blue Wild Eco Ventures Ltd, coming from donations from visitors, as a result of our donation campaigns in 12 resorts and diveshops in Puerto Galera. The launch of the coral safari ecotours was postponed to January 2025, due to delays in administrative permits to run the business.

Challenges and Next Steps

- For indicator F8.4 (No. of businesses and sectors with GFCR funding sources) 100% of the 2026 target is met.
- For indicator F9.1 (Amount of revenue and ROI generated from sustainable financing), we have reached 3% of the 2026 target.
- For indicator F9.2 (No. and type of sustainable revenue streams), 40% of the 2026 target is met.

- For indicator F9.3 (Amount of revenue in local enterprises) 80% of the 2026 target is met.

In 2025, the Aquahub mangrove crab will be cultivated in dispersed fishpond locations with varying risk profiles to minimize the impact of external diseases. The coral safari product will be officially launched to the main market of divers and snorkelers. Regarding donation engagement campaigns, we will maintain our campaigns with main champion resorts in Puerto Galera.

3. Challenges and Lessons Learned

The programme's primary challenges have centred around (i) unlocking investment and (ii) effectively mobilizing the Public Private Partnership (PPP) approach.

(i) To unlock private investment in nature-based solution such as MPAs and build a robust pipeline of bankable projects, at scale, ensuring high quality standards for environmental and social impacts, and enabling the projects to meet the investor's criteria. To address these challenges, and based on lessons learnt since 2023, we have fine-tuned the initial approach with the following actions:

- a. We prepared and designed MPA projects and RPBs with even higher investment grade and establish a robust M&E framework to monitor impact.
- b. We continued our efforts to recruit a credible team, locally and internationally, to implement the project with a comprehensive mix of expertise and appropriate track record in MPA management, entrepreneurship, community development, marine ecology, conservation finance, public-private partnerships and business planning.
- c. We adapted our approach for community-based business models by allowing sufficient time in the financial plans for slower revenue growth. We added creativity in developing community-based revenue-sharing or participation models and ensure support and understanding by conducting stakeholder meetings at all stages.

(ii) The PPP approach in our programme, where the public sector delegates MPA management, is a new model in the Philippines. We collaborate with various departments of the Ministry of Environment, local governments, and community fisher organizations, each with its own understanding and level of support for co-management. Since 2022, when we first started, significant progress has been made in our partnerships with both the government (e.g., regular meetings, joint patrols, and field activities) and community fisher organizations (e.g., training, awareness programs, regular meetings, joint patrols). Blue Alliance's activities are approved by LGUs and guided by a Stakeholder Advisory Committee (SAC), which includes representatives from central and local government agencies, academia, and other organizations. The SAC has been instrumental in building positive support for our co-management efforts. Overall, the program enjoys strong support, with active participation from LGUs and local communities. However, at the central government level, we need to improve communication to gain greater buy-in and support for the PPP aspect of the programme.

4. Emerging Risks

There are no new risks that emerged in 2024.

III. Solutions

1. Overview of Progress and Composition of Solution Portfolio

The RPBs in sustainable ocean production and sustainable coastal development are the primary solution for our programme. To date, five RPBs are actively growing and during the past year, six other RPBs were identified for feasibility. Sector wise, four are for the ecotourism sector, five for aquaculture, one for sustainable small-scale fisheries and one for blue carbon credits. Six businesses directly address the threats of overfishing, destructive fishing, and unsustainable coastal and economic systems that do not take environmental costs into account. Four businesses address the threats of unsustainable tourism, destructive fishing, lack of public awareness and economic systems that negatively impact the environment.

Addressing the main drivers of coral reef degradation. The RPBs do this by:

- preventing over-exploitation of specific reef species (e.g., sea cucumber or mangrove crabs produced in hatcheries).
- improving sustainable fishery practices (e.g., Samaki Bluu training with fishers), especially on endangered species.
- reducing fishing of coral reef fish species (e.g., Samaki Bluu fishers focusing on pelagic stocks and Aquahub workers with diversified livelihoods).
- implementing sustainable tourism practices and maintaining coral reef ecosystems below tourism carrying capacity (e.g., the coral safari has low volume and small group experiences).
- increasing awareness and marine conservation education for residents, scholars, and visitors.
- restoring and/or conserving mangroves, seagrass and/or coral reef habitats (e.g., seagrass habitat regenerated via bioturbation generated by sea cucumber out grower farms and mangrove habitats restored through the mangrove crab grow-out farms).

Each business also contributes to alleviating poverty, improving food security, improving resilience capacities, and fostering greater gender equality among members of the local communities by:

- generating incomes for coastal households by creating jobs in the aquaculture farms, hatcheries, tourism facilities, fish filleting facilities, and other related value chain livelihoods.
- generating incomes for coastal households from related micro-enterprises in ecotourism, aquaculture and sustainable fisheries.
- providing training and capacity building for coastal communities that improves their core skills, adaptive capacities, and self-agency.
- increasing participation and when possible, leadership, of women, in the local blue economy and thus increasing opportunities for them to generate income for the household.

A critical element to all the activities and RPBs is the inclusion of communities in participatory management of the MPA or conservation area.

Additionally, each business has the capacity to contribute financially to MPA management, which in turn further reduces drivers of coral reef degradation, generating dividends and/or revenues to contribute to the MPA operational budgets and eventual pay back investors.

Of the five active RPBs, the following describes their progress:

1. Aquahub Ltd, a Filipino company, has invested into nursery facilities for mangrove crabs in Mindoro. Aquahub also implemented sixty hectares of grow-out pilot farms in existing fishponds in Mindoro. The company has generated US\$10k in revenue from sales of crabs to national markets.
2. Aquahub Ltd has invested also into nursery facilities for seacucumber and implemented four hectares of grow-out pilot farms in Palawan. First revenues are expected in 2026.

3. Blue Wild Eco Ventures Ltd has launched the coral safari ecotours in late 2024. The company has conducted also MPA donation campaigns with xxx visitors since early 2024. The company has generated US\$23k in revenue.
4. The Blue carbon team has finalised the feasibility of blue carbon RPB projects in Mindoro and Palawan and initiated with Government the preparation of a blue carbon credit pilot project in Palawan for mangrove forest conservation. First revenues are expected in end-2025.
5. BA has developed a partnership with Icebreaker Ltd for the development, fundraising and operations of the Sea Sensorium RPB project based on a mobile version of the Sea Sensorium exhibit centre. First revenues are expected in end-2026.

The six RPBs under assessment for feasibility and/or in preparation are as follows:

1. **Samaki Bluu**, a Fishery supply chain company, under preparation, is specialized in high-quality fish products, implementing sustainable fishing practices around the MPAs and increasing revenues for coastal fishers.
2. **Aquahub, community-based aquaculture of grouper**. With a hatchery and nursery for Coral Trout (*Plectropomus Leopardus sp.*). Out growing will be developed in floating cages with fisher community households. The company will sell the animals to international markets.
3. **Blue Wild Eco Ventures eco-cruise**. Responsible eco-cruise liveaboard, providing small scale, eco-friendly cruise experiences for guests belonging to the wildlife wanderer tourer categories
4. **Blue Wild Eco Ventures boutique eco-lodge**. This will include potential buyout of an existing boutique ecolodge (25 rooms max) with clear alignment re environmental and social safeguards
5. **Upscaling of the Aquahub sea cucumber facilities**. This is a second phase of the Aquahub Sea cucumber with additional investment need. Investment will support upscaled hatchery and nurseries, capable of producing up to a million juvenile sea cucumbers annually, out grower farms above 100ha and processing facility with high standards re export.
6. **Upscaling of the Aquahub mangrove crab facilities**. This is a second phase of the Aquahub Sea cucumber with additional investment need. Investment will support upscaled hatchery, nursery, and processing facility producing up to 200t high-value mangrove adult crabs.

For each business, we conduct an Environmental & Social Due Diligence (ESDD)¹ to analyse potential negative impacts of developments linked to the investment. No major environmental, social and governance risk have been identified for the on-going RPBs. Based on the ESDD, a detailed Environmental and Social Action Plan (ESAP) has been produced for each RPB. The ESAPs describe the mitigation measures of the minor risks identified and timeline for implementation.

2. Support and Financing

During this reporting period of 2024, a total of US\$1m was secured as impact loans from private sector for RPBs. The RPBs are financed with a mix of grant, refundable grant and impact loans. The total investment need is US\$29.5m funded through US\$12.1m grants (41%) and US\$17.3m impact loans.

¹ The following E&S standards form the Reference Framework for our ESDD:

- Blue finance Environmental & Social Safeguards Policy
- Applicable local, national and international environmental and social (including health and safety) laws, regulations and standards fully in force in the country (including international conventions that are fully ratified);
- International Finance Corporation (IFC) Performance Standards (PS), 2012;
- World Bank Group General Environmental, Health & Safety (EHS) Guidelines (2007);
- World Bank Group EHS Guidelines for Aquaculture (2007);
- World Travel & Tourism Council - Nature Positive Tourism Roadmap (2022);
- Secretariat of the Convention on Biological Diversity - Guidelines on Biodiversity and Tourism Development (2004).

The existing ownership arrangement is set up to de-risk investment and is effective. Blue Wild Eco Ventures and Aquahub Ltd are owned 100% by Blue Alliance, ensuring commitment to transfer all dividends to the MPAs. Sea Sensorium is owned in majority by Icebreaker limited, formed by impact investors and traditional investors in the entertainment world. BA will seek to own 10% of the shares. Beside sharing 10% of the dividends with BA, the project will revert part of the revenues to BA.

3. Challenges and lessons learned

During implementation we have identified various lessons for targeting the bottlenecks that hinder private investment and the development of a pipeline of ‘bankable’ RPBs. These lessons learned include:

- It is crucial to establish ownership arrangements in the RPBs that align business owners with the long-term social and environmental missions and ensure their financial contribution to the MPAs. When Blue Alliance holds a majority ownership, this alignment and commitment to transfer all dividends to MPAs is straightforward and secure. However, if Blue Alliance does not have majority ownership, more complex agreements such as acceleration repayment clauses in loan agreements, revenue-sharing agreements, and shareholder agreements are necessary.
- It is important to design investment grade projects that establish a robust M&E framework to monitor outputs, outcomes, and impact. The developer must focus on creating detailed business plans, negotiating terms and commitments with all project partners and stakeholders, and conducting robust financial projections and scenario analyses. This includes designing investment structures that incorporate incentives for farmers and fishers, ensuring financial returns and benefits for participating farmers, fishermen, local stakeholders, and investors. Additionally, the developer must oversee the initial design of the blended finance facility, including catalytic grants and debt capital.
- The developer must coordinate terms with all relevant stakeholders, including the MPA SPE, community, government, and commercial or private sector partners. This preparation should include detailed investment and business plans, subject to thorough financial analysis and due diligence.
- It is important to adapt the approach for community-based business models by incorporating sufficient time in financial plans to accommodate slower revenue growth. Be creative in developing community-driven revenue-sharing or participation models. Ensure stakeholder support and understanding through consistent engagement and meetings at every stage of the process.

4. Objectives and Milestones for 2025

- Initiate the construction of the hatchery and nursery facilities of the Aquahub Ltd mangrove crab division, monitor and supervise broodstock collection and conditioning, build capacities for the Hatchery and nursery teams. Expand the grow-out in dispersed locations (including different provinces) with fishpond owners and local communities. Prepare the marketing and sales strategy with local and international buyers.
- Finalize the pre-commercial phase of the Aquahub Ltd sea cucumber division through building the initial hatchery and nursery facilities, monitoring and supervising broodstock collection and conditioning, building capacities for the hatchery and nursery teams, engaging with farmers and local communities for extensive outgrowing farms (>20 ha) and engaging with commercial partners / buyers, marketing and sales strategy. Revenues are expected to start in 2026.
- Launch the coral safari product in Mindoro market, maintain or increase active contribution of resort and dive shops in Puerto Galera, and implement new citizen science campaigns.
- Support Icebreaker in the fundraising with impact investors for the Sea Sensorium, prepare marketing materials and financial models.

- Implement the pilot blue carbon project in close collaboration with Government in Araceli, Palawan through carbon credits origination for sales to the voluntary market of VCUs - Verified Carbon Units of conservation of threatened existing mangrove forests (REDD+). Community Associations will be established by the communities to support project-wide governance, implement activities, and manage the finances of emission reductions– putting the power of carbon finance in the hands of those making a difference on the ground.
- Progress on the feasibility studies of the six new RPBs (described above).

IV. Facilities and Conservation Trust Funds

1. Design Overview

BA is creating a blended financing vehicle that supports both marine conservation and blue economy development, globally. This vehicle combines grants, refundable grants and performance impact loans. Climate insurance solutions are also as a tool to de-risk the vehicle. The vehicle blends 3 instruments:

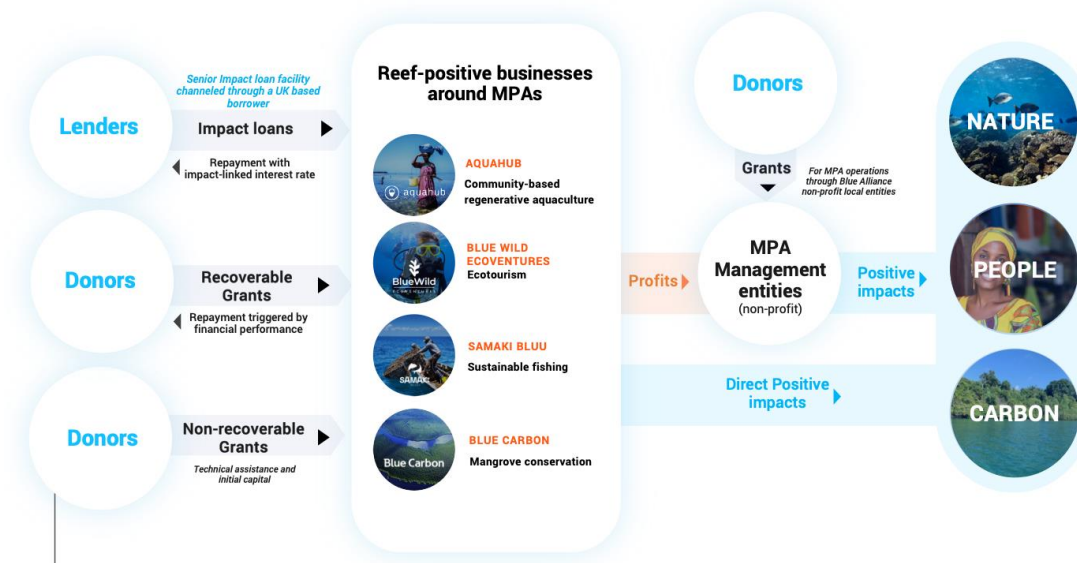
1. *A senior impact loan facility:* This provides concessional financing for RPBs in Indonesia, Philippines and Tanzania. Offers patient capital (10-year maturity) and performance-linked returns linked to environmental and social outcomes. The facility is blended and derisked with non-refundable grant capital. Capital comes from commercial banks, impact investors and family offices, with all lenders ranking equally ('pari-passu'). BNPPARIBAS is the anchor investor with an initial tranche of US\$2.4m.
2. *A recoverable grant facility:* Provides capital during the start-up phases of the businesses. Repayment is triggered by outstanding financial performance of the RPBs.
3. *A non-recoverable grant facility:* Provides (i) technical assistance and capital during the start-up phases of the businesses and, (ii) financing for the MPA day-to-day conservation activities until these grants can be gradually replaced by dividends from the RPBs. The Global Fund for Coral reefs is the anchor donor.

The following entities have played an important role in the design and development of the facility:

- Catalytic climate finance facility (CC Facility) providing inputs into the design and upscaling of the blended vehicle as well as fundraising strategy. The initiative is a partnership between Climate Policy Initiative and Convergence.
- Ropes&Gray and Simmons&Simmons, both international law firms, preparing the legal and compliance documents for the impact loan facility.
- BNPPARIBAS, impact investment and ESG teams, providing inputs into the design and derisking of the impact loan facility.

The latest design is summarised in the following infographic:

Impact Loan Facility



2. Progress and Challenges

In 2023, Blue Finance started the process of designing the blended finance vehicle for MPAs and RPBs in Indonesia, Philippines and Tanzania. The initial design and fundraising activities were accelerated during 2024 with support from the GFCR.

More precisely, for the Philippines, since 2023, US\$1.5m has been committed as impact loan funding with US\$0.5m from UBS Optimus Foundation (OF) for the Aquahub company and the Sea sensorium and US\$1m from BNPPARIBAS for the Aquahub company (for both the mangrove crab and seacucumber division). The loan from UBS OF is signed directly with Blue Alliance whereas BNPPARIBAS loan is channelled through the impact loan facility. The impact loan facility is senior to all other loans.

Other funders have committed US\$0.25m as refundable grant for the Aquahub company (mangrove crab division). Additional commitments are being sought with impact investors and venture philanthropists.

Globally, the vehicle deployment is organized in three 3-year phases:

- Phase 1 (2024-2026): 80% committed and in deployment. Supports 5 RPBs (including 2 RPBs in Philippines) and manages 1,700,000 ha MPAs in 4 networks (Indonesia, Philippines, Zanzibar). Total investment sums US\$12.2m (US\$6.2m for RPBs and US\$6m for MPA management). Expected final funding is US\$3.7m as senior debt from the impact loan facility (BNPPARIBAS, others), US\$2.6m as refundable grant (Genem, others) and US\$5.9m as non-refundable grant (Global Fund for Coral Reefs, others).
- Phase 2 (2027-2029): In preparation. Upscaling the vehicle to manage in total 3,700,000 ha MPAs and finance 15 RPBs (including all RPBs in Philippines). Total investment sums US\$58m with a similar funding blend.
- Phase 3 (2030-2032): In design. Upscaling the vehicle to manage in total 8,700,000 ha MPAs. Total investment sums ~US\$150m. (NB: a pipeline of >300 potential MPA networks has been pre-identified in the Global South where this model can be applied)

In 2023, BA designed an innovative climate insurance with AXA Climate for the MPAs and RPBs projects in Philippines. The insurance has been designed to cover MPA management costs and MPA/RPBs equipment replacement in case of a hurricane (business interruption). The insurance has been renewed for 2024/2025.

Lessons learned for the development of a blended finance facility:

The achievements made in this programme demonstrate the growing potential for impact investment in marine conservation. While the opportunity offered by MPAs is relatively new, lessons are emerging regarding the core ingredients for success:

1. Blue Finance successfully implemented a similar blended finance model in Belize with one of the largest MPAs in the Caribbean. Since deployment of our first investment in Belize in 2021, approximately 50% of the Belize MPA operational budget have been covered by revenues from the eco-tourism reef positive solution. The objective is to cover 100% of the MPA annual budget by 2026 so Belize MPA can become independent from donors and deliver long term impacts. Our aim is to apply this lesson and model to the programmes in Tanzania and the Philippines.
2. A viable business model is necessary for financial returns. Nature tourism is currently one of the most viable revenue sources for MPAs, with responsible aquaculture and sustainable fisheries emerging as new revenue streams.
3. Grouping projects in a unique facility can improve the risk-return profile. It will increase the investment size and make it more attractive to commercial investors. The facility simplifies the investment process and lowers transaction costs, creates efficiency and economies of scale through aggregation, reduces the investment risk through diversification across revenue models and MPA projects, improves the quality of the project design and execution and helps investors to transparently monitor their impacts.
4. A multi-stakeholder approach is central to successful project development and management. This should include governments, engaged and experienced NGOs and partners with skills in social entrepreneurship, financial planning and marine conservation;
5. Appropriate performance indicators must be identified - with stakeholder input - to capture the programme's key social and environmental impacts.

V. Enabling Environment

1. Policies at National and Sub-National Levels

The following initiatives, implemented during 2024, have addressed obstacles that used to exist in the policy environment that could have impacted our programme success on effective co-management of MPAs, on development of community-based businesses and on active enforcement of fishery regulations.

- We setup a robust model to develop legal agreements for the delegated management of MPAs in municipal waters with Local Government Units. Since 2023, 9 agreements have been signed by LGUs with our local sister entity, the non-profit Blue Alliance Philippines. The 9 agreements have been based on a model that has been refined and improved over the years. The renewable agreement runs for a duration of ten years and defines a clear distribution of roles and obligations in the day-to-day management of the conservation area. Blue Alliance Philippines maintains the full responsibility and execution of main management functions and is accountable to the LGU, who is the owner and who determines the policy.
- We improved the collaboration with LGUs for the co-management of MPAs through establishing and actively organising co-management stakeholder committees (SAC). The SAC is a mechanism of participation in the planning, management and monitoring of the co-management and administration of the MPAs as well as Blue Economy development. The SAC is composed of central and local government agencies, research institutes, coastguards and Communities (Barangays, the smallest administrative unit in Philippines). In 2024, in Mindoro, the committee has met twice. The LGUs are monitoring closely the progress of the Aquahub initiatives, providing inputs on the design of the out growing farm lease agreements and assisting with legal concessions, authorisations and tax clearances. The same applies to the Blue wild coral safari project.
- We improved the support from Government in our works with local communities, fisher committees and local government offices through seconding permanent staff from BFAR and coast guards.
- We improved the active enforcement of fishery regulations, through agreements developed with coastguards and police for joint patrolling in Palawan.

Our constant progress re new engagement in co-management agreements for MPAs with LGUs are a proof of the support received from institutions. By the end of 2024, 9 Co-management agreements were signed with LGUs to jointly manage the protected areas under their jurisdiction.

Remaining gaps or obstacles that exist in the policy environment that may impact programme success include:

- Stronger commitment from LGUs to prosecute repeated poachers arrested several times through our joint patrolling effort
- Varying level of implication amongst the LGUs in the day-to-day operations management of the MPAs with joint efforts in livelihood programmes and resource monitoring
- Even if situation has improved in 2024, we need to improve communication at the central government level, to gain greater buy-in and support for the PPP aspect of the programme. 2 agencies are targeted : The Department of Environment and Natural Resources (DENR) and The Bureau of Fisheries and Aquatic Resources (BFAR). We are developing a communication strategy with each one.

2. Other Enabling Environment Factors

Other enabling factors include general alignment with Philippines's broader "Blue Economy" governmental programme, which strives to promote inclusive development for local communities. The Philippine Business for Environment (PBE), Philippines Business for Social Progress, Philippine Tropical Forest Conservation Foundation (PTFCF) and Peace and Equity Foundation (PEF) have identified opportunities for private sector investment in biodiversity-friendly enterprises through a Marketplace. The government also recognizes that besides expanding the protected areas and allocating annual resources (i.e. ENIPAS Act), it is necessary to tap into investments from the private sector in specific protected areas. In this sense, Public-private Partnership (PPP) has been confirmed as a finance solution to achieve so. In August 2021, an MOU was signed between the Public-Private Partnership Center and the Department of Environment and Natural Resources –DENR to ensure that the use of protected areas in developing PPPs is consistent with the principles of biological diversity and sustainable development.

For blue carbon, Blue Alliance is now part of the Global Mangrove Alliance (GMA) Philippines. This will help to clarify land tenure approach and benefit sharing mechanism with government.

In 2025, Blue Alliance will continue to coordinate with DENR and BFAR to identify further opportunities for collaboration.

3. Complementary Initiatives

In parallel, Blue Alliance will continue its discussions with Fish right, sustainable fishery project , financed by USAID with blue economy components.

VI. Gender Equity and Social Inclusion (GESI)

1. Gender Roles and Risks

The primary beneficiaries of the BA Philippines programme are households of fisheries-dependent communities in and around the MPAs we support in Northeast Palawan, and the Mindoro province. In the Philippines, there are some unique nuances to gender roles. In Southeast Asia, the country is a leader in gender equality with a gender parity score of 77.9% and global ranking of 25th.² However, women's contribution to fishing and marine conservation activities is sometimes overlooked due to a greater focus on the fisheries activities at sea. Additionally, research on gender dimensions in Palawan and Mindoro has found that while men and women are equally aware of climate change, women were sometimes more risk averse and less connected to nature. Men were also often more involved in climate change adaptation planning.³

In BA programming, we have observed these and other gender-related aspects. We understand that along with empowering women, addressing men's roles is important to fostering gender equity. We prioritize learning and adaptive management in our work. For example, recent consultations with beneficiaries in Palawan indicated the potential for our fisheries training and savings group activities to have a greater impact on household financial decision-making through increased engagement with men and women couples, that may benefit more positively the reef-positive businesses. In 2025, BA is continuing to examine this in a more methodical manner in order to update and align our Gender Policy and activities to be more gender transformative and have greater impact on our results.

In BA programming, we recognize the importance of addressing gender dynamics holistically. While empowering women is essential, engaging men is equally critical to fostering gender equity. We emphasize continuous learning and adaptive management in our work. For instance, recent consultations with beneficiaries in Palawan highlighted the potential for our fisheries training and savings group activities to enhance household financial decision-making. By increasing engagement with both men and women as couples, these initiatives could drive greater positive impact on reef-friendly businesses. In 2025, BA is deepening efforts to understand these dynamics and update our Gender Policy and activities, ensuring they are more gender-transformative and maximize our impact.

2. Programme Actions and Outcomes

In 2024, Blue Alliance engaged more actively with local communities on topics relating to inclusion and gender equity, always aligning activities to local norms and customs to not exacerbate or inadvertently cause gender-based tension or violence. We made office space and training spaces more welcoming and comfortable for women to *visit at times and places convenient to them*. In a similar way, we trained over 600 women in new income generating opportunities such as e.g. resource monitoring, mangrove restoration, eco-tourism and cooperative rice trading. While women in the Philippines have expressed little interest in patrolling roles, female members continue to be active in the community enforcement sea steward groups, *Bantay Dagat* (coast guard in Filipino), with the total number in 2024 reaching 14.

3. Lessons Learned and Future Direction

Blue Alliance is currently in the process of updating the Blue Alliance programme GESI objectives and performance indicators to introduce stronger measures of participation, decision-making, male perceptions and behaviours, and other aspects of gender-transformative programming. We will submit

² World Economic Forum. June 2024. "Global Gender Gap Report 2024." <https://tinyurl.com/2ts75p7m>

³ Graziano et al. Jan. 2018. "Wading past assumptions: Gender dimensions of climate change adaptation in coastal communities of the Philippines." <https://doi.org/10.1016/j.ocecoaman.2018.01.029>

an updated GESI Action Report to GFCR for review of the updated GESI Objectives and performance indicators to GFCR. Upon final approval, we will incorporate these refinements and modifications into our GFCR Results Framework.

VII. Partnerships

1. Partner Contributions

The direct implementing partners of this programme had the following achievements in 2024:

- Blue Alliance (3 managers and 91 rangers and field officers) has led all activities linked to MPA management, science, community engagement. BA has been working closely to the local government and central agencies such as BFAR. The on-the-ground team has proactively protected and monitored natural resources through enhanced compliance and enforcement activities, long-term community engagement programs, science-based approaches, and regenerative projects for environmental protection. The teams have brought its extensive experience in engagement with local stakeholders and communities.
- Aquahub (2 managers and 2 technical staff) has implemented the activities for the mangrove crab and sea cucumber community-based aquaculture including operating nursery facilities and developing pilot grow-out farms with local communities and local stakeholders.
- Blue Wild Eco Ventures (4 employees) have been implementing donation and awareness campaigns in main tourism hubs as well as participating in the design and training of the coral reef safari experience.
- Uba (1 manager and 2 technical staff, not based in Philippines) has Finalised the feasibility of blue carbon RPB projects in Mindoro and Palawan and initiated with Government the preparation of a blue carbon credit pilot project in Palawan for mangrove forest conservation.
- Scylla Ltd (mangrove crab experts) and Seacucumber Ltd (seacucumber experts) have provided technical assistance to Aquahub for the development of the field activities as well as designing and planning the different facilities.

Indirect Implementing Partners:

Bantay Dagats (BDs)

In 2024, BA worked with 9 BD groups involved in the day-to-day conservation activities (e.g., turtle beach monitoring) and fishery compliance activities of the LGUs. We provided monthly trainings to the BDs, and support to define and monitor monthly patrolling plans. Jointly with BDs and LGUs, BA has updated threat assessment, developed patrolling plans, and worked on fishery regulations and by-laws.

People organisations (POs)

BA works also with a number of communities and organisations, such as the Tamauyan-Bulaso MPA Management Council, Dulangan Seagrass Association, Mangingisda sa Tabinay, Puerto Galera Divers Association, Silonay Mangrove Conservation Area and Ecotourism organisation. These include people who work with coral reefs as well as their supporting ecosystems – sea grass beds and mangroves. BA also works with 5 research partners that includes universities and NGOs. Concrete examples of community based initiatives supported by Blue Alliance include:

- Kabuhayan at Kalikasan para sa Mamamayan ng Brgy. Lazareto (KAKAMBAL), a people's organization composed of mainly 50 women and men volunteer Bantay Dagat and fisherfolks. Co-managing the 37-hectare Harka Piloto Fish Sanctuary in Brgy. Lazareto, Calapan. The group offers tour packages including island hopping and turtle hatching/releasing experience.
- Sama-samang Nagkakaisang Pamayanan ng Silonay (SNPS) was founded by fisherfolks in 2009 with a cooperative-like organizational structure and is composed of 134 women and men. It co-manages the 41-hectare Mangrove Conservation and Eco Park in Barangay Silonay, Calapan. It has initiated various livelihoods such as catering and payment for ecosystem services through its mangrove park and kayaking.

Research/Scientific Partners:

Re Monitoring and scientific activities, we are in collaboration with local partners such as Mindoro State University for monitoring of Coral reefs and mangroves, with the University of Singapore for water quality monitoring, with the Large Marine Vertebrates Research Institute Philippines (LAMAVE, for shark and turtle studies) and with the University of the Philippines (UPI) for artificial intelligence in fish surveys. Internationally, we have built collaboration with Naturemetrics (e-DNA) and the CNRS (French Scientific research centre). On the international landscape, BA collaborates with the CRILOBE laboratory in France.

2. Fostering Collaboration Among Partners

BA ensures that all partners, including local communities, government bodies, donors, funders, the private sector, and other stakeholders, are informed and aligned with the project's progress and developments. We update and engage our partners mainly through the stakeholder advisory committee (described in Section IX). In addition, we run joint conservation initiatives (e.g. with Lamave), we develop regular and frequent communication materials, and shared resources. Through our bi-annual progress report mailers, weekly social media posts about project activities and progress, as well as our annual reports, we provide a clear view of how our partners' contributions are making an impact and ensure that potential synergies are identified.

More detail on the collaboration amongst partners through the stakeholder advisory committee is given in Section IX.

In 2025, in addition to continue working with all the partners presented above, we will seek additional NGO partners and/or expert institutions to develop the expansion of the livelihood programmes in areas such as milkfish caging, rabbit fish farms and chicken farms.

VIII. Monitoring and Evaluation (M&E)

1. Overview of M&E Activities

In 2024, BA, with an ultimate aim of improving ecosystem health, strengthened and consolidated data collection and reporting for M&E. BA re-surveyed sites for reef health, 124 transects in Oriental Mindoro (4 MPAs) and established baselines in Occidental Mindoro and NE Palawan (5MPAs). In addition, all sites were surveyed for commercial fish. Based on these outputs, and a deeper understanding of the M&E social indicators (some of which changed) - some mid-term and end of project targets have been adjusted. We continue to improve our methods for tracking progress, and have developed a position for a dedicated data manager at BA Headquarters, responsible for tracking social indicators. BA is also using the MERMAID system which has helped to streamline our ecological data and progress reporting.

2. Entities Responsible for M&E

We initiated a rigorous M&E programme at the onset of our programme. It involves the entire team with final responsibility resting at the head office, with the Science Director. Social and Ecological information is collected via local teams and sent to HO. Financial indicator information is overseen directly by the Executive Director. Data are collected at each site, for each fund level indicator with Means of Verification being indicated for each. All required capacities for M&E can be found within our central and local teams.

3. Key Achievements and Insights

In 2024, BA was on track for FI and F2 indicators, in that all (save one) of the MPAs we expected to co-manage were successful. We exceeded targets for all six component indicators for F5 – demonstrating our strong community engagement programme. Our definition of direct beneficiaries (F7.1) and therefore our target has changed. Previously (and prior to our engagement with GFCR), fishers were seen as the direct beneficiaries of our programme. This has been changed to those with jobs and improved livelihoods due to our work. BA has further increased the number of children we work with, training 322 from 17 schools in our school programme. Our training programmes have also expanded, for science (BRUVs, QGIS processing, drone piloting, MERMAID); rangers (paralegal training, IUU assessments, Zero to Hero, Red Cross, basic safety, Boat Captain licensing, Commercial fish surveys) and communities (financial management, record and book keeping, basic leadership). Finally, we reached almost 1000 (968) diving guests with our conservation messaging.

4. Challenges and Lessons Learned

A major challenge is the outsourcing of benthic data analyses. This is a “bottleneck” and while all surveys were carried out in 2024, full outputs for all 9 MPAs (summaries available for only 4) have not been delivered. BA continues with training of staff – to have these capacities in-house. This “lesson” was learned in 2022 and much time has been taken in training the rangers to conduct fish surveys and our staff in coral identification for example. No further major lessons were learned in 2024 – but we continue to streamline our collecting and reporting M&E mechanisms.

5. Next Steps and Timeline

In 2025, we will continue building our M&E systems and the capacities of the local team with Training in R-Studio planned for within the first quarter of 2025. We further plan to include a dedicated Data Manager to BA’s international team to streamline all data collected from our teams in the field in

different countries. We are also updating the Blue Alliance GESI objectives and performance indicators and once approved, we will incorporate these into our GFCR Results Framework.

IX. Programme Management

1. Decisions and Resolutions by Governance Body:

The programme is being implemented as designed in the project approved by GFCR. The stakeholder advisory committee is the main governance body. The SAC serves as mechanism of participation in the planning, management and monitoring of the management and administration of MPAs with LGUs and communities. The committee is composed of the LGU, central government agencies, research institutes, and civil society (NGOs such as WWF have been invited recently). For example, for the Mindoro MPA network, the SAC is comprised of: 1. Department of Environment and Natural Resources Region 4B; 2. Department of Tourism; 3. Provincial Local Government Units of Oriental Mindoro and Occidental Mindoro; 4. Verde Island Passage MPA Network; 5-10. Local Government Units of Calapan, Baco, San Teodoro, Puerto Galera, Abra de Ilog, Sablayan ; 11. Mindoro State University

The committee meets twice a year. Under the supervision of the committee, Blue Alliance works on four-pronged pillars which include (i) Community Development and Engagement, (ii) Biodiversity Conservation and Science, (iii) Blue economy RPBs, and (iv) Law Compliance. The committee provides overall direction and oversight, approves annual work plans and budgets, and reviews technical and financial reporting of the programme. The Government members of the SAC, with inputs from the other members, can recommend the best design for the RPBs and they can veto investment decisions. To ensure a proper collaboration with authorities, Blue Alliance has developed agreements with coastguards, Marine police and Municipal police for joint patrolling in Municipal waters.

PROGRAM GOVERNANCE

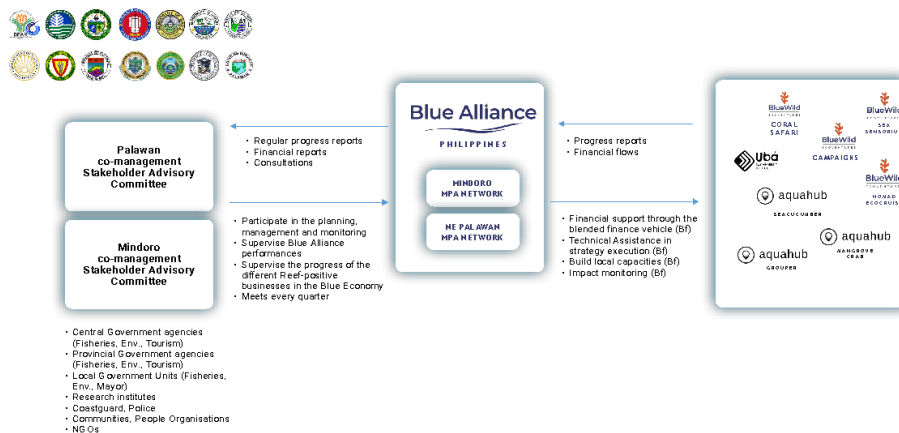


Figure 2: Governance structure

2. Work Plan and Budgetary Adjustments:

The programme is being implemented as planned in the programme full proposal approved by GFCR.

3. Operational Adjustments:

Changes since original proposal. The programme strategy has not changed substantially from inception and most deliverables/milestones have been met.

Main changes since original proposal have affected:

- The location and start of the visitor center. The site lease agreement initially signed with local government in Puerto Galera has not been respected and a new design with a mobile visitor center is being designed with Icebreaker Ltd.
- A shift in the priority of the Blue carbon project from a focus on mangrove restoration to a focus on mangrove conservation (REDD+) due to local market response (e.g. fishpond owners reluctant to replant mangroves).
- The design of the Blended Blue finance impact vehicle has evolved. Instead of creating a blended facility for each MPA network as planned initially, we decided to setup a unique facility aggregating all MPA network projects and reef positive solutions (including other countries). By aggregating MPA investment projects, the vehicle simplifies the investment process, lowers transaction costs, and creates efficiency and economies of scale. Further, it reduces the investment risk through diversification across revenue models and MPA projects, improves the quality of project design and execution, and helps investors to transparently monitor their impacts.
- An adaptation on the fish supply chain business model: a feasibility study was conducted on a potential RPS providing untransformed fish to a marketplace serving directly end buyers in Manila ('Tindagat'). The study concluded that the low volumes of key commercial species and the high market price in Mindoro made unfeasible this kind of business activities. A new model is being tested in Palawan, where the aim is to have total control from the moment the fish is caught to the moment it is delivered to the consumer. It will bring top quality filleted and frozen fish to restaurants and resorts allowing them to access a trusted source with a secured cold-chain for pelagic species such as Tuna, Kingfish, and Dorado. The business is utilizing the latest technology in cold chain solutions to ensure flawless quality control and food safety

4. Operational Challenges and Mitigation:

Main challenges have been met to recruit a local team with a comprehensive mix of expertise and appropriate track record in MPA management, entrepreneurship, community development, marine ecology, conservation finance, public-private partnerships and business planning. As a mitigation measures, we have strengthened the support and capacity building from our multi-disciplinary central management team working closely with the on-the-ground teams. BA's scientific director, ecotourism director, operation director, aquaculture director and communication manager are in regular contact with the local teams. The central team brings a focus on conservation strategy execution and a track-record in RPB development. We provide also support to the local team in the form of on-demand expertise, templates, best practices, access to information and expertise on other projects, and the like. Blue Finance works along the local entities to report on the MPA performance (regular monitoring of progress, KPIs) and to ensure high standards in administrative and financial management.

5. Replenishment

The next replenishment is expected on September 1st, 2026. We will start preparing a draft proposal around January 2026 but in the meantime are ensuring that the programme continues to meet the Benchmark Criteria.

X. 2025 Objectives

1. 2025 Objectives

For 2025, the objectives are as follows – with the three most significant milestones listed first:

1. Strengthen the day-to-day management of the MPAs in collaboration with the government and local fishing communities by enhancing livelihoods, creating jobs, co-patrolling with authorities, fostering community engagement, monitoring ecosystem health, and implementing long-term conservation programs for endangered species.
2. Initiate the construction of the hatchery and nursery facilities of the Aquahub Ltd mangrove crab division, monitor and supervise broodstock collection and conditioning, build capacities for the Hatchery and nursery teams. Expand the grow-out in dispersed locations (including different provinces) with fishpond owners and local communities. Prepare the marketing and sales strategy with local and international buyers.
3. Finalize the pre-commercial phase of the Aquahub Ltd sea cucumber division through building the initial hatchery and nursery facilities, monitoring and supervising broodstock collection and conditioning, building capacities for the hatchery and nursery teams, engaging with farmers and local communities for extensive outgrowing farms (>20 ha) and engaging with commercial partners / buyers, marketing and sales strategy. Revenues are expected to start in 2026.
4. Expand the project to additional LGUs in Palawan, Mindoro and other provinces where management delegation and Blue Economy development are viable.
5. Explore co-management agreement with central Government for a national marine park.
6. Launch the coral safari product in Mindoro market, maintain or increase active contribution of resort and dive shops in Puerto Galera, and implement new citizen science campaigns.
7. Support Icebreaker in the fundraising with impact investors for the Sea Sensorium, prepare marketing materials and financial models.
8. Implement the pilot blue carbon project in close collaboration with Government in Araceli, Palawan through carbon credits origination for sales to the voluntary market of VCU - Verified Carbon Units of conservation of threatened existing mangrove forests (REDD+). Community Associations will be established by the communities to support project-wide governance, implement activities, and manage the finances of emission reductions– putting the power of carbon finance in the hands of those making a difference on the ground.
9. Advance feasibility studies for new RPBs, including an eco-cruise, an eco-lodge, aquaculture company for grouper, upscaling of the existing Aquahub facilities and a fish supply chain.
10. Strengthen community milkfish farming, gear swap programmes and sustainable tuna fishing.
11. Update and refine the gender strategies, objectives, and indicators to adopt a more transformative approach, engaging men, local leaders, and key influencers to address customs and norms affecting gender equality.
12. Finalise feasibility of additional community development activities such as small-scale sea cucumber farms, gear swap for fishers, rabbitfish farming and chicken poultry.
13. Complete the structuring of the blended finance vehicle and impact loan facility.
14. Identify additional commitments from impact investors and donors.

XI. Communication, Visibility and Knowledge Management

1. Strategic Role of communications:

At Blue Alliance Philippines, communications play a strategic role in advancing our mission by sharing and amplifying the impact of our work. We engage a diverse audience, including local governments, as well as donors, partners, collaborators, and the public. Given this broad audience, our communications strategy balances targeted messaging with broader content that resonates across all stakeholder groups.

We maintain an active presence on social media—Instagram, Facebook, and LinkedIn—where we share regular updates on our fieldwork, upcoming events, reef-positive businesses, human interest stories, and thought leadership pieces. These platforms allow us to bring our audience closer to the tangible impact of our initiatives. We are strategic in the way in which we use these platforms. Facebook is very popular social media platform in The Philippines, therefore we ensure to use this platform to encourage engagement. In addition, we distribute a monthly progress newsletter to our strategic partners and stakeholders, providing key impact metrics and updates on ongoing projects and developments. This serves as a focused channel for sharing relevant insights with our core network. Our website, bluealliance.earth, serves as our central information hub, offering a comprehensive overview of Blue Alliance’s mission and work. Designed to be user-friendly and engaging, the website is a resource for those seeking to learn more about our initiatives and their impact.

Communications have contributed to specific programme objectives during the reporting period by strengthening stakeholder engagement. Through targeted messaging across social media and newsletters, we reinforced relationships with local governments, donors, and partners. By effectively communicating progress within the Marine Protected Areas (MPAs), we strengthened governmental and community buy-in. Our communications also serve as a tool to deliver transparent reporting. Our monthly newsletters provided strategic partners and stakeholders with timely updates on impact metrics, project milestones, and key developments.

2. Alignment with programme goals:

One of our key objectives in 2024 was to announce the launch of the Blue Finance Facility. Communications played an important role in amplifying this announcement, ensuring broad visibility and engagement. We implemented a multi-faceted communications strategy that included international events such as COP16, press releases, social media campaigns, informative articles, a dedicated website blog, and collaborative content with partners. Additionally, we leveraged social media and our newsletter to promote upcoming events related to the Blue Finance Facility, sustaining engagement beyond the initial announcement. By integrating a diverse mix of field updates, high-level institutional developments, marine species highlights, and human-interest stories, we effectively engaged a broad audience while also delivering targeted content for key stakeholders. This balanced approach ensured both widespread awareness and meaningful connections with key partners.

3. Effectiveness and Future Planning:

To further enhance visibility and impact, we will focus on strengthening strategic collaborations and diversifying our content approach. Increasing the volume of co-created content with partners and stakeholders will not only expand our reach but also reinforce our position as a trusted leader in marine conservation and blue finance. By showcasing joint initiatives, success stories, and thought leadership pieces, we can demonstrate the collective impact of our work and build credibility within the sector. By continuously refining our communications strategy and fostering deeper collaborations, we can amplify our communications impact and engage a wider audience.

4. Knowledge Sharing:

To enhance capacity-building and knowledge exchange, we used a range of tools, including our website as a centralized information hub, participating in and attending webinars and workshops alongside partners, and thematic newsletters featuring insights on marine conservation and blue finance. We also expanded our use of social media for educational campaigns around not only the Blue Finance Facility, but also more general ocean conservation topics such as rare species spotlights.



Blue Alliance Philippines Communications Spreadsheet: [found here](#)

2. Annex A – Results Framework

3. Annex B – Programme Milestones by Activities

Programme Milestones by Activities Table

Activities		Month M1=Sept 2024 M24=Auh 2026	Progress 31/12/2024	
			Status	Details
Outcome 1: Protection, effective management and sustainable financing of priority coral reef sites and climate change-affected refugia				
Output 1.1: Increased area of new climate refugia and priority sites designated as MPAs or LMMAs and under delegation of management	Activity 1.1.1: Design of the co-management arrangements for 2 additional MPA networks on behalf of Governments.	M1-M24	On track	Co-management agreements signed with 4 LGUs in Palawan (Araceli, Dumaran, El Nido and Roxas). The agreement document has been improved with legal inputs and clearer role distribution
	Activity 1.1.2: Consolidation of the SPEs 'Blue Alliance VIP' Mindoro	M1-M24	On track	Co-management agreement signed with 1 additional LGU in Mindoro (Sablayan)
	Activity 1.1.3: Stakeholder engagement and advocacy in the MPA networks	M1-M24	On track	Consultations process has been organized with stakeholders from central, province and local governments, tourism industry, fishing sector, local communities and other public institutions.
	Activity 1.1.4: MPA screening, feasibility study and selection of new priority sites in Philippines	M6-M18	On track	Initial screening has started on Apo reef National Park, South Palawan, Cagayan and Antique
Output 1.2: Well-managed LMMAs and no-take zones	Activity 1.2.1: Technical & Scientific assistance and trainings in coral reef conservation, natural resource management and MPA management	M1-M24	Planned for later	
	Activity 1.2.2: Commercial and management technical assistance through project Management Office (PMO) services for the SPEs.	M1-M24	On track	94 jobs created in 2024 as MPA staff (incl. casual community rangers)
Output 1.3: Preparation and management of public and private investment for MPAs to address some of the key drivers of coral reef degradation	Activity 1.3.1: Design and implementation of the business plans for the 3 MPA networks with main revenue strategy based on 3 interventions:	M1-M12	Completed	Business plan for MPA network of Mindoro and NE Palawan completed
	Activity 1.3.2: Design of the MPA blended investment finance facility for aggregating the investments in the SPEs	M1-M12	On track	Senior debt facility designed with potential for upscaling and strucutred as syndicated Refundable grant agreement design
	Activity 1.3.3: Fundraising with a pool of investors & donors	M1-M24	On track	Fundraising with a pool of investors & donors in progress: 10 impact investors contacted , 13 donors contacted

	Activity 1.3.4: Design, development and monitoring of Key Performance Indicators (KPIs) and results metrics for MPAs	M1-M12	Completed	Design of harmonised Key Performance Indicators (KPIs) and results metrics for MPAs completed
Output 1.4: MPA blended finance investment facilities mobilise public and private investment for MPAs to address some of the key drivers of coral reef degradation	Activity 1.4.1: Co-fund early-stage CAPEX of the SPEs managing the MPA networks	M1-M18	On track	MPA scientific and enforcement equipment, vessels, moorings, buoys, vehicles have been provided in 2 MPA networks
Outcome 2: Transforming the livelihoods of coral reef-dependent communities				
Output 2.1: A pipeline of reef-positive businesses that generate returns for MPAs and address key drivers of coral reef degradation in & around the MPAs is developed	Activity 2.1.2: Scoping and development of a pipeline of reef-positive businesses that will produce investment returns to the MPAs	M1-M18	On track	Initial data collection for the business plan of Aquahub grouper, Blue Wild ecocruise, Samaki Bluu supply chain. Not started for Bluewild ecolodge due to lack of adequate location
	Activity 2.1.3: Preparation and implementation of the pipeline of reef-positive businesses.	M1-M18	On track	All 5 RPBs are progressing
	Activity 2.1.5: Upskilling local businesses and communities through trainings and mentorship programmes	M1-M24	On track	Training support to the community-based aquaculture, ecotourism and sustainable fishery companies: staff and community partners
Output 2.2: The MPA blended finance investment facilities mobilise public and private investments for reef-positive businesses that generate investment returns for MPAs and address specific drivers of coral reef degradation	Activity 2.2.1: Co-fund CAPEX costs of the mangrove crab aquaculture business.	M1-M12	On track	CAPEX for the construction of the nursery facilities + OPEX for the project staff, grow-out farmers, fingerlings, materials, insurance, back office, etc..
	Activity 2.2.2: Co-fund early-stage CAPEX costs of the pipeline of reef-positive businesses of nature-based ecotourism	M1-M18	On track	CAPEX for the coral safari programme: vessel, UW communication and gears, sales office + OPEX for the coral safari staff, fuel, food, insurance, marketing, etc..
	Activity 2.2.3: Co-fund early-stage CAPEX costs of the seacucumber community based aquaculture	M1-M18	On track	OPEX for the project staff, community farmers, fingerlings, materials, back office, etc..
	Activity 2.2.4: Co-fund early-stage CAPEX costs of the pipeline of fishery supply chain improvement for fisher communities .	M1-M18	On track	Business plan and market analysis still in process . Finalisation of BP planned in mid 2026
	Activity 2.2.5: Co-fund CAPEX costs of reef-positive businesses belonging to the second cohort	M12-M24	Planned for later	
Monitoring and Evaluation Costs				
5.1 Baseline Assessments	Activity 5.1.1: Baseline Assessment for Palawan and Calamian (or other): Biodiversity metrics and fishery	M1-M12	On track	Baseline collected in 2024 for Palawan and new sites in Mindoro
5.2 Impact Monitoring	Activity 5.2.1: Impact Monitoring in Mindoro, Palawan and Calamian MPA network	M1-M24	On track	Impact data collected in 2024 in North Mindoro



4. Annex D – Risk Log

Risk Log

Risks	Risk Level: Very high High Medium Low (Likelihood x Impact)	Likelihood: Almost Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Extreme - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Updates
Contextual risks					
Political instability or local political interference in the projects	Low	2	3	Projects are being steered by multistakeholder advisory and investment committees and governance structures so that all stakeholders are able to influence programme decision-making.	No change in risk profile. Recent presidential elections as well as incoming municipal elections have not modified the risk profile.
Natural disaster	Medium	3	2-4	Project developers are putting in place plans to respond to external shocks and ensure liquidity and technical support is available to those impacted by a disaster.	No change in risk profile. Progress on the parametric insurance to mitigate this risk.
Recessions and global economic contingency	Medium	3	2	Poor market conditions can create risks for livelihood diversification and increase barriers for enterprises. We mitigate this risk through (i) targeting resilient market niche (e.g. nature tourism, specific aquaculture / fishery product with few competitors); (ii) income diversification and (iii) conservative projections in financial models for investments	No change in risk profile.
Programmatic risks					
Programme implementation is delayed or time is not sufficient to deliver on all the activities	Medium	3	3	Programme partners will seek to understand causes of delays and deliver additional technical capacities, resources or other inputs to help put delayed activities back on track.	No delays reported so far.
Project development costs are higher than anticipated	Medium			Programme developers have extensive experience in programme budgeting. Various scenarios have been modelled to take into account higher costs or lower revenues and prepare contingency plans.	No major deviations reported so far
Lack of local engagement/community buy-in	Low	2	3	Consortium partners have already undertaken extensive community outreach and engagement to ensure programmes are anchored in and respond to local needs and concerns, as articulated by local communities. Multistakeholder decision-making processes and a robust grievance mechanism are in place to ensure that any community concerns are addressed.	No change in risk profile. Most engagement expected has been confirmed. Delays in engagement have been addressed.
Low interest from landowners for Blue carbon project development	Low	3	2	Most landowners prefer selling their land rather than committing them to the blue carbon project long-term;	No emerging risks.



				<p>The proposed revenue-sharing scheme of the Philippine government, through the DENR Forest Management Bureau (FMB), can threaten the development of blue carbon projects by civil society organizations (CSOs) and the private sector. Focus has been switched to mangroves owned by public institutions to mitigate this risk.</p> <p>Mitigation measures include improving the partnership conditions with landowners.</p>	
Low support from tourism stakeholders for coral safari project development	Low	3	2	<p>Our activities require partnership with local dive resorts for voluntary contributions, but the Coral Reef Safari may be perceived as competition, so we run the risk of the perception that we are competing with our partners. Risk is being mitigated by:</p> <ol style="list-style-type: none"> 1. Offering partners a commission for sales of Coral Reef Safari trips 2. Offering partners the option to forego their commission as an additional 'Conservation Contribution' to Blue Alliance and to build awareness that support of Coral Reef Safari is direct support for Blue Alliance 3. Featuring key 'Contribution' partners as accommodation providers in Coral Reef Safari marketing. 4. Raising awareness that a unique product could have a halo effect in attracting visitors to Puerto Galera 	No emerging risks.
Institutional risks					
Lack of coordination among programme partners	Low	3	3	A clear division of labour has been established among programme partners. Regular coordination meetings will be organised to ensure the smooth implementation of the programme.	No change in risk profile. Team and partners' roles are well divided and clear.
Programme partners re-orientation	Medium	3	2	Programme partners might decide to not follow with the programme due to internal choices (priorities, budget, staff dedication)	Regular exchanges are made with partners to anticipate changes.
Inability to source sufficient technical expertise to deliver all programme activities	Low	2	3	Programme partners already have significant in-house technical expertise and have been working with local partners on project development. Programme partners will leverage their extensive local and international networks to ensure the right expertise is available for this programme.	No change in risk profile. We have been using HR companies for specific recruitment.
Fiduciary risks					
Funds are not used for their intended purpose	Low	1	3	Robust programme governance structures and monitoring frameworks will aim to ensure there is no leakage of funds. Project performance will be monitored	No change in risk profile. Strict compliance and procurement rules have been implemented



				on an ongoing basis and course corrections suggested to ensure the efficient use of funds.	

5. Annex F – GESI Action Report

Blue Alliance is currently in the process of updating the Blue Alliance programme Gender Policy and GESI objectives and performance indicators to introduce stronger and streamlined measures of skills, participation, decision-making, male perceptions and behaviours, and other aspects of gender-transformative programming. We will submit updated an updated GESI Action Report to GFCR for review of the updated GESI Objectives and performance indicators to GFCR. Upon final approval, we will incorporate these refinements and modifications into our GFCR Results Framework.

The following represents some of our 2024 work in the Philippines. This will be updated and augmented with our refined GESI objectives and indicators, integrated into the Results Framework, and finalized by submission of the final draft of the 2024 Annual Report.

Linked Programme Outcome	Objective	Action	Indicator	2024 Milestone	Remarks
Outcome 1: “Protection and effective management of priority coral reef sites and climate change-affected refugia are sustainably financed.”	1. Build the technical capacities of women to more effectively manage natural resources in the ecosystems around them.	Through the courses to women and other programme activities, identify opportunities to build women’s understanding of sustainable natural resource management	# of women who participate in capacity building activities for sustainable natural resource management		
Outcome 2: “Transforming the livelihoods of coral	2. Build women’s skills to empower them to have great decision-making power in	Through the VSL eco-lending groups, engage women and encourage them to self-identify	# of women who receive financial literacy capacity building		



reef-dependent communities”	their household and in their own professional and personal.	skills they need to improve their labour market opportunities.			
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6. Annex G – Safeguards

CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS	
Principles 1: Human Rights	Answer (Yes/No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of vulnerable/marginalized groups?	N
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? ⁴	N
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes – restricted fishing in some areas. Mitigating measures - We're engaging Fishers in the eCPUE programme, CoTS monitoring and collections and reef health surveys. Livelihood programmes as well, such as FADs and milkfish.
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?	N
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	N
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	N
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?	N – they are given the opportunity, but we've received no concerns
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?	N
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?	N

⁴ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	N
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?	N – no concerns raised
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>	N – the project is aimed at increasing the ability of women to better protect and manage natural resources.
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
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>	N – project is aimed at improving marine habitats.
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?	Y - MPAs
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)	N – we're enforcing existing legislation.
1.4	Would Project activities pose risks to endangered species?	N
1.5	Would the Project pose a risk of introducing invasive alien species?	N
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	N



1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	Y – aquaculture will involve harvesting of sea cucumber. Samaki Bluu involves sustainable fish capture.
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>	N
1.9	Does the Project involve utilization of genetic resources? (e.g., collection and/or harvesting, commercial development)	N
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	N
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? <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>	N
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁵ greenhouse gas emissions or may exacerbate climate change?	N
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Y – coral bleaching
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)?	N

⁵ 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.]



<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>	
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?	N
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)?	N
3.3 Does the Project involve large-scale infrastructure development (e.g., dams, roads, buildings)?	N
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g., collapse of buildings or infrastructure)	N
3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	N
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)?	N
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?	N
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)?	N
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)?	N – our security are themselves community members
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,	N

	practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	N
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	N
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)?	N
5.3	Is there a risk that the Project would lead to forced evictions? ⁶	N
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?	N
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	Y
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	N
6.3	<p>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)?</p> <p><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></p>	N

⁶ 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.



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?	N
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	N
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?	N
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	N
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	N
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?	N
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?	N
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	N
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>	N
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	N
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	N



Table 3: Grant Co-Financing

Co-financing Source	USD	Monetary or In-kind	Status	Description	Relevant programme outcome / output / activity
IUCN, Global Eba Fund,	US\$222,000	M	Secured	24 months. February 2022 - March 2024. Objective: increase resilience to climate change for the communities and ecosystems of Marine Protected Area (MPA) networks in the Philippines Verde Island Passage.	Outcome 1 mainly
UBS Optimus foundation	US\$100,000	M	Secured	December 2022 - December 2023. Objective: “Better Data for Coral Reef Conservation & Livelihoods”.	Outcome 2 mainly
UBS Optimus foundation	US\$100,000	M	Secured	12 months. Objective: “Better Data for Coral Reef Conservation & Livelihoods”. The Grant will improve the monitoring capabilities of the key performance indicators of the investments in Marine Protected Areas in Philippines.	Outcome 1 mainly
Swiss Re	US\$497 550	M	Secured	48 months. Objectives: effective co-management of MPAs, Blue economy social enterprises generate increased sustainable and diverse livelihoods for coastal communities in and around the MPAs through new jobs, sustainable fishing practices and increased fish biomass and Blended finance facility for MPAs/NBSs gains increased access to sustainable financing mechanisms	Outcomes 1 & 2
OCEAN partnership, UK AID	US\$1,400,000	M	Sought	36 months. Objective: strengthen local blue economy opportunities and management and sustainable finance for Marine Protected Areas (MPAs) in Indonesia and the Philippines and will create long-term impacts with a proven scalable model.	Outcomes 1 & 2
Convergence	US\$450,000	M	Sought	24 months, Objective: accelerate the implementation and upscaling of a US\$65m market-ready blended finance vehicle for Marine Protected Areas (MPAs) and local blue economy enterprises in Sub- Saharan Africa and Southeast Asia	Outcomes 1 & 2
AFD	US\$1,200,000	M	Sought	36 months. Objective: strengthen local blue economy opportunities and management and sustainable finance	Outcomes 1 & 2



Co-financing Source	USD	Monetary or In-kind	Status	Description	Relevant programme outcome / output / activity
				for Marine Protected Areas (MPAs) in Indonesia and the Philippines.	
TOTAL	US\$				

Table 4: Revenue

MPAs	Investee	Total debt investment	Preparation Phase	Market launch	Expected annual revenues June 2026 (US\$)	Expected annual revenues in 2029 (US\$)	Annual revenues achieved YTD (US\$) (May 2024)
Philippines Mindoro MPA	Blue Wild Eco ventures - MPA campaigns and coral safari	200,000	Prepared during Phase 1	2024	180,000	400,000	32,000
Philippines Mindoro MPA	Aquahub Mangrove crab	900,000	Prepared during Phase 1	2025	300,000	2,500,000	19,000
Philippines Palawan / CIG MPA	Aquahub Sea cucumber	1,300,000	Prepared during Phase 1	2026	40,000	3,000,000	
Philippines Palawan MPA	Sea Sensorium Visitor center	2,800,000	Prepared during Phase 1	2026	400,000	700,000	
Philippines Palawan/CIG MPA	Blue carbon credits	1,000,000	Prepared during Phase 2	2025	100,000	1,000,000	
Philippines Palawan/CIG MPA	Nomad Eco cruise	1,200,000	Prepared during Phase 2	2026	180,000	1,000,000	
Philippines Palawan/CIG MPA	Fish Supply chain	1,000,000	Prepared during Phase 2	2026	40,000	1,000,000	
Philippines Palawan MPA	Ecolodge	8,000,000	Prepared during Phase 2	2027		3,000,000	
Philippines Palawan/CIG MPA	Aquahub Grouper	1,600,000	Prepared during Phase 2	2027		1,500,000	
Philippines Tanon strait	RPS #10 (Phase 3)	2,000,000	Prepared during Phase 3	2028		500,000	
Total (2022-2029)		20,000,000			1,240,000	14,600,000	51,000

Table 5: Investment Leverage

UBS Optimus foundation	US\$500,000	Concessionary	Secured	2023	All reef-positive businesses
Genesis Charitable Trust	US\$200,000	Concessionary	Secured	2023	Aquahub mangrove crab



BNPParibas	US\$1,000,000	Concessionary	Anticipated	2025	All reef-positive businesses through facility
2 other commercial banks	US\$1,800,000	Concessionary	Sought	2025	All reef-positive businesses through facility
Private impact investors	US\$16,500,000	Concessionary	Sought	2027	All reef-positive businesses through facility
TOTAL	US\$20,000,000				

