

UN GLOBAL FUND FOR CORAL REEFS

2025 ANNUAL REPORT



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I. Executive Summary

In 2025, the Global Fund for Coral Reefs (GFCR) continued to advance its mission to enhance the resilience of coral reef ecosystems, communities, and economies by unlocking new public and private resources that accelerate sustainable businesses and finance solutions.

As of December 2025, GFCR operates across 23 coral nations, deploying a blended finance approach that combines grants, concessional capital, debt, and equity to support systemic change. GFCR's approach has begun to deliver measurable gains across some of the world's most climate-resilient reef regions. Over 1.8 million hectares of coral reef ecosystems have benefited from strengthened conservation management, while more than 6.1 million people across developing states are experiencing improvements linked to food systems, livelihoods, and climate resilience.

Through a growing network of 317 public, private, and conservation partners at the country and regional levels, GFCR has enabled the growth of 151 reef-positive solutions and 24 financing facilities. These include businesses and financial mechanisms that support sustainable ocean production, sustainable coastal development, pollution reduction, circular economy solutions, and long-term finance for marine conservation. GFCR has also supported the establishment and strengthening of sustainable conservation finance mechanisms covering 19.9 million hectares of marine protected and locally managed marine areas. In parallel, GFCR investments have leveraged over USD 161 million in additional public and private capital, reflecting the role of catalytic finance in mobilising resources for reef-positive outcomes.

Implementation in 2025 showed continued progress in linking conservation management, reef-positive enterprises, technical assistance, and financing mechanisms within GFCR-supported programmes. Across regions, this included locally generated revenues for marine protected areas, conservation trust fund models, debt-for-nature swap proceeds, guarantee-backed lending, technical assistance facilities, enterprise incubation, restoration services, insurance approaches, and other financing mechanisms. These approaches are at different stages of maturity, and the report recognises that many require continued sequencing, technical support, enabling conditions, and early-stage capital before larger-scale investment can be mobilised.

Monitoring and evaluation (M&E), as well as knowledge management and learning were further strengthened during the year. Results continued to be reported through MERMAID and verified by GFCR Convening Agents, with supporting evidence consolidated to strengthen portfolio-level reporting. Regional workshops and M&E trainings helped improve reporting consistency and technical capacity among programme partners. REEF+ continued to develop as a learning and knowledge platform for the GFCR community of practice, supported by the launch of the revamped REEF+ digital platform in May 2025, regional convenings, self-paced trainings, webinars, and peer exchange. By the end of the reporting period, REEF+ had reached over 500 users and generated more than 39,000 page views, while also supporting the preparation of coral reef finance knowledge products for release in 2026.

Strategic engagement and communications helped connect GFCR's portfolio experience to wider ocean, climate, biodiversity, and finance discussions. In 2025, GFCR engaged in major global moments

including the 10th Our Ocean Conference in Busan, UNOC3 in Nice, and the Blue Economy and Finance Forum, supporting discussions on innovative coral reef finance, reef-positive investment, sustainable blue economy solutions, and local delivery. Communications supported these efforts by translating programme progress, investment milestones, knowledge products, and portfolio results into materials for donors, partners, policymakers, investors, and wider audiences.

GFCR's policy and accountability framework also moved further into practice. Work continued to operationalise policies and guidance on social and environmental safeguards, risk management, gender, Indigenous Peoples and Local Communities, stakeholder engagement, private sector partnerships and due diligence, and the Fund-level Grievance Redress Mechanism. Guidance notes, learning modules, translations, and training supported Convening Agents and programme partners in applying these requirements across programme design, implementation, reporting, and risk management.

Governance and coordination processes supported an active portfolio and regular Executive Board engagement. GFCR held three formal Executive Board meetings and three intersessional sessions, while the GFCR Technical Working Group convened three times to review programme proposals and updates ahead of Board consideration. Across the year, 16 Board decisions were adopted, resulting in an approved envelope of approximately USD 17 million across country, regional, and global programmes.

Overall, this report presents GFCR's 2025 progress across portfolio implementation, finance mobilisation, knowledge and learning, strategic engagement, communications, policy implementation, and governance. It highlights the Fund's continued progress in advancing coral reef action, while identifying areas that require continued attention, including investment pipeline development, evidence and reporting, safeguards and inclusion, partner coordination, and long-term financing for coral reef resilience.

II. Background

Healthy and resilient coral reefs are essential Earth systems, supporting more than 25 percent of marine biodiversity, sustain the livelihoods of up to one billion people, protect coastlines from erosion and extreme weather, and underpin key economic sectors including tourism and fisheries. Despite this extraordinary value, coral reefs are among the most threatened ecosystems on the planet, facing the compounded pressures of climate change, pollution, and biodiversity loss. These risks are further intensified by chronic underinvestment, with overall global ocean finance needs through 2030 estimated at USD 174.5 billion per year, far exceeding current flows.

Against this backdrop, the GFCR—launched in 2020— is designed to mobilise new public and private capital to protect and strengthen the world’s most climate-resilient coral reefs: those with the greatest potential to withstand climate impacts and act as biodiversity strongholds for the future. Its mission is to enhance the resilience of coral reef ecosystems, coastal communities, and reef-dependent economies by unlocking finance at scale and accelerating sustainable, reef-positive businesses and solutions.

The urgency of this mandate has intensified. With the fourth—and most widespread—global coral bleaching event declared in 2024, and climate and local stressors continuing to escalate, GFCR’s prioritisation of coral refugia is more pertinent than ever. By focusing action and finance on reefs with the highest potential to withstand warming, ocean acidification, and other shocks, GFCR helps safeguard the ecosystem services that vulnerable coastal communities rely on—food security, coastal protection, and livelihoods.

GFCR applies an integrated protect-transform-restore-resilience approach. Outcomes 1 (Protection) and 3 (Restoration) serve as foundational outcomes, and aim to support resilient ecosystems through Marine Protected Areas, climate refugia, and innovative reef restoration technologies that support equitable livelihoods and long-term ecological sustainability. Outcomes 2 (Sector Transformation) and 4 (Resilience) emphasize connections to broader development goals and poverty alleviation, building sustainable local economies, transforming equitable reef-dependent livelihoods, and strengthening community capacity to withstand shocks such as bleaching events, storms, pandemics, and economic or political disruptions. Safety nets, and reef/fisheries insurance provide financial innovation, ensuring that foundational ecological interventions and economic transformations deliver lasting ecological, social, and economic impact. Together, these outcomes define the mission statement as outlined in the GFCR Strategic Plan (2025-2030): *To accelerate sustainable businesses and financial solutions that address local drivers of coral reef degradation and unlock new private sources of funding while enhancing the resilience of coastal ecosystems, economies, and people.*

STRATEGIC PLAN: Pathways to Scale

Based on lessons learned and identified growth opportunities, the GFCR’s 2025-2030 strategy focuses on scaling its demonstration efforts through five core pathways:

A. Pathway 1: Expand sustainable finance mechanisms for marine conservation

Expanding sustainable finance instruments and mechanisms to secure abundant and stable resources for coral reefs and marine conservation is crucial for effective management and sustainability of marine protected areas (MPAs) and other conservation measures. To achieve this pathway, GFCR will build upon its current portfolio, document lessons to improve financial mechanism solutions, pilot roles in debt swaps and bonds emphasising blended finance for reef-positive businesses and explore partnerships.

B. Pathway 2: Grow investible reef and ocean-positive business pipelines

Continuing to grow investible reef and ocean-positive business pipelines to transform coastal economies and communities toward sustainability is central to GFCR. To achieve this, GFCR has also developed service lines to enable Technical Assistance Facilities (TAFs) to better identify, support, and finance reef-positive enterprises through shared learning, technical guidance, and partnerships.

C. Pathway 3: Develop vibrant national reef and ocean-positive investment ecosystems

Developing vibrant national reef and ocean-positive investment ecosystems that enable the uptake and replication of new business models is essential for scale. This pathway aims to establish, with partners, an enabling environment for investments in reef-positive businesses at the national level, recognising that most target countries are currently not conducive to successful investments. This involves assessing and intervening in areas such as institutional support, policy and regulatory revisions, political economy, and support to the finance and business sectors. Actions include leveraging the GFCR's global coalition to generate political will for policy and regulations that support reef-positive solutions, and providing continued support to the financial and technical ecosystem for sustainable entrepreneurship.

D. Pathway 4: Create a virtuous cycle of knowledge, learning, and impact

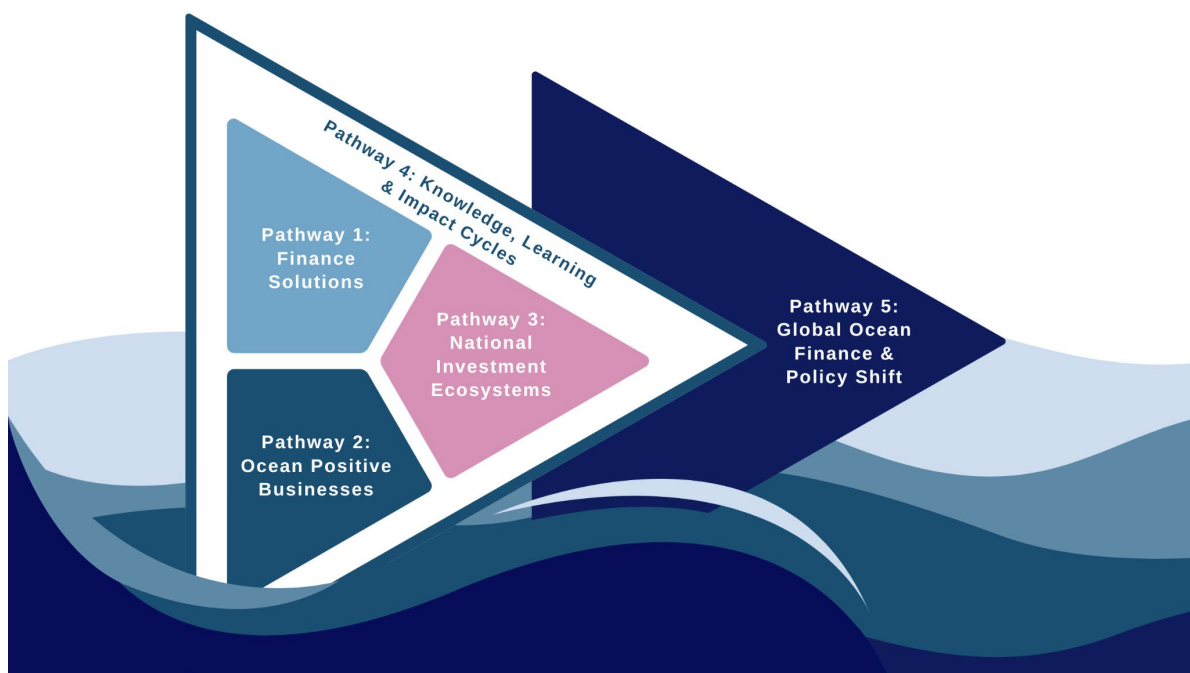
Creating a virtuous cycle of knowledge and learning to integrate science and impact measurement in reef and ocean conservation is crucial for influencing positive investments and policy choices. GFCR will build on information from its actions, Pathways 1-3, and external partnerships to optimize shared learning from GFCR implementing actors, the GFCR Monitoring & Evaluation (M&E) system, coral reef finance partners, and the community of practice.

E. Pathway 5: Contribute to a transformational global shift for ocean finance and policy

This pathway builds on all previous pathways and aims to leverage lessons from GFCR Coalition actions to drive global shifts in ocean finance and policy. It focuses on moving beyond individual demonstrations to influence how ocean finance is structured, scaled, and governed globally - mainstreaming blended and innovative finance approaches for a sustainable blue economy and informing global policy and negotiation processes with concrete, field-tested experience. Pathway 5 positions GFCR to drive systemic change in global ocean finance and policy by strengthening coordination across the ocean finance ecosystem and enabling more coherent, sustained financing for ocean action.

GFCR is recognized as an international delivery mechanism for the Kunming-Montreal Global Biodiversity Framework (GBF), particularly through its role in translating public biodiversity finance into mobilised private resources for implementation. Through its five Pathways to Scale, GFCR is

designed to support implementation across 21 of the 23 GBF targets, and its monitoring and evaluation system tracks measurable contributions to at least 11 priority targets, including those related to ecosystem restoration and conservation, sustainable use, pollution reduction, climate resilience, biodiversity integration in decision-making, private-sector risk disclosure, biodiversity finance mobilisation, inclusive participation, and gender-responsive action. This positioning is consistent with the 2022 Joint Donor Statement on International Finance for Biodiversity and Nature² adopted at CBD COP15 in Montréal, in which donor governments committed to using international public finance to mobilise private resources for an ambitious GBF and identified blended finance mechanisms, including GFCR, as practical enablers of biodiversity investment. The statement was issued by Australia, Canada, the Czech Republic, the European Union, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States.



BLENDED FINANCE APPROACH

GFCR applies a blended finance approach that sequences different forms of capital across a single delivery pathway to support coral reef, economic, and community resilience outcomes. The approach combines grant funding, technical assistance, concessional finance, risk-sharing structures, and commercial investment to address constraints from early pipeline development through to scale. At the upstream end, grants and technical support strengthen enabling conditions, including policy and governance capacity, project preparation, impact design, and transaction readiness, helping reef-positive opportunities move from concept to investable stage through country and regional implementation partners. As opportunities mature, concessional and risk-tolerant instruments are deployed to absorb early risk and improve bankability, including through tools such as concessional debt, guarantees, and subordinated capital structures that can crowd in additional investors. At later stages, commercial and near-commercial capital can support expansion of proven reef-positive enterprises and larger-scale investment opportunities. A central priority is the “missing middle,”

particularly for MSMEs in ODA-eligible countries and SIDS, where many high-impact enterprises are beyond grant-only support but not yet positioned to absorb fully commercial capital; here, patient and appropriately structured financing, complemented by technical support, is needed to bridge the gap. The overall objective is to operate as an integrated financing system in which each layer of capital performs a distinct function while reinforcing the others, reducing fragmentation, strengthening pipeline quality, and enabling more predictable and sustained mobilisation of finance for long-term reef resilience.

The GFCR supports a wide range of reef-positive businesses and financial solutions that strengthen coral reef ecosystems and create sustainable livelihoods for coastal communities. Investments fall into four categories:

- **Sustainable Ocean Production:** GFCR invests in businesses that promote sustainable fisheries, aquaculture, and mariculture, helping to reduce overfishing and destructive harvesting. This includes support for improved fisheries management, climate-resilient aquaculture, and sustainable gear and techniques that secure long-term food security and livelihoods.
- **Sustainable Coastal Development:** The Fund backs eco-tourism businesses, mooring systems, and nature-based coastal infrastructure that create economic opportunities while protecting coral ecosystems. These models generate local benefits and enhance shoreline resilience to storms and erosion.
- **Circular Economy and Pollution Management:** GFCR supports businesses that address land-based sources of marine pollution, including waste management, recycling, and upcycling of plastics and organic materials. The Fund promotes scalable solutions that reduce plastic leakage and contribute to cleaner, more resilient coastal environments.
- **Financial Mechanisms:** GFCR advances blue carbon credits, biodiversity credits, reef insurance products, and debt-for-nature swaps that unlock new conservation finance. It also supports MPA financing vehicles with revenue-sharing models, where income from local reef-positive businesses contributes directly to the sustainable management and enforcement of marine protected areas.

III. Global Coalition for Coral Reef Action

As of December 2025, the GFCR is powered by a [public-private Coalition](#) of over 60 members, including:

- **Supported Coral Nations:** The Bahamas, Belize, Brazil, Colombia, Egypt, Fiji, Guatemala, Honduras, Indonesia, Jordan, Kenya, Maldives, Marshall Islands, Mexico, Micronesia, Mozambique, Palau, Papua New Guinea, Philippines, Seychelles, Solomon Islands, Sri Lanka, Tanzania
- **Donor States:** Canada, France, Germany, New Zealand, Norway, United Kingdom, United States of America
- **Philanthropies:** Bloomberg Philanthropies, Builders Vision, ICONIQ, Allen Family Philanthropies, Prince Albert II of Monaco Foundation, UBS Optimus Foundation, additional private individual donors
- **Investment Partners:** Green Climate Fund, Pegasus Capital Advisors, Builders Vision, Minderoo Foundation, Outrigger Impact
- **Leading Conservation Partners:** Blue Alliance, Fondo Acción (Fondo para la Acción Ambiental y la Niñez), Konservasi Indonesia, International Union for Conservation of Nature (IUCN), Mesoamerican Reef Fund (MAR Fund), The Nature Conservancy, Seychelles Conservation and Climate Adaptation Trust (SeyCCAT), United Nations Development Programme (UNDP), Wildlife Conservation Society (WCS), World Wide Fund for Nature (WWF), Yayasan Konservasi Alam Nusantara (YKAN)
- **Alliances & Strategic Partners:** Convention on Biological Diversity (CBD) Secretariat, High-Level Climate Champions, International Coral Reef Initiative (ICRI), International Union for Conservation of Nature (IUNC), Ocean Risk and Resilience Action Alliance (ORRAA), United Nations Decade of Ocean Science for Sustainable Development (the Ocean Decade), United Nations Educational, Scientific and Cultural Organization (UNESCO)

In 2025, the GFCR welcomed the Government of Norway to the Coalition.

The Coalition remains central to the GFCR's work, reflecting the recognition that effective coral reef action requires collaboration across sectors, institutions, and geographies. Coral reefs sit at the intersection of environmental, economic, and community resilience priorities, and responding to their decline therefore requires more than isolated interventions.

IV. Portfolio Management

Portfolio Overview

In 2025, the Global Fund for Coral Reefs (GFCR) supported 23 countries through country and regional programmes and two global facilities - 'Technical Assistance and Capital Acceleration Facilities', designed to enhance the localised reef impact of growth to mature stage businesses through technical assistance, and provide anchor grant funding to blended finance facilities.

The GFCR Approach

GFCR applies a seascape-based approach to programme selection and support. Programmes were developed in coral reef geographies where ecological importance, climate resilience, local dependence on reef ecosystems and opportunities to reduce local degradation pressures converge. This approach prioritises reefs with the potential to persist, adapt and recover under climate pressure, while recognising that the long-term resilience of these ecosystems also depends on reducing manageable local stressors such as overfishing, pollution, sedimentation, unsustainable tourism, destructive coastal development and inadequate management finance.

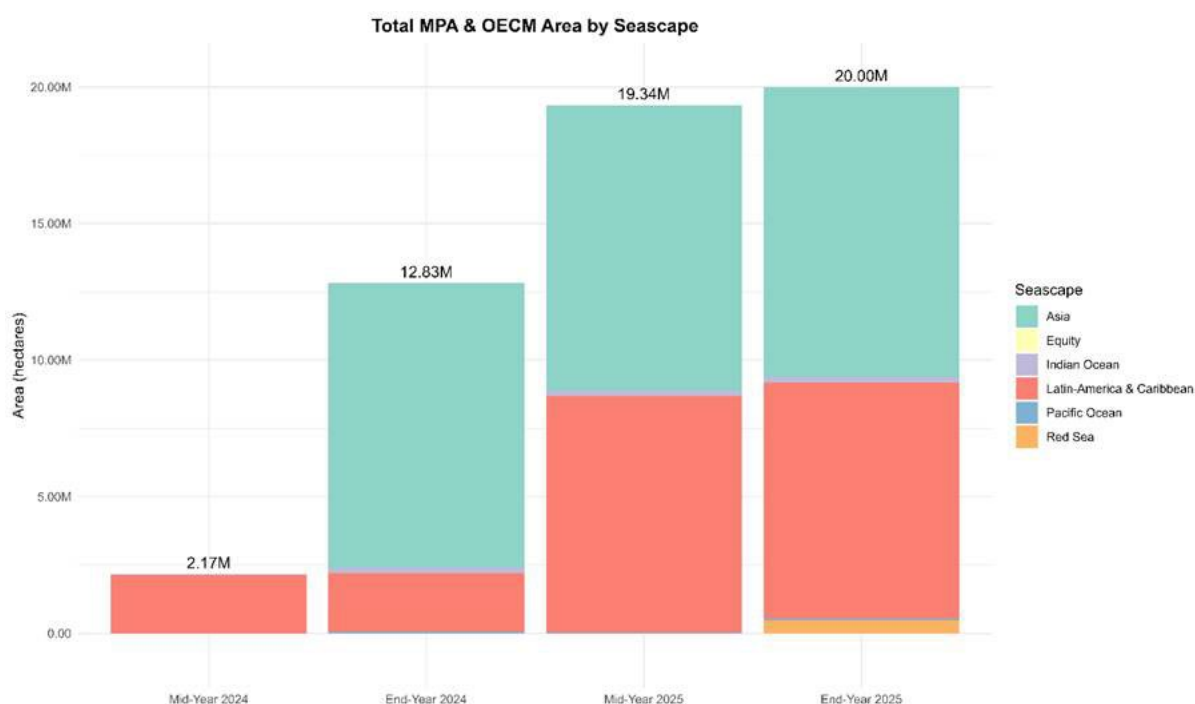
The portfolio applies a common logic that connects science, policy, delivery systems and finance. **Scientific analysis** is used to identify priority reef systems, understand drivers of degradation, establish ecological and socio-economic baselines and define investment opportunities. **Policy and institutional support** then aims to strengthen governance, safeguards, regulatory frameworks, marine spatial planning, biodiversity finance planning and the capacity of public institutions and local organisations to manage reef-positive investment. **Finance** for reef conservation is deployed through a range of public, private and community-linked entities, including local MPA authorities, financial institutions, impact investors, NGOs, conservation trust funds, reef-positive businesses and the broader users of reef and ocean resources. As a demonstration fund, GFCR supports the development of **financing pathways** that can unlock additional public and private capital into reef conservation and sustainable coastal economies. This includes the use of financing instruments such as MPA user fees, sovereign financing mechanisms including debt-for-nature swaps, catalytic grants, business development and incubation platforms, concessional capital, guarantees, reef insurance and other blended finance structures that are adapted to programme maturity, institutional capacity and local market conditions.

This common framework also requires programmes to address environmental and social safeguards, gender and social inclusion, stakeholder participation, monitoring and evaluation, governance arrangements and risk management. The intention is not only to generate new investment opportunities, but to ensure that financing supports measurable ecological outcomes, locally relevant livelihood opportunities and durable institutional arrangements for conservation.

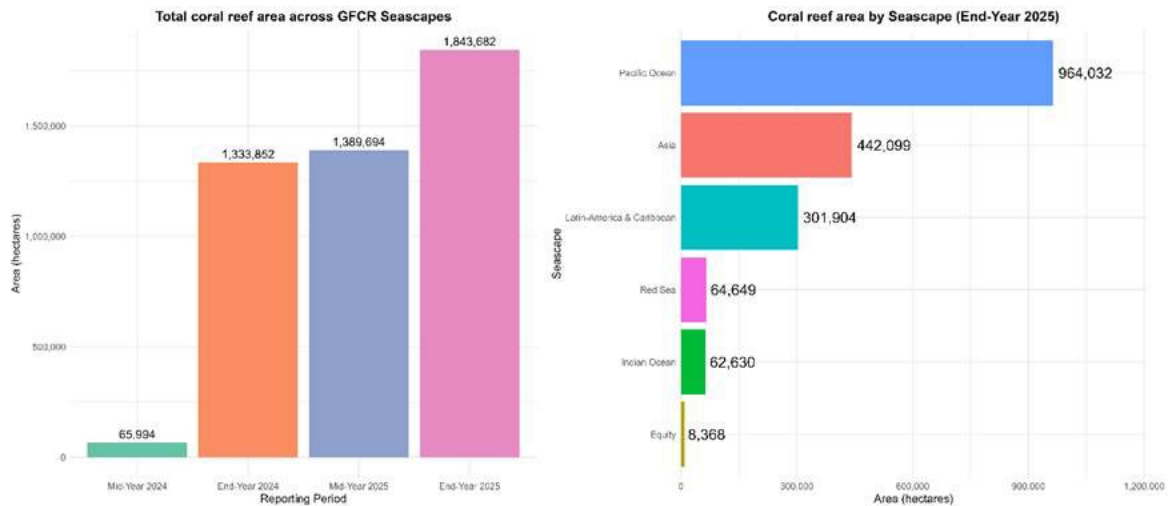
Global Indicators Results

By the end of 2025, the portfolio has supported **conservation management across nearly 2 million hectares of coral reef ecosystems**, sustainable finance and management approaches across 19.5 million hectares of marine protected and conserved areas, and resilience benefits for 5.8 million people. Performance trends indicate that several indicators, particularly hectares of MPAs under sustainable financing support, are already meeting or exceeding expected trajectories. Marine Protected Areas (MPAs) and Other Effective Conservation and management (OECM) areas - nearly 20 million hectares of MPAs and OECMs are currently under GFCR receiving sustainable financing support. The target for this indicator has been surpassed highlighting the recognition of protected and conserved areas within the GFCR portfolio.

Asia accounted for the largest share of reported area, with more than 10 million hectares, driven primarily by the Indonesia programmes. Latin America and the Caribbean followed with almost 8 million hectares, including globally significant ecosystems such as the Seaflower Biosphere Reserve in Colombia and the Mesoamerican Reef seascape region. The Pacific Ocean, Red Sea, and Indian Ocean regions contributed smaller shares of the total reported area. The rapid increase in reported MPA and OECM coverage reflects both the expansion of sustainable financing support mechanisms and the inclusion of existing protected and conserved areas within GFCR programme portfolios. Larger reported areas in Asia and Latin America are also linked to the presence of extensive marine conservation systems and established regional conservation financing mechanisms.



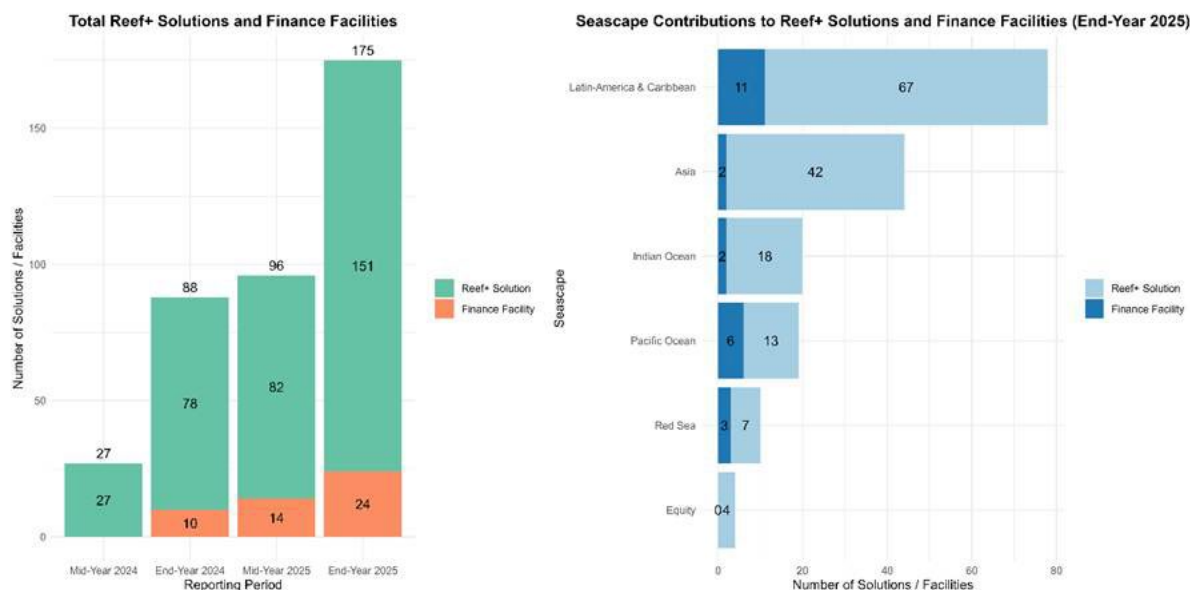
Coral reef area under improved management – the total coral reef area covered across GFCR programmes is more than 1.84 million hectares.



The Pacific Ocean region accounted for the largest share, with approximately 964,032 hectares of coral reef area reported under improved management. Asia followed with 442,099 hectares, while Latin America and the Caribbean contributed approximately 301,904 hectares. Smaller contributions were reported from the Red Sea and Indian Ocean regions. The large contribution from the Pacific Ocean region reflects the geographic scale of reef ecosystems within Pacific Small Island Developing States, including programmes in Micronesia, Fiji, and Papua New Guinea. These seascapes contain extensive reef systems and large marine management areas, resulting in comparatively higher reported coral reef coverage. Differences between regions are influenced not only by programme performance, but also by the ecological and geographic characteristics of each seascape. Variations in reef extent, and availability of spatial data all affect reported totals.

By End-Year 2025, Convening Agents supported **151 reef-positive solutions and 24 finance facilities**. These solutions are structured across four main impact sectors: sustainable ocean production, including fisheries, aquaculture and mariculture; sustainable coastal development, including ecotourism, mooring systems and nature-based coastal infrastructure; circular economy and pollution management, including wastewater, solid waste, plastics and recycling; and sustainable finance mechanisms, including conservation trust funds, guarantees, insurance, debt conversions, revolving facilities and marine protected area revenue systems. Approximately USD 160 million has been leveraged through public and private financing mechanisms supporting reef-positive investments and coral reef resilience initiatives.

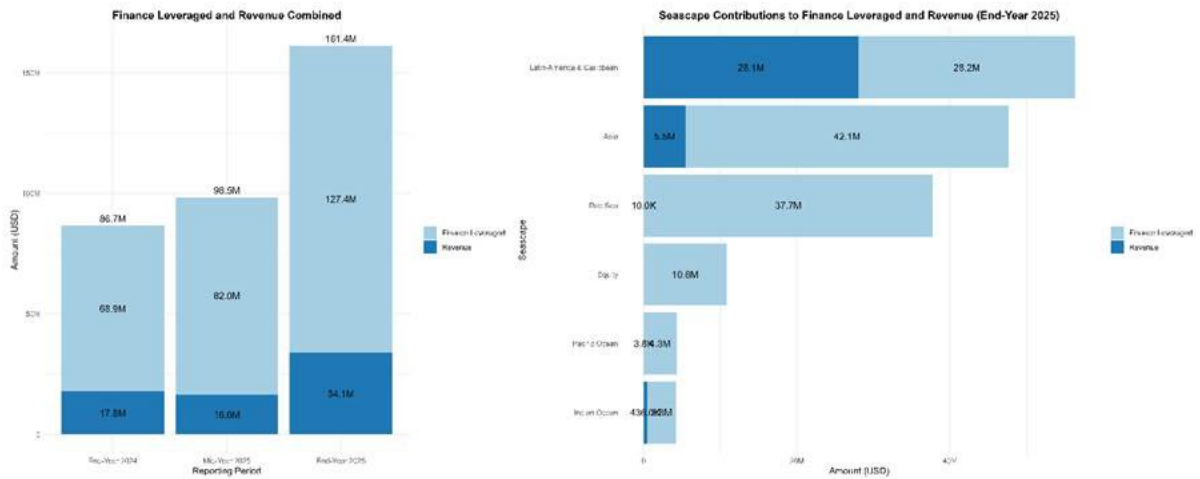
Regional distribution of reef-positive solutions and finance facilities results remains uneven across seascapes. Latin America and the Caribbean contributed the largest share, accounting for 78 solutions and facilities, including 67 reef-positive solutions and 11 finance facilities. Asia followed with 44 reported solutions and facilities, while the Indian Ocean and Pacific Ocean programmes reported more moderate contributions. The Red Sea programme reported comparatively fewer solutions, reflecting its earlier stage of implementation and a smaller active investment portfolio during the reporting period. The stronger growth in reef-positive solutions relative to finance facilities reflects the implementation stage of several programmes. Technical assistance, business incubation, ecosystem management activities, and enterprise development are advancing faster than the establishment of financing mechanisms, which generally require longer preparation timelines, regulatory review, and investor engagement processes.



Combined finance leveraged and revenue generated by the reef-positive businesses stand at USD 161 million with the biggest portion of the funds generated from public and private leveraged finance. This reflects the current maturity stage of many GFCR-supported programmes, where capital mobilization and co-financing are on the rise.

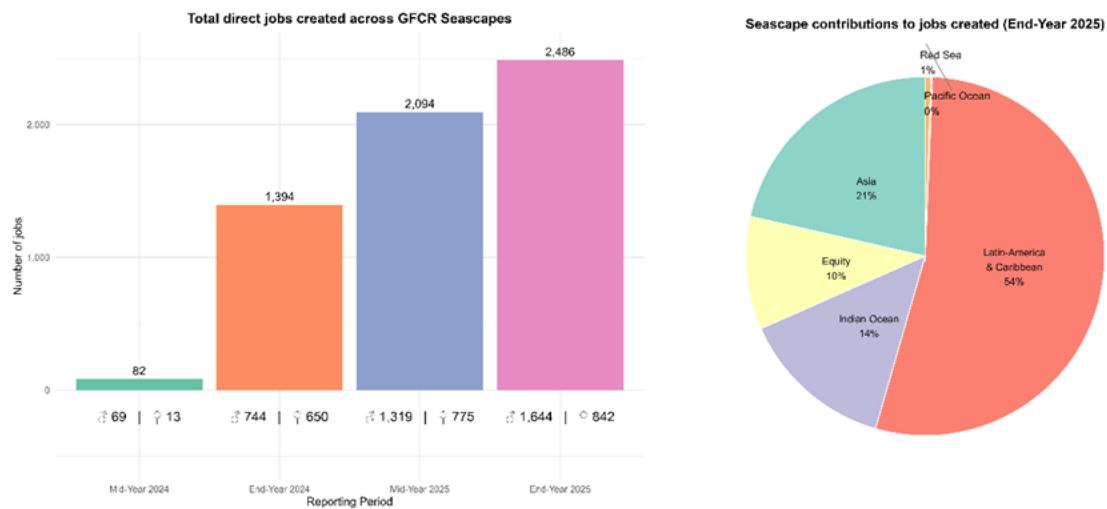
Latin America and the Caribbean reported the highest contribution, exceeding USD 50 million, with both leveraged finance and generated revenue contributing approximately USD 28 million each. Asia followed with more than USD 42 million, driven primarily by leveraged public finance, including debt-swap arrangements, while revenue generation accounted for approximately USD 5.5 million. The Red Sea region reported approximately USD 37.7 million in leveraged finance, followed by the Equity Fund at USD 16 million. Smaller contributions were reported from the Pacific Ocean and Indian Ocean regions, at approximately USD 4.3 million and USD 3.8 million respectively. Regional differences reflect varying levels of programme maturity, investment readiness, technical support availability, and access to public and private financing mechanisms. Seascapes with stronger technical assistance facilities, established financial partnerships, and more mature enterprise pipelines generally reported higher levels of leveraged finance and business revenue generation.

Performance across this indicator is also closely linked to progress under other indicators, including reef-positive solutions and jobs created. Programmes with slower investment mobilization or limited technical support capacity often reported lower results across multiple GFCR indicators.



Direct jobs created across GFCR programmes reached 2,486 by end-year 2025, including 1,644 men and 842 women. Reported jobs continued to increase as projects moved from programme design and pipeline preparation into active implementation and operational delivery phases.

When global targets are scaled down in proportion to funds transferred to programmes to date, most indicators remain on track or are outperforming expectations. A smaller number of indicators, including direct jobs created and finance leveraged, continue to reflect the longer maturation timelines associated with blended finance structures, enterprise incubation, and investment pipeline development. These are expected to accelerate as projects from the different programmes move further into implementation and capital deployment phases.



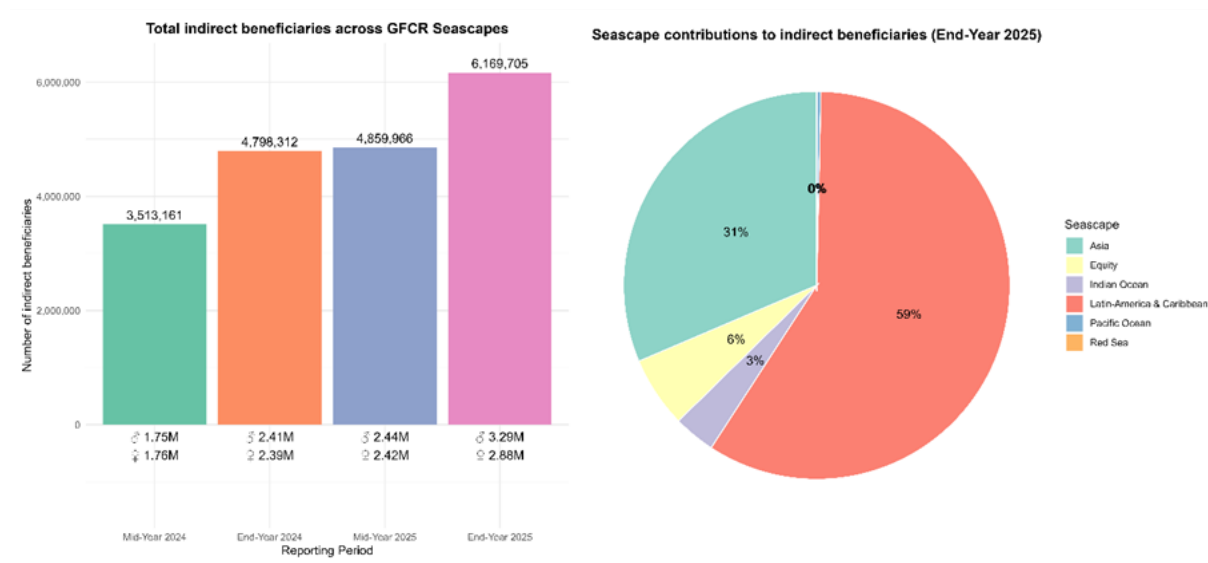
Regional distribution of jobs remained concentrated in Latin America and the Caribbean, which accounted for approximately 54 percent of all reported jobs created. Asia contributed 21 percent, followed by the Indian Ocean at 14 percent and the Equity Fund at 10 percent. No direct jobs were reported during the period for the Red Sea and Pacific Islands programmes. Differences across seascapes largely reflect varying stages of implementation and investment maturity. In the Red Sea region, including Egypt and Jordan, several activities were still in early implementation stages during the reporting period, limiting immediate employment generation. In the Pacific region, employment

¹ 2030 Impact Targets scaled to 19% of original target (based on funds transferred)

generated through MSMEs financed by local banks is currently not being systematically tracked. Strengthening the collection and reporting of this data will be an important area of focus for the Convening Agents in Papua New Guinea and Fiji.

The number of **community members with increased resilience** reached more than 6.1 million people by End-Year 2025. Reported beneficiaries include people reached through ecosystem protection measures, awareness and capacity-building activities, improved fisheries management, restoration activities, and livelihood support initiatives implemented across GFCR-supported seascapes. Gender-disaggregated reporting remained relatively balanced throughout the reporting period, with approximately 3.29 million men and 2.88 million women reported as indirect beneficiaries by End-Year 2025.

Regional contributions were concentrated primarily in Latin America and the Caribbean, which accounted for approximately 59 percent of total reported beneficiaries. Asia contributed approximately 31 percent, while the Indian Ocean, Pacific Ocean, and Red Sea programmes represented smaller shares of total reported reach. The concentration of beneficiaries in Latin America and the Caribbean reflects the scale of community-focused interventions and the larger geographic coverage of several programmes within the region. In contrast, lower beneficiary numbers reported in some seascapes (including those reported by GFCR Equity Fund) do not necessarily indicate lower programme performance, but may reflect differences in project scale, implementation stage, population density, or reporting delays.



Characteristics of High-Performing GFCR Programmes

For GFCR, the strongest delivery models are those that connect reef conservation, local economic activity and financing mechanisms within the same programme architecture. Rather than treating protected area management, enterprise development, technical assistance and finance as separate interventions, mature GFCR programmes are increasingly establishing practical links between these functions.

In Indonesia and the Philippines, financing models are being built around **locally anchored MPA revenue structures and reef-positive enterprise development.** In Indonesia, mechanisms such as BLUDs are intended to enable MPA management entities to generate, retain and reinvest revenues locally. In the Philippines, reef-positive enterprises are linked to MPA management by addressing reef degradation drivers, creating livelihood alternatives and channeling part of the business revenues back into MPA operations.

This integration is also reflected in **conservation trust fund models** such as those supported through MAR Fund in the Mesoamerican Reefs, Micronesia Conservation Trust and Fondo Acción in Colombia. These institutions inherently **carry long-term conservation mandates and are increasingly expanding their role beyond traditional grant-making, integrating blended finance approaches and offering business development services** and early-stage financing for reef-positive enterprises that have an impact in reducing the drivers of reef degradation in target seascapes. This recognises that businesses operating close to reef ecosystems often require public funding support, technical assistance and de-risking capital to become commercially viable while directly addressing local drivers of reef degradation. In many reef geographies where business development ecosystems remain weak, conservation trust funds can therefore play an important **intermediary role** by linking conservation priorities and enterprise support.

A third model emerging across the portfolio focuses on **strengthening local financial institutions and incubators to support reef-positive enterprise financing.** These are institutions that already have national mandates to serve MSMEs and local economic development, including Fiji Development Bank, Mama Bank in Papua New Guinea and Small Business Development Centre in the Bahamas. Through GFCR support, programme partners are helping these institutions adapt existing financing ecosystems toward reef-positive sectors by providing technical assistance on financial product design, incubation and acceleration programmes, pipeline development and the identification of investable businesses. In some cases, such as with Fiji Development Bank and Mama Bank, this is further supported through de-risking instruments including guarantees, which help local financial institutions expand lending to reef-positive MSMEs that would otherwise be considered too small, early-stage or high-risk.

Portfolio-Wide Risk Management Approach

Risk management is an integral part of GFCR's portfolio management practice and is embedded within portfolio oversight and annual reporting processes. Programmes operate in increasingly complex environments shaped by pressures on natural ecosystems, changing political and economic landscapes at both national and global levels, and other external factors beyond programme control.

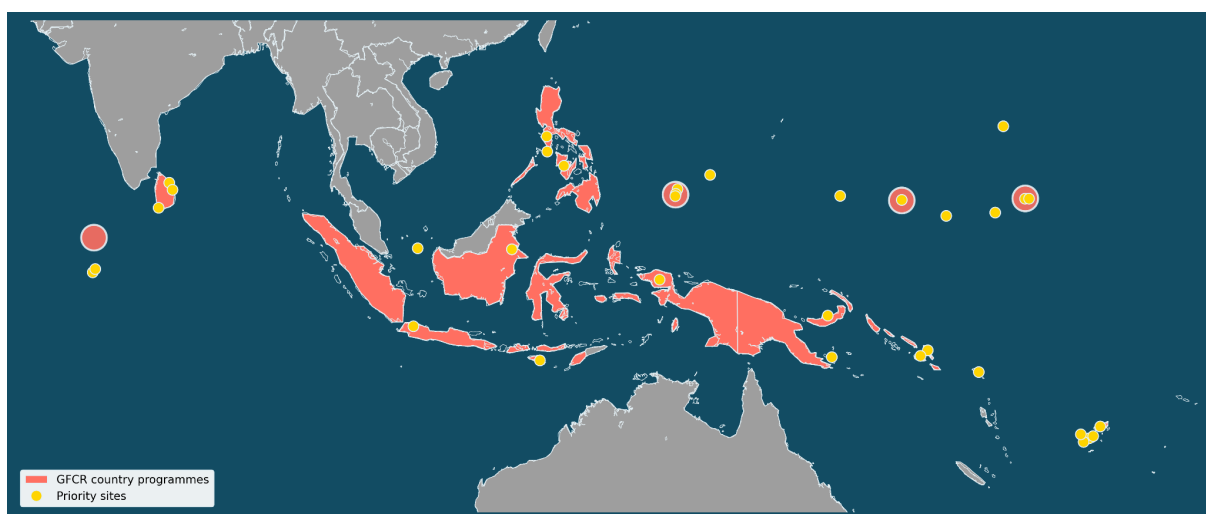
The GFCR Risk Registry is used to identify, assess and track operational, environmental, financial and economic, social, political and regulatory risks across programmes, with attention to mitigation actions. Risk monitoring is integrated into regular programme reporting cycles and informs Executive Board discussions.

The Q2 2026 risk analysis, most risks were within the moderate range, but the portfolio also included substantial and high risks. **Operational risks** were the most frequently reported, reflecting delays, staffing and technical capacity gaps, coordination bottlenecks, administrative processes and weaknesses in monitoring and oversight systems. **Environmental risks** were fewer in number but often more severe, reflecting coral bleaching, coral disease, sargassum, storm exposure, flooding, pollution, sedimentation, erosion and reef degradation. The registry also identified 55 materialised risks and 24 chronic risks, indicating that an increasing share of risk management concerns active disruptions to delivery rather than hypothetical scenarios.

The risks themselves also do not operate in silos but are inter-related. **Environmental and climate risks** increasingly affect reef condition and the durability of conservation outcomes. **Financial and investment risks** constrain the mobilisation of private capital, the capitalisation of conservation finance mechanisms and the sustainability of interventions after grant support. **Political, regulatory and institutional risks** affect permitting, governance, fiscal incentives and the implementation of financing structures. **Social, safeguards and community legitimacy risks** affect benefit-sharing, participation, gender inclusion, grievance mechanisms and the social licence required for long-term conservation and investment. The portfolio management response is therefore to connect risk monitoring with financing design, safeguards, M&E, programme prioritisation and adaptive management, including the protection of minimum viable conservation and community outcomes where funding or implementation constraints arise.

Asia-Pacific

Regional Context and Reef Priorities



The Asia-Pacific portfolio covers several of the world's most important reef geographies, including the Coral Triangle, Pacific SIDS and priority reef systems in South Asia. The Coral Triangle contains exceptional coral biodiversity and supports major coastal economies through fisheries, tourism and

coastal protection. Pacific island economies depend heavily on coral reefs for food security, livelihoods, cultural identity and physical protection from climate impacts. In the Maldives and Sri Lanka, coral reef health is similarly central to tourism, fisheries and local resilience.

A common lesson emerging across the Asia-Pacific portfolio is that reef conservation outcomes are strongest when financing mechanisms, local livelihoods and ecosystem management connect. Successful programmes increasingly move beyond isolated projects to build integrated financing ecosystems that link communities, enterprises, protected area managers, financial institutions and national and sub-national governments. In Micronesia, this model is further strengthened through regional collective action, where institutions such as the Micronesia Conservation Trust enable resources, knowledge and investment opportunities to be coordinated across multiple countries.

Demonstration Models

Indonesia: connecting sovereign finance, MPA revenues and enterprise investment

Indonesia provides one of the most developed examples of an integrated reef finance pathway. Yayasan Konservasi Cakrawala Indonesia (KI) administers the Indonesia-United States debt-for-nature swap for coral reef protection, which was operationalised in 2025 with an initial allocation of swap proceeds of USD 4.2 million to 58 local NGOs working across the Birds Head and Lesser Sunda Seascapes on MPA management, species protection and livelihood improvement. The portfolio also supports the development of BLUD public service agency structures for MPAs to generate local MPA revenues through user-fee mechanisms such as mooring systems in Raja Ampat, designed to reduce anchor damage while generating revenues for protected area management, monitoring, patrols and community services.

Alongside this, Yayasan Konservasi Alam Nusantara (YKAN) advanced the KORALESTARI programme through the operationalisation of the BLUD model in Berau, while also addressing gaps in the sustainable shrimp aquaculture value chain by supporting local shrimp juvenile production to strengthen the production capacity and livelihoods of smallholder shrimp farmers in the outskirts of Berau. To support this effort, YKAN provided a recoverable grant to a vocational school to establish a commercial partnership with a hatchery operator to revitalise the hatchery facility under a revenue-sharing arrangement.

While these interventions are still at an early stage in Berau compared to other seascapes, the broader approach seeks to create stronger linkages between sustainable financing for MPA management and reef-positive local economic activity, recognising that BLUDs alone cannot address reef degradation drivers without complementary investments in livelihoods and sustainable enterprise development. Over time, healthier reef ecosystems and stronger local stewardship may also help improve the long-term financial sustainability of MPA management, including through more stable or enhanced locally retained revenues.

Philippines: co-managed MPAs linked to reef-positive enterprise development

In the Philippines, Blue Alliance has established a model linking long-term MPA co-management agreements with local government units to community engagement, enforcement and community-

based reef-positive businesses. The model is significant because it treats local governance, conservation management and enterprise revenue as mutually reinforcing elements of long-term MPA sustainability.

Several enterprises, such as community-based aquaculture and responsible tourism, have recently started generating revenues and are likely to require an additional five to six years before they are sufficiently mature to generate dividend flows that can meaningfully contribute back to MPA financing. At present, MPA management continues to rely primarily on donor support, including financing from GFCR and other partners. This therefore represents a pivotal transition period for the programme, requiring Blue Alliance to balance the immediate financing needs of MPA management with the longer-term acceleration of reef-positive enterprises through technical assistance and catalytic financing. This includes support through the Blue Alliance impact loan facility anchored by BNP Paribas and co-financed by partners including UBS Optimus Foundation.

Fiji and Papua New Guinea: domestic finance for locally managed marine areas and reef-positive enterprises

Fiji illustrates how catalytic grant finance can be used to establish domestic financial intermediation and prepare local LMMA conservation-linked businesses for lending, rather than relying indefinitely on grant-funded implementation. United Nations Development Programme and United Nations Capital Development Fund helped establish the Blue Lending Facility with Fiji Development Bank, supported through a guarantee fund and investment-readiness assistance for reef-positive enterprises. During 2025, the programme identified a domestic lending pipeline of investable reef-positive businesses with collective capital needs of approximately USD 1.31 million, highlighting the significant unmet financing demand within Fiji's reef-positive economy.

An important feature of the FDB Blue Lending Facility is the explicit linkage made between financing and Locally Managed Marine Areas (LMMAs). To access financing through the facility, reef-positive businesses are expected to demonstrate positive impacts on LMMAs, while a dedicated lending window has also been designed specifically to support LMMA-related investments. Alongside the financing facility, the programme provided technical assistance for both LMMAs and reef-positive enterprises, including LMMA screening and prioritisation, business planning, financial modelling and community-based biodiversity monitoring.

In Papua New Guinea, the Gutpela Solwara, Gutpela Bisnis programme supported through its Blue Economy Enterprise Incubation Facility ten reef-positive enterprises with technical assistance and grants, while advancing national blue investment planning and enterprise support in Kimbe Bay and Milne Bay. Out of the ten, six reef-positive enterprises in Kimbe Bay 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 by end of 2025. In addition, in July 2025, a USD 1 million 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. 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.

Micronesia: conservation finance and domestic enterprise pipelines in island economies

At the same time, feasibility assessments of green fees in the Federated States of Micronesia and the Republic of the Marshall Islands indicated more limited viability compared to the green fee model in Palau, largely due to lower tourism volumes. The assessments instead highlighted the potential for more locally appropriate and innovative financing approaches, including mechanisms targeting ocean-based industries, although these are recognised as longer-term pathways requiring sustained policy and institutional development.

Pacific Island Tuna provides one example of how private sector actors dependent on ocean resources can contribute to conservation financing pathways. The programme is supporting efforts to strengthen and diversify the business so that a greater share of net profits can be directed toward community conservation and reef management initiatives.

Alongside this, the programme redesigned the Livelihood Fund with Micronesia Conservation Trust (MCT) to prioritise existing reef-positive businesses with demonstrated commercial potential, using recoverable grants. More broadly, The Nature Conservancy is supporting MCT to diversify its financing instruments and strengthen engagement with private sector actors as part of efforts to bring more reef-positive businesses and private capital into priority reef conservation sites across Micronesia.

In the near term, the programme has increasingly focused on increasing the capitalisation of the regional conservation trust, MCT. Several milestones were achieved during the reporting period, including approval for the Micronesia Project Finance for Permanence (PFP) to advance into the Planning Stage by the Enduring Earth Management Team. Increasing the funding flow through the regional institutional mechanism is viewed as a more viable medium-term pathway for channeling sustainable financing toward priority reef sites across the region. The programme's data collection and resilient reefs prioritisation work also contributes to identifying the reef areas and conservation interventions that should be prioritised for future financing support through MCT.

Maldives and Sri Lanka

The region also illustrates the importance of sequencing. In the Maldives, the 2025 annual report records progress is being made towards moving from programme preparation towards delivery in Addu and Fuvahmulah, but the longer-term model still depends on establishing effective sustainable finance mechanisms, private sector engagement and operational pathways for reef-positive businesses. In Sri Lanka, feasibility studies, community livelihood concepts, coral restoration guidance and private sector co-financing provide a foundation for future scale, but the programme remains focused on strengthening enabling conditions and preparing bankable opportunities.

Risks

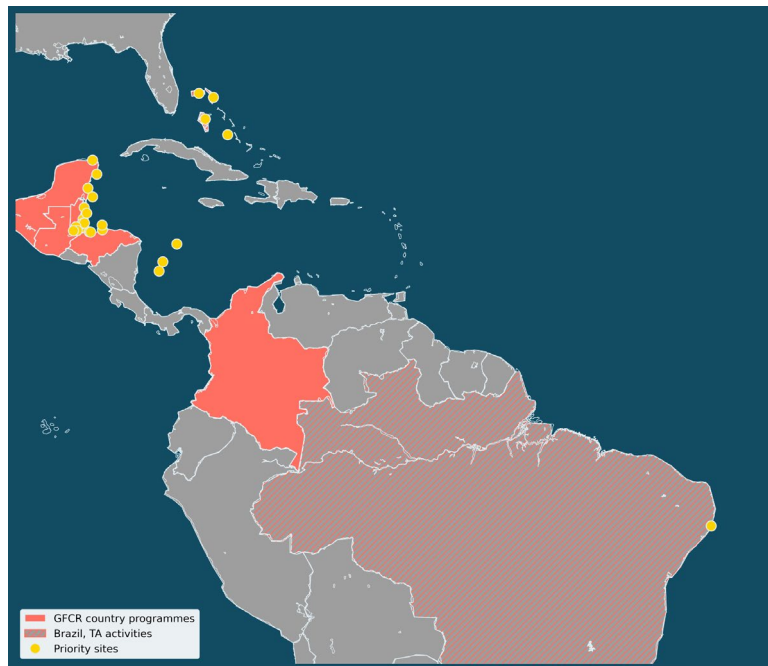
The principal risks in Asia-Pacific relate to climate exposure, coral disease, natural disasters, remoteness, limited investment-ready pipelines, partner capacity, safeguards and community participation, and the long-term sustainability of financing mechanisms. Indonesia faces policy and institutional transition risks affecting the timing of finance mechanisms and business pipelines. The Maldives faces climate exposure, partner capacity and challenges in operationalising finance and insurance approaches. In Pacific SIDS, geographic dispersion, thin markets and high transaction costs constrain commercial investment. Papua New Guinea additionally faces security, institutional and inclusion risks, while Micronesia faces chronic climate and enforcement challenges.

Latin America and the Caribbean

Regional Context and Reef Priorities

Latin America and the Caribbean contains some of GFCR's most established conservation finance institutions and some of the portfolio's most urgent reef management challenges. The portfolio includes the Mesoamerican Reef across Mexico, Belize, Guatemala and Honduras; the Seaflower Biosphere Reserve in Colombia; and priority reef refugia in The Bahamas. Coral reefs in these geographies underpin tourism, fisheries, coastal protection and local identity, while facing pressures from coral disease, bleaching, hurricanes, sargassum, wastewater pollution, sedimentation, coastal development and insufficient management finance.

MAR+Invest is building a multi-layered enterprise development ecosystem that supports reef-positive enterprises at different stages of maturity. Its experience demonstrates that in many reef-dependent regions, business development and financing ecosystems are often underdeveloped or absent altogether. In these contexts, GFCR resources can play a catalytic role in establishing the partnerships, technical assistance platforms, investment-readiness services and financing pathways needed to help enterprises progress from early-stage concepts to investable businesses. By combining multiple partners and financing instruments, the model is able to. In Colombia, Fondo Acción demonstrates the importance of linking local businesses, community identity and conservation financing within the Seaflower Biosphere Reserve while balancing immediate financing needs with the gradual capitalization of long-term financing mechanisms. In The Bahamas, implementation experience highlights the value of building on existing institutions such as the Bahamas Protected Areas Fund, the Small Business Development Centre and Coral Vita, while focusing subsequent phases on a smaller number of proven solutions with clear pathways to scale.



Demonstration Models

MAR+Invest: regional business finance for the Mesoamerican Reef

MAR+Invest, led by the MAR Fund, combines business acceleration, transaction advisory services, direct financing and a blended finance facility de-risked by a guarantee fund. The initiative has provided tailored technical assistance and investment-readiness support to 29 ventures and has helped eight companies secure capital for working capital, infrastructure, operational improvement and expansion. Supported sectors include sustainable fisheries, aquaculture, ecotourism, wastewater and solid waste management, sargassum upcycling, circular economy and services linked to marine protected areas.

The facility illustrates the value of a regional platform able to aggregate opportunities across several countries and link enterprise finance with reef priorities. Examples include concessional financing for decentralised wastewater treatment and support for zero-effluent aquaculture models. The pipeline now includes approximately 100 companies with potential reef-positive relevance, creating an opportunity to move from preparation and acceleration towards more direct investment and co-investment structures.

Colombia: locally led enterprises connected to the Seaflower finance architecture

In Colombia, the Fi Wi Riif programme supports locally led reef-positive enterprises and the development of a longer-term financing architecture for the Seaflower Biosphere Reserve. During 2025, the Fi Wi Riif Investment Account allocated approximately USD 297,708 to 12 reef-positive businesses and a further allocation to a reef restoration initiative. Supported activities cover sectors including diving, tourism, circular economy and artisanal fisheries.

Fondo Acción demonstrates an interesting conservation finance model that combines immediate deployment of capital with the gradual construction of long-term financing infrastructure. Through the Seaflower Fund, the programme established two complementary funding windows: a sinking fund to address near-term conservation and enterprise financing needs, and an endowment fund designed to build a permanent source of conservation finance over time. In parallel, the Fi Wi Riif Investment Account provided catalytic financing to reef-positive enterprises across fisheries, tourism, diving and circular economy sectors, while a revolving microfinance mechanism supported community livelihoods. Together, these mechanisms illustrate how a conservation fund can simultaneously deliver conservation and livelihood outcomes today while building the institutional and financial foundations for long-term sustainability. Furthermore, Fondo Acción demonstrates how conservation funds can move beyond a traditional grant-making role by combining endowment-building, catalytic enterprise financing and mission-aligned revenue generation within a single financing architecture. An example of the latter is the Sea School, which combines conservation education, community engagement and cultural preservation with a revenue-generating model based on tourism, advisory services and training programmes. While still in the early stages of implementation, it illustrates how conservation-focused institutions can develop mission-aligned income streams that complement traditional financing mechanisms such as endowments and donor funding. Its delivery model integrates enterprise support with Raizal communities, artisanal fishers, women and youth, conservation agreements, reef monitoring and livelihood development. Designed as a biocultural model delivered in Kriol, the Sea School seeks to transfer ancestral marine knowledge from community elders to younger generations while generating revenues through tourism, training and advisory services. Alongside this, the programme has taken deliberate steps to ensure equitable participation in financing opportunities, including prioritising Raizal applicants and conducting bilingual outreach through the Fi Wi Riif Investment Account. Together, these efforts demonstrate how conservation financing mechanisms can be designed not only to generate sustainable revenues, but also to strengthen cultural preservation, local stewardship and social inclusion.

The Bahamas: protected area finance, enterprise acceleration and reef restoration

The BahamaReefs Programme, implemented by TNC, links protected area management, reef-positive enterprise development, sustainable revenue generation and coral restoration across priority reef refugia sites in Grand Bahama, Abaco, Andros and Exuma. The programme leverages partnerships with the Bahamas Protected Areas Fund, Access Accelerator Small Business Development Centre and Coral Vita to connect conservation objectives with MSME support and investment pathways.

The programme partnered with the Small Business Development Centre (SBDC), a national institution with an established mandate, business support infrastructure and financing programmes. Through this partnership, GFCR resources are used to integrate a dedicated reef-positive portfolio into SBDC's existing enterprise development ecosystem, providing targeted technical assistance, seed funding and investment-readiness support to businesses operating in reef-dependent sectors.

Coral Vita's restoration-as-a-service model is an example of a commercial reef restoration business serving resorts, coastal developers, property owners and public actors. With GFCR support, the company established a demonstration site in Grand Bahama, successfully piloted its coral outplanting methodology and advanced a business model built around three revenue streams: restoration-as-a-

service, ecotourism and visitor experiences, and corporate sponsorship and coral adoption programmes. The model attracted significant external validation during 2025, securing USD 8 million in Series A private investment, USD 515,000 in co-financing from the Inter-American Development Bank, and generating approximately USD 1 million in revenue through licensing of its proprietary BrainCoral technology platform. While operational challenges such as water quality fluctuations, power disruptions and tourism market shifts remain, Coral Vita provides an important example of how reef restoration can be linked to private investment, technology innovation and diversified revenue generation, reducing long-term reliance on grant funding.

Risks

The risk analysis identifies Latin America and the Caribbean as the region requiring the most concentrated management attention. Key environmental risks include bleaching, coral disease, hurricanes, sargassum, wastewater pollution, sedimentation, coastal erosion and inadequate enforcement. Financial and institutional risks include difficulties in mobilising capital, reductions in available programme funding, fragmented governance, political and regulatory uncertainty and persistent finance gaps for protected area management.

In the Mesoamerican Reef, risks relate to environmental stressors, capital deployment and the need to translate enterprise investment into direct reef outcomes. In Colombia, governance and political conditions, baseline evidence and the operationalisation of longer-term financing mechanisms require continued attention. In The Bahamas, funding constraints have affected programme scope and require careful prioritisation of minimum viable conservation, community and financing outcomes.

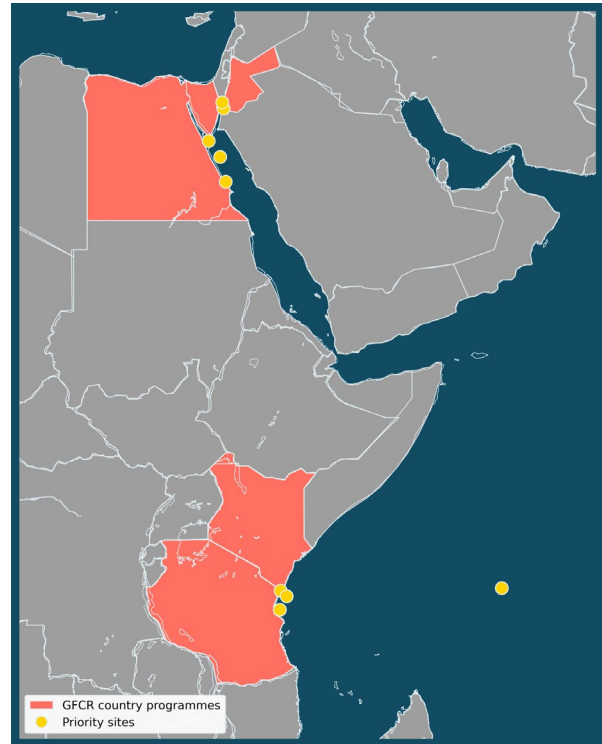
Middle East and Africa

Regional Context and Reef Priorities

The Middle East and Africa portfolio includes reef systems in the Red Sea, Gulf of Aqaba, Western Indian Ocean and East African coast. These geographies contain coral reefs of high ecological importance and significant value for tourism, fisheries, coastal livelihoods and climate resilience. The Red Sea includes coral systems of particular interest for climate resilience and regional scientific cooperation. In East Africa and the Western Indian Ocean, reefs remain central to local livelihoods and

coastal economies but face sustained pressures from overfishing, pollution, limited management finance, tourism impacts and climate-related degradation.

The Middle East and Western Indian Ocean portfolio demonstrates the importance of building enabling architectures for reef-positive development through strong public-sector ownership and partnerships with national conservation, finance and enterprise institutions. Across the region, programmes are establishing the ecological, institutional and financial foundations needed to support long-term reef conservation, recognising that financing mechanisms are most effective when embedded within broader systems of governance, enterprise support and protected area management. The region also offers a strategic opportunity for cross-regional cooperation as several programmes are establishing new institutions and financing pathways, creating opportunities to exchange experience on governance, capital mobilisation and the sequencing of reef finance interventions. and, where appropriate, engagement with Islamic finance and Gulf-based capital providers.



Demonstration Models

Jordan: building the foundations for reef-positive blue economy development

The Gulf of Aqaba Resilient Reefs Programme progressed ecological assessments, seagrass baseline work, monitoring capacity and institutional engagement around the Aqaba Marine Reserve and adjacent priority sites. It also advanced the framework for the Blue Economy Centre for Innovation, designed to support reef-positive enterprises and financing approaches in sectors including sustainable tourism, aquaculture and waste management.

The programme secured more than USD 10 million in complementary grant financing from Canada and the European Union for related coastal ecosystem and blue economy interventions, alongside approximately USD 2 million in co-financing from the Aqaba Special Economic Zone Authority. While some finance strategy and regional coordination activities require further development, Jordan provides an important model of how ecological evidence, public institutions, enterprise support and complementary finance can be combined in a highly significant reef geography.

Egypt: developing an integrated Red Sea finance architecture

The Egyptian Red Sea Initiative began implementation in late 2025 and is designed around two connected mechanisms: the Egyptian Fund for Coral Reefs and the Coral Reef Business Incubator. The programme aims to reduce drivers of reef degradation while developing sustainable financing for

marine protected areas, reef-positive enterprises and livelihoods. During its initial implementation period, the programme focused on establishing technical and institutional foundations, including preparation for the finance mechanism, incubator, sustainable tourism activities, aquaculture and organic waste upcycling, mooring systems and baseline ecological monitoring.

The programme is strategically important because it seeks to connect a national conservation finance vehicle, enterprise development, tourism, pollution reduction and protected area management within a single architecture. However, the 2025 annual report also makes clear that the initiative was still in its establishment phase and that future delivery will depend on careful sequencing, government engagement, programme management capacity and capital mobilisation.

Kenya and Tanzania: finance for pollution reduction and sustainable fisheries

The Miamba Yetu programme is developing investment pathways for businesses addressing coastal pollution and unsustainable fishing while supporting local livelihoods. During 2025, UNCDF signed financing agreements for reef-positive businesses in Kenya focused on waste pollution and unsustainable fishing, while programme communications positioned these activities as locally anchored examples of ocean finance and community-led reef conservation.

The model demonstrates a practical route for using catalytic finance to support businesses addressing identifiable local pressures on reefs. Continued implementation will need to ensure that finance is accompanied by safeguards, monitoring, local participation and credible evidence of ecological benefit.

Pemba, Tanzania and Seychelles: community livelihoods, MPA finance and risk finance

In Pemba Island, Blue Alliance is developing a public-private partnership approach to MPA management linked to community livelihoods and reef-positive businesses. The programme includes community development, savings and eco-loan activities, enterprise planning and an impact loan facility model intended to mobilise capital for MPAs and reef-positive businesses. The programme reported that its blended finance design has benefited from engagement with financial partners, including BNP Paribas and UBS Optimus Foundation, and builds on similar models developed elsewhere in the Blue Alliance portfolio, including the Philippines.

In Seychelles, the Ocean's Resolve programme is advancing reef conservation, coral bleaching parametric insurance and blended finance approaches through SeyCCAT and national partners. During 2025, SeyCCAT completed ecological and socio-economic baseline assessments, established the technical groundwork for eco-mooring installations to reduce reef damage from tourism activities and finalized the Seychelles Coral Reef Protection Insurance (SCRPI) framework.

Results and Learning

The Middle East and Africa portfolio shows the importance of matching programme ambition to institutional readiness. Jordan demonstrates that scientific evidence, public-sector ownership and complementary funding can provide a foundation for reef-positive finance, but that enterprise support and financial mechanisms require continued operationalisation. Egypt has the potential to establish a significant national Red Sea finance architecture, but its first year was appropriately focused on readiness, sequencing and partnership arrangements rather than immediate financial deployment.

East African and Western Indian Ocean programmes show the importance of locally relevant economic pathways. Pollution reduction, sustainable fisheries, community savings, aquaculture, tourism and MPA-linked enterprise models provide credible entry points for reef-positive investment, particularly where they are connected to protected area management and community benefits. At the same time, the portfolio indicates that investment narratives must remain grounded in realistic implementation capacity, safeguards, local legitimacy and ecological monitoring.

Risks

Risks in the region include political and institutional transition, security constraints affecting field delivery, exchange-rate and macroeconomic volatility, delays in establishing financing mechanisms, limited enterprise readiness and the need for stronger monitoring and safeguards systems. Egypt requires particular attention because the programme depends on successful institutional establishment and capitalisation of its finance mechanism. Jordan faces delivery and coordination risks linked to the completion of finance strategies and regional collaboration. Kenya and Tanzania require continued attention to safeguards, access, delivery continuity and the connection between financed businesses and reef outcomes. Seychelles faces capacity and implementation constraints as its finance and insurance approaches are further developed.

Private Capital Mobilization and Leverage

GFCR crowds in capital by deploying catalytic grant resources to establish the conditions required for investment. This includes scientific assessments, policy and governance support, safeguards, monitoring systems, technical assistance, enterprise incubation, project preparation, transaction structuring, conservation trust funds, guarantees, concessional finance and risk-sharing mechanisms. This approach reflects the reality that many reef-positive businesses and finance mechanisms occupy a financing gap: they have progressed beyond early concept development but cannot access commercial capital without preparation, risk reduction and institutional support.

Investor Engagement: What Has Resonated and What Has Not?

Investor interest has been strongest where programmes present clear investment pathways linked to identifiable local drivers of reef degradation. Opportunities in wastewater management, plastics and waste reduction, sustainable fisheries, responsible aquaculture, tourism-linked conservation revenue, restoration services and domestic lending facilities provide more tangible relationships between business activity and reef outcomes than broader or less defined investment concepts.

Finance partners have also responded positively where GFCR programmes provide preparation support, local institutional anchoring and risk-sharing mechanisms. Examples include guarantee-backed lending through domestic financial institutions, regional enterprise development and financing platforms such as MAR+Invest, co-managed MPA enterprise models led by Blue Alliance, and investment facilities connected to established conservation organisations or trust funds.

However, the portfolio also brings out where investor participation remains constrained. Small transaction sizes, thin local markets, foreign exchange exposure, limited liquidity, early-stage enterprises and insufficient ecological or social evidence continue to restrict commercial participation, particularly in SIDS and frontier reef economies. The 2025 Technical Assistance and Capital Acceleration annual report records limited interest among investment funds in deploying small-ticket capital for reef-positive businesses in Pacific SIDS. It also notes that impact data and alignment between company operations and reef benefits require further development.

Equity Fund Learnings

The Equity Fund has contributed to the GFCR investment ecosystem by increasing attention to larger, growth-stage reef-positive opportunities and by highlighting the need for upstream technical assistance to substantiate coral reef benefits. During 2025, the Technical Assistance and Capital Acceleration programme supported technical work connected to Agrion in Brazil and Parley in the Maldives and Sri Lanka. This included studies intended to clarify potential reef-positive impacts, strengthen environmental and social management systems and improve the basis for investment decisions and future scale.

The experience provides three important lessons. First, investment readiness must include a credible and measurable connection between enterprise activity and reef outcomes, rather than relying only on broad environmental claims. Second, technical assistance needs to address safeguards, governance, impact monitoring and local implementation capacity as well as business viability. Third, GFCR benefits from maintaining a diversified investment ecosystem, including local financial institutions, regional blended finance platforms, conservation trust funds, impact loan facilities, concessional vehicles and equity investment, rather than depending on a single investment channel.

The Q2 2026 risk analysis notes that fundraising for the Equity Investment Fund has become a materialised concern, with approximately USD 141 million raised against its stated USD 500 million target. It also notes an evolving relationship between the UN Fund and the Equity Fund, while identifying alternative investment pathways already being advanced through Capital Acceleration, Outrigger engagement and Blue Alliance-related finance structures.

Conditions Needed to Expand Private Participation

Blended finance is less about finding investors and more about building the ecosystem that makes investment possible. The Fund's role is not simply to increase the volume of private capital directed toward reefs, but to improve the quality, sequencing and durability of that finance by linking science, policy, local institutions, community benefits, enterprise development and long-term conservation outcomes.

Private participation can expand where GFCR continues to use public and philanthropic resources strategically rather than expecting commercial finance to substitute for essential public-good functions. Grant funding remains necessary for science, ecological baselines, safeguards, community engagement, policy and institutional readiness, protected area management, early-stage enterprise preparation and credible monitoring. Concessional capital and guarantees remain necessary where viable opportunities face risks that commercial investors cannot yet absorb.

To deepen private participation through 2030, GFCR will need to strengthen pipeline aggregation, transaction preparation, standardised impact and safeguards reporting, local currency and risk-sharing options, domestic financial institution partnerships, conservation trust fund capitalisation and clear routes from technical assistance to investment. Opportunities should demonstrate a credible reef-positive rationale, measurable ecological and social outcomes, transparent governance, equitable benefit-sharing, realistic revenue assumptions and a financial instrument suited to the maturity and context of the solution. The strategic value of GFCR lies in its ability to connect these elements into a coherent financing architecture.

People and Inclusion

Coral reef resilience depends on the people who use, manage and safeguard coastal and marine resources. For GFCR, Gender Equality, Disability, and Social Inclusion (GEDSI) is therefore a crucial component of conservation delivery and sustainable finance. The GFCR portfolio increasingly recognises that local communities, traditional resource users, women, youth and locally led enterprises must lead reef conservation and that inclusion is essential to ensure that reef-positive initiatives can be sustained beyond the period of grant support.

“Inclusion” enables all people to participate fully and benefit equally from development, while recognising that some groups face structural barriers that require additional support. A key step to enable inclusion and ensure the longevity of reef protection is to ensure finance access for community enterprises, women-led businesses and frontline stakeholders. An inclusive approach also recognises that safeguards, transparency, accountability and equitable benefit-sharing must be embedded in financing structures from the outset, rather than added after investment decisions have been made.

GFCR operationalises inclusion using its Risk Registry, which identifies community engagement, free, prior and informed consent, gender and social inclusion, benefit-sharing, livelihood opportunity costs, customary or traditional groups, grievance management and social licence to operate as core implementation and sustainability issues. Where these dimensions are not adequately addressed, social risks can materialise through reduced participation, local conflict, reputational exposure and delays to conservation or investment activities. Conversely, participatory planning, locally tailored engagement, safeguards screening, grievance mechanisms and GEDSI action plans provide practical tools for strengthening local ownership and programme durability.

Implementation experience in 2025 illustrates how inclusive delivery can strengthen stewardship. In Indonesia, Konservasi Indonesia supported community-based tourism development on Friwen Island through a village-owned enterprise, or BUMDes, with a benefit-sharing mechanism between community members and the enterprise. Located alongside mooring systems intended to reduce reef damage, this model connects community income with incentives to protect reef ecosystems. In Papua

New Guinea, a locally led initiative involving more than 100 women in a cooperative reported both increased financial independence and stronger participation in community decision-making, with several women leaders also serving on the local marine protected area management committee. These examples demonstrate that conservation becomes more durable where local people have a recognised role in governance and a tangible stake in the economic benefits arising from reef-positive activities.

In the Philippines and Pemba, Blue Alliance programmes similarly connect marine protected area management with locally rooted enterprises and community engagement. In the Philippines, the programme is explicitly designed to improve the livelihoods of coastal communities, particularly women, while generating long-term income for conservation areas through reef-positive businesses. In Pemba, engagement through village savings and eco-loan groups created a practical entry point for women to participate in reef-positive livelihood development, financial literacy, entrepreneurship, governance and environmental education. These experiences suggest that long-term stewardship is strengthened when community engagement is connected to economic opportunity, decision-making and conservation finance rather than limited to consultation alone.

Gender equality and equitable benefit-sharing

Gender equality is integrated into GFCR's portfolio management and monitoring framework. The UNEP global programme report for 2025 notes that programmes report sex-disaggregated data for direct beneficiaries, people trained and employment generated, alongside information on gender-smart investments aligned with the 2X Challenge criteria. Under this approach, business solutions can qualify through women's ownership, leadership, employment, participation in supply chains or the provision of products and services that particularly benefit women. This provides an important basis for moving beyond participation figures towards monitoring whether women are able to access finance, influence decisions and benefit from reef-positive economic opportunities.

Several programmes reported practical measures to reduce barriers to participation. In Fiji, GESI considerations were integrated into governance strengthening, biodiversity monitoring and finance readiness activities across ten priority locally managed marine area sites. More than 200 direct beneficiaries received training in biodiversity monitoring and sustainable management, with women representing approximately 40 to 55 per cent of participants in several sites. The programme adapted training schedules and facilitation approaches to accommodate household responsibilities, encouraged the nomination of women and youth representatives to monitoring and governance discussions, and included language within the Blue Lending Facility guidelines intended to avoid excluding women- and youth-led enterprises because of limited traditional collateral. Importantly, the programme identified that inclusive participation requires deliberate facilitation and structured representation, rather than open invitations alone.

In Colombia, the Fi Wi Riif programme embeds a GESI strategy within its emerging financing architecture for the Seaflower Biosphere Reserve. The programme prioritises opportunities for Raizal women and youth, while adapting business development support to the archipelago's cultural context. During business plan development training in Providencia, women represented 75 per cent of participants. The programme links this participation to equitable benefit-sharing from reef-related

economic activities and to future access to finance through its enterprise support and investment mechanisms.

In Indonesia, the programme's gender analysis recognises that women are important economic actors in reef-dependent communities, particularly in seaweed value chains, where they contribute an estimated 65 to 70 per cent of cultivation and post-harvest processing in targeted communities. In Pemba, Blue Alliance and the Kwanini Foundation trained 360 women and 67 men through the village savings and eco-loan programme in 2025, while more than 30 women received swimming and snorkelling training to support participation in deeper-water seaweed farming. These examples show that gender-responsive implementation must address practical constraints affecting access to livelihoods, markets, skills and finance, while also strengthening women's roles in stewardship and community leadership.

Equitable benefit-sharing is also important for ensuring that community participation remains meaningful over time. Where programmes generate revenue through tourism, aquaculture, restoration, sustainable fisheries, conservation finance or other reef-positive activities, benefits should be distributed transparently and in ways that recognise local stewardship, livelihood trade-offs and differentiated access to opportunities. This is particularly important where conservation measures may alter access to fishing grounds, coastal resources or economic activities. The continued use of participatory planning, locally appropriate grievance mechanisms, social safeguards and monitoring of who receives benefits will be essential to ensuring that reef finance supports both ecological outcomes and social legitimacy.

Voluntary contributions and transparent reporting

The 2025 annual reports provide early examples of voluntary contributions being used to connect individual participation, local revenue generation and long-term conservation finance. In The Bahamas, the Bahamas Protected Areas Fund operated a voluntary opt-in donation mechanism integrated into the national Customs Click-2-Clear platform. The mechanism generated approximately USD 108,029 in donations during 2025 and cumulative revenue of USD 158,091 since launch. These revenues are intended to support the effective management of marine protected areas, other effective area-based conservation measures and priority conservation sites. The model demonstrates how a simple voluntary mechanism, embedded within an existing national system, can create an additional domestic revenue stream for reef stewardship.

Sri Lanka is exploring a related approach through the CORALL Conservation Trust Funds. The GFCR Convening Agent, IUCN presented a model in which profitable seaweed clusters could make voluntary contributions to a conservation trust fund once production becomes stable. At the proposed scale of three landscapes involving 180 farmers, the programme estimates that voluntary contributions from seaweed activities could generate between USD 12,000 and USD 25,000 for long-term coral conservation. As this remains a projected financing pathway rather than realised revenue, its future value will depend on enterprise viability, transparent governance and the ability to demonstrate that contributions are used for locally relevant conservation and co-management activities.

Transparent reporting is essential for these mechanisms and for the wider inclusion agenda. Programme annual reports increasingly include GESI and GEDSI action reporting, safeguards

information, sex-disaggregated data and descriptions of community participation and benefit-sharing arrangements. The risk analysis also shows stronger portfolio attention to GESI and GEDSI action plans, grievance mechanisms, stakeholder engagement processes and local ownership. Continued improvement is nevertheless needed to ensure consistent reporting on women's access to finance, youth participation, representation in governance, benefits reaching local and traditional communities, and the relationship between livelihood gains and measurable reef outcomes.

Taken together, the portfolio indicates that inclusive reef finance is most durable when communities are not only consulted, but are recognised as rights-holders, managers, entrepreneurs, investors in local stewardship and beneficiaries of transparent revenue systems. Strengthening gender equality, equitable benefit-sharing, voluntary participation and accountability will therefore remain central to GFCR's ability to scale reef-positive solutions while sustaining the local legitimacy on which long-term coral reef conservation depends.

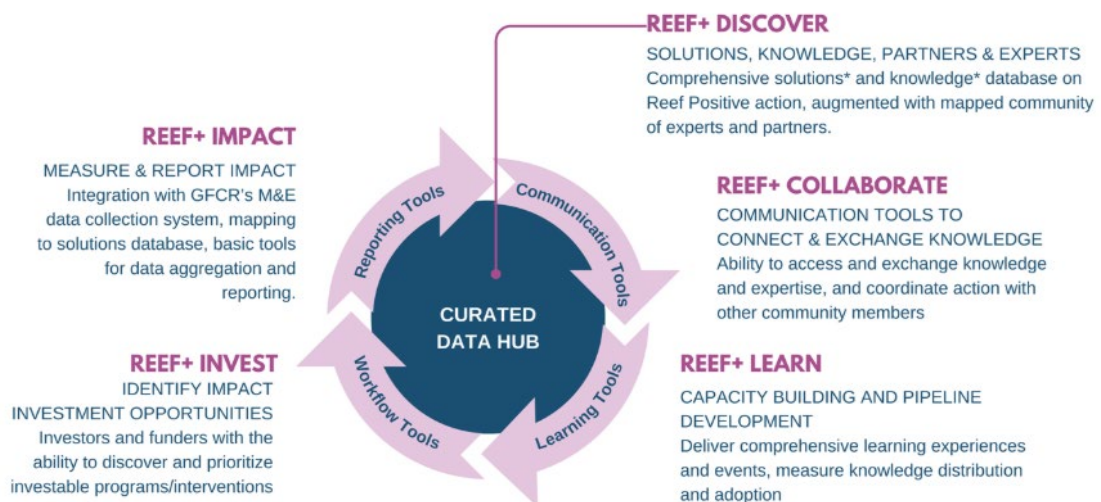
In parallel, GFCR continued to engage through global voluntary commitment and engagement platforms that connect coral reef finance to wider ocean, climate, and biodiversity agendas. In 2025, this included engagement linked to Women Ocean Guardians, the Our Ocean Conference process, and the UN Climate Change High-Level Climate Champions through Race to Resilience. At UNOC3 in Nice, the Women Ocean Guardians commitment was launched with an initial group of government and institutional partners, helping elevate women's leadership in marine conservation, sustainable blue economies and climate-resilient coastal livelihoods. GFCR's engagement under this platform is aligned with its broader portfolio focus on gender-responsive finance, community-based conservation and reef-positive livelihoods. Through the High-Level Climate Champions' Race to Resilience, GFCR continued to connect its portfolio delivery and reporting to the wider climate resilience agenda, including through the Coral Reef Breakthrough and related engagements on reef-positive finance, partnerships and implementation during UNOC3 and the Blue Economy and Finance Forum. The Our Ocean Conference process also provided a strategic platform for GFCR in 2025, including engagement at the Busan conference through high-level discussions, an ocean finance dialogue and a side event on innovative finance for coral reef action. Across these platforms, GFCR used its portfolio experience to support partner engagement, strengthen visibility for reef-positive finance, and connect implementation examples to broader ocean, climate and sustainable blue economy discussions.

V. Knowledge Management & Learning

Throughout 2025, REEF+ continued to evolve as a practical space for learning across the portfolio. A major milestone was the launch of the [revamped REEF+ digital platform](#), establishing a strengthened knowledge hub for reef-positive finance solutions. Regional workshops, training, and peer exchanges reinforced implementation and reporting practices, while the expanded platform improved access to tools, case studies, and blended finance insights. The year also laid the groundwork for a set of coral reef finance publications to be released in 2026.

REEF+ is a dynamic workstream that:

- Engages a global network of coral reef stakeholders through bimonthly webinars, interactive discussions, and self-paced online trainings;
- Plays a key role in capacity development and knowledge sharing through self-paced online trainings and in-person convenings of the GFCR community of practice;
- Ensures that lessons learned from reef-positive finance and conservation initiatives are recorded and disseminated, supporting adaptive management of the GFCR strategy and building the evidence base that shows how blended finance can lead to positive coral health outcomes;
- Integrates key blended finance insights into global policy dialogues, including COP events, international task forces, and high-level coalitions.



The [revamped REEF+ digital platform](#) was launched in May 2025 and further developed as a central knowledge hub for reef-positive solutions. Content was continuously uploaded and curated, expanding the platform's resources and improving accessibility for users.

By the end of the reporting period, REEF+ reached over 500 users and generated more than 39,000 page views. Updates to programme [finance solutions](#) were maintained, and REEF+ content was integrated into the GFCR quarterly newsletter. Regular news and event updates were disseminated through REEF+ communications channels to promote opportunities and portfolio developments.

REEF+ continued to facilitate collaboration and peer-to-peer learning among practitioners and partners across the GFCR community. Technical advice sessions were delivered through [regional convenings](#) (Feb and Oct 2025), alongside [webinars and practitioner discussions](#) designed to strengthen exchange of experiences and lessons learned. Peer-to-peer learning and partner coordination via REEF+ channels, including one-to-one follow-up support connected to programme clinics and regional workshops were also facilitated. In addition, during October, content related to [Technical Assistance Facilities \(TAFs\)](#) was advanced through regional convenings and follow-on learning products.

In February and October 2025, GFCR Regional Workshops / REEF+ Regional Convenings were organized for the West Indian Ocean and the [East Asian Seas and Pacific Islands](#). These sessions were delivered in parallel with M&E training, strengthening coherence between learning, monitoring, and reporting processes. In May 2025, REEF+ self-paced training courses were delivered covering [GFCR Investment Principles](#), [Ecotourism](#), [Area-Based Conservation](#), and [Blue Carbon](#) best practices, core policies ([Risk Management](#), [Safeguards](#), and [Gender](#)), and [blended finance fundamentals](#), followed by additional [M&E training](#) in October 2025 to further strengthen technical capacity and reporting consistency among programme partners.

In December 2025, coordination was undertaken to advance the development of a Coral Reef Finance publication package for Executive Board consideration. Three flagship publications progressed during 2025 and were prepared for finalization and release in 2026, supporting knowledge generation and dissemination across the portfolio.

In April 2025, support was provided to enhance global investor and partner visibility through the GFCR side event at the Our Ocean Conference 2025, focused on Innovative Finance for Coral Reef Action. In June 2025, during the UN Ocean Conference (UNOC3), support was provided to UNDP-led engagements, including the SIDS Ministerial Roundtable, Ocean Action Panel 3, and the #ForCoral high-level breakfast, helping to elevate GFCR-aligned investment narratives and strengthen partner engagement.

Collaboration continued to strengthen linkages between [REEF+ Invest](#) and broader investor ecosystems, including ORRAA, BIOFIN, and ICRI. These efforts are ongoing to support the promotion of investment-ready reef-positive opportunities and reinforce alignment with existing finance and policy platforms.

Following the launch of the revamped REEF+ platform, between May and November 2025, technical maintenance and [data integration workflows](#) continued to support platform operations and enable structured updates from CAs on finance solutions and related reporting inputs. Coordination efforts continued to align knowledge management activities with monitoring and reporting processes, including the delivery of regional workshops alongside M&E training to strengthen coherence across learning, reporting, and portfolio tracking.

Throughout 2025, communications assets, including Canva templates and graphics, were produced and disseminated to support promotion of REEF+ events and content across GFCR and REEF+ channels, alongside administration of the GFCR newsletter and integration of REEF+ updates. Continuous quality

checks and incremental improvements were also undertaken across [GFCR website pages](#) and REEF+ content to strengthen usability, partner access, and consistency of messaging.

VI. Strategic Engagement

In 2025, strategic engagement focused on sustaining and deepening relationships with existing contributors, advancing replenishment pathways, and expanding outreach to prospective donors. Engagement was sequenced around key global ocean, climate, biodiversity, and finance forums to reinforce GFCR's positioning as a delivery platform for reef-positive finance and to link policy ambition with investment-ready solutions.

Resource mobilization efforts in 2025 were strengthened through a sequenced approach aligned with GFCR's demonstration and scaling phase. Engagement was organized around existing and prospective government, philanthropic, and private sector partners, with outreach aligned to major international convenings. This supported clearer sequencing of engagement, strengthened follow-up continuity, and more consistent positioning of GFCR's blended finance model within broader climate, biodiversity, and development finance agendas.

Structured engagement with existing contributors was maintained throughout the year to support forward visibility on replenishment pathways and funding continuity. Discussions focused on portfolio delivery progress, capital deployment, investment pipeline development, impact opportunities, and emerging financing instruments. Updated programme briefings, needs-based assessments, and pipeline summaries were shared to strengthen substantive dialogue and reinforce confidence in GFCR's delivery model.

Outreach to additional partners progressed in parallel, supported by more systematic tracking of engagements. Refreshed outreach materials, including updated decks, regional overviews, and case studies from across the enterprise pipeline, were used to ensure consistency of messaging and alignment with contributor priorities.

A key milestone during the year included the formal accession of the Government of Norway to the GFCR Coalition and Executive Board, accompanied by an initial UN Fund contribution of NOK 20 million.

As of December 2025, the public-private GFCR Coalition comprised more than 60 members spanning supported coral nations, donor governments, philanthropies, investment partners, conservation organizations, and strategic alliances. The Coalition provides a platform for coordinated funding dialogue, technical collaboration, and policy alignment, reinforcing GFCR's role as a collaborative financing mechanism for coral resilience. The GFCR Coalition includes:

- Supported Coral Nations: The Bahamas, Belize, Brazil, Colombia, Egypt, Fiji, Guatemala, Honduras, Indonesia, Jordan, Kenya, Maldives, Marshall Islands, Mexico, Micronesia, Mozambique, Palau, Papua New Guinea, Philippines, Seychelles, Solomon Islands, Sri Lanka, Tanzania
- Donor States: Canada, France, Germany, New Zealand, Norway, United Kingdom, United States of America

- Philanthropies: Bloomberg Philanthropies, Builders Vision, ICONIQ, Paul G. Allen Family Foundation, Prince Albert II of Monaco Foundation, UBS Optimus Foundation, additional private individual donors
- Investment Partners: Green Climate Fund, Pegasus Capital Advisors, Builders Vision, Minderoo Foundation, Outrigger Impact
- Leading Conservation Partners: Blue Alliance, Fondo Acción (Fondo para la Acción Ambiental y la Niñez), Konservasi Indonesia, International Union for Conservation of Nature (IUCN), Mesoamerican Reef Fund (MAR Fund), The Nature Conservancy, Seychelles Conservation and Climate Adaptation Trust (SeyCCAT), United Nations Development Programme (UNDP), Wildlife Conservation Society (WCS), World Wide Fund for Nature (WWF), Yayasan Konservasi Alam Nusantara (YKAN)
- Alliances & Strategic Partners: Convention on Biological Diversity (CBD) Secretariat, High-Level Climate Champions, International Coral Reef Initiative (ICRI), Ocean Risk and Resilience Action Alliance (ORRAA), United Nations Decade of Ocean Science for Sustainable Development (the Ocean Decade), United Nations Educational, Scientific and Cultural Organization (UNESCO)

GFCR's positioning was reinforced through sustained engagement in priority international fora and through coordinated preparation and follow-up across engagements. Briefing materials, key messages, and bilateral strategies were developed in advance of each convening to ensure consistency and alignment with GFCR's strategic objectives.

Key 2025 engagements include:

- **10th Our Ocean Conference 2025, Busan, Republic of Korea | 28 April – 2 May**

At the 2025 Our Ocean Conference in Busan, hosted by the Republic of Korea, engagement focused on highlighting delivery progress and reinforcing the role of reef-positive finance in supporting Small Island Developing States and developing coastal economies. A key element of the engagement was reporting on the progress of the GFCR portfolio during high-level sessions, including participation in a plenary segment alongside the 68th United States Secretary of State, H.E. John Kerry, and other global leaders.

The GFCR also co-convened an ocean finance dialogue alongside the conference, bringing together 60 representatives from governments, finance institutions, industry, multilateral organizations, and renowned experts to explore the need for a dedicated ocean finance instrument capable of channeling new, previously untapped private sector resources toward sustainable economic transition at scale.

GFCR hosted a side event on [Innovative Finance for Coral Reef Action](#) showcasing blended finance approaches (e.g., reef-positive businesses, debt-for-nature swaps, blue carbon/credits, reef insurance) and supporting government and partner engagement to advance commitments and pipeline development.

- **3rd United Nations Ocean Conference (UNOC3), Nice, France | 9 June – 13 June &**

The Blue Economy & Finance Forum (BEFF) 2025, Monaco | 7 June – 8 June

More than 30 targeted engagements across ministerial, technical, and investment platforms and contributed to over 85 global media features were coordinated during the reporting period. Discussions focused on climate-resilient reefs, reef-positive enterprise pipelines, and scalable financing mechanisms aligned with national development and climate strategies.

GFCR also supported momentum around the Pledge to Protect Climate-Resilient Reefs and delivered a series of high-level convenings, including the Coral Reef-Positive Finance side event at BEFF, the High-Level Coral Reef Pacific Breakfast, the High-Level Climate Champions Coral & Mangrove Breakthrough session, and the launch of the Status and Trends of Coral Reefs in the Pacific report.

The #ForCoral Pavilion hosted more than 40 sessions, convening over 100 experts and practitioners to exchange on reef insurance, conservation finance, and blended investment structures. Collectively, these engagements strengthened alignment between political commitments and investment-ready solutions emerging from the GFCR portfolio.

- **30th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP30), Belém, Brazil | 10 November – 21 November**

At COP30, under the auspices of the COP Presidency, GFCR, the Governments of the Republic of Palau and the United Kingdom co-hosted a high-level ministerial roundtable focused on financing approaches that help protect the world's most climate-resilient coral reefs and support the communities that depend on them. Ministers and senior officials from Palau, Papua New Guinea, the UK, Brazil, Indonesia, Solomon Islands, and Seychelles discussed integrating reef protection into national development, climate, and finance agendas, and highlighted the GFCR as a key multilateral instrument scaling blended finance for reef-positive enterprises. The meeting also generated momentum for a Coral Summit in 2026, reflecting growing political commitment to safeguard reefs and advance community-led solutions.

GFCR also hosted a side event on Scaling Ocean Finance for a Regenerative and Resilient Blue Economy. This event convened policymakers, investors, and practitioners to explore how blended finance solutions can unlock greater investment in ocean positive initiatives and enterprises, bridging the gap between urgent needs and available resources, and delivering for nature and people resilience in the face of climate change. In addition to the GFCR partners, UNCDF, UNEP, and UNDP, this event was co-organized by the Development Bank of Latin America and the Caribbean, the World Resources Institute, and ORRAA.

This high-level COP30 event took place on 20 November 2025 and built on the momentum of the successful UNOC3 signing ceremony of the Climate-Resilience Coral Reef Commitment. This landmark pledge, the first global commitment to protect climate-resilient coral reefs, had united eleven governments dedicated to safeguarding critical ecosystems that support biodiversity, food security, and coastal protection. The event welcomed additional government signatories, shared insights from scientists and community leaders, and presented the updated 50 Reefs study.

- **Seventh Session of the United Nations Environment Assembly (UNEA-7), Nairobi, Kenya**
| 8 December – 12 December

GFCR’s strategic engagement at UNEA-7 reinforced the Fund’s position as a leading blended-finance mechanism delivering integrated ocean, climate, and biodiversity outcomes at scale. UN Secretary General Special Envoy for the Ocean, Peter Thomson anchored the GFCR across high level engagements - championing coral reef resilience, mobilising political support and amplifying GFCR’s leadership role within the global ocean and climate agenda.

The adoption of the landmark resolution “Accelerating Global Actions to Promote the Climate Resilience of Coral Reefs” marked a major policy breakthrough formally elevating coral reefs within the global environmental agenda and underscoring the urgency of coordinated international action on reef protection, resilience, and sustainable finance.

Additional highlights included the delivery of an immersive virtual-reality exhibition, in partnership with ICRI and SHAMS, which placed decision-makers face-to-face with coral reef ecosystems and illustrated the human, economic, and climate implications of reef degradation and recovery. A diplomatic reception hosted at the residence of Dr. Susan Gardner, Director of the Ecosystems Division at UNEP, convened Ministers, senior UN leadership, Member States, and partners, strengthening political visibility and reinforcing alliances around coral reef resilience and sustainable finance.

GFCR also co-hosted the event “Protecting Climate-Resilient Coral Reefs” alongside WCS, ICRI, WIOMSA, and the WWF Coral Reef Rescue Initiative, celebrating countries endorsing the Climate-Resilient Coral Reefs Commitment and welcoming new national signatories. In parallel, the event “Women Ocean Guardians: A Call to Action for Transformative Ocean Economies,” organized with WCS and the Government of the United Kingdom, brought together grassroots leaders, governments, and international organizations to highlight inclusive, rights-based approaches to ocean governance and cross-sector collaboration.

Work progressed to shape and advance flagship initiatives designed to expand and diversify financing pathways for coral reef and ocean resilience. These efforts were aligned with GFCR Pathway 5, which aims to catalyze a long-term, transformational shift in sustainable ocean finance and policy beyond the GFCR’s demonstration phase. Thorough research and analytical work were undertaken to inform strategic positioning and future capitalization pathways. Briefs examining funding trends, evolving finance instruments, and alignment with broader climate and biodiversity finance flows were developed to support internal decision-making and external engagement.

This analysis identified priority areas for resource mobilization, assessed potential financing structures, and generated strategic recommendations to guide the continued evolution of GFCR’s financing architecture. Together, these efforts strengthened the institutional and strategic foundations required under Pathway 5, supporting near-term portfolio scaling as well as advancing the longer-term objective of sustaining and embedding reef-positive finance within global ocean finance systems beyond 2030.

VII. Partnerships

Collaboration across the GFCR Coalition remained central to delivery in 2025. Engagement with technical platforms, conservation partners, and finance initiatives supported alignment around shared priorities and practical follow-up from major convenings. These efforts strengthened coordination and set the stage for continued joint work in 2026.

In 2025, partnerships were treated as part of a connected system supporting delivery, credibility, and scale. Collaboration focused on translating shared ambition into practical alignment, whether through joint technical inputs, coordinated visibility at global forums, or exploration of complementary financing pathways.

Engagement across biodiversity and ocean policy platforms ensured that coral reefs and sustainable finance remained visible within global implementation discussions. Rather than operating in parallel, GFCR brought portfolio experience directly into these spaces, sharing lessons from blended finance structuring, pipeline development, and safeguards application to help anchor emerging frameworks in implementation realities. Dialogue with multilateral finance institutions similarly emphasized coherence, examining how catalytic grant funding, risk-sharing instruments, and larger climate and biodiversity financing windows can reinforce one another instead of operating in isolation. These exchanges strengthened pathways for co-development, particularly in Small Island Developing States and coastal contexts where financing gaps remain significant.

Technical collaboration also gained momentum. Exchanges with partners working on marine biodiversity credits, reef insurance, monitoring systems, and conservation finance tools created space for practical learning in both directions. GFCR contributed field-based insights on governance, safeguards, and feasibility, while also drawing from scientific and policy expertise to refine elements of its own delivery model. Science and monitoring partnerships further reinforced the evidence base underpinning the portfolio. Coordination helped align programme-level monitoring with global reef health standards and ensured that investment narratives remain anchored in measurable ecological and social outcomes.

Taken together, these partnerships strengthened GFCR's ability to operate not only as a funding mechanism, but as a collaborative platform, linking science, finance, and policy in ways that support practical reef-positive impact.

Engagement was maintained with the following partners: Biodiversity Credit Alliance; Blue Nature Alliance; Convention on Biological Diversity Secretariat; Global Environment Facility; Great Barrier Reef Foundation; Green Climate Fund; High Ambition Coalition for Nature and People; High-Level Climate Champions; International Coral Reef Initiative; Ocean Action 2030 Coalition; Ocean Risk and Resilience Action Alliance; Pegasus Capital Advisors; Project Zero; General Organization for Conservation of Coral Reefs and Turtles in the Red Sea ; United Nations Development Programme Biodiversity Finance Initiative; United Nations Educational, Scientific and Cultural Organization; Wildlife Conservation Society.

VIII. Communications

In 2025, communications supported delivery by translating programme progress and finance milestones into clear, evidence-based messaging. Major global engagements were accompanied by coordinated messaging, media outreach, and partner amplification. Ongoing content development helped maintain visibility of reef-positive solutions and the GFCR blended finance approach.

In 2025, communications and visibility were fully integrated across GFCR programme operations as a strategic support function to advance delivery, advocacy, partnerships and resource mobilization objectives. Communications were embedded across programme implementation, investment mobilization, monitoring and evaluation (M&E) outputs, and global policy engagement to strengthen GFCR's profile as the leading blended finance mechanism for coral reef resilience and to elevate coral reefs within climate, biodiversity, and sustainable finance agendas.

GFCR communications supported programme objectives through the following core actions:

- Strategic communications and visibility support for GFCR engagements at major global policy moments, including [UNEA-7](#) and follow-up processes, the [Third UN Ocean Conference](#) (UNOC-3) via the Blue Economy & Finance Forum & UNOC-3 engagement page [GFCR at Blue Economy & Finance Forum & UNOC-3](#), and COP-related milestones, ensuring coral reefs and reef-positive finance were positioned as critical solutions to the triple planetary crisis.
- Development and dissemination of collateral communication products translating technical programme results, investment milestones, and [M&E findings](#) into accessible narratives for GFCR partners, donors, policymakers, and investors.
- Amplification of GFCR's blended finance model and programme results and additional programme funding announcements [GFCR approves more than US\\$25M for resilience action](#).
- Coordination of a shared calendar of coral reef, ocean, climate, and finance events among GFCR coalition partners to enhance alignment and partnership building.
- Communication of [programme successes](#), lessons learned, and emerging innovations to the GFCR Secretariat and partners, with an increased focus on reef-positive businesses and technology-enabled finance mechanisms.
- [Coordinated communication](#) with strategic partners leveraging communication channels and platforms.
- Leveraging the voices of GFCR principals in [unified communication](#) collateral.

Communications efforts elevated coordinated messaging from GFCR leadership, UNEP, UNDP and UNCDF senior experts, the UN Secretary-General's Special Envoy for the Ocean, government representatives from supported countries, development finance partners, and frontline champions. Target audiences included policymakers and negotiators across ocean, climate, biodiversity, and finance tracks; multilateral development banks and private investors; donors and philanthropic partners; the UN system; implementing partners; media; and reef-dependent communities.

Key communication products included quarterly newsletters, programme and investment announcements, feature stories, event toolkits, and digital content such as short-form videos and infographics. Primary platforms included the GFCR website, LinkedIn, UNEP and partner channels, and international and regional media outlets. GFCR achieved sustained media coverage across climate, ocean, finance, and development outlets, highlighting blended finance instruments, strategic partnerships, and investment milestones, including resilience funding announcements and the UNCDF portfolio guarantee facility in Papua New Guinea. These engagements reinforced GFCR's policy relevance and broadened external visibility.

Throughout 2025, GFCR consistently applied its visual identity and messaging framework across communication materials. Creative assets supported advocacy, donor engagement, and programme implementation, translating financial and M&E content into clear and consistent messaging. Digital analytics reflected increased reach and engagement, particularly around UNOC-3, COP-related milestones, and investment announcements, with strong partner amplification across platforms.

IX. Policy & Procedures Compliance

Work continued in 2025 to consolidate and operationalize the GFCR policy framework. Progress focused on formalizing key instruments, strengthening guidance for consistent application across programmes, and aligning policies with the Fund's governance documents and TOC.

Led by UNDP, substantial progress was made in strengthening and formalizing the GFCR policy architecture and associated guidance for Convening Agents. A comprehensive suite of policies was finalized and advanced toward Executive Board approval, including the Social and Environmental Safeguards Policy, Risk Management System, Gender Policy, Indigenous Peoples and Local Communities Policy, Stakeholder Engagement Policy, Private Sector Partnerships and Due Diligence Policy, and the Fund-level Grievance Redress Mechanism.

Together, these policies establish the standards required to ensure that GFCR-supported investments are socially inclusive, environmentally sound, risk-informed, and aligned with fund-level accountability requirements. By the end of 2025, the policy compendium had moved from development toward practical implementation, with policies operationalized with Convening Agents and accompanied by guidance notes to support application across programmes. This helped translate fund-level requirements into practical tools for programme design, implementation, reporting, safeguards screening, stakeholder engagement, gender integration, private sector due diligence, and grievance management.

To support practical implementation, REEF+ learning modules were developed, and selected policy materials were translated into French and Spanish to facilitate accessibility across regions. Trainings were also provided to Convening Agents through webinars and regional convenings, alongside training for the UN Global Team programming team, helping strengthen the collective capacity to support policy implementation across the portfolio. Implementation of the Fund-level Grievance Redress Mechanism also progressed through the development and use of a grievance log to track programme-level grievances raised by stakeholders.

Further work is underway to complete remaining components of the framework, including finalization of detailed guidance notes to strengthen safeguards application, gender integration, stakeholder engagement, IPLC considerations, grievance mechanisms, and private sector due diligence processes. Building on the 2025 implementation experience, the next phase will focus on continued uptake by Convening Agents, consistent use of guidance materials, and closer integration of policy requirements into reporting, risk management, programme review, and adaptive management processes.

X. Operations & Coordination

In 2025, governance processes continued to evolve alongside the Fund's expanding portfolio. Executive Board and Technical Working Group meetings provided structured space for strategic direction and decision-making, supported by strengthened documentation and follow-up tracking. Work also progressed on updating the GFCR Terms of Reference (TOR) and Theory of Change (TOC) to better reflect implementation lessons and reinforce alignment with the Strategic Plan 2025-2030.

The GFCR Strategic Plan continued to guide the UNGT's direction and delivery, translating the fund's mission and vision into action through the five pathways to scale coral reef finance.

To strengthen this strategic foundation, the GFCR Terms of Reference and Theory of Change were reviewed during the year to reflect the continued evolution of the fund. The review process incorporated insights from portfolio delivery and feedback from across the GFCR Coalition. Initial TOR updates were presented at the April 2025 Executive Board pre-briefing and subsequently revised in response to Board feedback. In August 2025, at the request of the Government of the United Kingdom, an additional workshop was convened to further refine the TOC, with particular focus on clarifying results pathways. The updated TOR and TOC were then again presented to the Executive Board during the November 2025 meeting. A more detailed summary of the revisions made is available [here](#).

As of December 2025, the GFCR Executive Board comprised 12 members: six Member States (Canada, France, Germany, New Zealand, Norway, and the United Kingdom), three philanthropies (Bloomberg Philanthropies, Builders Vision Philanthropy, and the Prince Albert II of Monaco Foundation), and three Participating UN Organizations (UNCDF, UNDP, and UNEP). The Government of the United Kingdom and UNEP continued to serve as Co-Chairs. During the reporting year, the Government of Norway formally joined the Executive Board.

Three official Executive Board (EB) meetings were planned and organized in April, July, and November 2025. Each meeting was underpinned by a structured preparation cycle, including quality assurance of submissions, consolidation of Board documentation (agendas, run of show, presentation materials, etc.), and timely circulation of the full package to members. Executive Board pre-briefings were convened two weeks prior to each formal meeting to review the agenda and provide space for additional discussions on other priorities. Following each session, decisions were documented, disseminated, and systematically tracked to strengthen institutional knowledge and monitor relevant next steps across the working units.

To further support the smooth execution of these meetings, an EB decisions database was developed to serve as a central platform for all decisions adopted by the EB. In parallel, a comprehensive EB repository, containing documentation from all Board meetings since inception, was also developed and maintained throughout the year to ensure consistent access to official records and supporting documents.



Images: Official agendas of the 2025 GFCR Executive Board Meetings.

In addition, three Technical Working Group (TWG) meetings were convened in June and October 2025 to support technical review ahead of Executive Board decisions. In June, the Kenya-Tanzania programme (led by UNCDF and UNEP) and the Solomon Islands programme (led by WWF) presented their proposals and implementation updates. In October, the Catalytic Finance Foundation presented the results of the Capital Acceleration open call, and the TWG reviewed proposals related to The Bahamas programme (led by TNC) and the One Ocean Finance Facility (led by the UNGT).

These sessions enabled direct exchange between Convening Agents, implementing partners, and TWG and Executive Board representatives. They provided an opportunity to respond to technical and financial questions, clarify delivery approaches, and address risk considerations ahead of formal decision-making.

A breakdown of the decisions taken during the EB meetings is provided below.

Decision #	Decision Name	EB Decision	Approved Allocation
15th Executive Board Meeting			
1501	Revised GFCR Terms of Reference	Postponed	N/A
1502	UNDP Pre-Replenishment Funding	Approved	\$216,905 (UNDP)
16th Executive Board Meeting			
1601	Visibility on Potential Future Replenishments	Approved	N/A
1602	Miamba Yetu - Sustainable Reef Investments Replenishment Request	Approved with Conditions	N/A
1603	Solomon Islands Coral Reef	Approved with	N/A

	Resilience (CRR) Project	Conditions	
1604	GFCR Debt Fund	Approved	N/A
1605	Technical Assistance and Capital Acceleration	Approved with Conditions	\$3,680,319 (Catalytic Finance Foundation)
1606	UN Global Team 2025-2026 Work Plan and Budget	Approved	\$3,614,486 (UNCDF) \$675,935 (UNDP) \$1,267,415 (UNEP)
1607	Solomon Islands Coral Reef Resilience (CRR) Project	Approved	\$1,314,023 (WWF) \$1,303,820 (UNCDF)
1608	Impact Funding for BahamaReefs	Approved	\$1,510,700 (TNC)
1609	Miamba Yetu: Sustainable Reef Investments	Approved	\$360,590 (UNEP) \$1,815,394 (UNCDF)
17th Executive Board Meeting			
1701	Strategic Plan and Revised GFCR Terms of Reference and Theory of Change	Postponed	N/A
1702	2026 Portfolio Prioritization	Endorsed	N/A
1703	UN Fund Relationship with Pegasus Capital Advisors and GFCR Equity Investment Fund	Endorsed	N/A
1704	Coral Summit and GFCR UN Fund Capitalization	Endorsed	N/A
1705	One Ocean Finance Facility	Approved	\$1,500,000

In 2025, the internal systems that underpin GFCR's day-to-day delivery were strengthened. Improvements focused on enhancing coordination, organizing internal systems, and strengthening financial tracking aligned with Executive Board decisions. Key upgrades included the launch of an internal intranet hub for UN Global Team members, consolidation of a 2025-2026 work plan for the UNGT, strengthened recruitment and onboarding processes, and more structured monitoring of financial and budget tools.

Early in the year, an internal intranet page was established to serve as a centralized hub for key documents and working files across all working units. Clearer file pathways and structured reference folders reduced duplication, strengthened version control, and improved continuity during team transitions. In Q3 2025, a consolidated UN Global Team Work Plan for 2025–2026 was developed, aligning deliverables, timelines, and responsibilities across working units under a single planning framework. Presented as part of the broader UN Global Team project proposal during EB16, the Work Plan strengthened internal accountability, clarified sequencing of priority actions, and improved visibility on cross-unit dependencies.

Financial oversight mechanisms were reinforced throughout 2025 to ensure sound fund management and alignment with Executive Board decisions. Quarterly updates to the GFCR financial projections

tool reflected changes in incoming contributions, approved allocations, programme transfers, and operational expenditures, providing a current view of the Fund's financial position and forward commitments. Regular reviews of Secretariat expenditures further supported forward planning and ensured continued alignment with approved allocations and operational priorities.

To translate Board decisions into implementation, the working unit coordinated the preparation and processing of Fund Transfer Requests (FTRs), ensuring that documentation and internal clearances aligned with approved decision language and Administrative Agent requirements. Allocations requiring transfer actions were systematically tracked to support timely execution and financial transparency.

Compliance and risk management processes were also maintained. Due diligence coordination continued throughout the reporting period to ensure adherence to fund-level requirements. While formal HACT and PSEAH assessments were conducted by independent assessors, documentation tracking and follow-up were overseen to support timely completion and alignment with GFCR policies and UN procedures.

These operational refinements were further consolidated through updates to the GFCR Operational Manual. The revisions incorporated procedural clarifications emerging from implementation experience, strengthening alignment between documented guidance and current practice.

Throughout 2025, reporting processes were coordinated to ensure timely, consistent, and transparent communication of portfolio-wide progress. Structured timelines, clear guidance, and consolidated inputs supported alignment across narrative, financial, and results reporting streams.

Reporting efforts were undertaken in close collaboration with Convening Agents, and other relevant partners, as applicable. This coordination facilitated harmonization of inputs, clarification of data requirements, and resolution of inconsistencies, contributing to improved completeness and accuracy across submissions.

In addition to planned reporting cycles, ad hoc reporting requests from donors and partners were addressed throughout the year. These efforts ensured continued responsiveness, reinforced transparency, and supported informed decision-making by the Executive Board and external stakeholders.

XI. From Demonstration to Scale

At the midpoint to 2030, the GFCR enters a new phase of implementation. Across its first five years, the Fund has focused on establishing the foundations necessary to test, demonstrate, and strengthen reef-positive solutions across diverse geographies and contexts. This has included developing investment pipelines, supporting enabling policy and institutional conditions, building partnerships, piloting financing mechanisms, and strengthening the systems needed to connect conservation outcomes with local economic resilience. Across the portfolio, these experiences have generated a growing evidence base, not only on what works, but also on the conditions required for long-term delivery.

Implementation experience across regions reinforces that progress rarely emerges through a single intervention in isolation. Programmes showing the strongest traction increasingly connect multiple functions across the reef finance continuum: science and planning informing investment priorities; technical assistance supporting enterprise development; financing mechanisms reducing risk; and conservation systems linked to local livelihoods and economic value creation. Across geographies, experiences have demonstrated that conservation outcomes are strengthened where finance, institutions, and local delivery systems reinforce one another over time.

The portfolio also reflects differing levels of maturity across countries and regions. In several programmes, early proof points are beginning to evolve into broader financing pathways. Locally retained MPA revenue systems, conservation trust funds, guarantee-backed lending facilities, entrepreneurial MPA models, debt conversion mechanisms, and blended finance structures are increasingly moving beyond stand-alone pilots and becoming embedded within wider national and regional systems. At the same time, many opportunities continue to require additional structuring, technical assistance, and adaptation before they are positioned for larger-scale investment and implementation. The persistent “missing middle” identified across reef geographies remains a significant constraint, particularly within SIDS and developing reef economies where market limitations, transaction costs, and financing barriers continue to affect implementation pathways.

Experience to date has also demonstrated that pathways to scale are not linear. Models that generate results in one geography may require substantial adaptation elsewhere, while emerging opportunities continue to reveal new financing needs and delivery approaches. As programmes mature, implementation increasingly becomes a process of strengthening what is working, while continuing to identify gaps and develop responses where constraints persist. This learning process remains central to the GFCR approach and reinforces the importance of flexible technical assistance, partnerships, and continuous learning systems capable of informing implementation decisions over time.

The period to 2030 therefore presents an opportunity to strengthen the broader systems required for reef-positive action to endure. Priorities moving forward include strengthening national and regional investment ecosystems, expanding pathways from technical assistance to finance, supporting domestic financial institutions and financing vehicles, strengthening knowledge and learning systems, and connecting finance mobilisation more directly to ecological and community outcomes. Through its five Pathways to Scale, GFCR is positioned to build on the foundations established during its first

phase while continuing to support the partnerships and delivery systems needed to respond to evolving priorities and opportunities.

Coral reefs continue to face accelerating ecological and economic pressures. The challenge ahead is therefore not solely one of increasing capital flows, but ensuring that the systems surrounding finance are capable of sustaining long-term action. The next phase of the GFCR will ultimately be defined by its ability to translate experience, partnerships, and practical learning into more connected and durable pathways for coral reef resilience.

Annexes

ANNEX A: Key Links

- [Website](#)
- [GFCR Deck](#)
- [Terms of Reference](#)
- [Social and Environmental Safeguards Policy](#)
- [Stakeholder Engagement Policy](#)
- [Risk Management System](#)
- [Gender Policy](#)
- [Indigenous Peoples and Local Communities Policy](#)
- [Private Sector Partnerships Due Diligence Policy](#)
- [Grievance Redress Mechanism Policy](#)
- [GFCR MPTF Page \(Trustee page holding project documents, reports, etc.\)](#)
- [Investment Principles](#)
- [Strategic Plan](#)
- [Executive Board Rules & Procedures](#)
- [M&E Framework](#)
- [REEF+ Database of Solutions](#)

ANNEX B: GFCR Case Studies & Knowledge Products

- [Case Studies](#)
 - [UNCDF Guarantee to bridge the financing gap for reef-positive MSMEs in Papua New Guinea](#)
 - [Blending of enterprise development for fisheries with de-risking mechanisms in Honduras](#)
 - [Financing sustainable shrimp farming in Belize: Royal Mayan Shrimp Farms](#)
 - [Emergency response and risk financing for coral reefs in the Bahamas](#)
 - [Addressing wastewater pollution in MPAs using waste-to-value treatment plants along the Kenyan coast: Sanivation](#)
 - [Facilitated finance for a sustainable fishing fleet in Colombia](#)
 - [Structuring sustainable finance for MPAs in Colombia: Seaflower Fund](#)
 - [Marine Protected Areas blended finance vehicle: Philippines, Tanzania, and Indonesia](#)
 - [Sea cucumber community-based aquaculture: AQUAHUB, Tanzania](#)
 - [Sustainable mooring infrastructure for reef protection in Indonesia: Raja Ampat Mooring System](#)
 - [First ever debt-for-nature swap for coral reefs launched in Indonesia](#)

