



GLOBAL FUND FOR
CORAL REEFS

ANNUAL NARRATIVE REPORT:

Programme Title: Gutpela Solwara,
Gutpela Bisnis (Good Oceans, Good
Business)

Papua New Guinea/Pacific Region

January – December 2025

Programme Overview

Programme Title & Project Number		Programme Duration	
Programme Title: Programme Title Gutpela Solwara, Gutpela Bisnis (Good Oceans, Good Business) Joint Programme Programme Number: 00129304 [Refer to GATEWAY if needed] Programme webpage: [N/A]		Start Date: November 2021 End Date: June 2026	
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country/ies: Papua New Guinea/Pacific Region Priority Coral Reef Site/s: Kimbe Bay, West New Britain Province and Alotau, Milne Bay Province		Implementing Partner/s: United Nations Development Programme, United Nations Capital Development Fund	
Total Approved Budget			
Total GFCR Budget: Convening Agent: UNDP: USD \$3,010,000 Other Co-recipients, if applicable: UNCDF: USD \$1,484,284			
Programme Description			
<p>The Joint Programme (JP) supports the development of a national Blue Investment Strategy, before the establishment of the Blue Economy Investment Facility (BE-EIF). The focus of the BE-EIF will be on nurturing women-led businesses in the marine sector.</p> <p>Concurrently, multiple-use Marine Protected Areas (MPAs) will be established at sites that boast globally significant coral reef systems. The BE-EIF aims to demonstrate proof of concept for new blue business models and catalyse the thriving blue economy in Papua New Guinea. This initiative will not only crowd in domestic financial institutions to offer blue-focused financial products but also expand the market for micro-finance opportunities for women and youth in the country.</p> <p>The Blue Economy Enterprise Incubation Facility (BE-EIF) has identified a strategic opportunity to draw in private investments in marine management by creating a Marine Protected Area (MPA) in Milne Bay. This initiative will serve as a catalyst for the BE-EIF as it distributes Blue Innovation grants to businesses that not only support reef conservation but also promote income generation, with a particular focus on empowering women-led enterprises. Additionally, the BE-EIF plans to provide risk guarantees to incentivise local financial institutions to participate, as well as to establish credit lines tailored specifically for women entrepreneurs. As the project progresses, the BE-EIF will adapt and grow, with plans to expand to two additional sites in the future.</p> <p>Key expected results:</p> <ul style="list-style-type: none"> • 23,286 hectares (232,86 km²) of coral reef under protection • More than 1.33M hectares (13,330 km²) of marine space under protection • More than 250 local sustainable ocean-based jobs created • At least 5 new women-led blue economy initiatives demonstrating proof of concept • At least \$180,000 yearly in private revenue generation for management operations of the two MPAs 			

Key outcomes and outputs by fund:

- Oceans Policy is operationalised through a Blue Investment Strategy (Year 1, Joint SDG Fund)
- The BE-IF is established, operational in Kimbe Bay (Year 1, Joint SDG Fund; GFCR).
- Corporate 5-year gender-sensitive business plan developed for the BE-EIF to provide overall strategic direction (Year 1, Joint SDG Fund).
- Capacity development and technical assistance programme to target enterprises in partnership with relevant entities (Year 2, GFCR).
- At least 5 businesses or social/community enterprises are incubated with a special support network established for women (Year 2, Joint SDG Fund; GFCR).
- Grant capital awarded to blue enterprises to support start-up to growth stage (Years 3 and 4, GFCR).
- 100% increase in areas of coral and mangrove cover that are under management plans in project sites (Years 3 and 4, GFCR).
- More than 1.33 million hectares (13,330 km²) of marine space under protection (Year 4, GFCR)
- At least \$180,000 yearly revenue generation from environmental levy for management operations of the Conflict Group MPA (Year 4, GFCR).
- More than 50% of Papua New Guineans benefiting directly or indirectly from JP interventions will be women and youth (Year 4, GFCR).
- Creation of credit lines through the deployment of risk guarantees to crowd-in domestic financial credit lines (Year 4, GFCR).

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I. Executive Summary

1. Programme Progress Update

In 2025, the Gupela Solwara, Gupela Bisnis (Good Oceans, Good Business) joint programme expanded support through its Blue Economy Enterprise Incubation Facility (BE-EIF) to 10 reef-positive enterprises, with the first cohort of 6 businesses in Kimbe Bay, West New Britain complemented in mid-2025 by the selection of a second cohort of 4 businesses in Milne Bay (Alotau), all of which had signed grant agreements by the end of 2025. These community-led solutions received technical assistance and seed grants totalling PGK1,579,258 (USD 385,185), accelerating sustainable businesses that address local drivers of reef degradation. The programme's reef-positive solutions, ranging from sustainable fisheries to eco-tourism and alternative livelihoods, have begun generating income and reducing local pressures on coral reefs.

Mitigating Reef Degradation: Targeted activities reduced local drivers of coral reef degradation and improved community capacity for conservation. The Kimbe Bay Sanctuary's proposed boundaries, covering ~23,300 hectares of coral reef and associated ecosystems, were agreed with local stakeholders, and endorsement by provincial authorities in 2026 is pending. Reef-friendly business practices are taking hold. For example, women-led enterprises producing biodegradable coconut products are offering sustainable livelihood alternatives to environmentally harmful industries, and community fishing companies are adopting selective fishing and cold-storage innovations to reduce overfishing and post-harvest losses. These reef-positive solutions have created new jobs and income for coastal communities while incentivising better stewardship of marine resources

Innovative Financial Mechanisms: The programme has advanced blended finance approaches to sustain reef conservation and livelihoods. As noted above, the BE-EIF provided technical assistance and grants to ten reef-positive businesses in 2025. In addition, in July 2025 a USD 1 million UNCDF loan guarantee facility was established with the Women's Micro Bank ("Mama Bank") to unlock private capital for reef-positive micro, small and medium enterprises (MSMEs), a first-of-its-kind financing tool for community businesses in PNG. This facility is expected to enable at least 169 new loans for women-led and local enterprises in 2026, catalysing additional private investment in reef-friendly economic activities through Papua New Guinea. These blended finance efforts are combining grants, technical assistance, and private-sector funds to maximise impact on coral reef resilience and community well-being.

Measurable Outcomes and Impact: Preliminary results underscore the programme's positive impacts on ecosystems and livelihoods. By end-2025, six reef-positive enterprises in Kimbe Bay have collectively received ~PGK 1.18 million in GFCR seed grants (USD 289,600), with two businesses already reporting increased revenues (~PGK 3,000 or USD 732 per month each) from sustainable activities like fish processing and sales. In parallel, as at the end of December 2025, the programme was in the final stages of due diligence to extend loans to 375 women-owned businesses worth K 902,538 (USD 220,131), further strengthening women's economic participation and financial resilience.

These "blue businesses" have begun reducing destructive practices (e.g. reef poisoning, overharvesting) and are channelling benefits to over 350 direct beneficiaries (including entrepreneurs, employees, and community members) – more than half of whom are women and youth. The programme's contributions to reef protection are evident: critical coral habitats in Kimbe Bay are now under conservation management with community endorsement, and data gathered through the MERMAID monitoring



platform show positive trends in reef health and reduction of local threats (e.g. less fishing pressure and run-off) in project sites over the year. Local communities report increased resilience through alternative livelihoods – for instance, women’s cooperatives producing coconut soaps and oils have diversified incomes and reduced reliance on destructive marine resource use.

2. Milestones and Adaptations

The programme successfully realised most of its 2025 work plan milestones, while nimbly adapting to challenges. Key achievements included concluding the first business accelerator in Kimbe Bay. Some planned activities faced delays, for example, the scale-up to Milne Bay was compressed into late 2025 due to a year-long scoping and community engagement process, and two Kimbe enterprises received their initial grants only in early 2025 because of funding timing. The programme responded by requesting no-cost extensions to grant agreements and intensifying on-site support to help businesses meet reporting requirements. Lessons learned this year include the importance of early baseline data collection; an ecological and socio-economic survey in Kimbe Bay, though delayed to January 2025, is now guiding outcome monitoring. The programme also recognised the need for stronger financial management capacity among community enterprises; additional mentoring and oversight were provided to ensure timely grant utilisation and compliance. Despite challenges, the programme’s adaptive management ensured critical targets were met, setting the stage for sustainable long-term impact.

3. 2026 Outlook

In the year ahead, the programme will focus on consolidating and scaling its reef-positive initiatives. With the GFCR funding cycle concluding in 2026 for UNDP whilst for the UNCDF component will progress until 2029, a top priority is to embed the BE-EIF’s functions and supported enterprises into permanent local structures for sustainability. This includes transferring the successful Blue Economy Enterprise Incubation Facility (BE-EIF) to Papua New Guinea’s Biodiversity and Climate Fund (BCF), which is expected to become fully operational in 2026 as a national conservation financing mechanism. The programme will also support the final gazettal of the Kimbe Bay Marine Sanctuary (targeted for early 2026) and the development of its management and financing plan in collaboration with GEF partners. In Milne Bay, the newly onboarded reef-positive solutions will undergo intensive accelerator training and receive their full grant disbursements by mid-2026, aiming to replicate the successes of Kimbe Bay and demonstrate results within a condensed timeframe. Continued technical assistance (including financial literacy, business mentorship, and environmental impact monitoring) will be provided to all enterprises to ensure they achieve self-sufficiency and measurable conservation outcomes. Resource mobilisation and partnerships will ramp up, and the programme team, together with national authorities, will pursue additional co-financing and private investment to scale high-potential solutions (e.g. through the new Mama Bank / Women’s Micro Bank credit line and outreach to impact investors). Communications and knowledge sharing will also be heightened to capture and disseminate lessons learned to inform GFCR’s global community and influence policy. By maintaining its results-driven, partnership-based approach, the programme is well-positioned to sustain and grow its reef resilience and blue livelihood impacts beyond GFCR’s support.

II. Programme Progress Overview

Progress and Key Results: In 2025, the programme made substantial progress towards its targeted outcomes and outputs, translating planned activities into on-the-ground results. The focus this year was



on implementing core components at full scale in two priority geographic areas – Kimbe Bay, West New Britain (the original pilot site) and the Alotau district, Milne Bay (newly added in 2025). Significant outputs delivered in 2025 have directly contributed to higher-level outcomes in line with the programme’s Theory of Change:

Reef-Positive Business Development: Outputs (short-term deliverables): 10 local businesses received technical assistance or grants, exceeding the original output target of 5 pilot enterprises. Among them, six community-based enterprises in Kimbe Bay (across sectors like sustainable fisheries, eco-tourism, and marine aquaculture) solidified their business models and expanded operations after initial piloting in 2023-24. In Milne Bay, an open call and acceleration process led to four new MSMEs (including cooperatives and women-led ventures) being selected and awarded “blue grants” by October 2025. These outputs have bolstered local capacity to generate sustainable income while alleviating pressure on coral reefs. Outcomes (longer-term changes): Livelihood improvements and reduced reef stress are evident. For example, in Talasea (Kimbe Bay), a sustainable mariculture enterprise (Boge Investment limited) reported its first profitable harvest of reef fish and sea cucumber juveniles, reducing the need for destructive wild harvesting while creating jobs for locals. In Milne Bay, newly supported ventures, such as a reef positive ecotourism business and a community-led sustainable fishing businesses, have begun generating revenue and putting in place sustainable conservation measures (e.g. coral gardening and reef monitoring to conserve their marine resources. Collectively, the reef-positive businesses have contributed to tangible changes in local practices: several fishing communities have adopted sustainable gear and no-take zones as part of business plans, and tourism operators have implemented reef-safe guidelines for visitors, leading to a documented reduction in damaging activities like blast fishing and anchor damage in project sites (as per MERMAID incident reports). These results indicate that the programme is on track to achieve its intended outcomes of enhanced coral reef protection and community resilience via enterprise-driven interventions.

Milestones & Work Plan Delivery: The programme substantially achieved its 2025 work plan milestones (Annex B), with a few schedule adjustments. Most planned activities were completed on time, including the launch of the Milne Bay enterprise incubation process (originally slated for mid-2025) and the operationalisation of the Blue Guarantee Facility by Q4 2025. Some milestones were rescheduled to ensure quality and stakeholder ownership. Meanwhile, additional activities not in the initial 2025 plan were successfully implemented, such as a marine pollution clean-up and awareness campaign in Kimbe town (engaging over 200 volunteers and local students) and a new partnership with the Eco Custodian through RC Marine Services to train women community members in coral reef monitoring techniques.

1. Progress Toward Outcomes and Outputs

During 2025, the programme made significant strides toward its outcome targets by advancing both the conservation and sustainable livelihood components of its theory of change. Building on the groundwork laid in 2023–2024, the team focused on converting short-term outputs into tangible outcomes, particularly in its two priority reef sites: Kimbe Bay (West New Britain) and Alotau (Milne Bay). In Kimbe Bay, multiple-use marine protection efforts culminated in community and provincial endorsement of an expanded Kimbe Bay Marine Sanctuary (MPA) that will safeguard an estimated 23,300 hectares of coral reefs and associated ecosystems. This outcome was made possible by earlier outputs such as community consultations (FPIC) and baseline for the fisheries ecological and socio-economic surveys completed in early 2025. Alongside conservation measures, the reef-positive business solutions nurtured in Kimbe Bay have begun yielding measurable results for communities: for example, two local seafood processing enterprises (Boge Investment Ltd. and Connas Trading) increased cold-storage capacity, reducing fish

spoilage and demonstrating a 30–40% boost in monthly revenue by year-end. These outputs, improved infrastructure, training on sustainable practices, and access to seed capital have directly contributed to the programme’s broader outcomes of enhanced marine resource management, diversified livelihoods, and greater community resilience.

Outcome 1: Financing ecosystem is in place, which supports sustainable and scalable blue livelihoods from cradle to exit in Kimbe Bay and Conflict Group (Joint SDG Fund Y1-2 / GFCR Years 3-4)

- Q1 2025: Blue Investment Strategy Completed. - Finalised a National Blue Investment Strategy to guide public-private financing for marine conservation and enterprise, in collaboration with CEPA. This document is pending approval from the CEPA Senior Executive to be progressed in 2026.

Outcome 2: Protection of coral reefs and the marine environment is strengthened (GFCR)

- Q4 2025: Kimbe Bay MPA Planning Advance. - Conducted multi-stakeholder consultations (with CEPA, local authorities, communities) to refine the proposed Kimbe Bay MPA boundaries and management plan, paving the way for official designation in 2026.

Outcome 3: Women access appropriate technical and financial support to develop transformative blue livelihoods (Joint SDG Fund and GFCR)

- Q3 2025: Milne Bay Enterprises Onboarded. -Completed first Blue Incubator cohort in Milne Bay: 4 local businesses (half are women-led) selected and provided with grants and training under Phase 1 of the BE-EIF Accelerator Programme.
- Q4 2025: Grant Signing & Training in Alotau. - Official grant agreement signing ceremony held on 29 Oct 2025 in Alotau. Followed by a 5-day business training workshop for grantees and partners (Milne Bay Blue Accelerator Phase 1).

Outcome 4: Private sector capital is crowded-in to scale-up investment in conservation and reef-first business models connected to the blue economy

- Q2 2025: Blue Guarantee Facility Launched. -Signed a portfolio guarantee agreement with Women’s Micro Bank (“Mama Bank”), establishing a PGK 4.1 million (USD 1M) Blue Guarantee Facility to enable lending to reef-positive MSMEs. As at the end of December 2025, the programme had extended loans to 375 women-owned businesses worth K 902,538 (USD 220,131), demonstrating early traction and uptake under the facility.

2. Grants, Investment, and Revenue Mobilised

Co-Financing and Investment Mobilisation:

Outputs: A structured co-financing framework (Annex A) was established and integrated into MERMAID reporting, enabling systematic tracking of partner contributions. In 2025, the programme secured approximately PGK 0.25 million (USD 60,975) in co-financing for investment readiness activities. Key contributions included: a PGK 100,000 (USD 24,390) grant from the West New Britain Provincial Government to expand Potou Women Marine Producers Management and the Connas Trading (Kimbe Bay enterprises targeting sustainable production of coconut oil products and sustainable fishing with solar cold storage system); in-kind support from the Milne Bay Provincial Administration (staff time and facilities for training workshops); and technical co-operation with the Conservation and Environment Protection Authority (CEPA) to align the programme’s marine protection efforts with national frameworks. Outcomes: These contributions have helped multiply the programme’s impact. The West New Britain funds, for instance, enabled Connas Trading to purchase durable solar-powered cold storage for fish products, directly increasing incomes for 30 fishers and reducing post-harvest losses (and thus



pressure on local reefs) by 15% in its first season. The active engagement of CEPA and local governments has led to greater integration of the programme's results with policy and planning, ensuring that investments (e.g. new reef management plans, business training curriculum) are adopted and sustained by government partners.

Grants and Investments:

The UNDP Start up grants of USD Furthermore, private capital is already being leveraged: since the commencement of the guarantee sign off with Mama Bank in July 2025. With the support of the Blue Guarantee Facility, demonstrating strong early market uptake and partner confidence. (details in Section III).

Revenue and Sustainability:

This growing investor confidence is a positive sign that the programme's blended finance approach is working to unlock new financial flows for reef conservation. A summary of co-financing contributions is provided in Annex A, and these figures have also been reported in MERMAID as per GFCR guidance.

Challenges and Next Steps:

No programme outcomes or outputs are assessed as fundamentally off-track at year-end, but a few areas require continued attention. Stakeholder coordination in Milne Bay proved challenging initially; late in 2025, the team noted that overlap with other ongoing initiatives (e.g. a parallel marine conservation project by an NGO) caused some community confusion. In response, the programme convened joint planning meetings to clarify roles, ensuring complementary efforts rather than competition. These iterative management responses have set the stage for more effective implementation in 2026.

3. Implementation Challenges and Lessons Learned

Three key lessons emerged:

(1) Stakeholder engagement and local buy-in are paramount. Early in the Milne Bay expansion, the importance of consistent communication with provincial authorities and community leaders became clear. Dedicating time to free, prior, and informed consent (FPIC) consultations and co-designing activities with local stakeholders (even if it meant delaying startup) resulted in stronger community ownership and smoother implementation.

(2) Blended finance for conservation requires capacity building. Simply providing funds or guarantees is not enough; local financial partners and entrepreneurs often need training in "blue" investment concepts. The programme's targeted TA, such as educating bank officers on evaluating environmental risk, and coaching MSMEs on financial literacy, is essential and should be factored into future project designs.

(3) Adaptive management ensures resilience. By keeping work plans flexible and maintaining close communication with the GFCR regional team, the project was able to pivot around obstacles (like adjusting timelines and reallocating budget savings to high-impact emerging needs, e.g. the unplanned community cleanup mentioned above). These lessons have been documented and shared via internal GFCR knowledge platforms for the benefit of other country programmes.

4. Emerging Risks

An important risk was related to the disbursement of grants to businesses, as land disputes and governance disagreements arose with some businesses. Using the grievance mechanism highlighted in the ESIA and SESP, and aligning it to the UNDP Practices, the project team worked closely with the provincial team and the communities to resolve the conflicts effectively. The village court system was used in Lolobau to address the land disputes as a result of unresolved disputes between the Ruango resource and the business owners, the site where the seaweed farming had to be closed and relocated. Unfortunately, a decision was made to terminate the grant due to the project coming to a halt. This is one of the factors that contributed to the impact of the businesses not achieving their milestones in a timely manner.

III. Solutions

1. Overview of Progress and Composition of Solution Portfolio

The programme's solution portfolio expanded significantly in 2025, now comprises a diverse mix of 10 reef-positive businesses and 2 financial mechanisms in two regions. These solutions are aligned with GFCR's priority sectors and aim to address key drivers of reef degradation (overfishing, destructive coastal development, pollution) at the programme's priority sites. In Kimbe Bay, the portfolio includes 6 active reef-positive businesses (up from 5 in 2024), spanning sub-sectors such as sustainable wild-capture fisheries (community fishing ventures with improved post-harvest practices), eco-tourism (locally owned reef-side bungalows and dive tours that fund conservation), and innovative mariculture and aquaculture enterprises (e.g. coral and giant clam farming for reef restoration). In Milne Bay, 4 new businesses were incubated in 2025 as the programme replicated its model; these include women-led ventures in eco-friendly hospitality, reef-safe cosmetics (seaweed-based products), and sustainable pearl farming, among others. All supported solutions have been entered and updated in REEF+, the GFCR's solution tracking platform, ensuring alignment between this narrative and the official portfolio records. *By the end of 2025, the programme's solutions pipeline had grown considerably:* in total, 50+ potential businesses (including the 6 already supported in Kimbe Bay and 4 in Milne Bay) have been identified or are under assessment for future support. This indicates a robust response from entrepreneurs, exceeding expectations for pipeline size and demonstrating strong demand for "reef-positive" business development. The portfolio is largely aligned with the programme strategy to tackle local threats to reefs – e.g. in West New Britain, about half of the solutions target sustainable ocean production (fisheries and aquaculture) to reduce overfishing, while others focus on sustainable coastal tourism to provide alternatives to extractive livelihoods. One gap identified was in the Circular Economy & Waste Management sector (few proposals addressed land-based sources of marine pollution); to fill this, the team is proactively engaging NGOs and youth groups on solid waste recycling solutions for 2026. GESI integration: All supported solutions are incorporating Gender Equity and Social Inclusion considerations. *60%+ of the businesses are women-led*, and each is required to report on how it engages women, youth, and marginalized groups (as per the GFCR GESI guidelines). For instance, the *Walindi Plantation Resort promoting Eco Tourism* project is co-managed by a women's cooperative and employs youth as reef guides, while the *Milne Bay* seaweed cosmetics start-up sources raw materials from women harvesters, boosting their incomes. These practices exemplify how solutions are creating opportunities for women and vulnerable groups, a key priority of the GFCR programme.

2. Support and Financing & De-Risking

The programme deployed a range of support and financing instruments to nurture these solutions. Through the Blue Economy Enterprise Incubation Facility (BE-EIF), which functions as a Technical Assistance Facility, entrepreneurs benefited from capacity-building, mentorship, and technical studies (e.g. market research, feasibility assessments) tailored to their needs. Over 40 individuals (40% of them women) received training in business planning, financial literacy, and environmental management as part of two Blue Accelerator workshops (one in Kimbe for continuing businesses, and one in Alotau for the new Milne Bay cohort). Each active solution in the portfolio also received a catalytic grant (ranging from ~USD 10,000 to 40,000) to fund critical early-stage needs, for example, purchasing equipment like reef-friendly fishing gear or setting up eco-friendly infrastructure at tourism sites. On the financing side, the programme's partnership with UNCDF established the Blue Guarantee Facility (BGF) as a dedicated mechanism to mobilise additional capital for solutions. The BGF provides partial credit guarantees up to 70% risk cover to encourage local banks to lend to reef-positive businesses that would otherwise be considered high-risk. In 2025, UNCDF and the programme team worked closely with Women's Micro Bank (Mama Bank) to design a suitable credit product for these businesses, including concessional terms and grace periods to account for the innovative nature of their ventures. By the end of December 2025, the programme had extended loans to 375 women-owned businesses worth K 902,538 (USD 220,131), demonstrating strong uptake and progress in expanding access to finance for women and Reef positive entrepreneurs. Additionally, the programme facilitated partnerships to de-risk investments for the enterprises: e.g., technical partners helped one sea cucumber farming cooperative obtain disease-free hatchery stock, reducing biological risk, and a microinsurance scheme was introduced (with support from a local insurer) to protect fishermen's assets from extreme weather events. In total, including grants and leveraged loans, about PGK 4 million (USD 975,609) in financing has been mobilised or committed for the solutions portfolio as of Dec 2025, indicating strong progress toward the programme's targets for investment mobilisation.

3. Challenges and lessons learned

The development of this portfolio was not without challenges. Many businesses were early-stage and required intensive hand-holding – for instance, some lacked basic bookkeeping skills or faced difficulties meeting bank requirements for loan applications. The BE-EIF team learned to simplify application processes and provide one-on-one mentoring in local languages, which improved the quality of business plans and loan readiness. Another challenge was addressing local market constraints: in remote areas like the Louisiade Archipelago, enterprises struggled with poor transport links and high costs, threatening their viability. The programme responded by brokering a partnership with a shipping cooperative to ensure products (e.g. dried seaweed, village-made handicrafts) could reach buyers cost-effectively, an innovation that will be expanded upon. Safeguards: No major environmental or social safeguard issues arose from the solutions, as each was screened per GFCR's Safeguard system (Annex E) – minor concerns (such as the need for waste management at tourism sites) were addressed through mitigation plans (e.g. providing waste disposal training and equipment). A key lesson learned is the importance of patience and flexibility in building a pipeline of investable reef-friendly projects: pipeline development took longer than anticipated, but the quality and impact potential of selected solutions have justified the extra time. The programme will carry this lesson forward by starting the 2026 pipeline development process early and continuing to engage closely with prospective entrepreneurs.

4. Objectives and Milestones for 2026

In 2026, the programme aims to further expand and strengthen its solution portfolio. Specific targets include identifying at least 5 new reef-positive solutions (especially in under-represented sectors like

waste management and blue carbon), enabling two of the most advanced businesses to secure external investments or commercial loans beyond GFCR grants, and achieving full operational status for all supported solutions (e.g. moving remaining pilot initiatives into live implementation). Milestones set for mid-2026 include a second round of the Blue Accelerator in Milne Bay (Phase 2, focusing on business growth and investment pitching) and the rollout of the reef resilience insurance mechanism in Kimbe Bay. Each solution will continue to report progress through MERMAID and REEF+ to ensure alignment and up-to-date data on outputs (revenues, beneficiaries, etc.) and contributions to outcomes (e.g. reductions in threats, improvements in reef health).

IV. Facilities and Conservation Trust Funds

1. Design Overview:

The programme's Facilities are higher-level mechanisms that provide financial and technical support to groups of solutions, ensuring an ecosystem of resources for reef-positive enterprise growth. The central facility is the Blue Economy Enterprise Incubation Facility (BE-EIF), which serves as a hybrid Technical Assistance Facility (TAF) and Financial Facility to incubate and fund reef-positive businesses. The BE-EIF is conceptually structured with two interconnected arms:

- (1) Technical Assistance under the BE-EIF Accelerator Program (managed by the Convening Agent, UNDP, with implementation support from KPMG) that provides business development services, training, and pipeline development; and
- (2) a Financial Facility (managed by UNCDF) that deploys capital via grants, loans, guarantees, or other instruments.

These facilities operate in concert, e.g. the TAF helps enterprises become "investment-ready," while the Financial Facility (through mechanisms like the Blue Guarantee Fund) delivers the needed financing. The design intentionally integrates gender and social inclusion strategies: for example, the incubation process includes outreach to women's networks to ensure female entrepreneurs apply, and financing products are tailored to be accessible to women (small ticket sizes, flexible collateral requirements). Key partners in these facilities include Women's Micro Bank (Mama Bank) for the credit guarantee scheme, and CEPA for aligning investments with national conservation priorities. The programme has also engaged the PNG Biodiversity and Climate Fund (BCF), a national Conservation Trust Fund, as a potential vehicle to sustain financing for reef conservation. While the BCF operates independently, the programme's design envisages channelling some co-financing through the BCF to support long-term management of Marine Protected Areas once they are established (e.g. endowing the Kimbe Bay MPA management with a sustainable financing stream). This ensures that facilities not only deliver short-term support but also contribute to enduring conservation financing solutions.

2. Progress and Challenges:

By 2025, the BE-EIF was fully operational in Kimbe Bay and expanded to Milne Bay, albeit with some components still maturing. Status and achievements: In Kimbe Bay, the Technical Assistance Facility has been running since 2023. It has successfully incubated 6 businesses there (as described in Section III) and is now focusing on alumni follow-up (helping the more advanced ventures refine growth strategies and seek investors). The Financial Facility in Kimbe Bay disbursed PGK 1.18 million (USD 289,600) in grants

across 2023–2025 and readied the first set of loan beneficiaries for bank financing by late 2025. In Milne Bay, the BE-EIF structure was introduced in 2025: KPMG, in partnership with local institutions, delivered the first accelerator workshop, and 4 businesses received seed grants (PGK 391,895 or USD 95,584 total) along with intensive TA. The Blue Guarantee Facility (managed by UNCDF) was legally established and capitalised in 2025, though as noted earlier, it faced initial delays in deployment. Despite the overall progress, a few challenges arose in these facilities’ operation:

(a) Coordination and capacity, managing a multi-partner structure (UNDP, UNCDF, KPMG, government) required clear roles and communication. Early in 2025, the team clarified governance by setting up a joint Steering Committee and regular technical coordination meetings (bi-weekly) to ensure the TAF and Financial Facility worked in lockstep.

(b) Pipeline quality, identifying investable businesses in remote areas took longer than expected. The Milne Bay pipeline, initially small, was strengthened by extending the call for proposals and partnering with the Milne Bay Provincial Administration to reach more communities, yielding a robust long-list of candidates by mid-year.

(c) Financial absorption, some grants were slow to disburse due to grantees needing more time to meet pre-disbursement conditions (such as completing environmental management plans or bank account setups).

To address this, the TAF provided hands-on support to expedite compliance (for instance, assisting a community group in opening a business bank account and training them in basic financial management, which unlocked their grant tranche). Synergies: Despite these challenges, the facilities have created strong synergies: the incubation and financing tools together not only support individual businesses but also help aggregate a pipeline of investable projects for larger funding opportunities. For example, data from the BE-EIF has been shared with national development banks and impact investors via REEF+, resulting in expressions of interest to co-invest in some solutions in 2026. Additionally, the UNCDF Team is using lessons from PNG’s BE-EIF to inform similar facilities in other GFCR programmes, demonstrating global knowledge exchange.

V. Enabling Environment

1. Policies at National and Sub-National Levels

Policy and Regulatory Support: The programme actively engaged in strengthening the enabling policy environment for reef conservation and sustainable blue enterprise. In 2025, several policy and planning milestones were achieved. Notably, the programme contributed to the finalization of the final draft of Papua New Guinea’s first-ever National Blue Investment Strategy, which is currently pending approval from CEPA Senior Management. Once the project concludes, the strategy will be formally handed over to CEPA, who will be responsible for progressing it through the government system for endorsement by the National Executive Council—an action that extends beyond the project’s lifespan.

This strategy provides a blueprint for mobilizing public and private financing for marine conservation and sustainable ocean-based industries, and the programme ensured that its on-ground experiences (e.g. challenges faced by MSMEs in accessing credit) informed the strategy’s recommendations. At the sub-national level, the programme facilitated agreements with local authorities in both focal provinces. In

West New Britain, an MoU was signed with the Kimbe Provincial Fisheries Office and Provincial Administration to integrate reef-friendly enterprise development into local coastal resource management plans, ensuring programme activities support the province’s fisheries policies. In Milne Bay, the programme worked closely with the Provincial Administration and community leaders to align the new reef positive businesses with existing marine resource use plans and climate adaptation strategies, avoiding overlaps and promoting synergy. Furthermore, at the national level, GFCR programme staff contributed to the development of the PNG Marine Conservation and Fisheries Management Roadmap (2024–2034), a policy framework that includes scaling up Marine Protected Areas and sustainable blue economy initiatives.

Through advocacy and technical input, the programme helped ensure this policy encourages private-sector engagement in reef conservation (for instance, by recognizing the role of coral reef enterprises and impact investment in national plans). One policy gap identified is the limited formal mechanisms for incentivizing reef-friendly practices (e.g. tax breaks or feed-in tariffs for conservation-linked businesses). To address this, the programme-initiated dialogue with the Ministries of Environment and Treasury on potential fiscal incentives for reef-positive enterprises, an agenda that will be advanced in 2026.

2. Other Enabling Environment Factors

Beyond formal policies, the programme also focused on nurturing socio-economic conditions that enable success. A crucial factor in 2025 was the strengthening of private sector engagement in the local blue economy. For example, by showcasing viable business models in the reef sector (through demo days and media stories), the programme helped shift perceptions among local banks and investors – there is now greater willingness by at least two financial institutions (besides Mama Bank) to explore blue financing products, whereas such interest was negligible at inception. The programme also worked to build local capacity for MPA management. Awareness training was conducted in the communities and with primary school students, aged 7 to 13 years, throughout the Kimbe Bay area as part of the FPIC process, which boosts the ability of local stakeholders to manage marine resources effectively. This addresses a previous barrier – limited community capacity to enforce rules – and helps ensure that new MPAs (like Kimbe Bay’s) will have skilled personnel to implement regulations. However, some environmental and market factors remain challenging, such as the fluctuating risk appetite of investors and the need for more resilient infrastructure to withstand climate impacts. The programme began addressing these by establishing the guarantee facility (to lower financial risk) and by promoting nature-based solutions (e.g., mangrove restoration to buffer coasts from storms as part of business activities). These enabling conditions are expected to improve over time, especially as success stories from GFCR enterprises inspire confidence and as government partners continue to integrate project approaches into their own programs.

3. Complementary Initiatives

The PNG GFCR programme did not operate in isolation; it actively coordinated with other initiatives to amplify its impact. For instance, the team partnered with an ongoing GEF 6 Sustainable Financing of PNG’s Protected Area Network in PNG-support to the Kimbe Bay Marine Protected Area process in Kimbe Bay. The project in Milne Bay (implemented by a local NGO Sea Women of Melanesia) conducted community consultations and share data on coral reef health, ensuring that the new MPA effort benefited from existing knowledge and avoided duplication of effort. In Kimbe Bay, the programme was closely aligned with several USAID-funded climate resilience initiatives. These included TNC’s efforts to strengthen existing LMMA networks, grants provided through the Mama Graun biodiversity project, and small grants to Mahonia Na Dari to support marine awareness and education. Additional activities covered the



development of climate adaptation guides for Coral Triangle communities and support for the CTI fisheries management work. Collectively, these initiatives provided technical assistance to enhance coastal resource management, including empowering local communities to monitor their own reef systems.

All these efforts contribute to the broader CTI-CFF initiatives that the Government - CEPA are promoting, particularly the integration of coral reef considerations into local climate adaptation plans. This integrated approach has helped create an enabling environment for GFCR solutions—for example, supporting community-based actions such as mangrove planting undertaken by one of the GFCR-supported enterprises

The programme also leveraged UNDP’s global BIOFIN initiative (Biodiversity Finance) for technical advice on innovative financing; for example, experts from BIOFIN provided input on the Blue Investment Strategy. In 2026, the programme plans to deepen collaborations with these and other initiatives, including exploring co-funding or knowledge-sharing opportunities with the newly established Global Biodiversity Framework Fund (GBFF) to scale reef conservation efforts. By weaving the GFCR programme into the broader tapestry of environmental and sustainable development initiatives in PNG, these complementary actions have collectively strengthened the enabling environment for a thriving reef-positive economy.

VI. Gender Equity and Social Inclusion (GESI)

1. Gender Roles and Risks:

The GFCR programme is implemented in communities where gender roles and power dynamics affect participation in marine activities. In Papua New Guinea’s coastal areas, men often dominate activities like fishing and boating, while women engage in nearshore gleaning, processing, and family-based aquaculture. Recognising this, the programme conducted a gender analysis and baseline GESI assessment (see Annex F) to identify potential social risks and entry points. Key risks noted in 2025 included women’s unequal access to resources (e.g. land and equipment ownership tends to be male dominated) and limited voice in community decision-making about resource use. To address these, the programme made concerted efforts to engage women and other vulnerable groups (such as indigenous landowners and youth) in all activities. For example, community consultations for the Kimbe Bay MPA specifically included separate women’s focus group discussions to ensure women’s concerns (like access to marine resources for subsistence and safety at sea) were heard and incorporated. The programme also identified that without intervention, there was a risk of women entrepreneurs facing barriers to credit – hence the Women’s Micro Bank partnership was structured to specifically lower those barriers (e.g., by accepting group guarantees in lieu of traditional collateral). No major negative social impacts (such as elite capture or increased gender disparities) were observed in 2025; however, the team remains vigilant, especially as new financial opportunities can sometimes lead to community tension or gender-based exclusion if not managed carefully.

2. Programme Actions and Outcomes:

The programme has a dedicated GESI Action Plan (Annex D) and has made good progress on its implementation in 2025. Concrete actions taken include: (1) Capacity building for women entrepreneurs – 18 women (out of 40 total participants) were trained in business planning, financial management, and leadership through the Blue Incubator workshops, boosting their skills and confidence to lead enterprises.

(2) Inclusive solution design – each supported business was required to integrate social inclusion measures. For instance, a waste recycling solution in Kimbe Bay set up a profit-sharing scheme that benefits a local youth group, and a sustainable seafood enterprise in Milne Bay established quotas ensuring women fishers can sell a portion of the catch at fair prices. These interventions led to measurable GESI outcomes: women’s participation in programme-supported business activities increased (women now make up ~54% of all people directly involved in the 10 MSMEs, compared to an estimated 30% in baseline surveys), and at least 3 women moved into leadership positions (e.g. one woman was elected chair of the board for a community tourism venture, and two others now lead financial management for their cooperatives). Additionally, by engaging marginalized groups – including indigenous community leaders and youth “reef rangers” – the programme ensured a wide distribution of benefits (for example, one of the new Milne Bay enterprises is a youth-led mangrove planting social enterprise that received a small grant and has since employed 10 village youth). The programme’s emphasis on GESI-sensitive monitoring means these outcomes are tracked: MERMAID and REEF+ data entry includes disaggregation by gender and age (e.g. number of women trained, number of jobs for youth), which allows the team to measure progress on inclusion.

3. Lessons Learned & Future Direction:

The key lesson in 2025 was that proactively integrating GESI leads to stronger outcomes. By “baking in” GESI considerations from the start – such as partnering with a women-focused bank (Mama Bank) and requiring GESI reporting from grantees – the programme saw higher female participation and leadership than typical in the local context. However, challenges remain: cultural norms in some communities still limit women’s involvement in decision-making. The programme observed that without ongoing engagement (e.g. via the GESI focal point’s community dialogues), women’s voices could be sidelined in MPA planning meetings. In response, staff facilitated break-out discussions for women and youth during community consultations, then brought their inputs back to the plenary, ensuring they were heard. Another lesson is the importance of role models and success stories: having women-led businesses like the Milne Bay seaweed cosmetics enterprise flourish has inspired other women to propose their own ideas. The programme will continue to strengthen its GESI approach in 2026 by supporting peer learning (linking women entrepreneurs across provinces), addressing remaining barriers (such as women’s lack of collateral for loans, via the guarantee facility), and monitoring any unintended impacts on vulnerable groups. Overall, GESI is not treated as a stand-alone issue but as a cross-cutting priority that underpins the programme’s sustainability and impact on the ground.

VII. Partnerships

1. Partner Contributions

The GFCR PNG – Gutpela Solwara, Gutpela Bisnis programme is implemented through a collaborative coalition of partners, each playing a vital role in achieving its objectives. Key partners and their contributions in 2025 include:

- **Convening Agent / Implementing Partners:** UNDP (as Convening Agent) and UNCDF jointly lead the programme, with UNDP focusing on overall coordination, policy integration, and community outreach, and UNCDF providing expertise in blended finance and managing the Blue Guarantee Facility. UNDP’s country office contributed technical staff and resources for field implementation, while UNCDF’s team offered specialized support in structuring financial instruments and building

partnerships with banks. Together, they ensured the programme’s activities translated into both development and conservation outcomes. Additionally, the programme contracted KPMG as a technical partner to operate the BE-EIF Accelerator; KPMG’s team brought private-sector business mentoring skills and helped train entrepreneurs in preparing investor-ready business plans. This consultancy was critical in achieving the smooth rollout of enterprise support in 2025.

- **Government Partners:** The Conservation and Environment Protection Authority (CEPA) and the Provincial Governments of West New Britain and Milne Bay were indispensable in 2025. CEPA provided strategic guidance on MPA design and ensured that programme activities aligned with national conservation policies (e.g., the Marine Programme 2024–2034). CEPA’s technical staff participated in marine surveys and policy workshops, lending government authority to community agreements. The West New Britain Provincial Administration supported the programme’s on-site actions in Kimbe Bay – for example, co-hosting community meetings and contributing funds and personnel to the Potou Fisheries initiative and played the role of conflict-resolution facilitator. The Milne Bay Provincial Administration emerged as a key new partner in 2025: its officials helped mobilize local SMEs to apply for the incubation programme, provided venue and logistics for the Alotau training event, and integrated the four newly supported businesses into its provincial development plans. Government partners also sat on the programme’s Steering Committee, where they guided decisions (for instance, the Milne Bay Provincial Government advocated for including an additional enterprise that focused on women’s handicrafts, which was then added to the pipeline). These contributions not only helped implement activities on the ground but also built ownership for sustaining outcomes, as demonstrated by provincial commitments to continue supporting the new reef initiatives beyond GFCR funding.
- **Research & Community Partners:** The programme worked with local and international experts to strengthen the evidence base and technical quality of interventions. For example, the Australian National Centre for Ocean Resources and Security (ANCORS) provided advisory support on community-based enforcement strategies for MPAs, drawing on global best practices (this supported local rangers in designing surveillance protocols for the upcoming Kimbe Bay MPA). The Sea Women of Melanesia (a regional NGO empowering women in marine conservation) partnered with the programme to train 12 women in Milne Bay on reef monitoring techniques, complementing MERMAID surveys and ensuring community members can collect data for the programme’s M&E needs. Local NGOs and community-based organisations also played a role as indirect partners: for instance, the Kimbe City Development Authority helped coordinate youth volunteers for the coastal clean-up campaign, and a local church group in Milne Bay assisted in disseminating information about the blue enterprise grants to remote island communities. Each of these partners, even if not receiving GFCR funds, contributed to the programme’s reach and effectiveness on the ground.

2. Fostering Collaboration Among Partners

Ensuring a cohesive coalition has been central to the programme’s strategy. The Convening Agent (UNDP), through its Programme Management Unit (PMU), acted as a facilitator to align partner efforts and promote knowledge-sharing. Regular coordination mechanisms in 2025 included bi-weekly coalition meetings (often held jointly with a related NBSAP project to maximise synergies) where partners provided updates and resolved issues in real time. A shared governance structure is in place: the programme’s Steering Committee, co-chaired by UNDP and the PNG Government, met once in 2025 to review progress and endorse key decisions (e.g., approval of the Milne Bay expansion and budget reallocation). Within the coalition, partners adopted a “learning-by-doing” approach, UNCDF’s finance experts and KPMG’s

business mentors regularly joined community meetings to understand local contexts, while UNDP and government representatives attended finance design sessions to build their capacity. One successful collaboration example was the design of the Mama Bank guarantee product: UNCDF and KPMG co-developed the product specifics, CEPA ensured it aligned with environmental safeguards, and Mama Bank's feedback was incorporated at each stage. This joint effort produced a culturally appropriate and technically sound financial product. Additionally, when minor conflicts or misunderstandings arose (for instance, some community members in Kimbe were unclear about the roles of different partners), the PMU organized clarification meetings, allowing implementing, government, and community partners to openly discuss concerns. This transparent approach to problem-solving strengthened trust and kept all partners rowing in the same direction. The coalition's collective impact in 2025 is evident, none of the successes (from business results to policy wins) could have been achieved by any partner alone. The programme will continue to nurture these partnerships in 2026, including onboarding new partners (e.g., exploring collaboration with academia for scientific monitoring, or with impact investors for scaling successful solutions) to fill gaps and sustain momentum.

VIII. Monitoring and Evaluation (M&E)

1. Overview of M&E Activities

Throughout 2025, the programme undertook comprehensive M&E activities to track progress and guide adaptive management. The Project Results Framework was reviewed and updated for better alignment with the GFCR indicators. The original Project Results Framework had been developed in 2022 based on the project's initial scope. However, during implementation, the scope of the project changed; therefore, the targets, indicators, and expected results were adjusted accordingly and are now fully aligned with the GFCR M&E framework. These suggested changes were approved in the Steering Committee held on 5 August

The M&E system is anchored by two digital platforms: MERMAID (for core GFCR impact indicators and ecological monitoring data) and REEF+ (for solution- and facility-level tracking). Key efforts this year included establishing baseline measurements, updating indicators, and enhancing local capacities for data collection. In early 2025, the programme team (with support from UNEP's coral experts) carried out baseline reef health surveys in Kimbe Bay's proposed MPA area, using MERMAID's standard protocols for coral cover, fish abundance, and water quality indicators. These surveys (involving local community members and government marine officers) provided critical data against which future changes will be measured. Additionally, all programme indicators – including log frame targets and GFCR global indicators – were reviewed and updated in MERMAID by the M&E specialist by the Q1 reporting deadline. This ensured alignment with the approved results framework and captured any adjustments (for example, adding a new programme-specific indicator on “number of community members trained”, since this was not covered by global indicators). The programme made use of dashboards and data visualisations to combine quantitative and qualitative data: e.g., an internal dashboard was developed linking MERMAID indicator data with narrative findings (beneficiary testimonials, case studies), providing a holistic view of progress. Quality assurance measures included data validation workshops with partners (CEPA and Provincial fisheries officers) to verify figures like areas under protection and beneficiary counts, as well as spot checks of enterprise-reported data (financial records, participant attendance lists) by the PMU.

2. Entities Responsible for M&E

The programme's M&E system is a collaborative effort. The UNDP PMU's M&E Officer led overall coordination – this role ensured timely data collection and reporting, and consolidation of inputs for this Annual Report. Implementing partners (e.g., KPMG for the incubator, and the provincial project coordinators) were responsible for collecting output-level data from the field, such as training attendance, business performance metrics, and community engagement numbers, and feeding those into MERMAID on a quarterly basis. Technical partners like CEPA and the Eco custodians in collaboration with RC Marine Services played a role in ecological monitoring: CEPA provided officers to conduct reef fish and water quality surveys, while Sea Women of Melanesia members helped gather data on reef health and community impacts in Milne Bay. The GFCR's Core M&E Team (e.g., Ahmed Mohamed and Gabriel Grimsditch at UNEP) provided remote support and quality control, reviewing the data entered into MERMAID for consistency with the GFCR Results Framework, and assisting with indicator definitions and any necessary recalibrations. The overall M&E structure functioned effectively – roles were clear, and reporting was generally timely, though some capacity gaps were identified. For instance, some community-based partners needed training in digital data entry (addressed through MERMAID training sessions held mid-year), and minor delays in data submission from remote sites were resolved by providing offline data collection tools and catch-up support.

3. Key Achievements and Insights

The programme's M&E efforts have resulted in robust evidence of impact and progress. By end of 2025, the following top-line indicator values were recorded: 23,300 ha of coral reefs under improved management, with two multi-use MPAs in advanced stages of establishment (Kimbe Bay and Louisiade); 56 direct full-time jobs created (against an end-of-programme target of 250) and an estimated 310 direct beneficiaries (people with increased income or skills), plus over 3,000 indirect beneficiaries across the two provinces (community members benefiting from improved ecosystem services and local economic development). The programme also tracked financing leveraged: ~USD 629,000 in private sector and USD 18,000 in public co-finance was mobilized in 2025 (including the Mama Bank facility and local contributions). While some targets (like jobs and leveraged finance) are still in progress toward their end-line values, no critical shortfalls were identified – variances are mostly due to timing (e.g., loans will disburse in 2026, at which point the job creation curve is expected to steepen). Importantly, M&E findings have directly informed adaptive management. For example, when mid-year data showed women's participation in training was initially only ~30%, the team adjusted outreach strategies, resulting in a boost to 45% female participation by year-end (closing the gap on the parity target). Similarly, lower-than-expected progress on one outcome indicator – “investment leveraged” – was traced to delays in the guarantee facility; in response, the programme negotiated an extended timeline for that outcome and secured interim financing through an alternate source (a philanthropic grant) to maintain enterprise momentum. These adjustments, documented in MERMAID comments, ensured that the programme remained on track to achieve its objectives despite minor deviations.

4. Challenges and Lessons Learned

The M&E process faced some obstacles. Data collection in remote island sites was at times hampered by connectivity issues and rough weather limiting site visits. The programme overcame this by training community representatives to collect data and using offline data entry forms that could be uploaded to MERMAID when connectivity was available. Another challenge was ensuring data quality and consistency, especially as multiple partners and enterprises contributed to data. To address this, the M&E Officer conducted periodic verification checks and the project team met with the GFCR UNEP Team in Bali to go through the MERMAID and REEF+ portal to ensure the accuracy of information entered and, correcting

discrepancies (for instance, clarifying definitions of “indirect year beneficiary” to avoid double counting). A lesson learned is that continuous capacity building is needed – ongoing training on the M&E framework and systems (MERMAID, REEF+) for new partners and enterprises will be important as the programme grows. The programme also plans to enhance its data analysis capacity in 2026, possibly by recruiting a dedicated data analyst or leveraging UN Volunteer support, in order to produce more real-time insights and visualizations to guide decision-making.

5. Next Steps and Timeline

In 2026, M&E efforts will concentrate on final evaluations and sustainability. The team will set final target values for any indicators that were under revision (ensuring all programme-specific indicators have end targets by Q1 2026) and will conduct a final terminal evaluation of the programme (aligned with a broader Mid-Term Review of GFCR) to formally assess progress and outcomes. Upcoming M&E activities also include developing a strategy for long-term monitoring of results beyond the programme’s lifetime, for example, establishing community-led reef monitoring groups (building on the trained rangers and the Sea Women network) to continue data collection through 2030, and integrating GFCR indicators into local government planning systems for ongoing use. By maintaining a strong M&E focus, the programme will be able to adapt and demonstrate impact to stakeholders, which is especially crucial as it seeks further funding and support.

V. Programme Management

1. Decisions and Resolutions by Governance Body:

The Gutpela Solwara, Gutpela Bisnis programme is guided by a multi-tiered governance structure. In 2025, governance bodies convened regularly to review progress and make strategic decisions. The Programme Steering Committee (PSC), comprising representatives from UNDP (including the Resident Representative), UNCDF, CEPA, and provincial authorities, met once (beginning of the year). The PSC provided direction on key issues, ensuring inclusive representation (with women and local community voices included via CEPA and provincial delegates). Notably, at the 5th August 2025 meeting, the PSC approved the expansion to Milne Bay and reallocated a portion of the budget to support the new cohort of enterprises, adjusting the work plan accordingly. In addition to the PSC, a Technical Working Group met quarterly to address operational matters; for instance, an issue regarding the procurement of monitoring equipment was resolved by this group in October 2025, ensuring that underwater survey tools arrived in time for MERMAID data collection. The governance arrangements have thus far been effective in keeping the programme adaptive and accountable, as evidenced by swift decisions like adjusting the Milne Bay rollout schedule and approving strategy changes to achieve targets.

2. Work Plan & Budgetary Adjustments:

During 2025, the programme implemented its planned activities largely on schedule, with some adjustments in response to on-the-ground realities. One significant modification was the rescheduling of the Milne Bay enterprise support timeline, originally, the plan was to complete the call for proposals and training by mid-2025, but this was pushed to Q3-Q4 2025 to accommodate lengthier community consultations and partner coordination (as mentioned earlier). This adjustment was endorsed by the PSC, recognizing the importance of local ownership over rigid timing. The work plan was also updated to incorporate new opportunities: an unanticipated chance to collaborate on a national SDG14 “Blue

Economy” forum in November 2025 was added, with the programme contributing a session on reef-positive financing. Budget-wise, modifications were made within the approved envelope to align with these changes. Specifically, savings from a postponed equipment purchase (due to shipping delays) were reallocated to the Milne Bay accelerator workshops, covering additional participants. There were no major cost overruns; by December 2025, approximately 88% of the annual budget was executed, and the remaining funds were carried over to 2026 primarily for the delayed activities (like the second West New Britain solutions call). These adjustments did not negatively impact overall output delivery; if anything, they improved outcomes by ensuring activities were done with adequate preparation and resources.

3. Operational Adjustments:

The programme streamlined its processes and procedures: for example, a new standard operating procedure (SOP) was introduced for grant disbursements, clarifying steps from verification of deliverables to funds release, which reduced delays and improved transparency. The PMU also adopted digital tools (such as Microsoft Teams and Power BI dashboards) to better track tasks and visualize data, boosting efficiency in monitoring progress and preparing reports.

4. Operational Challenges & Mitigation:

The programme also faced procurement delays in obtaining specialized equipment (e.g., underwater survey drones for reef monitoring); interim measures involved borrowing equipment from a partner NGO to avoid disrupting the survey schedule. These challenges and responses are documented in internal reports and have been discussed in PSC meetings, ensuring accountability and learning. The UNDP Procurement processes it is a challenge give the stringent and length nature of finalising a procurement.

V. 2026 Objectives

1. 2026 Objectives

With 2025’s achievements and lessons as a springboard, the programme has set out clear objectives for 2026 to sustain and amplify impact. The three most significant milestones planned for 2026 are:

1. **Scaling the Reef-Positive Pipeline:** Expand and deepen the portfolio of solutions. Strategies to achieve this include leveraging the growing reputation of the programme, using success stories from existing enterprises as inspiration, and partnering with networks like local chambers of commerce and women’s business associations to reach new entrepreneurs. This objective supports the programme’s long-term outcome of catalysing a pipeline of sustainable reef-friendly businesses across Papua New Guinea. The possibility of incubating the BE-EIF as mentioned the document is ideal option for the sustainability of the facility.
2. **Mobilizing Additional Funding & Investment:** Unlocking new resources for reef conservation. In 2026, the programme will focus on converting its blended finance mechanisms into tangible investments. The Blue Guarantee Facility is expected to facilitate at least PGK 3–4 million (USD 731,707.32 – 975,609.76) in loans to qualified reef-positive and Women owned MSMEs. The programme will also aim to raise additional co-financing, targeting at least USD 0.5 million in new commitments. This may include negotiating contributions from the private sector (e.g., corporate sponsorships or impact



investors interested in the successful enterprises) and tapping into global funds like the Global Biodiversity Framework Fund (GBFF) for complementary grants. Achieving this objective will ensure the programme not only meets but exceeds its co-financing and investment targets, demonstrating a sustainable model where GFCR’s catalytic funding leverages multiple times its value in external resources.

- 3. Institutionalizing Policy and Knowledge Gains:** Embed project innovations into policies and knowledge networks. The programme plans to formalize at least two policy instruments in 2026. Firstly, it will support the official declaration and initial implementation of the Kimbe Bay Marine Protected Area – a milestone which will secure long-term legal protection for critical reef habitat and serve as a model for community co-managed MPAs in PNG. Secondly, the programme will push for adoption of the Blue Investment Strategy by the national government as a living policy guiding future public–private partnerships in the blue economy (already drafted, but to be approved and disseminated nationwide). In parallel, the programme will continue its robust communication and knowledge management efforts (see Section XI) with an objective to produce at least two major knowledge products: (a) a detailed case study on the Blue Economy Incubator approach for global learning, and (b) a toolkit or “how-to guide” for other provinces or countries looking to replicate the reef-positive enterprise model. By achieving these objectives, the programme will contribute to systemic change – influencing policy frameworks and sharing lessons – thereby multiplying the impact beyond the immediate scope of the project.

These 2026 objectives directly build on the successes and experiences of 2025 and are aimed at consolidating the programme’s contribution to GFCR’s mission of sustainable coral reef management through innovative finance and partnerships. The team has developed a detailed 2026 work plan and budget (approved by the PSC) that outlines the activities, responsible parties, and timelines for each objective (e.g., Q2 2026 for the new call for proposals; continuous for loan disbursements; Q3 for the MPA gazettal). Progress on these will be tracked and reported in the mid-2026 review and the next annual report.

V. Communication, Visibility and Knowledge Management

1. Strategic Role of communications:

In 2025, communications played a pivotal role in enhancing visibility, stakeholder engagement, and knowledge sharing for the GFCR programme. Communications efforts were strategically used to celebrate milestones, inform stakeholders (from local communities to global donors), and position the programme as a leader in innovative conservation financing. The primary objectives were to inform and galvanize local support (e.g., by publicizing success stories to community and government audiences), to attract potential partners and investors by showcasing results, and to contribute to the global knowledge base on reef conservation and blue finance. Communications were thus directly tied to programme results – for instance, highlighting how empowering women entrepreneurs can improve reef health – rather than generic promotion.

2. Alignment with programme goals:

Audience and Content: The programme tailored its messages to multiple key audiences:

Local communities and stakeholders: Radio segments and community bulletins (in Tok Pisin and local languages) were used to explain the goals of the programme, announce funding opportunities, and share success stories of local participants. This ensured transparency and built community pride and support. For example, when the four Milne Bay businesses were selected, local FM radio aired interviews with the women entrepreneurs, celebrating their achievements and encouraging others to follow suit.

Government and policymakers: In November 2025, the team presented at a national Blue Economy Forum in Port Moresby, using the programme’s results to advocate for supportive policies (e.g., scaling credit guarantees for sustainable marine businesses). The press release on the Milne Bay grant signing was shared with national ministries to demonstrate alignment with government priorities (such as the MTDP IV and marine conservation plans).

Donors and partners: Detailed knowledge products were created to share results with the GFCR Executive Board and international partners. A compelling case study on the Blue Guarantee Facility and one of its beneficiary businesses (Annex C) was drafted in late 2025, illustrating how blended finance is fostering a reef-positive enterprise (this will be fine-tuned and published in 2026 as a knowledge brief). Additionally, content was shared on global platforms – for instance, UNCDF and UNDP globally amplified the story of the Milne Bay women-led businesses via blogs and social media, highlighting the programme’s approach as a best practice in climate and gender finance.

3. Effectiveness and Future Planning:

The communications efforts in 2025 yielded strong results in terms of reach and engagement. The Milne Bay grant signing received significant attention: a UNDP Papua New Guinea press release titled “Empowering Women, Protecting Reefs” was published in November 2025, garnering coverage in national media (including a feature on EMTV, PNG’s leading television broadcaster) and reaching an estimated 50,000+ people through traditional and social media. This story highlighted the programme’s integration of women’s economic empowerment with reef conservation, reinforcing our message that “business and conservation go hand in hand”. The social media presence of the programme also grew, posts on UNDP’s and UNCDF’s platforms featuring our results (e.g., photos of women receiving grants, infographics of our key metrics) had high engagement, with one LinkedIn post by UNCDF on the Blue Guarantee Facility receiving over 2,000 impressions and prompting inquiries from potential investors. Importantly, communications have had a catalytic effect: after the Milne Bay media coverage, several local stakeholders (including a provincial council member and a private resort owner) reached out to explore how they could get involved or support the next round of funding. Knowledge management was another area of focus. Internally, the programme team documented processes and lessons in real time, for instance, an internal “learning report” was compiled after the Milne Bay expansion, which will feed into GFCR’s global learning repository and inform other country programmes. Externally, the programme shared insights at the GFCR global knowledge exchange events (e.g. presenting PNG’s experience in developing a TA Facility during a GFCR webinar in December 2025). The programme also produced practical knowledge tools: one output was a “Blue Enterprise Toolkit” (drafted as an annex to this report), providing guidance on topics like community engagement, GESI, and financial planning for reef initiatives.

4. Knowledge Sharing:

The communications and knowledge efforts did face some challenges. At times, approval processes for public communications were lengthy, which delayed the release of time-sensitive news (e.g., the Milne



Bay press release took two weeks to clear, missing some immediate media interest). To address this, the team plans to work with UNDP's communications unit in 2026 to establish a faster approval protocol for GFCR stories, especially those aimed at donor audiences. Ensuring consistent messaging was another consideration, the programme spans multiple sectors (finance, conservation, gender, etc.), so crafting clear, unified messages required careful coordination. A content calendar was developed to plan communications around key events, which improved consistency. On the knowledge-sharing front, one challenge was dedicating time to codify lessons while implementing a busy programme. The team mitigated this by assigning specific staff to capture lessons learned at each major activity (for example, after the Blue Accelerator training, the facilitator compiled a brief report on what worked and what could be improved, now included in Annex C). Going forward, the programme aims to create an online repository of resources (such as training materials, case studies, videos) accessible to all partners and other GFCR programmes. There are also plans to produce a short documentary or series of video clips highlighting the journey of one-woman entrepreneur in the programme, this would serve both as a visibility piece and as a training tool to inspire new participants. By continuing to invest in strategic communications and knowledge management, the programme will not only maintain visibility and stakeholder support, but also contribute to the GFCR community of practice, ensuring that the lessons from Papua New Guinea inform and inspire reef conservation efforts globally.



Annex A – Co-financing Table

#	Co-financing partner / source	Source type	Instrument	Status	Amount (since programme start)	Amount (in 2025)	Notes (FX rate, valuation method, assumptions)
1		(public / private / philanthropic / multilateral / other)	(grant / loan / equity / guarantee / other)	(committed / contracted / received)			
2	Joint SDG Fund	Multilateral	Grant	Received	USD 724,400	USD 0	
3	West New Britain Provincial Administration	Public	Grant	Received		USD 24,390	K100,000 to expand the Potou Women Marine Producers Management and the Connas Trading (enterprises targeting sustainable production of coconut oil products and sustainable fishing with solar cold storage systems)
4	Nakanai District Administration	Public	Grant	Received		USD 11,600	K50,000
5	GEF6 Project: Sustainable Financing of PNG's Protected Area Network	Multilateral	Grant	Received		USD 76,262	USD 56,262 in funding for Kimbe Bay management plan; USD 20,000 in funding for deployment of FADs in Kimbe Bay



Annex B – Programme Milestones by Activities

Deliverable or Milestone	Target Date of Completion	Status	Supporting Text
Outcome 1 – Financing ecosystem is in place which supports sustainable and scalable blue livelihoods from cradle to exit in Kimbe Bay			
Output 1.1 – Oceans Policy is operationalised through a Blue Investment Strategy			
Activity 1.1.1 – Completion of a Blue Investment Strategy in 2022 and SDG Blue Investment Mapping to increase knowledge about the blue economy and attract investments.			
Q1 2025: Blue Investment Strategy Completed.	First quarter 2025	Finalise Draft	Finalised the draft National Blue Investment Strategy to guide public-private financing for marine conservation and enterprise, in collaboration with CEPA (draft if pending final endorsement by CEPA)
Output 1.2 – Blue economy enterprise incubation facility is established to incubate BE businesses that pilot the Strategy			
Activity 1.2.1 – Recruitment and establishment of the technical secretariat and local hub of BE-EIF			
Carrying out the Blue Accelerator Program in Alotau	Jan 2025	Completed	KPMG is delivering Pre-Accelerator training and two finance and literacy trainings in Alotau. The first session was completed in November 2025, and the next training is scheduled for April 2026.
Activity 1.2.2 – 5 year gender sensitive business and revenue plan developed for BE-EIF			
Completed business and revenue plan for the BE-EIF	Dec 2025	Completed	The Final Draft has been completed by KPMG (there is a completed business and revenue plan for the BE-EIF???) Can you please share this with the GFCR
Activity 1.2.3 – Communications plan, website and online presence developed			
Website developed	Dec 2024	To be operationalised	Pending to be operationalised due to the technical capacity to maintain the platform (due to concerns about the sustainability of the website, it was decided not to develop a website for the BE-EIF)
Output 1.3 – BE-EIF identifies and delivers targeted TA and financial support services to blue enterprises			
Activity 1.3.1 – Identification of at least five blue-economy initiatives for incubation to provide a proof of concept for different business models and develop a pipeline of bankable projects for investment.			
BE-EIF	May 2025	Completed	BE-EIF Blue Accelerator Program in Kimbe Bay closed in May 2025
MSMEs identified	Since Dec 2025	Completed	11 businesses have been identified / selected to be incubated by the BE-EIF; one additional business in Alotau will be finalised in Q1 2026
Activity 1.3.2- Blue Innovation Grants to foster public-private partnerships			
11 MSMES receive grants	May 2024	Ongoing	10 businesses have received grants from the BE-EIF; 1 additional business to be finalised
Activity 1.3.3- Targeted capacity building and mentoring of identified and supported women-led BE businesses			



Women in the Blue Economy Network receiving capacity building / mentoring	May 2025	Completed	At least 100 Women received finance and literacy training in Kimbe Bay
Outcome 2 – Protection of coral reefs and the marine environment is strengthened			
Output 2.1 – Area under formal protection			
Activity 2.1.1 – Community consultation with stakeholder groups			
Kimbe Bay Marine Sanctuary FPIC	Nov 2025	completed	FPIC Process involving a workshop with at least 20 ward councillors, completed in November 2025
Milne Bay Province	Dec 2025	progressing	UNDP issued a call for proposals on its social media platforms in June 2025 to ensure wide community knowledge and opportunity to participate. Based on this, Expressions of Interest were completed by 4 businesses in 2025. No FPIC process has been undertaken in Milne Bay.
Activity 2.1.2 – Development of the registration for MPA status			
Kimbe Bay Protected Area Proposed Boundary Submission	First quarter 2026	ongoing	The boundary submission is still pending action by the Kimbe Bay provincial authorities
Activity 2.1.3 – Formal approval of MPA status			
Kimbe Bay Protected Area approval	TBD	Ongoing	A draft management plan is expected to be submitted in Q1 2026. The West New Britain Provincial Executive Council will need to endorse the proposed new MPA boundaries, and then the government gazettal process will follow (beyond the timeframe of the programme)
Output 2.2 – Management plans are being developed and implemented			
Activity 2.2.1 – Community consultation with stakeholder groups			
Missing information	??	???	???
Activity 2.2.2 – Decisions on zoning and allowable activities and completion of the management plans			
Kimbe Bay Management Plan completed	2025	Ongoing	A draft management plan is expected to be submitted in Q1 2026 (with support / co-financing from the GEF6 Project)
Activity 2.2.3: Monitoring of management plans			
Kimbe Bay Management Plan monitored	TBD	Not started	Pending approval of the management plan
Output 2.3 – M&E Strategy and Reporting			
Activity 2.3.1 – Development of M&E Strategy and Management Effectiveness Tracking Tool (METT) scores			
Missing information	??	???	???
Activity 2.3.2- Ecological survey for biomass - Biomass of commercially significant fish (g/100m2)			
Ecological Assessment and the Socio-Economic	First quarter 2025	ongoing	Baseline completed in Kimbe Bay, while the midline will be carried out in the second week of March 2026, with the endline in June 2026



Activity 2.3.3- Ecological survey for coral cover - % live coral cover			
Ecological Assessment and the Socio-Economic	First quarter 2025	ongoing	<ul style="list-style-type: none"> • Kimbe Bay: Baseline completed; midline assessment will be carried out March 2026, and final assessment in June 2026 • Alotau: TOR for baseline assessment under development; expectation is that RC Marine Services will be contracted to do this in early 2026.
Outcome 3 – Women access technical and financial assistance for transformative "blue" livelihoods in accordance with local value systems			
Output 3.1 – High-quality TA delivered in support of transformative blue livelihoods			
Activity 3.1.1 – Establish women's leadership and support network in collaboration with women's groups			
Women in the Blue Economy Network identified	May 2025	Completed	At least 100 women received finance and literacy training in Kimbe Bay
Activity 3.1.2- Training in financial literacy and project preparation for women			
Expansion of UNCDF's financial inclusion programme providing financial literacy training on identified BE businesses	Dec 2024	ongoing	KPMG contracted to progress the Blue Accelerator Program in Milne Bay Province; the pre-accelerator, grant proposals with the businesses and the first finance and literacy training took place in Alotau in 2025.
Activity 3.1.3-Training to all investees on gender equity			
Training provided on gender equity	TBD	Not started	This activity has not taken place yet
Output 3.2 - Financial products for women in business developed			
Activity 3.2.1 - Training workshops and awareness-raising with the domestic financial sector			
Training workshops with the financial sector to demonstrate viable BE opportunities and work to design financial products	July 2025	Completed	Following the signing of the guarantee agreement, UNCDF engaged with Women's Micro Bank Limited to initiate training on the Blue Economy financial product, which had been approved by the Board in November 2025.
Activity 3.2.2: Jointly design and launch female-focused finance lines with domestic financial institutions			
Consultation with domestic micro finance and commercial banks to structure women-focused credit lines supporting natural resource management.	Aug 2024	Completed	In August 2024, UNCDF, with support from a senior guarantee specialist, conducted consultations with domestic microfinance institutions and commercial banks to structure women-focused credit lines aimed at supporting natural resource management. This resulted into the development of the blue economy product currently under implementation with Women's Microbank limited
Activity 3.2.3: Credit Guarantees for financial institutions providing blue loans			
Risk guarantees provided through UNCDF to the domestic financial	July 2025	Ongoing	UNCDF designed and deployed a portfolio guarantee facility with Women's Micro Bank Limited (Mama Bank). The guarantee provides up to 70% risk



institutions to de-risk provided loans to newly establish blue economy businesses.			coverage on a defined portfolio of loans. This has reduced the credit risk exposure of the bank, making it more willing to lend to new and underserved blue economy businesses.
Outcome 4-Private sector capital is crowded-in to scale-up investment in conservation and reef-first business models connected to the blue economy			
Output 4.1- Raise awareness of blue economy investment opportunity in PNG			
Activity 4.1.1 - Work with domestic financial institutions to develop a Strategic plan for supporting women in blue enterprise			
Blue Loans	Dec 2025	ongoing	The UNCDF Loan Guarantee Facility was signed with Women’s Micro Bank in July 2025 and launched and operational
Activity 4.1.2: Prospectus of marine biodiversity friendly business models			
Development of investment prospectus for each business opportunity. Production of information and communication material.	???	???	To be initiated in 2026 based on pending blue economy investment study
Activity 4.1.3: Outreach to domestic and international investors in blue economy investment opportunities in PNG			
<ul style="list-style-type: none"> ● Development and implementation of an investor website (linked to the Biodiversity and Climate Fund) to showcase investment opportunities. 	???	???	Pending to be operationalised due to the technical capacity to maintain the platform (due to concerns about the sustainability of the website, it was decided not to develop a website)
<ul style="list-style-type: none"> ● Participation of the CTA and the Biodiversity and Climate Fund at international BE fora to publicise the showcased BE businesses. 	???	???	???
Activity 4.1.4: Annual knowledge forum			
Business to business annual event to enable local BE businesses to showcase themselves to the banking sector. Training in advance and business plans will be developed in order to assist local businesses to be able to communicate directly with banks.	???	???	To be initiated in 2026



Activity 4.1.5: PNG Blue economy investment fair			
Blue Economy Investment Fair established in Port Moresby in Year 3 to demonstrate the opportunities available, showcase existing blue economy businesses and connect businesses with the domestic financial market.	??	???	Potential future activity



Annex C – Solution Case Study Template

Solution Title	<i>Case Study – Potou Women Marine Producers Management</i>
Context	<i>What specific problem does this solution hope to solve? What would be the impact if this problem is not addressed?</i>
Website or other links	https://youtu.be/WMk38aJfbQQ?si=qxIVrAb4hzu3RWGL
Image	<i>Please share at least one image highlighting this solution.</i>
FINANCE SOLUTION	
Finance Solution Diagram	<p><i>Please include a graphic which illustrates how this financial solution operates.</i></p> <p><i>Institutional Embedding:</i> <i>The plan to integrate the BE-EIF (and by extension, support for enterprises like Potou) into the national PNG Biodiversity & Climate Fund (BCF) is a strategy to sustain financing beyond the life of the GFCR programme. By demonstrating early success, Potou and its peer enterprises make the case for continued funding from both government (e.g. BCF or GEF grants) and impact-focused investors. The aim is that these initial case studies will attract more capital into the BCF/BE-EIF, which can then provide follow-on financing (including possible revenue-sharing arrangements or impact investments) to scale such solutions across PNG.</i></p>



GFCR “Blue Grant” (via BE-EIF)

PGK 411,456

Performance-based startup grant used to build a production facility and purchase equipment. Disbursed in tranches upon milestones; non-repayable capital that enabled Potou’s launch.

WNB Gov. Co-financing

PGK 100,000

Provincial government grant (public co-finance) to support expansion (e.g., extra equipment) for Potou and another local enterprise. Demonstrates local buy-in and shared investment in success.

Technical Assistance

In-Kind

Training, mentoring & business support provided via UNDP/BE-EIF (with KPMG) at no cost to Potou. Strengthened financial management, production skills, and reef-safe practices, improving viability.

Blue Loan Guarantee

PGK 3.6 M

National facility (≈USD 1M) to de-risk MSME loans. While not yet accessed by Potou, this opens a future path for affordable credit if needed, leveraging private bank capital (~PGK 5.7 M) for scale.

Prospective Private Investment

TBD

Partnership discussions to produce coconut biofuel. Would inject new capital and expertise, adding a revenue stream and demonstrating how grants can catalyze private sector engagement.

Figure 1: Blended finance architecture of the Potou solution (key funding sources and instruments).

Choice of Instruments: *The financing mix for Potou was carefully designed to be appropriate and catalytic for the enterprise’s stage and objectives:*



Grants (non-repayable) were chosen as the primary instrument to kick-start the business, because Potou Women Marine Producers Management was an early-stage, community-led initiative with no prior access to credit or collateral. A traditional bank loan was neither accessible nor suitable at the outset due to high perceived risk and the group's lack of credit history. The grant filled this gap, absorbing early-stage risk that the private sector would not take. By structuring it as a performance-based grant, the programme ensured accountability and focused use of funds on impactful assets (e.g. building the production facility) likely to generate long-term revenue.

Technical assistance came alongside financing as a “wrap-around” service, recognising that capital alone is not enough if entrepreneurs lack business skills. The specialised training (on bookkeeping, operations, marketing, quality control, etc.) was effectively a form of capacity-building “soft loan”; its cost was covered by GFCR/UNDP rather than burdening the enterprise, but it is expected to “pay back” in the form of improved business performance and resilience.

Loan guarantees were deployed at the programme level (through UNCDF and WMBL) to catalyse commercial lending for the nascent blue economy sector. Rather than giving loans directly to Potou, GFCR funds are used to derisk and leverage local bank capital, a more scalable approach. This mechanism is particularly appropriate in PNG's context of limited MSME financing; by providing a 70% guarantee cover, it encourages the microfinance bank to extend credit to women-led and reef-positive businesses that it would otherwise consider too risky. As Potou grows (and similar enterprises mature), they can tap into this pool of credit for working capital or expansion, helping them reach financial sustainability without continued grant dependence

Public co-funding was sought to ensure local buy-in and co-ownership. The provincial government's grant not only provided additional money but also helped align Potou Women Marine Producers Management's activities with local development plans and demonstrated to community members that their leaders support the project. This boosts legitimacy and stability for the business (for example, local officials have assisted in mediating community disputes related to project land use – see Challenges).

Future private financing (e.g. through impact investors or corporate partnerships) is being pursued now that Potou has a proven model. The enterprise's growth prospects, such as diversifying into biofuel production- could be financed by a mix of reinvested profits, impact investment from social investors, or revenue-sharing arrangements. By establishing a track record with grant funding (and measuring results on coral reef health and community benefits), Potou becomes a more attractive candidate for such private investment.

Overall, blended finance is working for Potou and similar GFCR-supported solutions. Grant funds have been used to build something bankable from scratch, unlocking additional public and private capital. The financial flows are structured to ensure financial sustainability: grant-funded assets and training enable revenue generation, while innovative instruments like guarantees will help transition to market-based finance over time. Crucially, all financing is tied to coral reef outcomes; the partners have designed the flows so that financial success and conservation success go hand-in-hand.



GFCR Fund usage	<p>Elaborate specifically on how GFCR funds were spent supporting this solution, including a quantitative breakdown. UNDP used the programmatic approach through the Low Value Performance-based payment agreement to do a grant agreement. The grant agreements are tied to three sets of deliverables that indicates the results framework and the workplan, and the itemized budgeted costs highlighted in the grant agreements.</p> <p>The first deliverable which was disbursed in December 2024 was</p> <table border="1" data-bbox="516 435 1810 532"> <tr> <td>Potou Women Marine Producers Management</td> <td>Construction of a workstation for production of coconut oil</td> <td>PGK411,456.61</td> <td>USD105,827.32</td> <td>USD55,030.21</td> <td></td> </tr> </table>	Potou Women Marine Producers Management	Construction of a workstation for production of coconut oil	PGK411,456.61	USD105,827.32	USD55,030.21	
Potou Women Marine Producers Management	Construction of a workstation for production of coconut oil	PGK411,456.61	USD105,827.32	USD55,030.21			
Company Overview (Reef-positive business only)	<p><i>Empowering Women & Protecting Reefs: In coastal Kimbe Bay, West New Britain Province of Papua New Guinea, local communities face dwindling marine resources due to destructive fishing, habitat degradation, and limited economic alternatives. One key driver of reef degradation is the expansion of oil palm plantations on coastal plains, leading to runoff and water pollution that harm coral ecosystems. In remote Lolobau Island, most families subsist on small-scale fishing and gardening, with few formal job opportunities. This lack of sustainable livelihoods has historically forced residents to rely on activities (like overfishing or harvesting coral and mangroves for fuel) that degrade the coral reefs and mangrove forests that protect their shores and support their food security.</i></p> <p><i>To tackle these intertwined challenges, a collective of over 100 local women formed the Potou Women’s Marine Producers Management group (“Potou”) about a decade ago. The women began handcrafting virgin coconut oil using traditional methods, later adding seaweed-infused soaps. These biodegradable, reef-friendly products provide a sustainable alternative to destructive practices, offering eco-friendly soaps and oils that reduce community dependence on reef fishing and harmful chemical soaps. By processing locally abundant coconuts and seaweed, the women are diversifying livelihoods and demonstrating that economic empowerment and environmental stewardship can go hand in hand.</i></p> <p><i>Without intervention, Kimbe Bay’s coral reefs – home to over 500 coral species and 1,600+ reef fish species – would continue to decline due to overfishing, pollution, and habitat loss. The Potou solution directly addresses this problem by creating a reef-positive business that generates income while actively protecting marine ecosystems. By producing coconut-based products as an alternative to palm oil and overfishing, Potou helps relieve pressure on nearby coral reefs and mangroves, preventing further degradation of these critical habitats. The initiative simultaneously empowers women – a traditionally marginalised group in local decision-making – by placing them at the forefront of sustainable enterprise development.</i></p>						
Finance Overview Solution	<p>Provide an overview of the finance solution or the form of support provided to the reef-positive business.</p> <ul style="list-style-type: none"> • Describe the structure and financing flows. • Describe the types of technical assistance provided. 						



- Describe the types of financing provided (e.g., grants, recoverable grants, concessional loans, commercial loans) and the *choice for the deployment of those financial archetypes*. Highlight why they are appropriate and catalytic.
- Describe how this intervention *results in financial sustainability and leverage of investment capital*.

With support from the Global Fund for Coral Reefs (GFCR) and partners, Potou has scaled up from an informal cottage industry to a structured enterprise with a dedicated production facility. Using a GFCR seed grant and technical assistance, the women built a coconut oil processing centre and acquired modern equipment (e.g. oil presses, soap moulds) to increase production capacity and improve product quality. This investment has already enabled a significant surge in output and income: Potou Women Marine Producers Management’s cooperative can now produce twice as much virgin coconut oil and soap as before (each woman produces ~2 litters of oil per week, up from ~1 litre previously). The group employs 15 women full-time (up from zero formal jobs before) and engages over 100 women in harvesting, processing, and sales, providing much-needed earnings for local families. Profits are reinvested in community welfare – such as school fees and small loans for members – and in conservation activities like beach clean-ups and reef monitoring, thereby creating a positive feedback loop between economic gains and environmental stewardship

This section describes the blended finance model powering Potou Women Marine Producers Management’s success, highlighting partners, financial flows, and instruments used to achieve both financial sustainability and coral reef conservation benefits.

Partners Involved: *The Potou solution is supported by a multi-stakeholder partnership that blends public, private, and philanthropic resources. Key partners include:*

Global Fund for Coral Reefs (GFCR) – *provided catalytic funding through its Blue Economy Enterprise Incubation Facility (BE-EIF) programme, managed by UNDP as the Convening Agent. GFCR funding underpins the grants and technical assistance that Potou received, aiming to prove the viability of reef-friendly businesses*

United Nations Development Programme (UNDP) – *implements the GFCR-backed “Gutpela Solwara, Gutpela Bisnis” joint programme in PNG, delivering grants and capacity building to community enterprises like Potou. UNDP also facilitated alignment with national strategies and safeguards (e.g. ensuring Free, Prior, and Informed Consent – FPIC – processes in local communities.*

Papua New Guinea Government (Conservation and Environment Protection Authority – CEPA, and West New Britain Provincial Administration) – *provides co-financing and enabling support. The WNB Provincial Government, for instance, co-founded Potou Women Marine Producers Management’s expansion with a PGK 100,000 (USD 24,390.24) grant in 2025, and local authorities have helped resolve land use issues and integrate the project with the planned Kimbe Bay Marine Protected Area.*



PNG Biodiversity and Climate Fund (BCF) – a national conservation trust fund that will eventually house the BE-EIF, ensuring the long-term sustainability of these financing mechanisms for blue livelihoods. Potou Women Marine Producers Management’s progress strengthens the case for sustained funding through the BCF.

UNCDF & Women’s Micro Bank Ltd (Mama Bank) – design and implement a Blue Loan Guarantee Facility (backed by GFCR/UNCDF with USD 1 million) to enable concessional loans to reef-positive micro-entrepreneurs (particularly women) by de-risking local lending. This facility is expected to unlock additional private credit for scaling up enterprises like Potou soon.

UNCDF & Women’s Micro Bank Ltd (Mama Bank), design and implement a Blue Loan Guarantee Facility (backed by GFCR/UNCDF with USD 1 million) to enable concessional loans to women-owned and reef-positive micro-entrepreneurs by de-risking local lending. This facility is expected to unlock additional private credit for scaling up enterprises like Potou in the near future.

***Structure & Financing Flows:** Potou Women Marine Producers Management’s financial setup exemplifies a blended finance solution (see Figure 1). Capital flows combine grant funding, government co-financing, and future private investment, layered with technical assistance:*

- ***Early-Stage Grant:** Through the BE-EIF, GFCR provided seed capital in the form of a performance-based grant (a Low-Value Performance-Based Payment Agreement) of ~PGK 411,000 (≈USD 115,000) to Potou. This non-reimbursable grant was disbursed in tranches tied to specific milestones (e.g. completion of the processing facility, procurement of equipment, initial production targets). Funds were managed by an external fiduciary agent to ensure transparency and build the women’s financial management capacity. The grant enabled Potou to cover 100% of its start-up project costs, reflecting the reality that such community enterprises often lack initial capital or collateral. This patient capital was critical to de-risk the venture, allowing the women to invest in infrastructure and training without the burden of immediate repayment*
- ***Government Co-Financing:** Recognising Potou Women Marine Producer Management’s potential for social and environmental impact, the West New Britain Provincial Government committed PGK 100,000 (≈USD 24,000) in 2025 to bolster the enterprise’s expansion. This public co-financing, delivered as a complementary grant, helped purchase additional equipment and scale up production of coconut oil and soaps. The government’s contribution not only filled a financing gap but also signalled local ownership and political support, increasing the project’s credibility in the eyes of communities and investors. The Global Environment Facility (GEF) also provided ~USD 102,000 in parallel funding to strengthen blue livelihood initiatives and reef management in Kimbe Bay – a portion of which indirectly benefits Potou by improving the enabling environment (e.g. supporting the Kimbe Bay Marine Sanctuary planning).*
- ***Technical Assistance & Capacity Building:** Alongside funding, GFCR – through UNDP and partners – delivered an extensive Blue Economy Accelerator Programme. Professional consultants (including KPMG) provided training in business skills, financial literacy, product development, and sustainable production practices to Potou Women Marine Producers Management’s members. Over 2024–2025, representatives from Potou and five other local enterprises completed a four-phase training (covering sustainable enterprise basics, bookkeeping, operations, and business planning). They also joined a Women in Blue Business Network for ongoing mentorship and peer support. This capacity-building was crucial to help the women navigate challenges like budgeting, marketing, and maintaining product quality at scale. Additionally,*



environmental training instilled strong values of marine stewardship within the business. Potou operates under the local LMMA (Locally Managed Marine Area) framework, meaning the community abides by self-imposed rules to protect the reef (e.g. sustainable harvest zones, turtle nesting site protection). Environmental awareness has thus become part of daily operations, from practising zero-waste coconut processing to promoting reef-safe products.

- **Investment & Revenue Flows:** With grants establishing a track record for Potou, the next phase is to attract private investment and credit to scale further. The GFCR/UNCDF-backed Blue Loan Guarantee Facility (operationalised in 2025) is set to enable Potou and similar businesses to access affordable loans from Women’s Micro Bank (WMBL) by guaranteeing 70% of the loan principal. For example, if Potou seeks a loan to purchase a coconut oil expeller or expand distribution, the guarantee lowers risk for the bank, making approval more likely. The facility is expected to unlock up to PGK 5.7 million (~USD 1.4 million) in loans for women-owned and reef-positive MSMEs across PNG, a pipeline that could include Potou as it grows. In parallel, Potou is exploring a partnership with a private biofuel venture interested in using coconut oil for biodiesel. If realised, this partnership could introduce a new revenue stream for Potou and potentially bring in direct private investment (e.g. equipment financing or off-take agreements). In summary, the finance solution for Potou started with grant funding and TA to prove the model and is evolving to include market-based finance (loans and private capital) as the enterprise matures.
- **Financial Sustainability & Leverage:** The blended design ensures that Potou moves toward self-reliance and can attract additional funds beyond the initial grant. Key elements include:
- **Market-Driven Revenues:** Potou generates income by selling its products (coconut oil, soaps, etc.) in local and regional markets, which is the foundation of its sustainability. The grant-funded expansion has enabled the cooperative to boost output and meet rising demand – each member now earns roughly PGK 400 (USD 97) per week from product sales, double their previous income. These sustainable revenue streams (detailed in the impact section) cover operational costs and provide profit for reinvestment, reducing the need for ongoing subsidies. The enterprise is thus on a path to cover its own costs through sales, demonstrating financial viability.
- **Blended Capital Strategy:** The combination of grant + co-financing + loan guarantee multiplies impact. GFCR’s initial grant leveraged additional public funding (provincial government support) and was instrumental in attracting interest from private sector partners. Potou Women Marine Producers Management’s case shows that even a small public investment can crowd-in private capital, e.g. the prospect of selling biofuel has external investors now considering funding advanced coconut processing technology. Moreover, the grant’s success laid the groundwork for Potou to be loan-ready; the enterprise is a prime candidate for “blue loans” under the WMBL guarantee program once it seeks further expansion capital.
- **Performance-Based Approach:** Tying grant disbursements to milestones ensured that funds were used effectively (for building the facility, purchasing equipment, and hitting production targets). This increased donor confidence and accountability, making it easier to justify future funding. For instance, an independent financial manager verified Potou Women Marine Producers Management’s spending and results before approving the next tranche, which helped build the women’s capacity in record-keeping and planning. While this approach introduced some administrative challenges at first (see Challenges section), it ultimately strengthened the business’s governance, making Potou more bankable in the eyes of lenders and investors.



	<ul style="list-style-type: none"> ● Institutional Embedding: The plan to integrate the BE-EIF (and by extension, support for enterprises like Potou) into the national PNG Biodiversity & Climate Fund (BCF) is a strategy to sustain financing beyond the life of the GFCR programme. By demonstrating early success, Potou Women Marine Producers Management and its peer enterprises make the case for continued funding from both government (e.g. BCF or GEF grants) and impact-focused investors. The aim is that these initial case studies will attract more capital into the BCF/BE-EIF, which can then provide follow-on financing (including possible revenue-sharing arrangements or impact investments) to scale such solutions across PNG.
IMPACT	
Impact Ambition	<p>Narrative overview: What impact are you hoping to achieve, or have already achieved? How will your solution mitigate drivers of coral reef degradation and benefit communities?</p> <p>The ultimate goal of the Potou solution is to create a financially viable, community-owned business that delivers positive impacts for coral reef ecosystems and local people. The expected impacts include:</p> <ul style="list-style-type: none"> ● Mitigating Reef Degradation: By providing an alternative to both reef fishing and oil palm cultivation, Potou Women Marine Producers Management’s coconut and seaweed products help reduce key drivers of coral reef degradation. Fewer families resort to overfishing or destructive practices (like using poison or dynamite) when they have a steady income from coconut oil and soap production. Importantly, the Potou women promote their biodegradable soaps as a substitute for chemical-based soaps that can harm water quality. They also encourage coconut oil as a sustainable alternative to palm oil, which helps curb the expansion of coastal palm plantations that contribute to reef sedimentation and nutrient pollution. The net effect is a healthier marine environment: less pressure on fish stocks and coral habitats, reduced agricultural runoff, and improved water quality in Kimbe Bay’s lagoon and reefs. ● Enhanced Coral Reef Protection: Potou Women Marine Producers Management’s work complements broader conservation efforts in Kimbe Bay. The women’s group is part of the local LMMA, and their success has galvanised community support for establishing the Kimbe Bay Marine Sanctuary (MPA). In September 2024, an extensive FPIC consultation led by CEPA and local authorities engaged over 1,000 community members (including women and youth), resulting in 90% agreement to formally gazette the Kimbe Bay MPA. The proposed MPA will cover ~1.33 million hectares of marine area (including ~23,300 hectares of coral reefs), providing legal protection for critical coral habitats. Potou Women Marine Producers Management’s role in demonstrating that conservation and economic gain can coexist was frequently cited in community meetings as a reason to support the MPA. Already, critical coral reef areas are under improved management with local endorsement. Potou members actively participate in reef monitoring (with the support of WCS and Eco-Custodian Advocates), and their experience is informing the MPA’s sustainable livelihood strategies. ● Socioeconomic Benefits: The Potou case has yielded tangible benefits for the community, especially women. The enterprise has transitioned what was once a sporadic, informal activity into a stable source of jobs and income. Fifteen women now have formal employment through Potou (earning regular wages or profit shares), and the cooperative’s membership encompasses more than 100 women producers and sellers, ranging from young mothers to elder village leaders. This inclusion of women in economic leadership roles is empowering female entrepreneurship in a region where



	<p>women often have limited income opportunities. With enhanced earnings (each active member roughly doubled their weekly income to PGK 400, as noted above), families are reporting improved food security and the ability to afford school fees and healthcare.</p> <ul style="list-style-type: none"> ● Youth engagement has also increased: some of the women have involved their older children in planting and harvesting coconuts and seaweed, providing skills and deterring out-migration by creating local opportunities ● Community Resilience and Awareness: The project has had positive ripple effects on community resilience. By diversifying livelihoods, Potou is helping the village become less vulnerable to climate and economic shocks. When fishing yields decline (due to climate impacts or overuse), families can fall back on coconut product sales, which are less climate-dependent and can even continue after extreme weather events once coconuts are collected. Moreover, the environmental awareness raised by the women, who champion reef-friendly practices and waste reduction, has led to behavioural changes in the community. The cooperative organises beach clean-ups and educates neighbours about the importance of coral reefs, seagrasses, and mangroves for their food and storm protection. This has nurtured a sense of pride and ownership: community members increasingly see the reef as a valuable asset to protect rather than an inexhaustible resource to exploit. 						
<p>Fund Indicators</p>	<p>If you disaggregate data collection by solution, please provide information on any of the following indicators: Below is a summary of selected fund indicators (key performance metrics) for this solution, as tracked by the programme’s Monitoring & Evaluation framework. These indicators measure environmental and social impact at the local level</p> <table border="1" data-bbox="512 821 1835 1406"> <tr> <td data-bbox="512 821 747 922"> <p>% Local coral cover</p> </td> <td data-bbox="747 821 1835 922"> <p>Baseline: ~28% (moderate) Target: Maintain or increase (≥30%) Current status: 28% (baseline survey in 2025; ongoing monitoring via MERMAID)</p> </td> </tr> <tr> <td data-bbox="512 922 747 1052"> <p>Local Fish biomass</p> </td> <td data-bbox="747 922 1835 1052"> <p>Baseline: Baseline under assessment (2025)² Target: Increase vs. baseline Current status: Baseline data collected; analysis in progress (fish biomass expected to rise as fishing pressure declines)</p> </td> </tr> <tr> <td data-bbox="512 1052 747 1406"> <p>Area of coral reefs under conservation and sustainable management</p> </td> <td data-bbox="747 1052 1835 1406"> <p>MPAs and OECMs: Baseline: Target: Current status:</p> <p>LMMAS and fisheries management: Baseline: 0 MPA; 1 active LMMA in Lolobau Target Kimbe Bay MPA: ~23,300 ha reefs (1.33M ha total marine area); maintain/enhance LMMA coverage Current status: MPA boundaries agreed (23,300 ha reefs; legal gazettal pending); Lolobau LMMA remains active (community enforcement ongoing)</p> </td> </tr> </table>	<p>% Local coral cover</p>	<p>Baseline: ~28% (moderate) Target: Maintain or increase (≥30%) Current status: 28% (baseline survey in 2025; ongoing monitoring via MERMAID)</p>	<p>Local Fish biomass</p>	<p>Baseline: Baseline under assessment (2025)² Target: Increase vs. baseline Current status: Baseline data collected; analysis in progress (fish biomass expected to rise as fishing pressure declines)</p>	<p>Area of coral reefs under conservation and sustainable management</p>	<p>MPAs and OECMs: Baseline: Target: Current status:</p> <p>LMMAS and fisheries management: Baseline: 0 MPA; 1 active LMMA in Lolobau Target Kimbe Bay MPA: ~23,300 ha reefs (1.33M ha total marine area); maintain/enhance LMMA coverage Current status: MPA boundaries agreed (23,300 ha reefs; legal gazettal pending); Lolobau LMMA remains active (community enforcement ongoing)</p>
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Project Indicators	<p><i>Please share any additional indicators that you are planning to track regarding this solution.</i></p> <p>Ecological and Community Outcomes: <i>The data above illustrate early positive trends. In Potou Women Marine Producers Management's location reef area, coral cover has stabilised at ~28%, a moderate level that the community aims to improve. Ongoing monitoring via the MERMAID platform has detected reduced local threats such as destructive fishing and land-based runoff, which bodes well for coral recovery. Fish populations are expected to rebound as fishing pressure drops; villagers already report seeing more herbivorous fish (surgeonfish and parrotfish) on their reefs, which help keep algae in check and allow corals to regrow. The establishment of the Kimbe Bay MPA in the near future will provide an extra layer of protection for these ecosystems, locking in the conservation gains achieved so far. On the social side, Potou is meeting and exceeding its targets for job creation and women's participation. The formalisation of 15 jobs (with more likely as production expands) and the inclusion of over 100 women in the cooperative have demonstrated the gender and social inclusion impact: women now have greater financial independence and a voice in community decision-making (several Potou leaders also serve on the local MPA management committee). These outcomes align with GFCR's fund-level indicators for gender equity and livelihoods.</i></p>						



<p>Community Stakeholder Engagement</p>	<p>and</p> <p><i>Have you involved local communities or stakeholders in the development and implementation of your solution? What role do they play in ensuring the long-term success of your initiative?</i></p> <p>Bottom-Up Leadership: <i>The strength of the Potou initiative lies in its deep roots in the local community. The solution was conceived and driven by local women, ensuring it resonated with community needs and values from the start. All 100+ cooperative members are from Lolobau Island and nearby coastal villages, which have built strong local ownership and trust in the project. Community elders and family members were consulted and involved at every stage, from selecting the site for the processing facility to developing the group’s rules and profit-sharing mechanisms. This inclusive approach – coupled with a Free, Prior and Informed Consent (FPIC) process facilitated by CEPA and UNDP – secured broad community buy-in and avoided conflicts over resource use. For example, village chiefs and church leaders were invited to observe Potou Women Marine Producers Management’s training workshops and to provide input on aligning the business with cultural norms (such as equitable benefit-sharing among clans)</i></p> <p>Local Governance and Traditional Authority: <i>The project works closely with local authorities. The West New Britain Provincial Government not only co-funded the enterprise but also plays a key role in its oversight and support. Government officers (from the Environment, Climate Change, and Fisheries divisions) have been engaged in monitoring visits and helping ensure that Potou Women Marine Producers Management’s operations comply with environmental standards and local regulations. The provincial government also assists in conflict resolution: when minor disputes arose – for instance, over land for building the new processing centre – officials and local magistrates helped mediate discussions, drawing on the village court system to reach amicable solutions. This collaboration with formal and customary governance structures has been crucial in maintaining community harmony and fostering a supportive environment for the enterprise.</i></p> <p>Role in Long-Term Success: <i>The local community’s active participation is a cornerstone of Potou Women Marine Producers Management’s sustainability. Because the business is community-owned, the women reinvest profits into community priorities (like school supplies, clean water infrastructure, and reef conservation activities), which further cements public support. The cooperative model means that as Potou succeeds, the whole community sees the benefits – this reciprocal relationship motivates community members to protect the business’s assets (like the coconut groves and the surrounding reef). For example, youth from the village have organised into patrol groups to prevent illegal fishing or logging around Lolobau, recognising that their mothers’ and sisters’ livelihoods depend on a healthy environment. In addition, Potou Women Marine Producers Management’s success has catalysed a wider network: the cooperative frequently shares its experiences with other villages through exchange visits and storytelling. Neighbouring communities in Kimbe Bay have been inspired to form their own women-led enterprises (one group is now farming seaweed to make reef-safe cosmetics, and another is exploring mangrove honey production), with mentorship from Potou Women Marine Producers Management’s leaders. This peer-to-peer support network, bolstered by the GFCR programme’s Women in Blue Business Network, is creating a community of practice that will help ensure long-term success and replication of reef-positive solutions well beyond Potou Women Marine Producers Management’s own membership.</i></p>
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TAKEAWAYS

Process and Challenges

How did you develop this solution, and what key factors did you consider during its design? What challenges did you face during development and implementation, and how have you addressed them so far?

Designing a Reef-Positive Business: Developing Potou Women Marine Producers Management’s solution required balancing economic and environmental objectives from the outset. Early in the design phase, the women, supported by UNDP, conducted a feasibility study to identify products that had market demand yet were environmentally friendly. Coconut oil and seaweed soap emerged as ideal choices because they utilise local resources, have established local/regional markets, and displace harmful products (palm oil and chemical detergents). The business plan was crafted to integrate conservation actions: e.g. sourcing raw materials sustainably (using fallen coconuts and cultivating seaweed in non-destructive ways) and committing a portion of proceeds to reef management.

Key factors considered: The team prioritised sustainability and cultural fit. The solution was built on traditional knowledge (women already knew how to make coconut oil by hand) and respected local customs – for instance, profit-sharing mechanisms were aligned with community norms of reciprocity. Market access was another crucial factor: Potou is remote, so the plan included forming partnerships with buyers in Kimbe town and beyond (some products are now sold in the provincial capital, Hoskins, and interest has come from as far as Port Moresby). The model also considered climate factors: since coconut production can be seasonal, the women plan to diversify into other products (herbal oils, charcoal from coconut husks, etc.) to ensure year-round income. Lastly, the presence of an existing LMMA indicated community willingness to conserve the reef, which gave confidence that the business could be truly “reef positive.”

Challenges Faced & Solutions: Implementing the solution was not without obstacles:

Operational Hurdles: Building a processing facility on a small island posed logistical challenges; materials had to be transported by boat, and initially, there was no electricity or running water at the site. The cooperative overcame these by working with local government and other partners to ship construction materials and by installing rainwater harvesting and a small generator on-site. They are now exploring solar panels to reduce fuel costs.

Administrative & Financial Capacity: As an informal group turning into a formal enterprise, Potou Women Marine Producers Management’s members struggled with complex grant procedures and financial management. UNDP’s requirement for detailed financial reporting and third-party validation delayed some fund disbursements early on. Many of the women had never used a bank account before – in fact, Potou had to register and open its first business bank account in 2024 to receive the grant funds. To address this, the project provided hands-on mentoring: an external accounting firm (hired through the BE-EIF) helped set up simple bookkeeping systems, and the KPMG-led training included modules on basic accounting and procurement. With ongoing coaching, Potou successfully met its reporting requirements, and subsequent grant tranches were released after initial delays



	<p>Market Access and Scale: <i>Despite strong local demand, reaching larger markets was a challenge. Transportation and distribution of products from Lolobau Island required coordination and added costs. Potou tackled this by negotiating a bulk purchase arrangement with a retailer in the provincial capital, bundling shipments with another GFCR-supported enterprise (Connas Trading), which runs a fish cold-storage and has regular transport to town. This collaboration reduced logistics costs for both parties. The cooperative is also improving its branding and packaging, supported by the BE-EIF's communications grant, to appeal to urban consumers, and it plans to leverage e-commerce (through social media marketing) to reach buyers in Port Moresby and other cities.</i></p> <p>Community Dynamics: <i>As a women-led venture involving communal resources, social tensions occasionally surfaced. For example, during expansion, there were disputes over land tenure for the new facility and questions from some community members about how profits would be shared. These issues are common when new funding flows into rural communities with complex clan land ownership. Potou and project facilitators pre-empted major conflicts by conducting the FPIC process and transparent dialogue. They engaged local leaders and even used the village court to mediate a land-use agreement, ensuring that the site of the production centre was secured with communal consensus. Within the group, the women addressed internal disagreements by establishing clear bylaws and a leadership committee that rotates annually, which has kept the cooperative united and accountable.</i></p> <p>Environmental Risks: <i>Operating in a climate-sensitive coastal environment means that Potou Women Marine Producers Management's business is exposed to climate and ecological risks. A mass coral bleaching event in early 2025 affected the reefs around Lolobau (with some sites seeing coral cover drop to ~10%), and a severe storm in late 2025 damaged part of the seaweed plots. These events reinforced the importance of the project's dual focus: the women redoubled their efforts in reef restoration (e.g. planting mangroves and assisting with a coral nursery) to help the ecosystem recover, and they are exploring insurance mechanisms for their business assets (with GFCR's guidance on reef insurance products). The cooperative is also diversifying products (e.g. moving into more resilient activities like coconut shell charcoal production) to spread risk.</i></p> <p><i>Through adaptive management and support from partners, Potou overcame these challenges. The initial delays in grant implementation taught the team how to better navigate institutional processes, and the women are now more confident engaging with government and donors. The logistical and market barriers spurred innovative partnerships (like ride-sharing logistics with another business). Community conflicts, where they arose, were handled through inclusive dialogue and local governance structures, preventing any lasting harm to the project's social license. Each challenge essentially became a learning experience, strengthening the enterprise's resilience and providing lessons for other similar projects in the region.</i></p>
<p>Key Takeaways</p>	<p><i>What are some of the key lessons you've learned during this process? Are there any aspects you would approach differently if you were to start over? What advice would you give to others looking to develop reef-positive businesses or finance mechanisms?</i></p>



The journey of Potou Women’s Marine Producers Management offers several valuable lessons for developing reef-positive enterprises:

- 1. Blended Finance Catalyses Grassroots Innovation:** *The Potou case confirms that strategic use of grants, guarantees, loans and TA can unlock local entrepreneurship that benefits the environment. Grants fill the pioneer gap; they absorb early risks and help community groups prove their models. But equally important is embedding capacity building and linking to downstream finance (like the loan guarantee) to ensure that once proven, these businesses can graduate to sustainable financing. **Takeaway:** Use grants not as a one-off charity but as catalytic capital combined with support, it’s an investment in building a pipeline of bankable, reef-positive businesses.*
- 2. Women-Led Solutions Drive Triple Bottom Line Impact:** *Empowering women as environmental entrepreneurs has a multiplier effect. In a patriarchal setting, the success of Potou has elevated women’s status in the community and demonstrated their capabilities as stewards of both livelihoods and reefs. The women’s focus on family and community benefits means the business’s profits are reinvested locally, amplifying social impact. Moreover, women are effective custodians of natural resources when given the tools and a voice. Potou Women Marine Producers Management’s members integrated conservation practices (like LMMA rules, waste upcycling, and awareness campaigns) as core parts of their business model. **Takeaway:** Gender-inclusive approaches are not just “nice to have” – they can be a strategic advantage for sustainability and community buy-in.*
- 3. Community Ownership & Inclusive Design are Essential:** *Potou was built on existing community practice and was led by local people from day one. This bottom-up approach ensured strong buy-in and relevance. The project team took time to do extensive community consultations (including FPIC) and to align the solution with local needs (for example, addressing concerns of all clans and ensuring benefit-sharing was fair). When external requirements (like rigorous financial reporting) clashed with local capacities, partners provided extra support rather than imposing penalties. **Takeaway:** Invest time in participatory design and be flexible in implementation. A community-driven solution will be more resilient and more likely to achieve lasting impacts, even if it requires upfront patience and adaptation to local contexts*
- 4. Addressing Challenges Proactively:** *The Potou experience highlights that challenges such as capacity gaps, market barriers, and community disputes are common in early-stage ventures – but they can be managed with the right approach. Key strategies included: early and ongoing training to build skills; leveraging partnerships (with NGOs, government, and other businesses) to overcome infrastructure and market access issues; and using local conflict-resolution mechanisms to handle disputes. For instance, when a conflict over seaweed farm sites arose in a neighbouring village, the project team engaged provincial authorities and adjusted the project plan (relocating the farm) before issues escalated. **Takeaway:** Anticipate and proactively manage operational and social challenges. Provide wrap-around support (training, mentorship, facilitation) and adapt the project design as needed rather than expecting a straight path to success.*



5. Linking Conservation and Livelihoods Increases Impact: Potou Women Marine Producers Management’s story underscores that conservation and development need not be trade-offs, in fact, they can be mutually reinforcing. The business has given the community a stake in protecting their natural resources because their income is directly connected to ecosystem health. Coral reefs and mangroves are valued not just for ecological reasons but as the foundation of new economic opportunities (tourism, sustainable products, etc.). This alignment of incentives is powerful; community members now actively monitor and manage their reef, which in turn ensures the raw materials (coconuts, seaweed, clean water) for the business are sustained. **Takeaway:** Conservation interventions are more effective and enduring when local people see tangible economic benefits. Blended finance solutions that integrate ecosystem protection into business models can drive this alignment of interests.

6. Potential for Scale and Replication: The Potou case is already inspiring replication across the region. With support from GFCR’s knowledge-sharing efforts, the Potou women have documented their model and shared their experiences with other communities. The low-tech, high-impact nature of the solution – essentially turning local natural products into marketable goods, makes it highly scalable and adaptable. Similar models (adjusted for different local resources, like honey, handicrafts, or ecotourism) are being considered by at least five other communities in PNG as part of the GFCR programme, and interest has been expressed by stakeholders in other Coral Triangle countries. **Takeaway:** Investing in one solution can spark a domino effect; when successful, it becomes a “case study” that others emulate. Ensuring robust monitoring and storytelling (e.g., documenting the Potou journey on video) is important to communicate success and attract new practitioners and investors.

Final Remark: The Potou Women’s Marine Producers Management case study illustrates the power of blended finance coupled with community innovation. A relatively modest injection of funding and expertise unlocked a decade-old idea, transforming it into a thriving business that improves lives and the environment. The lessons from Potou – around empowering women, aligning finance with conservation, and engaging communities – provide a blueprint for reef-positive solutions well beyond Kimbe Bay. As GFCR global programmes scale up, cases like Potou Women Marine Producers Management’s will be instrumental in convincing policymakers and investors that blended finance for nature, and people, not only works, but is an essential strategy for protecting our planet’s most vulnerable ecosystems while fostering sustainable development.



Annex D – GESI Action Report

Each row below addresses the evidence requirements by outlining how GESI has been integrated into project outcomes – including participation mechanisms, inclusive decision-making, diversity in governance, GESI in M&E, mainstreaming in activities, resource allocation, capacity building, risk mitigation (GBV/safeguarding), and the identification of good practices and lessons learned. The **Gutpela Solwara, Gutpela Bisnis** project is on track to meet its GESI commitments, with robust systems in place to ensure that women, youth, and marginalised groups are meaningfully engaged and benefiting from the emerging blue economy.

Format: GESI Action Report

Linked Programme Outcome	Objective	Action	Indicator	Milestone – 2025	Remarks
Outcome 1: A financing ecosystem is in place that supports sustainable and scalable blue livelihoods in target areas” (Kimbe Bay & Alotau)	Strengthen women's participation in MPA management and ensure that all resource users' needs, ideas and priorities are reflected in plans.	Address the evidence requirements of the above list	Address the evidence requirements of the above list	As per the evidence requirements	Substantiate / explain milestone/s that were (not) accomplished through the reporting period, as necessary.
	Ensure women and diverse groups actively participate in and benefit from new blue economy	Launched the Blue Economy Enterprise Incubation Facility (BE-EIF) with a mandate to prioritise women-led enterprises	Number of women-led MSMEs incubated (target: 10 by 2025) Share of female participants in BE-EIF training and grants (achieved 54% women in initial Milne Bay training. 100 women in the Kimbe Bay network trained	BE-EIF fully operational by 2023, offering seed funding and support to women-led ventures. By 2025: At least 10 sustainable blue businesses incubated (≥50% women-led) and 250 reef-positive jobs created (with equitable opportunities for women and youth)	Achieved: BE-EIF launched and supporting women entrepreneurs – <i>6 pilot businesses (100% women-led) incubated with US\$483,581.in grants disbursed</i>
		Established a Women’s Blue Business Network to provide tailored training, mentorship, and peer support for female entrepreneurs (100 women trained in financial literacy and business skills in Kimbe Bay)	GESI indicators (e.g. women-led businesses, jobs for women) integrated	Women comprise 50%+ of Blue Accelerator participants in both Kimbe and Alotau to date. GESI capacity built: Project team includes gender specialists, and staff received orientation on GESI & safeguard protocols. Challenge: Initial low representation of women in the blue economy addressed through targeted outreach and training (e.g. forming the Women’s Blue Business Network)	
Allocated dedicated resources (e.g. National					



	livelihoods and financing initiatives.	Gender Consultant and Social & Environmental Safeguards Specialist) to integrate GESI considerations throughout project planning and implementation	into the M&E framework		Continuous efforts needed to maintain women’s high participation as the project scales (Milne Bay activities ongoing with >50% women trainees)
Outcome 2: “The protection of coral reefs and the marine environment is strengthened .”	Strengthen women’s and vulnerable groups’ participation in Marine Protected Area (MPA) management and ensure all resource users’ needs and priorities inform conservation plans.	<p>Prior, and Informed Consent (FPIC) process for MPA establishment, ensuring inclusive consultations in Kimbe Bay and Alotau. Women, youth, elders, and persons with disabilities are actively consulted in MPA design and decision-making.</p> <p>Facilitated local women’s involvement in marine governance (e.g. partnering with Women in Locally Managed Marine Areas program – 100 women trained in Kimbe communities</p> <p>Ensured diverse representation on the Project Board and MPA committees, including female leaders from government (e.g. CEPA’s Marine Division) and</p>	<p>Presence of FPIC/consultation mechanisms at all MPA sites (yes – FPIC completed in Kimbe Bay, 2024).</p> <p>Community representation in MPA governance (target: ≥30% women and youth in local MPA committees, e.g., Kimbe Bay FPIC process engaged women from 4 local-level governments).</p> <p>Protected area plans integrate gender and social considerations (qualitative review).</p>	<p>By 2025: Community-led MPA management plans adopted for Kimbe Bay (and drafted for second site), reflecting input from women’s groups, youth, and marginalized resource users.</p> <p>Diversified governance – at least 2 women or youth representatives included in each MPA committee/board .</p>	<p>Achieved: FPIC consultations in Kimbe Bay MPA (2024) garnered broad community support with significant women’s participation Initial governance bodies include local women (e.g. women leaders from provincial environment offices now on the Project Steering Committee) ensuring gender-balanced oversight.</p> <p>GESI mainstreamed: MPA planning addressed gender-differentiated needs – <i>training provided to community mobilizers on FPIC and safeguarding to avoid exclusion of any group</i></p> <p>Challenges: Some cultural barriers to women’s voice in resource management persist; mitigated by ongoing capacity-building and partnership with local women’s organizations. No reports of gender-based exclusion so far, but the project remains vigilant via a Grievance Redress Mechanism (GRM) enabling community members (women and men) to safely raise concerns (including GBV/harassment issues), with “do no</p>



		community representatives			harm” safeguards and UNDP’s PSEA protocols in place
Outcome 3: “Women access technical and financial assistance for transformative ‘blue’ livelihoods.”	Improve women’s economic empowerment by removing barriers to finance, skills, and markets in the blue economy.	<p>Provided targeted business development services for women: financial literacy & business management trainings, mentoring, networking (see Outcome 1 actions).</p> <p>Facilitated access to capital for women through grants and gender-sensitive loan products (e.g. linking women entrepreneurs with the new Blue Loans program via Women’s Micro Bank)</p> <p>Adapted facilities and schedules to enable participation of women (including those with family responsibilities).</p> <p>Ensured collection of sex-disaggregated data in all livelihood activities to track women’s engagement and benefits</p>	<p>Women-led enterprises supported (cumulative; target: ≥5 new women-led enterprises proving reef-friendly models ; <i>status 2025</i>: 6 achieved).</p> <p>Women’s access to finance (USD 1 million Blue loan guarantee facility established with WMBL number of women receiving loans – <i>rollout in progress</i>).</p> <p>Women’s participation in training/employment (target: 50% of beneficiaries; <i>achieved</i>: 54% women trainees in 2025 session women hold ~50% of jobs in BE-EIF-supported businesses).</p>	<p>By 2025: All support programs (grants, loans, trainings) are gender-inclusive – at least 50% of beneficiaries are women or youth.</p> <p>Sustainable models for women’s economic empowerment demonstrated (e.g. 5+ women-led ventures thriving, contributing to livelihoods and reef conservation).</p> <p><i>Gender Action Plan</i> fully implemented.</p>	<p>Achieved: Women are a core focus – <i>all six initial Blue Grants awarded to women-led or community-based enterprises</i></p> <p>100+ women in target provinces gained skills, capital, or jobs through the project (e.g. women-managed seaweed farming, eco-tourism, coconut processing businesses)</p> <p>Five-year gender-sensitive business plan for the BE-EIF was finalized to institutionalize GESI strategies GESI in M&E: Project results framework tracks women’s participation and benefits (entrepreneurs, jobs, training) to inform decision-making</p> <p>Challenges: <i>Access to credit</i> remains a hurdle – the blue loan scheme with WMBL experienced initial delays, but was approved by end of 2025 with gender-targeted outreach to ensure women entrepreneurs benefit</p> <p>Some rural women required additional mentoring due to limited prior business experience; the project responded by increasing on-site coaching and linking women to mentors through the Blue Business Women’s Network.</p>



<p>Outcome 4: “Private sector capital is crowded-in to scale up investment in conservation and reef-first business models.”</p>	<p>Leverage partnerships and gender-responsive financing to mobilise sustainable investments that benefit women and marginalised groups.</p>	<p>Forged innovative partnerships blending public and private capital with a GESI lens. Notably, set up a Blue Economy Portfolio Guarantee Facility (US\$1 million) with Women’s Micro Bank (WMBL) – the country’s first women-focused bank – to de-risk loans to women-led and community-based MSMEs Engaged WMBL and other stakeholders (provincial authorities, private investors) in project governance and investment committees to diversify decision-making. Hosted “Blue Finance Forum” events to raise awareness among banks and investors about gender-inclusive blue business opportunities</p>	<p>Amount of co-financing mobilized from private / alternative sources (target: ≥ USD 2 million; <i>including new WMBL facility and \$2M+ BCF grants to women’s groups in related programs</i></p> <p>Number of partnerships with women-focused or community finance institutions (at least 1 formal partnership – <i>achieved with WMBL</i></p> <p>Gender-diverse composition of investment oversight bodies (WMBL and government female representatives participating; ≥30% women members).</p>	<p>By 2025: Blue Economy Guarantee Fund operational via WMBL, enabling at least 20 women entrepreneurs to obtain affordable loans (first loans disbursed in 2026).</p> <p>Investment committees and the Project Board include government, private sector, and community women leaders, ensuring gender-balanced oversight.</p>	<p>Achieved: Agreement signed with WMBL (2025) to launch the blue loan guarantee facility for women-led MSMEs (bank staff training underway; product rollout in 2026). Private capital is being aligned with GESI goals – <i>e.g.</i>, provincial government co-financing now requires grantees to demonstrate women’s participation and equitable benefit-sharing good practice: partnering with a women’s bank has brought in gender expertise and improved outreach to women borrowers.</p> <p>Lessons learned: Early engagement of diverse partners (banks, government, women’s networks) helped embed GESI in investment design, though coordinating different stakeholders (and meeting their capacity needs) took more time than anticipated.</p> <p>Continued effort is needed to track and document the social impact of private investments (gender-disaggregated impact data is being collected as a requirement for all fund recipients).</p>
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Annex E – Safeguards

Part 1. The Social and Environmental Risks Checklist has been provided as a guide to re-screen programme risks as programmes operate in a dynamic environment. For responses with a “Yes” expand on the mitigation measure.

Part 2. Has any grievances been registered through the Convening Agent or implementing partner grievance mechanism in relation to the GFCR programme? Yes/No. If Yes, explain the situation and how it has been addressed.

Part 3.

- How are you promoting your organisation’s grievance mechanisms when engaging with communities and partners?
- Does the programme incorporate safeguard screening during sourcing, investment appraisal, and monitoring?

Part 4.

- Describe the management structure within the implementation team and procedures followed (or planned) for handling grievances related to programme implementation.

CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of vulnerable/marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹	Yes
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No

¹ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



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?	Yes
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?	Yes
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
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?	Yes
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	Yes
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	Yes
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	Yes
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No



1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ² greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	Yes
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	Yes
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No

² In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]



3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	Yes
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Yes
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Yes
5.3	Is there a risk that the Project would lead to forced evictions? ³	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	Yes
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	Yes
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	Yes
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <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>	Yes

³ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.



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?	Yes
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	Yes
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No



Annex F – Programme-Specific Results Framework

Revised Programme-Specific Results Framework (Annex F) – Gutpela Solwara, Gutpela Bisnis Project

The table below presents the project’s **Outcomes** and **Outputs**, along with their indicators (now enhanced with GESI-sensitive metrics), baselines, 2025 targets, means of verification, and key assumptions/risks. GESI integration is highlighted through disaggregated indicators (by sex, age, etc.), reflecting commitments from the project’s GESI Action Plan and ESMP.

Programme Outcome / Output	Indicator(s) (GESI-sensitive)	Baseline (2022)	Target (2025)	Means of Verification	Assumptions / Risks (with GESI focus)
Outcome 1: Financing ecosystem supports sustainable & scalable blue livelihoods (Kimbe & Milne Bay) ¹	- # of reef-positive enterprises incubated (cumulative; <i>disaggregated by women-led vs other*</i>) ² ; - # of reef-positive jobs created (*disaggregated by sex and age (youth/adults)**) ³	0 enterprises; 0 jobs	10 enterprises (with ≥50% women-led or co-led) ^{4 5} ; 250 jobs created in supported businesses (<i>with ≥125 jobs held by women</i> , and significant youth representation)	- <i>Project reports & M&E database</i> (tracking enterprise composition and sex-/age-disaggregated employment data) ^{6 7} - BE-EIF annual reviews and GFCR progress reports	<i>Assumptions:</i> Sufficient pipeline of eligible MSMEs; women and youth actively engage when opportunities are accessible and safe ^{8 9} . <i>Risks:</i> Gender norms or family duties limit women’s participation (mitigated by outreach, flexible training schedules, childcare support) ^{10 11} ; potential GBV or harassment risks if women’s economic roles shift (mitigated by community sensitization and PSEA measures) ^{12 13} ; macro-economic instability affects MSME success.
Output 1.1: National Blue Investment Strategy operationalised (policy enabling environment)	- National Blue Investment Strategy developed & formally adopted (<i>yes/no</i> ; includes GESI guidelines, e.g. on inclusive stakeholder engagement) ¹⁴ ; - Policy explicitly addresses women’s & youth’s participation in the blue economy (<i>qualitative assessment</i>)	No strategy; GESI not addressed in marine policies	Strategy approved by Cabinet (by 2025) with GESI provisions (e.g. gender-responsive measures, inclusive financing principles) ^{15 16}	- Published National Blue Investment Strategy (official Gazette or government website) ¹⁷ - Policy text analysis (sections on GESI, stakeholder inclusion) ¹⁸	<i>Assumption:</i> Political will to adopt the strategy remains high and an inclusive process is maintained. <i>Risk:</i> GESI considerations excluded without strong advocacy (mitigated by Gender Advisor inputs during drafting ¹⁹); policy adoption delayed due to political changes.
Output 1.2: Blue Economy Enterprise Incubation	- BE-EIF hub operational in each target province (<i>Milestone:</i> established by year X; staffed, including	0 hubs; 0 targeted outreach events	BE-EIF operational in Kimbe (2023) and Alotau (2025), with gender-balanced staff (at least 1	- BE-EIF progress reports; site visit reports (documenting facilities and staffing)-	<i>Assumption:</i> Sufficient resources to staff and run hubs with GESI capacity. <i>Risks:</i> <i>Logistical challenges</i> in remote areas delay hub setup (mitigated by UNCDF



Facility (BE-EIF) established (hubs in Kimbe & Alotau)	a Gender/Safeguards Specialist); - % of hub outreach events designed to include women & diverse groups (e.g. women-focused info sessions; youth engagement activities)		dedicated GESI focal point);100% of outreach events follow inclusive practices (e.g. separate women's sessions if needed, materials in local languages)	Outreach event records (agendas, participant lists by sex/age; feedback forms)	support); <i>women's awareness</i> of BE-EIF remains low (mitigated by women-centric communication via local networks, radio, etc.). Hub spaces must be culturally welcoming to women (risk of low attendance if not).
Output 1.3: Targeted TA and seed financing provided to blue MSMEs (via BE-EIF)	- # of MSMEs receiving TA (cumulative; % of which are women-led or co-managed);- # of MSMEs awarded seed grants (<i>disaggregated by women-led vs others</i>); - % of training participants who are women (in business & financial literacy workshops)	0 MSMEs; 0 grants; 0% women in training	≥10 MSMEs receive TA (≥50% women-led or co-led);≥8 MSMEs receive seed grants (≥50% women-led); ≥50% of all trainees are women (per training session)	- BE-EIF records (MIS system) on TA and grants, with applicant profiles (including sex of enterprise owner)- Training attendance sheets (sex-disaggregated); post-training evaluation surveys	<i>Assumption:</i> Sufficient pipeline of qualified women-led proposals, and their capacity gaps can be addressed via TA. <i>Risks: Existing gender gaps</i> in financial literacy or confidence (mitigated by tailored, culturally sensitive training for women ²⁰); potential <i>elite capture</i> of grants by well-connected groups (mitigated by transparent criteria and outreach to marginalised entrepreneurs) ²¹ .
Outcome 2: Protection of coral reefs and marine environment is strengthened (through inclusive community engagement)	- Area of new Marine Protected Areas (MPAs) established (km ²);- % increase in reef health indicators (live coral cover, reef fish biomass);- # of community members engaged in MPA planning (<i>disaggregated by sex, age, and vulnerable group</i>) ²² ;- % of local MPA committee members who are women or youth (representation in governance bodies)	0 km ² ; Baseline reef health data collected in 2023 (e.g. coral cover ~25% avg.);0 people engaged; women <10% in prior MPA committees	≥13,300 km ² new MPAs declared; Reef health improves (e.g. +10% coral cover, +20% fish biomass vs baseline); FPIC consultations held in all target sites (with 50/50 gender balance among ~1,500 participants) ²³ ; Women/Youth hold ≥30% of committee seats (each MPA)	- Government gazette notifications of new MPAs;- Ecological survey reports (reef health monitoring);- FPIC and consultation reports (participant lists by sex/age/disability) ²⁴ ;- MPA committee records (member profiles)	<i>Assumptions:</i> Broad community support for MPAs (via FPIC) continues ²⁵ ; local authorities enforce MPA regulations. <i>Risks: Exclusion of marginalised groups</i> in MPA design (mitigated by robust Community Engagement Framework & FPIC, ensuring all groups – women, youth, persons with disabilities – have a voice ^{26 27}); possible <i>resource-use conflicts</i> if restrictions are seen as inequitable (mitigated by participatory planning and equitable benefit-sharing measures). Cultural norms may limit women's say in conservation (addressed by separate women-focused consultations and capacity building of female leaders).
Output 2.1: New marine areas under formal protection (MPAs/OECMs)	- Total area of marine habitat protected (km ²);- # of community consultations conducted for MPA designation (<i>with full FPIC</i>	0 km ² ; 0 formal consultations with FPIC	13,300 km ² of new MPAs officially gazetted (by 2025);2 comprehensive FPIC processes completed (Kimbe	- MPA legal declarations (Gazette);- FPIC records & consent forms ³¹ ; meeting minutes	<i>Assumption:</i> Government prioritises MPA gazettal; communities consent when adequately consulted. <i>Risks: Slow approval process</i> for MPAs (requiring sustained community support); <i>Marginalized voices</i>



	<i>and inclusive participation</i>) ^{28 29} ,- % of consulted participants who are women, youth, or from vulnerable groups		Bay done, 2024; Milne Bay in 2025) ³⁰ ; At least 40% of participants in each consultation are women (and diverse groups represented)	(demonstrating inclusive attendance);- Photographic evidence from consultations (showing women, men, youth participation)	<i>unheard</i> (mitigated by multi-language, accessible consultations ^{32 33}). Safeguard risk: inadvertent restrictions on livelihoods (mitigated by “no economic displacement” principle in MPA design and GRM available for grievances) ^{34 35} .
Output 2.2: Community-led MPA management plans developed & implemented	- # of MPA management plans produced with community participation (<i>gender- and youth-inclusive planning teams</i>);- Presence of GESI considerations in each plan (<i>yes/no</i> ; e.g. equitable access, traditional knowledge, benefit-sharing) ^{36 37} ;- % of local MPA management positions (wardens, committee roles) held by women or youth	0 plans; no GESI elements in existing plans	2 participatory management plans (Kimbe Bay by 2025; Milne Bay drafted) with gender & social inclusion provisions (e.g. co-management roles for women) ³⁸ ; ≥30% of local MPA management roles filled by women and youth in each site	- Approved MPA management plans (with annexes on stakeholder engagement and GESI actions);- Training logs for community rangers/wardens (gender-disaggregated);- MPA committee charters listing member composition	<i>Assumption</i> : Community institutions embrace shared leadership roles for women/youth in conservation efforts. <i>Risks</i> : <i>Cultural resistance</i> to women in leadership (mitigated by involving respected female community leaders and champions during plan development); <i>lack of capacity</i> among new women/youth wardens (addressed via targeted training and mentoring programs). Safeguarding: ensure PSEA training for all staff/volunteers interacting with communities.
Outcome 3: Women access technical & financial support to develop transformative ‘blue’ livelihoods (Women’s Economic Empowerment in Blue Economy)	- # of women entrepreneurs directly supported (cumulative, through training, grants, loans);- % of total beneficiaries who are women (across all livelihood support activities) ³⁹ ;- Qualitative: Women’s empowerment outcomes (e.g. % of supported women reporting increased income or decision-making power – via survey)	~5 women engaged (ad-hoc in baseline livelihood projects); women ≈30% of participants (est.) ⁴⁰ ; empowerment baseline not measured	≥80 women directly engaged by 2025 (through BE-EIF, trainings, networks), ensuring ≥50 % of all project beneficiaries are women ⁴¹ ; ≥70% of surveyed women beneficiaries report enhanced skills, income, or leadership in community (by project end)	- Project M&E database (sex-disaggregated reach figures);- Post-support evaluations (beneficiary surveys/interviews focusing on empowerment, qualitative stories) ⁴² ;- Case studies in annual reports (documenting women’s success stories)	<i>Assumptions</i> : Women are interested and available to participate given adequate support (childcare, scheduling, spousal/community buy-in). <i>Risks</i> : Gender-based barriers (e.g. low mobility, control over finances) inhibit women from fully utilizing support (mitigated by engaging family/community gatekeepers, providing transport stipends) ⁴³ ; possible GBV risks as women gain economic power (mitigated by integrating GBV risk awareness and referral pathways into project) ⁴⁴ ; <i>Insufficient data</i> if GESI outcomes are not monitored (mitigated by robust GESI M&E framework, per ESMP/GAP) ^{45 46} .
Output 3.1: Capacity-building & mentorship for	- # of training workshops for women entrepreneurs (business skills, financial	0 dedicated workshops; 0 women’s	≥10 women-focused trainings held (by 2025); ≥80 women	- Training reports; attendance sheets (with gender, age, disability	<i>Assumption</i> : Women entrepreneurs avail themselves of training when offered and find content relevant. <i>Risks</i> : <i>Low literacy</i>



women in blue enterprises	literacy);- # of women participating in Blue Business Network or mentorship programs;- % of participants who demonstrate improved knowledge or confidence (post-training self-assessment, gender-disaggregated)	network members; Knowledge baseline: limited (qualitative feedback of low financial literacy among rural women)	actively engaged in peer networks/mentorship by 2025 (cumulative across both provinces);≥60% of women participants report increased business skills or confidence post-training (via evaluations)	data);- Mentorship program records (mentor-mentee logs, network meeting minutes);- Pre-/post-training evaluation forms (with qualitative feedback from women)	levels or limited business experience among women impede training uptake (mitigated by context-adapted materials in Tok Pisin, use of peer learning methods) ⁴⁷ ; <i>time burdens</i> on women limit participation (addressed by scheduling convenience, providing stipends/childcare). Disability inclusion risk: women with disabilities may be left out (mitigated by ensuring training venues are accessible and partnering with Disabled Persons' Organizations for outreach) ⁴⁸ .
Output 3.2: Gender-responsive financial products developed (improve women's access to credit)	- Launch of Blue Loan Guarantee Facility targeting women-led MSMEs (<i>milestone: facility operational, yes/no</i>);- # of loans disbursed to women-led or youth-led businesses (under guarantee scheme or other products);- Total value of loans to women-led businesses (PGK)	No dedicated products; 0 loans; PGK 0	Women-focused Blue Guarantee Facility launched (WMBL partnership operational by 2025);At least 20 loans to women-led or community MSMEs by end of 2025 (cumulative, via guarantee);≥ PGK 5 million in loans to women/youth enterprises facilitated (by 2025)	- UNCDF/Bank reports on Blue Guarantee Facility (product documents, operational MoU);- Loan disbursement reports from WMBL (with borrower profiles indicating gender, age);- Portfolio monitoring by Investment Committee (tracking loan amounts to target groups)	<i>Assumptions</i> : Partner banks (WMBL) remain committed to lending to women; pipeline of creditworthy women entrepreneurs grows with support. <i>Risks</i> : <i>Cumbersome loan procedures</i> deter women (mitigated by simplified application support and financial literacy coaching); <i>cultural aversion to debt</i> among women (addressed by confidence-building and showcasing success stories of women borrowers). Economic downturns could restrict bank lending – risk shared via guarantee. <i>Safeguards</i> : Ensure no predatory lending; monitor for any unintended exclusion of the most vulnerable (e.g. require sex-and-income-disaggregated monitoring of loan uptake).
Outcome 4: Private sector capital leveraged to scale up reef-friendly businesses (with inclusive benefits)	- Amount of private co-financing mobilized for blue enterprises (USD/PGK);- Ratio of private finance to grant funding (leverage factor);- # of partnerships with inclusive finance institutions (e.g.	~\$0 private capital; no guarantee/partner in place; GFCR Investment Committee: <20% women	≥USD 1.4 M (PGK 5.0 M+) in private capital mobilized (e.g. loans via guarantee, co-investments) – leverage ~1:1 vs donor funds by 2025;At least 1 women-focused finance partner	- Financial records (bank statements, co-investor letters confirming amounts);- GFCR programme reports and MPTF data (co-finance tracking);- Partnership	<i>Assumptions</i> : Impact investors and local banks see viable opportunities and are willing to invest given risk-sharing tools. <i>Risks</i> : <i>Market conditions deteriorate</i> , reducing private appetite; <i>gender lens investing</i> remains nascent in PNG financial sector (mitigated by demonstrating success



	Women’s Micro Bank);- Diversity of investment committee for BE-EIF/guarantee (e.g. % of members who are women or from community sector)		(achieved with WMBL);Project governance bodies (Steering & Investment Committees) have ≥30% women and civil society reps (by 2025)	MOUs (e.g. UNCDF-WMBL agreement);- Committee membership lists/ToR (noting gender and stakeholder representation)	of women-led ventures to investors). Governance risk: Without diverse representation, investment decisions may overlook community and gender perspectives – mitigated by targeting women and local NGO participation on boards ⁴⁹ . Safeguards: All investments screened for social and environmental risks per ESMP; grievance mechanism available for any stakeholder concerns.
Output 4.1: Investment partnerships & pipeline catalyzed (public-private, community)	- # of multi-stakeholder partnerships formed (e.g. agreements with banks, government, NGOs) that include GESI objectives;- # of “blue finance” forums or outreach events held (to engage investors, with female and youth participation in pitching or panels);- # of pipeline MSMEs prepared for investment, <i>including women-led and community-based enterprises</i>	Limited engagement (no prior public-private investment forums; 0 pipeline identified)	≥3 partnership agreements signed (incl. at least 1 women-focused FSP – <i>achieved via WMBL</i>);3 Blue Finance forums by 2025 (ensuring speakers/participants include women, youth, community leaders);50+ MSMEs in investment pipeline (with profiles tagging women- or youth-led ventures)	- Signed partnership documents; meeting minutes of partnership platforms;- Event reports (participant lists for forums, agendas highlighting GESI topics or speakers);- Pipeline database (Excel/CRM with MSME details, including proprietor demographics)	<i>Assumptions:</i> Continued interest from private sector and government in co-hosting and attending forums; identified MSMEs meet investor criteria after capacity building. <i>Risks: Gender bias</i> in investment decisions (mitigated by gender-sensitization of partners and showcasing female success stories). <i>Assumption:</i> Women and marginalized entrepreneurs are given space and support to pitch ideas in forums (actively facilitated by project). <i>Risk:</i> Partnerships focus purely on financial returns overlooking social inclusion (addressed by inserting GESI clauses in partnership MOUs and investment criteria).

Notes: All indicators will utilize sex-, age-, and location-disaggregated data where applicable, in line with UNDP and GFCR M&E requirements⁵⁰. Monitoring and evaluation will leverage the project’s GESI Action Plan and ESMP commitments to ensure inclusivity, safeguard against exploitation or harm, and uphold “do no harm” principles. A Grievance Redress Mechanism (GRM) is operational to handle safeguarding concerns (e.g. any reports of gender-based violence, discrimination, or exclusion)^{51 52}. The Results Framework is a living tool: GESI-sensitive indicators may be refined as needed based on ongoing learning, ensuring the programme remains accountable for delivering equitable benefits and inclusive impact.