



GLOBAL FUND FOR
CORAL REEFS

FINAL NARRATIVE REPORT:
Coral Reef Resilience (CRR)
Solomons Islands Project
January 2024 – November 2025

Report submitted by:

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Table of Contents

Programme Overview – Concept Note.....	3
I. Executive Summary	3
II. Programme Objectives	5

Programme Overview – Concept Note

Programme Title & Project Number	Programme Duration
Programme Title: Coral Reef Resilience (CRR) Solomon Islands Project Programme Number: [Refer to GATEWAY]	Start Date: 1/11/22 End Date: 31/12/25
Total Approved Budget	
Total GFCR Budget: \$100,000	
Convening Agent: World Wildlife Fund	
Total Approved co-financing from other sources: \$0	

I. Executive Summary

Coral reefs are the most biologically diverse ecosystems in the ocean, providing material climate and economic benefits to millions of people in coastal communities, many of whom are highly dependent on goods and services derived from well-functioning reef ecosystems, such as local fisheries. Reef ecosystems also protect coastal community infrastructure assets such as crops, homes, equipment, and businesses from sea level rise, wave action, and storm surge, tying the socio-economic welfare of coastal communities in a changing climate closely to reef health. Reefs have been shown to decrease 97% of storm-wave power and to reduce wave height by 84%.⁵ They provide risk reduction benefits to an estimated 150 million vulnerable people, with 30% of the world’s coral reefs supporting tourism that generate as much as USD\$36 billion annually.⁶ Coral reef systems across the world’s oceans, however, are currently experiencing major degradation from non-climate stresses diminishing their ability to provide these important benefits, including in the Solomon Islands.

Studies have shown that even if global temperatures are stabilized at no more than 1.5°C above pre-industrial levels, multiple lines of scientific evidence indicate loss of another 70-90% of today’s reef-building corals.⁷ Conserving reefs which are relatively less exposed to damaging climate impacts and protecting them from exacerbating stresses from non-climate change impacts from land-based pollution, unsustainable coastal development, overexploitation and destructive fishing^{8,9} is therefore essential to providing these reefs the opportunity to persist so that they can support repopulating tropical and subtropical coastal reef systems once ocean temperatures have been stabilized.

The coral reefs of the Solomon Islands are relatively less exposed to changes in climate and highly connected through currents with the reef ecosystems of other Pacific countries. As noted, these reefs are highly valuable for preserving the climate resilience of dependent coastal communities and the eventual regeneration of reefs in the Solomon Islands, the Pacific region, and around the world. This presents a unique opportunity to generate both local and global adaptation benefits by protecting these reefs against climate-related and exacerbating non-climate threats undermining their associated economic and social benefits.

These coral reefs are facing loss due to increasing local pressures including overfishing, unsustainable coastal development, and watershed pollution and sedimentation that are driving, in turn, the loss of their benefits for vulnerable reef-dependent communities and businesses. Given their importance as

sources of coral reef regeneration in a 'climate stabilized world', supporting the health of these resilient and connected reefs in the coming decades requires greater attention and investment if we are to secure and replenish the world's reefs as a whole.

Current context and proposed approach

There is a growing pool of climate-resilient, impact-oriented small and medium enterprises (SMEs) in the Solomon Islands which present climate resilience benefits for target communities across the Central, Isabel, Malaita, and Western Provinces while also addressing the drivers of degradation of their coral reefs including overfishing, watershed pollution, sedimentation, and unsustainable coastal development.¹⁰ These enterprises (referred to as 'reef-positive enterprises') also provide alternative and diversified livelihood opportunities for the communities, reducing the need for unsustainable extraction of natural resources.

The Solomon Islands have a financial landscape encompassing a mix of public and private financial institutions (FIs), including commercial banks, credit institutions, insurance companies, and government-owned entities. Major commercial banks, such as ANZ, the Bank of the South Pacific (BSP) and BRED Bank dominate retail and corporate banking services. The South Pacific Business Development (SPBD) is the largest microfinance institution in the country. The Solomon Islands Development Bank (DBSI) focuses on financing agriculture, small businesses, and development projects to stimulate economic growth. Despite this growing financial landscape, the reef-positive enterprises in the country often struggle to access capital. The FIs in the Solomon Islands provide limited capital to such enterprises, instead focusing mostly on larger projects in tourism, coastal development, and commercial agriculture. The small-scale enterprises are typically seen as not being investment-ready, lacking the formal structures, business plans, financial documentation, and market access that would make them attractive to lenders or investors.

This lack of investment readiness among reef-positive enterprises is a key barrier for them to access capital that already exists in the country. Business development support is thus crucial for such enterprises as it can help them strengthen their financial viability, making them more attractive to lenders and investors. Through incubation and acceleration programs, these enterprises can formalize their businesses, build and improve their business models, strengthen capacity, and enhance their market strategies. This will not only reduce the perceived risk for FIs but also enable these enterprises to scale their ecological impact while accessing the capital they need for growth.

The Solomon Islands have a limited ecosystem of business development service (BDS) providers working on enhancing the capacity and competitiveness of local businesses. These providers have different thematic areas of focus. These existing BDS providers, however, often tend to prioritize businesses with proven track records and strong financial returns, making it difficult for the early-stage, often informal, small-scale reef-positive enterprises to attract the business development support they need to formalize, grow, and access commercial capital. The feasibility studies for this project have also indicated that existing BDS have not specifically targeted businesses which present benefits to coral reefs and coastal ecosystems or provide climate resilience benefits for communities.. Under Output 1.2, the Project will support reef-positive enterprises with technical assistance and funding to meet investment requirements and improve their business models, strengthen capacity, enhance their market strategies, and enhance their productive practices to bolster reef and coastal ecosystem health. The Project will screen businesses with operations and supply chains in the Central, Malaita, Isabel, and Western Provinces where the Solomon Islands' reefs most capable of withstanding future climate scenarios are

located. The Project will then select priority areas in 1-2 of these provinces based on the business pipeline and level of opportunity for coral reef health impacts.

Under Output 1.3, the Project will strengthen the supply side of finance for reef-positive enterprises by (i) contributing to de-risking instruments (reduce perceived investment risks), and (ii) enhancing the capacity of local FIs to extend finance to these businesses while increasing their capacity to absorb the de-risking instruments.¹¹ The United Nations Capital Development Fund (UNCDF), a Co-Recipient under the Project, will structure, deploy, and administer guarantees to reduce perceived risks for businesses operating in sectors such as fisheries, agriculture, and forestry that are linked to coral reef and coastal ecosystems. To complement the de-risking instruments, technical assistance will be provided to local FIs to help them develop frameworks for identifying, assessing, and financing reef-positive enterprises. This support will enable institutions to evaluate potential investments with a focus on environmental sustainability and ensure that financing contributes positively to reef ecosystems. While the Project will contribute only to the de-risking instruments, the technical assistance will be delivered by UNCDF through co-financing from its EU-funded initiative, the Sustainable Pacific Blue Circle Fund.

The growing reef-positive climate-resilient market ecosystem requires assistance to help bridge a wide gap between investment readiness and sustainable finance. Doing so can help achieve market-based climate adaptation benefits by establishing market-based proofs of concept for reducing threats to ecosystems that provide climate resilience benefits to vulnerable coastal communities. WWF-Pacific will build on existing BDS efforts and support reef-positive climate resilient business to meet investment requirements and support FIs to better assess businesses that deliver climate change benefits and offer concessional loans to these businesses supported by a credit guarantee provided by UNCDF.

During the reporting period, WWF made significant strides in advancing the development and submission of the GFCR funding proposal. Key accomplishments include:

1. WWF successfully negotiated a partnership with the UNCDF, establishing them as a co-recipient for the project. UNCDF will play a critical role in delivering technical assistance to financial institutions in the Solomon Islands and providing credit guarantees to facilitate lending to reef-positive businesses that meet the established eligibility criteria.
2. WWF and UNCDF engaged with the GFCR Secretariat and Board of Directors through a series of consultations. These discussions were instrumental in gathering feedback and identifying enhancements to strengthen the project proposal.
3. On October 12, 2025, WWF and UNCDF submitted the final version (v6) of the funding proposal to the GFCR Secretariat. The proposal is currently undergoing final review by the GFCR Board of Directors.
4. The GFCR Executive Board approved the fully-fledged programme (2025-2029) in November, 2025.

II. Programme Objectives

Project development activities	Status
Activity 1.1.1: Compile information on coral reef status and socioeconomic aspects in the focal areas to determine drivers of degradation	Complete

Activity 1.1.2: Assess current policy framework and main investment programs, plans and sectors in the focal areas	Complete
Activity 1.2.1: Literature review and discussions with WWF core team	Complete
Activity 1.3.1: Meetings with relevant ministries and provincial governments and assessment of potential co-finance at the province level	Complete
Activity 1.4.1: Define activities, expected results, indicators, timeline and budget for the execution of Outcome 1	Complete
Activity 2.1.1: Define profile, roles and responsibilities for each co-implementer	Complete
Activity 2.1.2: Map potential co-implementers, rank them in collaboration with WWF team, assess track record and interview the preferred options	Complete
Activity 2.1.3: Liaise with WWF (US, Pacific, SI) to define co-implementers and support initial agreements	Complete
Activity 2.2.1: Define criteria for project selection for the CF and the DF and identify initial pipeline for the CF and the DF in collaboration with identified co-implementers	Complete
Activity 2.2.2: Collect information from potential pipeline opportunities and assess investment needs, projected revenues and leverage potential, conservation and social outcomes (estimated 10 interviews with potential pipeline projects)	Complete
Activity 2.3.1: Elaborate environmental and social risk analysis and mitigation plan	Complete
Activity 2.3.2: Develop stakeholder engagement plan	Complete
Activity 2.4.1: Define activities, expected results, indicators, timeline and budget for the execution of Outcome 2	Complete