



GLOBAL FUND FOR CORAL REEFS

<p>Programme Title: Miamba Yetu: Sustainable Reef Investments</p>	<p>Recipient Organisation(s): Convening: WCS, CO-recipients: UNCDF (Blue B Implementing Partners: Okavango Capital, Partners: Conservation Capital</p>
<p>Programme Contact: Simon Cripps, WCS Global Marine Program Executive Director, scripps@wcs.org Jennifer O'Leary, Regional Marine Program Coordinator, joleary@wcs.org Ray Victurine, WCS Director Business & Conservation, rvicturine@wcs.org</p>	<p>Programme Location: Transboundary area of Kenya and Tanzania - region from Malindi to Dar-es-Salaam, including Zanzibar and Pemba.</p>
<p>Programme Description: This early-stage programme will support the incubation and development of businesses that will contribute directly and indirectly to the conservation of coral reefs in the region. The programme will generate new business opportunities and develop a pipeline of projects that will attract private sector investment whilst delivering conservation benefits to reef ecosystems through sustained income streams for conservation or reducing negative impacts. The programme will work to leverage GFCR funds to generate additional investment in support of coral reef conservation.</p>	<p>Grant Allocation Approved by GFCR: -WCS: \$1,320,000 -UNCDF (Blue Bridge): \$1,815,394</p> <p><small>As per GFCR Executive Board decision, disbursements will be determined based on fiduciary assessment, expenditures and GFCR Secretariat's performance review.</small></p> <p>Proposed Start Date: <i>January 2022</i> Proposed End Date: <i>December 2023</i></p> <p>The project start date will be triggered by the first tranche of disbursement from GFCR.</p>
<p>Key expected results:</p> <ul style="list-style-type: none"> • Completed scientific/feasibility studies to gain greater understanding of key hot spots and of the value of ecosystem services provided. • Reduced pressure on coral reef ecosystems by improving the livelihoods of people living in and around coral reef systems in the region through investment in sustainable enterprises, while building climate resilience. • Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats. • Establishment of a "venture studio" in the region to incubate start-up projects that can later receive blended financing through the programme. 	



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- Triage evaluation of the economic and coral reef benefits of the projects prior to investment.
- Successful early-stage investments to test and implement the approach.

Signature of Recipient Organisation:

Print: wildlife Conservation Society
 Organisation _____
 Name Mark Gately
 Title Regional Director, East Africa

Signature: [Redacted Signature]

Date: 15-Nov-2021

National Coordinating Authority

Name of institution: _____

Name of representative: _____

Official support letter(s) attached

Signature of UNCDF:

Print Name: Preeti Sinha

Title: Executive Secretary

DocuSigned by:
 Signature: [Redacted Signature]

Date: 07-Dec-2021

Signature of Executive Board UN Representative:

Organisation: UNDP
 Print Name: Andrew Hudson
 Title: Head of [Redacted] ance

Signature: [Redacted Signature]

Date: 08-Dec-2021

BUDGET BY UNDG CATEGORIES

All in USD

	WCS	UNCDF	TOTAL
1. Staff and other personnel	829,246	121,800	951,046
2. Supplies, Commodities, Materials	1,574	-	1,574
3. Equipment, Vehicles, and Furniture (including Depreciation)	-	-	-
4. Contractual services	114,970	-	114,970
5. Travel	179,342	-	179,342
6. Transfers and Grants to Counterparts	-	1,574,830	1,574,830
7. General Operating and other Direct Costs	108,513	-	108,513
Total Direct Costs	1,233,645	1,696,630	2,930,275
8. Indirect Support Costs (Max. 7%)	86,355	118,764	205,119
TOTAL Budget	1,320,000	1,815,394	3,135,394



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FACT SHEET

Title of the proposed Programme: *Miamba Yetu: Sustainable Reef Investments*

Convening Agent: *WCS, Simon Cripps (scripps@wcs.org), Jennifer O'Leary (joleary@wcs.org), and Ray Victurine (rvicturine@wcs.org)*

Co-Implementing recipient organisation(s): *Okavango Capital Partners, Josep Oriol, (j.oriol@okavango-capital.com) and Giles Davies, Conservation Capital (g.davies@conservation-capital.com)*

Name of coral reef site(s) or project area(s): *Kenya - Tanzania Transboundary Conservation Area, Including Zanzibar*

Period of implementations (years and months): *2 Years*

Start date (month, year): *January 2022*

End Date (month, year): *December 2023*

Total grant programme amount:

GFCR Grant Window contribution: USD 3,000,000

Other sources of grant co-financing: *None*

Leverage and co-financing ambition:

Total investment capital leverage: *TBD*

GFCR Investment Window: *TBD*

Public investment if any: *TBD*

Private investment if any: *TBD*

Relevant objective/s from national strategic document/s:

- TBCA initiative was presented jointly by the Tanzanian and Kenyan governments at the 8th Conference of Parties of the Nairobi Convention in June 2015, and the concept was subsequently endorsed by the member states. Stakeholders' current engagement to the creation of the TBCA was confirmed in a joint commitment at the UN Oceans Conference in June 2017 led by the Secretariat of the Nairobi Convention, in collaboration with the Kenyan and Tanzania governments (ICT Authority. (n.d.). Enterprise Kenya, <https://icta.go.ke/business-kenya>).

- The project also aligns with priority actions identified by the East Africa Coral Reef Task Force (CRTF) as detailed in the Regional Coral Action Plan 2008. The Action Plan was produced by the CRTF to fulfil the requirements of the Nairobi Convention COP decision CP3/2 'to implement actions that address the loss and degradation of coral reefs in the WIO region

- aligns with the climate change strategy in the WIO as per the Nairobi Convention Conference of Parties decision CP8/8: Climate change adaptation and mitigation and the "Strategic action programme for the protection of the WIO from land-based sources and activities" (WIOSAP) that aims to reduce the impacts from land-based sources and activities and sustainably manage critical coastal-riverine ecosystems.

- Kenya sits among the 14 countries on the High-Level Panel for a Sustainable Ocean Economy (Ocean Panel), an initiative that further highlights Kenya's enthusiasm for identifying innovative solutions that will protect the ocean and develop ocean-based economic opportunities.



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SDG targets and relevant gender markers on which the progress will be accelerated (includes targets from a range of SDGs and development pillars):

The below list of SDG targets are the primary ones identified as part of this program. Some specific investments will also contribute to meeting other goals.

Primary SDG Goals include:

Goal 5: **Achieve gender equality** will occur as part of the project's efforts to build social equity through investments that improve livelihoods and assure access to opportunities and benefits for women. (SDG targets to be addressed: 5.5, and 5.A)

Goal 8: **Promote sustained, inclusive and sustainable economic growth** will result from proposed incubation activities through creation of a venture studio/hub and support for micro, small, and medium sized enterprises that focus on the blue economy and promote sustainable tourism (SDG targets to be addressed: 8.3 and 8.9)

Goal 13: **Combat climate change and its impacts** represents a priority in the region and investments that can contribute to both climate change mitigation and adaptation will be included in the investment portfolio. Potential investments in blue carbon as both climate mitigation and livelihood strategies will be prioritized. (SDG 13 targets to be addressed: 13.1, 13.3)

Goal 14: **Conserve and sustainably use the oceans, seas and marine resources** - the program will focus on coral reefs specifically and the blue economy generally and develop opportunities that directly and indirectly benefit the long-term management and protection of coral reefs and their supporting systems. (SDG 14 targets to be addressed: 14.1, 14.2, 14.4, 14.5, 14.6, 14.7, 14.A, 14.B)

Goal 17: **Global partnership for sustainable development** will be enhanced through the development of blended financial instruments, new venture development, and leveraging of resources from different actions operating in the region. In order to achieve its results, the project will engage with a broad array of stakeholders, including UN organizations, other multilateral and donor organizations, NGOs, the private sector, financial institutions and communities involved in marine and reef conservation in the region. (SDG 17 targets to be addressed: 17.1, 17.3, 17.7, 17.9, 17.16)

Specific projects will contribute to meeting other SDGs. These include the following additional goals:

Goal 1: No Poverty, Goal 7: Affordable Clean Energy, Goal 10: Reduced Inequalities, Goal 11: Sustainable Cities and Communities, Goal 12: Responsible Consumption and Production and Goal 15: Life on Land.

Relevant GFCR outcomes:

The project primarily will focus on the first two outcomes presented in the GFCR terms of reference.

- **Protect priority coral reef sites and climate change refugia** – the target region is rich in biodiversity and at a lower risk to climate change than surrounding locations in the Western Indian Ocean due to run-off through a deep coastal basin providing thermal stability.

- **Transform livelihoods of coral dependent communities** - Overfishing and destructive fishing practices need to be addressed through development of livelihood initiatives tied to coral reef



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Ecosystem Area Protected

	Area (ha)
Coral Reefs	TBD
Mangroves	TBD
Seagrasses	TBD
Total	TBD

Types of activities supported:

The project will focus on a variety of programs and include the potential for the following

- Visitor facility/aquarium (virtual reality)
- Ecotourism
- Blue carbon
- Forestry
- Plastic recycling
- Water fund financing
- Venture Studio
- (others TBD)

Estimated Number of Beneficiaries

Please briefly indicate how many local people will benefit from the programme activities. Revise the table below as needed

	Number of People
Local employment (new jobs created)	TBD
Increase in income	TBD
Subsistence Fishing (subsistence fishers benefiting from greater yields)	TBD
Number of homes, businesses and other infrastructure with greater coastal protection	TBD



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SELF-ASSESSMENT

Eligibility criteria	Yes/No
The proposal reflects a comprehensive ecosystem approach to mitigating direct and indirect drivers of coral reef degradation.	Yes
The proposal is based on a blended finance approach. Inclusion of innovative business models and financial instruments to catalyse private sector engagement and investment into coral reef conservation and resilience initiatives and business models.	Yes
The proposal benefits local communities and engages local stakeholders in implementation and governance to ensure local ownership.	Yes
The proposed results are aligned with national SDG priorities and strategic documents.	Yes
The proposed Programme is endorsed by the government.	Yes
The proposal is based on country consultations, as explained in the programme document, and efforts have been or will be made to secure Programme government endorsement of the full proposal (the Letter of Endorsement)	Yes
<p>The proposal is based on the standard template for the programmatic document, it is complete, and it includes:</p> <ul style="list-style-type: none"> • Theory of Change demonstrating contribution to GFCR Outcomes • Results-oriented partnerships • Environmental and socio-economic baseline data is available and/or there is a strategy in place to collect data • Targeted results have clear measurable indicators that are linked to the GFCR Results Framework found in the Fund TOR. • Blended solutions (transactions) and substantive outcome-level results with leverage potential. • The programme includes quick wins and a longer-term vision for sustainable financing for coral reef conservation and resilience. • Risk assessment and mitigation measures. 	Yes
The proposal is expected to use the requested grant capital to leverage investment window or other private sector investment at a minimum ratio of 1:4.	Yes

1. Executive Summary

The focal area of the project is centered around the Trans-boundary Conservation Area (TBCA) across Kenya and Tanzania and stretches from north of Malindi in Kenya to Dar Es Salaam including Zanzibar and the Pemba Channel. Past and future projections of coral bleaching suggest this region is at a lower risk to climate change than surrounding locations in the Western Indian Ocean (WIO) due to run-off through a deep coastal basin providing thermal stability. The region is rich in biodiversity and is characterized by fringing reef, mangroves, rocky shores, seagrass beds, intertidal reef flats, muddy or sandy flats, and a range of iconic species. Multiple MPAs exist within the TBCA.

Problem statement

The coral reefs within the TBCA are of key importance to the livelihoods of the coastal peoples of Kenya and Tanzania. In Kenya, threats to the reefs include fisheries over-exploitation, destructive fishing practices, habitat degradation, uncontrolled development, plastic and wastewater pollution. In Tanzania, destructive fishing practices, sedimentation from coastal run-off, habitat loss, climate change and coastal development are key threats.

Solutions

Financial incentives and blended finance, including concessionary loans, loan guarantees, sustainability bonds (nature stewardship bonds and corporate sustainability) and equity-driven impact investment, are expected to unlock new capital to protect key coral reefs through the reduction of threats from fisheries overexploitation, pollution and habitat loss. As the convening agent, WCS is partnering with Okavango Capital Partners, Conservation Capital and a range of local and specialist actors in the field of conservation finance such as Blue Finance, to design a funding pipeline that will include a range of innovative funding and investment vehicles through which to develop and finance investable projects. We are using a range of eight carefully structured appraisal categories to assess opportunities and organize possible funding responses. The program will include multiple approaches including the development of a “venture studio” to identify and incubate projects and specific investment-ready opportunities. The project also proposes a number of highly innovative financing mechanisms designed to provide long-term support to the fragmented and difficult to finance but nonetheless aggregable activities common in these seascapes, as well as a technical assistance mechanism to appraise and develop investments that can make an important and discernible positive impact on coral reef integrity and health. We are adopting a long-term view in capturing investment-ready opportunities today, but also developing the funding and technical assistance mechanisms required to curate a wealth of small, highly valuable, but currently difficult to finance local-level initiatives into the scaled commercial investment-ready initiatives of tomorrow.

Whilst the specific opportunities for investment are being determined during the design phase of the pipeline development and tested during the implementation phase, several example projects and sectors of work indicate that the area has considerable potential for both attracting funding and achieving significant coral reef conservation aims. Sectors in the region include: tourism and ecotourism; blue carbon (mangroves and seagrass); coastal infrastructure (ports and defense-related); waste (particularly plastic recycling and other waste disposal); fisheries (small-scale, coastal); and aquaculture

Projects that initially show potential include:

- Sustainable financing facility: collaborate to innovate new projects and approaches for conservation and provide revenue streams for local communities.
- High-end socially responsible eco-tourism developments supporting coral reef conservation and community developments.
- Community plastic recycling in the Mombasa MPA: collect and recycle plastic, to create incentives for sustainable income and clean reefs.
- Empowering small-scale fishers and mariculture initiatives to access markets while ensuring safeguards.
- Blue carbon in Vanga (Kenya), Mkinga (Tanzania) and Pemba (Zanzibar): protect and restore mangroves and seagrass in locally managed marine areas (LMMAs) selling certified offsets as a profit.
- Marine aquarium at a major public beach to educate the public, create awareness, and generate revenue.

During this first phase, the project also focus on developing the ecological baseline and financial mechanism to assess and monitor projects moving forward. Protocols and procedures will be developed to evaluate potential opportunities from an ecological and financial perspective. To ascertain which projects are suitable for further development, sufficient evidence is required of each project to determine if they exceed GFCR and the proposal team's environmental and economic thresholds, i.e. that the benefits on the reefs are tangible and the predicted financial performance is acceptable.

This proposal is then designed to showcase several opportunities that could be worked into sustainable funding mechanisms with either direct (e.g. pollution reduction), and/or indirect (e.g. providing funding streams) positive impacts on coral reefs. This first phase will determine which projects are worth investing and will setup the mechanism to invest in them.

The project will be launched in early 2022 and focus initially on the development of early deals (one in Kenya and one in Tanzania) while building new opportunities through the venture studio. The project will then develop all the fundamental tools and expertise needed to grow the scale of investments in future years.

2. Programme Strategy

The project has developed a strategy based both on the development, incubation and scaling of new enterprises and the financing of small and medium-sized enterprises. Figure 1 demonstrates the general approach. The programme anticipates that an initial grant will support required start-up activities including the launch of the venture studies (incubator) as well as provision of technical assistance. Technical assistance will be important not only to ensure the financial and technical feasibility of the projects but also to ensure that projects are contributing to reefs conservation. The baseline assessment of the reefs in the region will provide the necessary support to the monitoring and evaluation phase.

2021		2022-2032				
Feasibility Grant	Design and Launch Grant	Intervention	Concept	Deals (examples)	Capital Stack	Partners
		SME Facility	<ul style="list-style-type: none"> 6-10 SME 0.5m-10m USD Mezzanine / Equity 	<ul style="list-style-type: none"> Ecotourim Acquarium Recycling Aquaculture Forestry 	<ul style="list-style-type: none"> Equity 1st loss Repayable grants 	<ul style="list-style-type: none"> WCS TA OCP TA
		Commercial Facility	<ul style="list-style-type: none"> 3-5 Projects 10m+ USD Depth, equity 	<ul style="list-style-type: none"> Ecotourims Infrastrucutre Blue Carbon Renewables 	<ul style="list-style-type: none"> Equity 1st loss Repayable grants 	<ul style="list-style-type: none"> WCS TA OCP TA Pegasus Local partners
		Venture Studio	<ul style="list-style-type: none"> 10-20 Startups 50k-250k USD Equity, SAFE notes 	<ul style="list-style-type: none"> Seaweed Ecotourism Cold chain SSF 	<ul style="list-style-type: none"> Equity 1st loss Repayable grants 	<ul style="list-style-type: none"> WCS TA OCP TA Incubator
		Blue Bonds	<ul style="list-style-type: none"> TBD projects 	<ul style="list-style-type: none"> Ecotourims 	<ul style="list-style-type: none"> Grant Debt 	<ul style="list-style-type: none"> WCS TA OCP TA

Figure 1: Programme pipelines with proposed type of funding opportunities, examples of potential deals, type of capital required, and partners involved.

The proposed approach is designed to respond to the existing conditions and possibilities in the region and is consistent with the theory of change.

Our theory of change involves three outputs and four cross-cutting themes that will collectively mitigate seven key reef threats and lead to healthy coral reef systems in the TBCA. Figure 2 provides the theory of change.

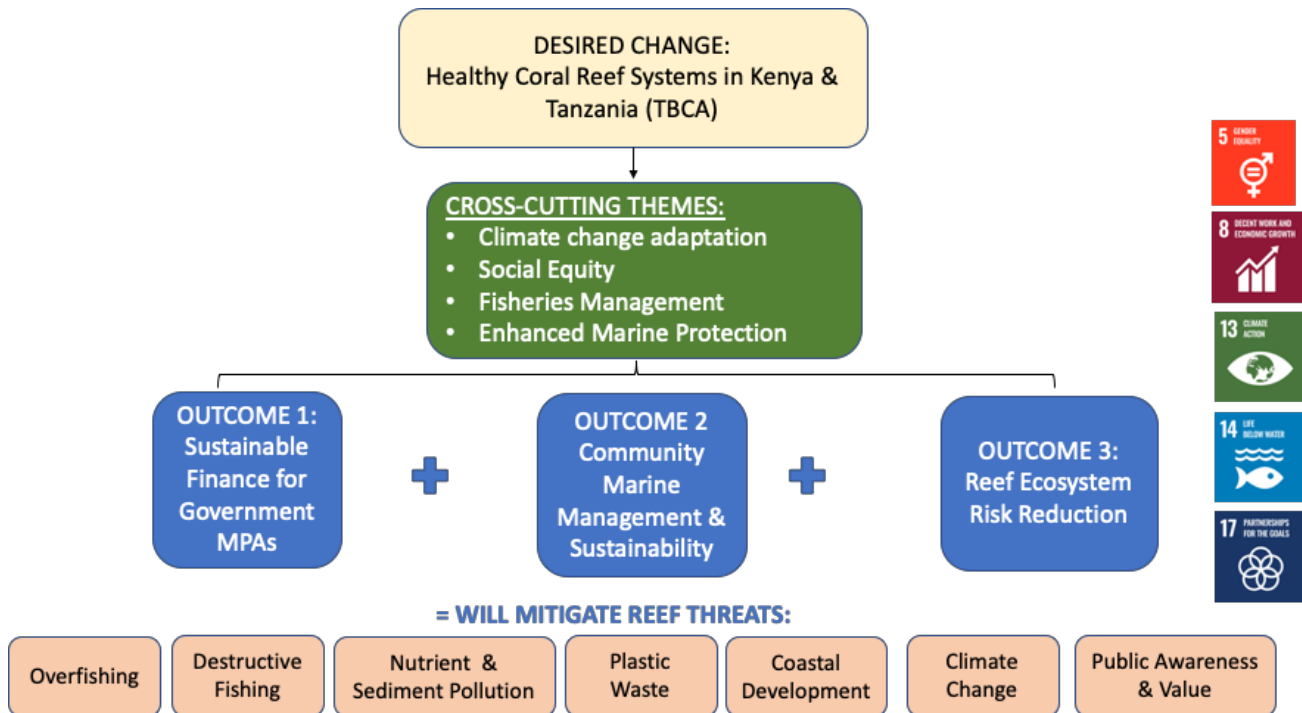


Figure 2: Diagram of the Theory of Change for the Programme highlighting cross cutting themes, expected outcomes and the threats that these are mitigating.

The project has identified potential areas of investment focus that are either ready or that could be developed as start-up investments. The potential options are listed by outcome below.

Outcome 1: MPA Sustainable Finance

The MPAs have the potential to provide ecological, social and economic benefits. Effectively managed MPAs can also mitigate the impacts of human use including reduction to overfishing and destructive fishing that together with climate change have the greatest impact on coral reefs. Reducing these pressures increases the resilience of coral reefs and mitigates the impacts of climate change. However, financing is one of the leading limitations for managing MPAs. Most government MPAs lack the basic resources (human, infrastructure, and finances) for management. This is due to inadequate allocation from the national government or inadequate revenue. Most MPAs are dependent on tourism and visitor revenues that are often insufficient and unstable. In addition, some MPAs are situated in remote areas (e.g. Tanga area) that are unlikely to attract enough tourists. This results in poorly resourced MPAs that fail to meet their conservation and social goals. The Kenyan fisheries closure is very well enforced, but the gear reserves are not demonstrating enhanced coral cover or fish stocks. The Tanzania closure in Tanga Coelacanth Marine Park is demonstrating some enhancement of reef fish stocks, but the four smaller marine reserves (fisheries closures) are not demonstrating enhanced reef cover or fish stocks due to lack of enforcement and management.

The initiatives proposed for Outcome 1 (examples listed below) are critical to provide more sustainable revenue for MPAs. Having sustainable revenue sources will enable MPAs to increase enforcement and community engagement in behavior change processes, and thus lead to fully protected MPAs that provide the expected benefits to corals (coral reef recovery). Options identified include a virtual reality visitor center in an urban MPA, plastic recycling, ecotourism, and blue carbon. For example, there are no marine aquariums or substantial reef information centers in either Kenya or Tanzania. The Mombasa Marine Park in Kenya has 10,000 plus visitors—mainly domestic tourists—per week to the beach within the MPA. Most of these never visit the reefs themselves, and do not know they are in an MPA. There is both a major need for enhanced public understanding of reefs and their threats (which can enhance policy focus on reefs) as well as an opportunity to build a virtual reality learning center in the Mombasa Marine Park with hands-on exhibits that can provide sustainable finance for this urban MPA. There is also substantial plastic waste in all coastal areas of the TBCA. In the MPAs, this is collected periodically and burned. However, this could become a source of income that could sustain long-term beach cleanup programs. Blue carbon through protection of mangroves and seagrass has potential to support MPA finance in Tanzania, where MPAs include large swaths of mangroves that are heavily harvested and not well managed even within MPA boundaries. Finally, identifying unique attributes and marketing these for high-end international tourism and other options to enhance less expensive but more frequent domestic tourist visitations could improve revenue streams.

As human impacts on coral reefs can be greatly minimized if stakeholders are aware and engaged in reducing harmful practices, these proposed initiatives are designed to bring together the key stakeholders of the MPAs in their implementation.

Illustrative Projects under Outcome 1:

MPA Finance

- Virtual reality “aquarium”
- Blue carbon
- Plastic recycling
- Ecotourism development

Outcome 2: Community Marine Management and Sustainability

Under this outcome, we focus on activities that directly involve communities and that have the potential to be collectively scaled, thereby affecting change across the landscape. The direct involvement of communities in these activities will produce rapid and direct benefits to coral reefs specifically targeting mitigation from overfishing and habitat loss. Identified focal areas include identification of climate refuge reefs for protection, blue carbon at community scales, support of aquaculture, and support of fisheries value additions. We can determine key locations that can serve as climate refugia (based on temperature models, coral cover and condition, and fish biomass & connectivity). These areas can be prioritized for expanding networks of community closures (or locally managed marine areas), thus enhancing the area of reefs that are under protection. Further, this analysis will allow identification of fish biomass hotspots that can help optimize fishery patterns (through new gear restrictions) resulting in more sustainable fishing behaviors ultimately reducing pressure on the ecosystem. The identified areas can also serve as areas for ecotourism development by private investors and provide sustainable financing for the new

management measures. Actions will also include development of blue carbon projects at community scale (1-5 km²), where communities will create additional local seagrass and mangrove closures, which will result in mitigation of nutrient and sediment pollution and overfishing and provide community revenue streams through sale of carbon credits. Focus on alternative livelihoods and food sources (e.g. aquaculture) and enhanced value and preservation of fish will reduce reef reliance, and serve to alleviate pressures to reefs while enhancing community wellbeing and stability.

Illustrative Projects Under Outcome 2:

Community Management & Sustainability

- Identifying climate refugia for protection
- Blue carbon
- Ecotourism development
- Aquaculture & fisheries value addition coupled with reef protection

Outcome 3: Risk Ecosystem Reef Reduction

Beyond the work within MPAs and communities, there are some measures that can be developed and implemented to reduce ecosystem-wide risks and threats to coral reef systems. These include watershed-wide protection through water fund investments, reforestation in degraded areas, wide-scale plastic recycling, infrastructure development, and mitigation of emerging coastal development projects. For example, The Nature Conservancy (TNC) has established a mechanism (in place in Nairobi, Kenya) that enables companies to benefit from clean water by investing in watershed restoration and protection. Investors include major companies such as Coca-Cola. TNC is in the process of developing water funds in the TBCA in Mombasa, Kenya and in Tanga, Tanzania, and when launched, these could result in major reductions to sediment and nutrient pollution to coral reefs. In addition, targeted reforestation and development of sustainable fuel alternatives and stoves could reduce erosion and thus sedimentation to reefs. Plastic recycling is a need throughout the TBCA (and indeed the Kenya and Tanzania coasts), and can both reduce waste, generate revenue streams, and result in new products (e.g. building materials from recycled plastics). Currently, waste in both countries is either not collected at all or is burned, resulting in air pollution and release of toxic chemicals. Plastic waste is ubiquitous in the marine environment, detracting from ecotourism, causing deaths of iconic species such as sea turtles, covering corals in urban areas, and causing micro-plastics that are ingested by corals and reef fish, increasing disease. The TBCA lacks major infrastructure to process sewage and other waste products and this could also become an area for investment that would reduce pollutants from reaching reefs. Finally, there are some major developments in progress in the TBCA including: a new port (of unknown scale) in Shimoni, Kenya; a new oil pipeline that has its outflow in Tanga, Tanzania; and a new large-scale port being developed in Tanga, Tanzania. All of these have needs for mitigation strategies and investments to ensure harm to reefs is minimized.

Illustrative Projects Under Outcome 3:

Reef Ecosystem Risk Reduction

- Watershed protection (Water Funds)
- Reforestation

- Plastic Recycling
- Infrastructure
- Mitigation of impacts of coastal development projects

In the following we present several possible commercial opportunities for which we envision different type of financial requirements and associated facilities such as: SME facility, commercial scale facility, Venture Studio, and blue bond facility. Different facilities will target different types of business opportunities and financing options and will enable the program to achieve the described Outcomes.

3. Specific Interventions

In this feasibility phase, the project team has identified several interventions for development and funding that would potentially have beneficial impacts on and contribute to the conservation of the reef systems in the region. We have focused on both investment ready opportunities as well as taken a long-term view by identifying opportunities for funding and technical assistance to curate a wealth of small, high value but currently difficult to finance local level initiatives that we expect will scale into the commercial investment ready initiatives of tomorrow. As part of the feasibility work, the team created a system of eight appraisal categories to assess identified opportunities and organize possible funding responses. These categories appear in Table 1.

	Going Concern	Start Up / Concept	Present Target Area	Not Present but Important	Investment Ready	Scaled Impact in Focal Area	Small Scale Impact	Impact only in Wider Area	Can Absorb \$2-5m	Needs Aggregation (and Can Be)	Market Returns
Category 1		X		X			X	X		X	
Category 2		X	X				X	X		X	
Category 3		X		X		X		X	X		
Category 4		X	X	X		X	X			X	
Category 5		X	X			X	X			X	
Category 6	X		X		X		X	X		X	
Category 7				X	X	X		X	X	X	
Category 8	X			X	X			X	X		

Table 1: Categories 1 through 5 are existing business or ventures that are at some stage of investment readiness while the last three categories (6-7) are earlier ventures or start-ups, although category 7 is differentiated as including concerns that may exist but are at such an early stage that they would not differ much from a start-up enterprise.

Organization	Country	Description	Impact	Funding required (USD)
Marine Cultures	TZ	Coral reef restoration, Sea Sponge and Sea Cucumber farming in Zanzibar. Promotes sustainable fishing by establishing no Fishing Zones and closed seasons for fishing to allow restocking of fish stock. Trains organizations and communities on conservation. Looking at exporting corals for the business to be financially independent.	1. Coral reef restoration 2. Improved livelihoods through job creation.	\$ 240,000.00
Mwani Zanzibar	TZ	Processes sea weed into skincare products and works mostly with women. Planning to scale the business to reduce dependency on tourism and start a conservation community project.	1. Women empowerment through job creation and increased Income 2. Improved livelihoods as a result of creation of economic opportunities.	\$ 500,000.00
Watamu Marine Association	KE	Promotes conservation and sustainable use of resources. Manages waste through Plastic recycling and conservation through sustainable Ecotourism in partnership with communities and other stakeholders. The business is looking to scale recycling in the coastal region.	1. Reducing plastic pollution and protection of marine life 2. Improved livelihoods from economic opportunities such as up cycling of waste	\$ 686,000.00
Chumbe	TZ	Manages MPA in Chumbe Island. Promotes conservation through educational programmes for different stakeholders, sustainable Ecotourism- facilitated thru an Ecolodge, coral reef, biodiversity and forest reserve protection.	1. Coral reef conservation 2. Improved livelihoods through creation of economic activities 3. Protection and conservation of biodiversity	\$2,514,628.00
&Beyond / Africa Foundation	TZ	Promotes conservation through sustainable Ecotourism activities in protected areas. &Beyond in collaboration with Manta are developing a MPA- in early negotiation phase with the government. Africa foundation helps improve local livelihoods and protection of coral reefs and ecosystems in collaboration with other organizations such as Ocean without Borders.	1. Improved livelihoods and resilient communities through creation of economic opportunities 2. Conservation of marine resources	\$ 619,450.00
Centre for Environment Justice and Development (CEJAD)	KE	Works with communities to reduce the prevalence of ocean plastics and creates a conducive environment that allows natural regeneration of coastal ecosystem and marine flora and fauna, significantly contributing to biodiversity conservation.	1. Reducing plastic pollution and protection of marine life 2. Improved livelihoods through creation of economic opportunities	\$ 125,000.00
Adam Tuller (Africa Conservation Trust and Tuller Fish Farm and Forestry)	KE	Coral reef restoration in Diani Chale reserve, promotes sustainable fishing through aquaculture and forestry reducing the deforestation of Mangroves in Tanga, Tanzania. Looking at developing Eco houses that are self sustainable.	1. Improved livelihoods through the provision of alternative economic opportunities 2. Coral reef restoration 3. Conservation of Mangrove forest by providing of an alternative source of wood.	\$7,000,000.00
Kwanini/Manta	TZ	Currently Manages MPA funded through tourism. The Marine Conservation area has no fishing zones leading to increased fish population. They are working on a project that will develop revenue models for the effective management and sustainable financing of MPAs in Pemba island in partnership with other stakeholders such as Blue finance, Althelia. Phase I of the proj is with the Kwanini MPA part of the Makangale and Tondooni MZ. Phase II is the Pemba-Mnemba Blue corridor. Both MPAs sum >100,000ha of coral reefs and mangroves. Critical finance will be generated through innovative eco-tourism programmes, under-water tourism facilities, blue carbon credits from mangrove restoration, and sustainable crab farming.	1 Coral reef conservation and restoration 2. Improved livelihoods through creation of economic opportunities 3. Protection and conservation of biodiversity	\$1,200,000.00

Table 2: List of scoped opportunities awaiting further assessment. A preliminary classification has been conducted to assess potential impacts on coral reefs and financial needs.

WCS and OCP started the process of scoping for possible opportunities in Tanzania and Kenya and conducted preliminary assessments on their ecological and financial value. Table 2 summarizes the characteristics of some of the opportunities scoped so far. Of the opportunities scoped during this preliminary assessment, some will be selected for further analysis with the goal of shortlisting the most

promising opportunities for further development and implementation in the next phase. In the following, some of the scoped investments are considered in more detail and the associated potential pipelines described in detail.

SME Facility - INVESTMENT IN OR ALONGSIDE OKAVANGO FUND

This intervention offers two avenues to GFCR, depending on its preferred approach:

- **Option 1:** An investment into an existing SME focused PE fund that is nearing its 1st close (target 4Q2021). The investment would catalyse other capital providers and be “earmarked” for deployment in coral reef related business.
- **Option 2:** Creation of a co-investment vehicle that would invest alongside Okavango Fund in Okavango pipeline transactions when they are relevant to WIO coral reefs.

Summary:

A commitment into OKAVANGO FUND with an equity and mezzanine investment 10-year fund targeting SME companies in Eastern and Southern Africa that have positive impact on climate, nature conservation and rural livelihoods. The investment would be a mix of reimbursable grant and TA grant, and be ‘earmarked’ for companies that positively impact the WIO GFCR target area, ensuring that at least the same proportion of deals as the GFCR

Vehicle: 10-year investment firm headquartered in Luxembourg. Target 1st close at \$40m and final close at \$75m.

Investment size: USD \$10-15m total

Co-investors: Multiple DFIs, institutional investors and family offices.

- European Investment Bank has approved a commitment of 25% of any close. Minimum co-investment is \$10m and max is \$20m.
- Initial approval by FSDA for a \$5-10m investment.
- Initial approval by FO for a \$3-5m investment.
- Several other investors going to investment committee.
- At portfolio level co-investors will include Pegasus (larger deals), strategic corporate partners, banks and other financial institutions.

Type of investment:

- Repayable grant: \$10-15m.
- Technical assistance grant facility: \$3m (to cover technical cost by WCS supporting marine conservation efforts and managed by a body led by the conveying agent).

Target investments:

The fund will make at least three \$2m-\$8m investments via multiple rounds in Post-revenue, growth and mature SMEs in multiple sectors that affect the target geography (and another five to eight in conservation businesses in other geographies):

- Agroforestry and food security: aquaculture, sustainable agriculture, microforestry, etc.
- Catalytic technologies: recycling, cold-chain, waste reduction, water tech, soil conservation tech, etc.
- Natural capital services: Payment for Ecosystem Services (including carbon), tourism, access-to- finance, etc.

Conservation Threats addressed:

Multiple across sectors depending on the type of business.

Example of Investments

1. *Plastic recycling (Project Meerkat)*
Category 2 (Ready to go but Outside of target area)

Summary:

Investment in a young and growing plastic recycling company in East Africa. \$3-5m ticket to expand into Kenyan coast (phase 1) and Tanzania coast (phase 2).

Opportunity for Coral Reefs:

Threat:

- Plastic waste is a major issue in urban coastal areas including beaches and reefs. The plastic generates largely from direct beach use in urban centers, but also is widely circulating in ocean waters from urban centers to coastal beaches through the TBCA.
- In MPAs, this waste is a barrier to ecotourism, thus reducing sustainable finance to MPAs and reducing the perceived and aesthetic value people place on coral reefs
- Plastics threaten iconic species (e.g. sea turtles) through ingestion and disruption of nesting
- Plastics both cover corals causing death and micro-plastics are ingested by corals and into the food chain
- Existing cleanup programs are not working as the MPAs and government lack financing and facilities to process trash. E.g. in Kenya, trash in MPAs is collected and dumped on pathways to the MPA, recirculating into the environment, and creating a disastrous public message about the value of MPAs.

Opportunity for action:

- Currently, in beach cleanups – over 100+ tons of waste is removed from beaches adjacent to urban reefs monthly (e.g. in Mombasa MPA), showing the scope of this opportunity. Under GFCR, we will fully quantify waste streams and volumes.
- Create a value chain for plastic waste so that there is a community and MPA incentive to collect and process waste effectively
- Create a sustainable revenue stream for MPA operation
- By working directly with MPAs, the plastic recycling will focus on plastic that derives from beaches adjacent to coral reefs or circulating in reef waters
- Improve public understanding of the need for clean environment in a coral reef and MPA context, and simultaneously improve ecotourism opportunities by having pristine beaches, which currently do not exist in most area (especially in urban areas)
- The example company below is focused elsewhere, and we propose under GFCR applying this operation to MPAs with an initial focus on urban areas (Mombasa, Dar es Salaam, Stone Town in Zanzibar and Tanga) with potential expansion to all MPAs in Kenya & Tanzania.

Investment size: USD \$3-5m of a round size of \$8m total

Co-investors: institutional investors and family offices will provide \$3m on this round.

- A larger round in year 3 at \$10-30m could attract the GFCR commercial fund managed by Pegasus

Instrument: Convertible notes or Preferred equity

Company description:

- Meerkat is a tech-enabled plastic recycling company that tackles waste management problems.
- This company incorporates the concept of shared value—creating economic value while addressing social and environmental challenges—into its core, by harnessing the untapped potential of an existing informal waste management industry.
- Meerkat sells pre-processed recycling materials with a traceable social and environmental impact.
- Company is present in-land Kenya but will expand to Coast.

History and Performance:

Region	Status
Nairobi	Established
Kisumu	Established
Mombasa	Planned for Q1 2021
Nakuru/Naivasha	Planned for Q3 2021

Unit economics vs informal economy



Deal Strategy:

- Finance expansion into Coastal areas (Kenya, then Tanzania).
- Improve governance and sales.
- Enhance impact strategy, monitoring and evaluation relating to marine conservation (both around reduction of damage to reefs and improved livelihoods of coastal populations).

Impact:













FIT: Does investee fit our investment criteria?

Conservation criteria	<ul style="list-style-type: none"> • Combats the challenges of plastic pollution, resulting from urbanization, and generate economic growth. • Reduces the amount of plastic that ends up in rivers, lakes and marine ecosystems. • Expansion to coastal area to have substantial impact on coral reefs
Commercial criteria	<ul style="list-style-type: none"> • Addressable market is very large. • Little competition in the market • Strategic partnerships with major retail companies • Steady revenue growth

VALUE ADD: How can we help investee realise its potential?

	Performance Gaps	Performance Levers
Conservation	<ul style="list-style-type: none"> • The company doesn't properly link it's impact to the river-lake ecosystems affected by its work • Impact is focused on general sustainability 	<ul style="list-style-type: none"> • Help expansion in right areas for maximum conservation impact • use conservation intelligence to tie interventions to results to inform adaptive action
Commercial	<ul style="list-style-type: none"> • Company has not yet proven it can be profitable. • The scalability of the company's business model has not yet been tested. 	<ul style="list-style-type: none"> • Support expansion into peri-urban and rural markets. • Develop strategy to actively engaging with informal waste collectors.



CONTRIBUTION	OUTCOMES	IMPACTS
<p>IMPACT CONTEXT</p> <ul style="list-style-type: none"> Kenya is still growing its plastic industry and often shoulder the burden of the western world's waste through the latter's exports of plastic. Without the infrastructure to manage the waste or the funds to export it elsewhere, plastic pollution has drowned the country, blocking roads, clogging waterways, damaging fields and becoming intricately mixed into animal feeds. Before 2017 plastic ban came, the country was producing around 4000 tons of plastic monthly with 100 million bags being offered by supermarkets alone. This had devastating implications for the local wildlife, causing around three out ten animals in abattoirs in Kenya to be found with plastic in their stomachs. 	<p>CONSERVATION</p> <p> Protect key marine ecosystems from plastic pollution or associated biodiversity loss.</p> <p>CLIMATE</p> <p> Mitigate climate change : carbon 4.8 million KgCO₂e saved per annum as at 2020 and 30 million KgCO₂e per annum from 2025 onwards.</p> <p>COMMUNITY</p> <p> Creating and supporting jobs for the local community. Inspire a mindset transformation that encourages environmental stewardship.</p> <p>COMMERCIAL</p> <p> Industry leadership: promoting company as a sustainable brand – raising awareness among other waste management companies.</p>	<p>SDGS</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center;"></div> <div style="width: 50%; text-align: center;"></div> <div style="width: 50%; text-align: center;"></div> <div style="width: 50%; text-align: center;"></div> <div style="width: 50%; text-align: center;"></div> <div style="width: 50%; text-align: center;"></div> </div> <p>ECOSYSTEM/ECOSYSTEM SERVICES</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Biodiversity</div> <div style="text-align: center;"> Climate</div> </div>



2. *Micro forestry (Project Kiboko)*
Category 1 (Ready to go and in the target area)

Summary: Okavango pipeline deal > Investment in a growing micro-forestry company in East Africa. \$2- 6m ticket to expand along Kenyan coast (phase 1) and Tanzania coast (phase 2)

Threats

- Sedimentation and nutrient runoff are damaging reefs near river outflows
- There are very few projects addressing this threat in Kenya & Tanzania
- Mangrove forests that protect reefs from sedimentation are also threatened due to their use as fuel (charcoal production) and for building materials.

Opportunity for Reefs:

- Reforestation of watersheds in coastal areas will stabilize soils in areas that flow directly to reefs, thus reducing sediment and nutrient input
- Provision of coastal sustainable alternatives for building materials and fuels
- Investments in community micro-forestry livelihoods will be coupled with community commitments to protection of mangroves and coastal forests
- Under GFCR, we will bring expertise from example companies such as the one below to key coastal areas where reefs are suffering from sediment input (e.g. Sabaki River in Kenya and Pangani River in Tanzania).
- The most relevant specific locations for restoration will be identified with GFCR funding, and we indicated the major locations of sediment input in our evaluation of threats.

Investment size: USD \$2-6m of a \$10m total round

Co-investors: DFIs, institutional investors and family offices. Co-investors are providing c.\$20m in this round (some of them have committed already). Follow on series C round will be \$30-50m for expansion

Instrument: Convertible notes or preferred equity.

Company description:

- Highly scalable forestry company that leverages the land and labor of smallholder farmers.
- Company can access effectively limitless land and plant trees for less cost and risk than traditional tree plantations. As of today, it manages 8,000 Ha of plantation distributed along small holder plots (20,000 farmers)

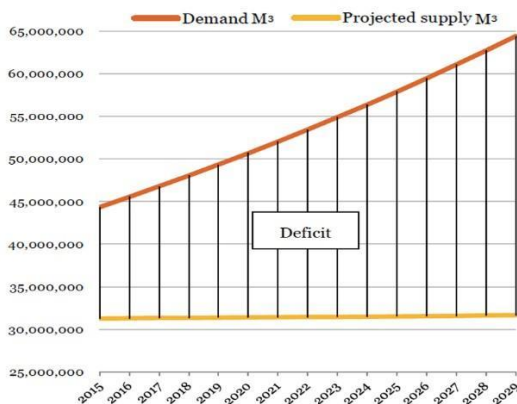
- Company owns the trees which offer a cost-efficient wood supply while communities provide their land in return for secure, fair payment
- Kiboko is addressing a large and worrying supply gap in the timber industry that is placing inordinate pressure on Africa’s forests. Particularly on mangroves and the few remaining primary forests along the coast

History and Performance:

The company has built a large asset base (trees) over the last decade but still has very limited revenues. The company has developed a processing mill at the coast as initial harvest of trees has started (although the volumes are expected to remain low for another two to three years). The company has expanded into central Kenya for a brownfield site to access revenue generating trees while expanding footprint. While this new site is not directly on the Coast, it will substantially contribute to reduced sedimentation of rivers which affect the coast.



Projected change in wood demand in Kenya – 2014-2030



Source: PwC analysis based on UNEP (2012), The Role of Forest for the Kenyan Economy and NEMA, Kenya (2010), State of the Environment and Outlook 2010: Supporting the Delivery of Vision 2030.

Tree Area under management



Deal Strategy:

- Finance expansion into coastal areas (Kenya, then Tanzania).
- Improve governance and sales.
- Enhance impact strategy, monitoring and evaluation relating to marine conservation (both around reduction of damage to reefs and improved livelihoods of coastal populations).

PROMOTING SUSTAINABLE BEHAVIORS

➔

IN HIGH-VALUE LANDSCAPES

Kenyan Wood Supply (Mm³)

Year	Small Farmers	Deforestation	Big Plantations	Total Supply
2015	~10	~15	~17	~42
2030	~10	~15	~35	~60



Non-renewable harvesting

Legend: 0-100, 100-250, 250-500, 500-750, 750-1000, 1000-1500, 1500-2000, 2000-2500, 2500-30000 kg/ha/yr

- Promoting alternatives: Model guarantees at least full replacement of every tree harvested, preventing deforestation.
- Mitigating damage: Greenfield operations preventing soil erosion by planting on marginalized, degraded land

Greenfield Sites: Coastal forests near Mombasa one of 11 global 'hyper-hot' priorities for conservation investment. Brownfield Expansion Site: Company is expanding to central Kenya in the Mount Kenya and Aberdares forests, 2 of 5 critical water towers in Kenya. Increased tree covers to reduce levels of sedimentation in rivers flowing to the coast

FIT: Does investee fit our investment criteria?

 Conservation criteria	<ul style="list-style-type: none"> Improvement of biodiversity and soil health Reforestation of highly degraded and biodiverse rich landscapes. Displacing products that cause deforestation in high value forests
 Commercial criteria	<ul style="list-style-type: none"> Growing demand and large addressable market of over USD 500million Well-positioned to compete because of low CAPEX (no land purchase) Scalable business that can be replicated in other geographies
















VALUE ADD: How can we help investee realise its potential?

	Performance Gaps	Performance Levers
 Conservation	<ul style="list-style-type: none"> Time constraints - Now is the time! Business model has been refined, need for conservation strategies when scaling Limited expertise in Forestry and conservation 	<ul style="list-style-type: none"> Build a systematic conservation strategy and institutionalize it within Komaza's staff and operations Business intelligence on: Deforestation, Market research & Monitoring unintended consequences. Advocacy at board level. Use Okavango networks to identify skilled conservation strategists. Provide TA to further enhance team capacity and leverage on AWF's expertise
 Commercial	<ul style="list-style-type: none"> Financial constraints and human resource affordability 	<ul style="list-style-type: none"> Capex utilization and inventory of trees and finished product Cost optimization through operations efficiency and improved processes Conservation marketing strategy Geographical expansion and product innovation.

Okavango Capital Partners

PRIVATE & CONFIDENTIAL

PROJECT KIBOKO: IMPACT MODEL

CONTRIBUTION	OUTCOMES	IMPACTS
IMPACT CONTEXT	CONSERVATION	SDGS
<ul style="list-style-type: none"> Africa has experienced rapid deforestation in recent decades with great need to preserve remaining forest ecosystems. \$US 30Bn wood supply deficit by 2030 caused by booming populations & decimated natural forest- posing a significant threat to Africa's remaining forests. Plantations can't scale with pace of demand. Product will be sourced from forests causing widespread deforestation. 	<ul style="list-style-type: none">  Strategic tree planting to reinforce waterways and prevent desertification. Meeting wood demand with sustainable source. Planting of indigenous species that support ecosystem vitality.. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  13 CLIMATE ACTION </div> <div style="text-align: center;">  1 NO POVERTY </div> <div style="text-align: center;">  12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> </div>
CONSERVATION VALUE-ADD	CLIMATE	SDGS
<ul style="list-style-type: none"> Conservation Strategy: Informing what's planted, where and how to maximize erosion / priority landscape protection. Conservation Strategy: Tie smallholder engagement to conservation practice commitments. Conservation Intelligence: Deeper knowledge of conservation dynamics and company ES performance. Conservation Leadership: Board level support to realize impact potential in balance with commercial returns. . 	<ul style="list-style-type: none">  Income diversification for smallholder farmers. Tree varieties with better climate performance. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  8 ECONOMIC GROWTH </div> <div style="text-align: center;">  10 REDUCED INEQUALITIES </div> </div>
CONSERVATION VALUE-ADD	COMMUNITY	SDGS
<ul style="list-style-type: none"> Conservation Strategy: Informing what's planted, where and how to maximize erosion / priority landscape protection. Conservation Strategy: Tie smallholder engagement to conservation practice commitments. Conservation Intelligence: Deeper knowledge of conservation dynamics and company ES performance. Conservation Leadership: Board level support to realize impact potential in balance with commercial returns. . 	<ul style="list-style-type: none">  A single planting yields life-changing income \$1,500 from one-acre of land. Most live below the rural poverty line. 70% have zero savings. 50% of children are malnourished. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  15 LIFE ON LAND </div> <div style="text-align: center;">  5 GENDER EQUALITY </div> </div>
CONSERVATION VALUE-ADD	COMMERCIAL	ECOSYSTEM/ECOSYSTEM SERVICES
<ul style="list-style-type: none"> Conservation Strategy: Informing what's planted, where and how to maximize erosion / priority landscape protection. Conservation Strategy: Tie smallholder engagement to conservation practice commitments. Conservation Intelligence: Deeper knowledge of conservation dynamics and company ES performance. Conservation Leadership: Board level support to realize impact potential in balance with commercial returns. . 	<ul style="list-style-type: none">  Organization built on DNA of supporting livelihoods of smallholder farmers. Commitment to positive contribution to forest status in Africa. 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  Forests </div> <div style="text-align: center;">  Biodiversity </div> <div style="text-align: center;">  Climate </div> <div style="text-align: center;">  Soil </div> </div>

3. *Coastal tourism (project Safari)*
Category 1 (Ready to go and in the target area)

Summary:

Okavango pipeline deal > Investment in an established coastal tourism firm developing an ecotourism property in the target area.

Threats:

- Reefs are highly overfished along the entire coastline (except for strongly protected government MPA fisheries closures)
- Community livelihoods are limited, leading to a reliance on artisanal fishing
- Tourism developments in the regional do not usually develop clear pathways to ensuring reef protection and benefiting communities and can cause additional environmental damage through destruction of mangroves during building as well as increasing fishing pressure to provide local fish to the establishment.

Opportunity for reefs:

- The opportunity below gives an example of the potential scale for investment, but as is the case for many tourism development, there is a need for planning to ensure sustainable implementation, protection of reefs and other coastal habitats, and ensure benefit sharing with communities.
- There are models that achieve this vision, for example, Chumbe Island in Tanzania. We will identify developments that are planned and invest under GFCR in ensuring that there is a clear and equitable reef and community sustainability model incorporated and that environmental impacts are minimized.
- When done appropriately, tourism establishments that operation hand-in-hand with communities can support long-term sustainable financing for community reef closures, meeting a major need.
- The Diani area has high biodiversity of reef associated species (e.g. sea turtles, whale sharks), and extensive reef slope areas with relatively high coral cover and mangrove areas, making this a priority place for protection. In addition, this area is a government priority for improving marine management (e.g. Diani-Chale Marine Reserve, currently a paper park with gear restrictions that are not enforced).

Investment size: USD \$3-5m

Co-investors: institutional investors and family offices will provide \$3m on this round. A larger round in year 2 at \$10m could attract the GFCR commercial fund managed by Pegasus

Instrument: Redeemable preferred equity and Convertible Debt

Company description:

- 140+ key 5-star resort located along the Kenya's South Coast, Diani Beach.
- Safari is embarking on the development of an exclusive island lodge (under the brand name on its 5 acres of land in Chale Island (which is part of The Diani Marine Park).
- 25+ years in management track record in hospitality.
- Revenue \$5 Mn (2019) EBITDA positive in the historical periods on record.
- 70% of their clientele from the domestic market.



TOP & BOTTOMLINE GROWTH

- ✓ US\$5M+ FY19 in revenues
- ✓ Sustainable +ve EBITDA
- ✓ High potential for growth
 - Newly refurbished beach resort
 - Addition of new villa suites
 - Upcoming luxury island eco-lodge
 - Upcoming fully serviced luxury apartments



STRATEGIC LOCATION

- ✓ Located in the world famous Diani Beach
- ✓ Popular with international, regional & local tourists
- ✓ Pipeline developments are in strategic and complementary locations



TRACK RECORD

- ✓ 25+ years in management track record in hospitality & real estate development in Kenya and the UK
- ✓ Significant local market knowledge



PREMIUM BRAND

- ✓ Leading Kenyan hotel brand „Made in Africa“
- ✓ Award winning brand with World Travel Awards (WTA) among other global recognitions



INVESTMENT HIGHLIGHT

- ✓ Improved accessibility upon completion of:
 - Dongu Kundu by-pass connecting the South Coast and Mombasa City
 - Upgrade of Ukunda Airstrip
- ✓ Enhanced beach experience with the Sandsaver system installation in 2020 at the Resort by US-based firm [Granger Plastics](#)
- ✓ Leveraging on commercial and operational partnerships



BRAND POSITIONING

- ✓ Potential franchising opportunities as part of regional / Pan-Africa network
- ✓ Potential safari-beach holiday circuit tie-ups

History and Performance:

Sales have maintained steady growth in the last 5 years with the highest year-on-year growth recorded in FY18 (+32%). FY19 had flat growth mainly due to the partial closure (for major renovations) in May & June 2019. FY20 drop is largely attributable to Covid effect (total closure in April, May & June and the slow pick up in both domestic and foreign tourism post lockdown i.e. since July 2020).

Margins:

GP margins above 75% FY16-FY19

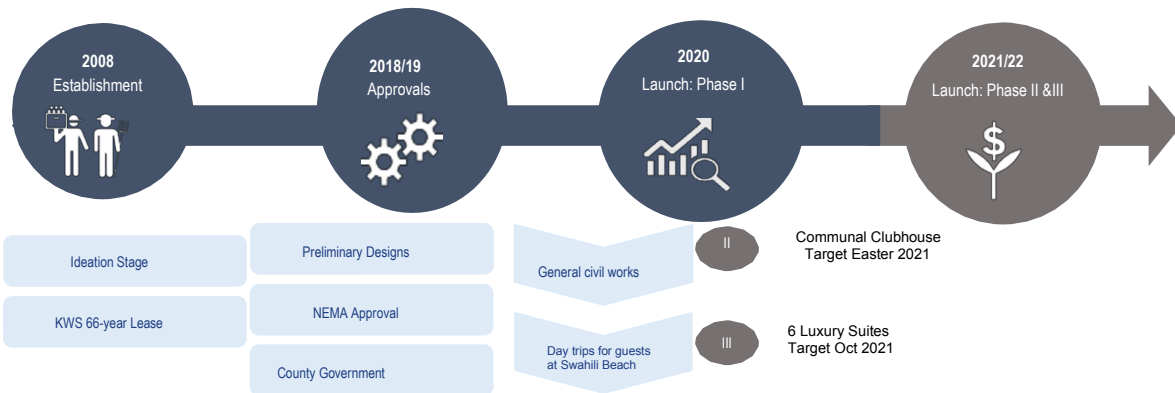
FY20 GP margins 64% (mainly due to higher than usual cost of sales occasioned by the Covid effect)

EBITDA margins have consistently been above 35% over the past 5 years with a high of 37% in FY18.

Deal Strategy:

- Finance development of Island resort to highest eco-tourism standards
- Improve governance and sales.
- Enhance impact strategy, monitoring and evaluation relating to marine conservation (both around reduction of damage to reefs and improved livelihoods of coastal populations).
- Enhance engagement of the tourism group in Coral reef financing: (a) development of stronger relationships with Local Marine Management Associations, (b) development of programmes for community owned tourism experiences (whale shark viewing, dolphin viewing, reef dives, etc.) that ensure equitable financial benefit sharing and co-management and improvement of reef resources.

Development of small-scale Island eco-tourism lodge



Impact:

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BEHAVIORS**



**IN HIGH-VALUE
LANDSCAPES**



- Building incentives to conserve wildlife and landscapes by increasing nature-based revenue flows to local communities.
- Generate finance for securing key habitats and management of protected areas.

- Operates in an ecosystem that is economically and environmentally important to the nation and the surrounding communities.

4. *Vanilla Company (project Nyala)*
Category 1 (Ready to go and in the target area)

Summary: Okavango pipeline deal > Investing in a company that distributes, seeds, supports outgrowers, collects, processes, aggregates and trades Vanilla as an inter-cropping high value commodity for small-holder farmers. Expansion into Zanzibar and the Tanga coastal area

Threats: TBD

Opportunity for reefs: TBD

Investment size: USD \$2-5m

Company description: Nyala is a vertically integrated production and processing of high-margin export-grade agricultural commodities. Currently focused on Vanilla via outgrowers (4,000). Nyala produces flavourings from vanilla, cacao and orange. The company works in all areas of the value chain: from cultivation, to post-harvest processing, to value-added manufacturing and international marketing and sales. The company's supply chain strategy aims to partner with and train and support local farmers and farmer groups with the capability to maintain consistency and continuity of quality and supply, while ensuring that fair prices are passed back to them.

Most farmers are on the fringes of important ecosystems and protected areas. The company has a presence in the mountainous areas of Tanga (important watershed, and key to address risk of sedimentation)

History and Performance:

- Founding in 2011 established to provide an alternative source of vanilla to Madagascar
- Established outgrower programme with 3,900 farmers
- Expanding outgrower based and developing a plantation

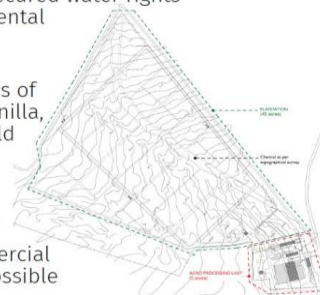
Investment: Preferred equity and Convertible Notes

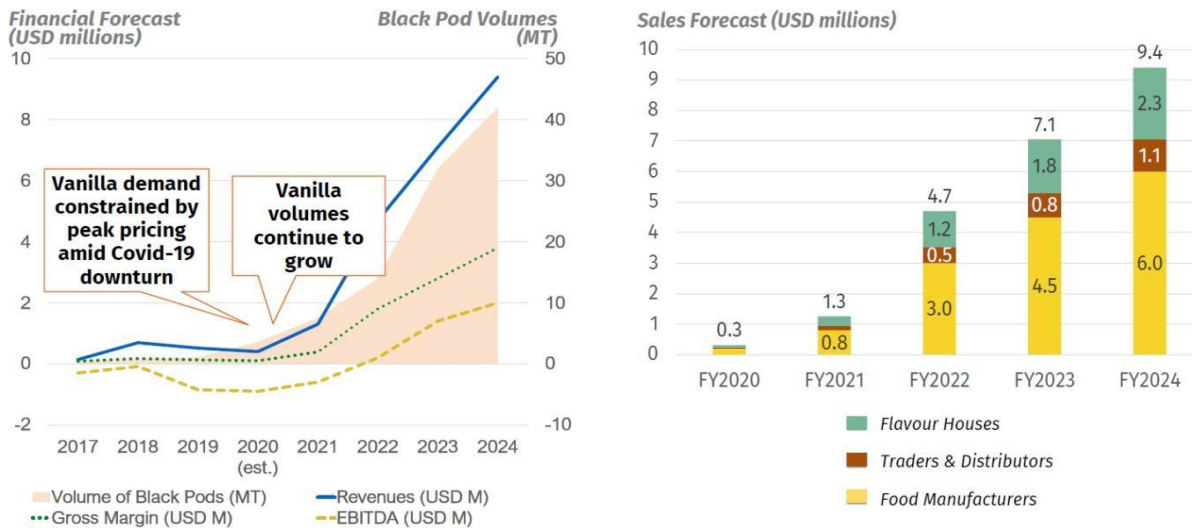
Co-Investors: Family offices, institutional investors. For follow-on round attractive for GFCR commercial fund and DFIs.

Projections:

- Phase 1a factory initial capacity:
 - 60MT green curing p.a.
 - 250MT extraction p.a.
- Phase 1b total capacity: 120MT for curing, 750MT for extraction
- Phase 2 total capacity: 240MT for curing, 1,500MT for extraction

- 50-acre plot leased (factory 30yrs, plantation 10yrs then renewable 5-yearly), with secured water rights and environmental assessment completed
- Potential yields of 75MT green vanilla, and future yield increases possible with further intensification
- Further commercial plantations possible





Expansion into Zanzibar via a JV

Nyala and a local partner are formulating a JV that will see Nyala mentoring as it develops the intensive production plantation and an out-grower programme modelled on the Nyala experience.

The local partner company has approximately 60 ha of land available in three adjoining title deeds. Of this approximately half is under total protection as a valuable native forest of high biodiversity value and as a source of seed material for a tree nursery. There is a collaboration agreement in place with the Department of Cash Crops, Fruits and Forestry (DCCFF) of the Ministry of Agriculture for the total protection of the Coastal Forest and a community forestry programme.

Finance for completing the first vanilla greenhouse has been arranged (from shareholder funds) and work started in April 2021. The work plan is to complete this greenhouse fully in line with the design described in the Business Plan, with shade cloth, overhead sprinklers for irrigation, ground cover and growing pillars filled with compost for the vanilla vines.

This expansion requires an additional equity and loan finance of USD 2 million (over three years) to undertake the project described in this study. Ideally loan finance (at more attractive interest rates than local banks provide) designated in foreign currency and repayable in the same currency can be secured and approved by the banking authorities.

Impact:

In an era of massive biodiversity loss, the greatest conservation success story has been the growth of protected land globally. Today, one-third of global protected land is under intense human pressure.

Company has opportunity to reduce threat on Tanzanian protected areas through engaging with large network of out-growers on the fringes of important ecosystems and protected areas.

CONSERVATION BUSINESS

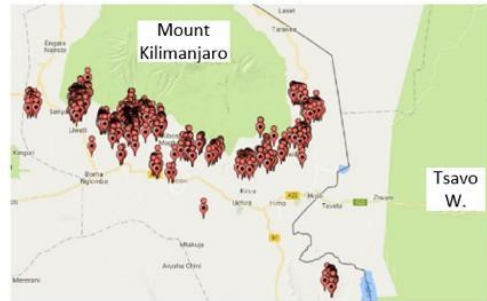
1. Mitigating Land Conversion: Reducing need for agricultural expansion by increasing profit from existing land.



2. Building Incentives: Generating income for communities to serve as a deterrent to poverty-related activities (ie. poaching, charcoal) and promote conservation farming.

CRITICAL LANDSCAPES

Network of small holder farmers (~4000 current and 5000 by end of 2019) primarily borders national parks, presenting an opportunity to reduce the human stress on ecology and wildlife in critical landscapes.



CONTRIBUTION

IMPACT CONTEXT

- Protected areas are the primary defense against biodiversity loss.
- Extensive human activity around and within these areas can undermine this.
- Primary threats to wildlands are conversion to agricultural systems and poverty-related activities (poaching, charcoal production).
- Smallholder farmers in areas where company operates are likely to engage in such activities living on the border of protected areas and poor- earn on average < \$1/day with 5 household members to feed.

OKAVANGO VALUE-ADD

- Conservation Strategies:** Informing company expansion into conservation relevant landscapes. Tie smallholder engagement to conservation practice commitments.
- Conservation Intelligence:** Deeper knowledge of conservation dynamics in supply chain.
- Conservation Leadership:** Board level support to realize impact potential in balance with commercial returns.

OUTCOMES

CONSERVATION

- Reduce poaching and charcoal production in adjacent ecosystems.
- Reduce water sedimentation
- Increase \$/yield to prevent land conversion

CLIMATE

- Supports long-term food and water security through commitment to conservation and climate resistant farming practices.

COMMUNITY


- Target engagement of 6000+ smallholder farmers in supply chain.
- Additional income target of \$180/year per farmer with opportunity to increase with new crops.
- Increased access to financial services

COMMERCIAL


- FX income for Tanzania
- Proactively engage and involve women and youth
- Provision of training on conservation and climate-resilient farming practices.

IMPACTS


PORTFOLIO SDGS




No Poverty



Good Growth




Reduce Inequality




Life on Land

INVESTMENT-SPECIFIC SDGS



Climate Action



Zero hunger

ECOSYSTEM IMPACTS

Soil

Bio-diversity

Forests

Agro-systems

5. *Coastal tourism (project Pemba)*
Category I (Ready to go and in the target area)

Summary:

Investing in the Blue Economy in and around Marine Protected Areas. \$1.2m in Senior debt, Concessional Debt and Grant funding to develop tourism activities that will support conservation of mangroves, development of livelihoods, etc.

Investment size: USD \$1.2m

Company description:

The project will develop revenue models for the effective management and sustainable financing of MPAs in Pemba island, Tanzania.

- Phase I is with the Kwanini MPA part of the Makangale and Tondooni MZ.
- Phase II is the Pemba-Mnemba Blue corridor.

Both MPAs sum >100,000ha of coral reefs and mangroves. Critical finance will be generated through innovative eco-tourism programmes, under-water tourism facilities, blue carbon credits from mangrove restoration, and sustainable crab farming. Project will contribute to coral reef protection and economic development opportunities for vulnerable coastal communities.

Investment: (Sponsor suggested structure – no input from CC/OCP yet)

- US\$ 400,000 Senior Debt and/ or Equity (Impact Investment)
- US\$ 500,000 Junior debt (Concessionary loan, UNCDF)
- US\$ 300,000 Non-Refundable Grant

Capital use: Eco-tourism programmes & facilities; Mangrove restoration; Mangrove Crab hatchery; MPA vessels & scientific equipment, moorings; working capital

Revenues:

- Initial: US\$140k
- 2024: US\$540k p.a. from MPA fees, UW room facility, ecotourism programmes, blue carbon credits, sea farming

Sponsor: Special Purpose entity formed by Kwanini foundation, Blue finance, and local communities.

Direct Commercial Investments – Example of Investments

2.1. Expansion rounds for deals in Section 1

- **Meerkat:** Planned expansion of firm through a \$20m round in 2023
- **Kiboko:** Planned expansion South and potential M&A activity requiring \$20m-50m in equity and debt. Target timeline 2022-23

- **Safari:** Expansion of Residences, and acquisition of a controlling stake, potential M&A to create a network of conservation-friendly resorts. Requires \$10-20m. Timeline 2023.
- **Giraffe:** Okavango pipeline deal > Microfinance firm focused on rural markets. \$10m Sales and EBITDA positive. Clients 77% rural and 72% women. Expansion into Coastal areas. Expansion of product range to include sustainable farming, micro-forestry, sustainable aquaculture related loans.

Others include: Expansion of aquaculture target firm towards coastal areas (\$10m+), timeline in 2023

2.2. Potential stand-alone deals (unclear in terms of timeline and structure)

- **Shimoni (Kenya) port development:** This project has been on hold for over one decade. While there is information about it going ahead, there is no evidence that it will happen in the next 12-24 months. We have had initial contacts, but the scope and size of opportunity for investors to actively engage is unclear at this moment.
- **Tanga (Tanzania) port development:** The oil & gas activity will likely require expansion of the port. The GoT seems to be interested in using the Tanga port as an access point for goods travelling to/from Uganda. Rwanda and DRC. We have had initial contacts, but the scope and size of opportunity for investors to actively engage is unclear at this moment.
- **Mangapwani (Zanzibar) port development:** The Revolutionary Government of Zanzibar has signed an MOU with Investment Funds in Oman for the development of a 3B USD industrial port north of Stone Town, Zanzibar. The new port will boost the development of the deep-sea fishing sector. We reached out to local authorities to discuss potential opportunities for collaboration, but the project is still in the inception phase.
- **Coastal residential real estate developments:** Several projects in the general area as the urban middle classes are acquiring holiday second residences, and the growing Coastal middle class seeks improved habitation options. The sector offers a substantial opportunity to influence the environmental sustainability and impact of real estate development.
- **Water Bonds:** We have initiated contact with the TNC team leading the project in Nairobi. They are developing one for the coast and we plan to better understand the investment opportunity.
- **Debt Swaps:** The team learned of discussions with the Kenyan Government regarding the potential for a debt swap for nature which could contribute to funding MPAs. Participation in that swap, if feasible, could leverage significant funding – more information will be acquired, and an assessment made regarding feasibility.

Venture Studio - Blue Entrepreneurship Initiative (BEI)

Summary: Significant potential enterprise-based opportunities exist that have potential to be incubated, developed and scaled in ways that drive meaningful conservation outcomes, over a longer time horizon than would be anticipated by the Okavango interventions above, but these are dominated

by small, typically community-based initiatives that require significant elaboration, incubation and aggregation before a meaningful economy can be developed capable of absorbing the type of scaled, market-returns-driven investment that tends to dominate current financing supply. These are the categories 6, 7 and 8 in our evaluation matrix which are not investment ready as per the transactions contemplated in the sections above. If interested actors are to manage this wider opportunity optimally a longer-term view is required that should focus on bridging the supply – demand gap that currently exists. Nurturing the development of that product for ‘tomorrow’ is a necessary step to creating the kind of investment market that financiers are demanding today, and this is the focus of the Venture Studio concept. It will be designed to identify and triage opportunities in these categories and then take them through a very carefully curated set of processes to build them into investible prospects over time. This represents a key mechanism for managing the longer term view in our target geography.

Many of these businesses or enterprises will be smaller scale, but over time with some potential for scaling. Ideally through the mentoring process provided by the proposed venture studio, these enterprises would graduate to receive loans or other investments.

Phase 1. Feasibility Stage (first phase of GFCR Funding)

Goal: To unlock and accelerate the creation and development of sustainable blue businesses to create economic opportunities for coastal communities as entrepreneurs and employees in Kenya’s and Tanzania’s Blue Economy whilst enhancing socio-ecological resilience at a transboundary seascape level.

Proposal: Undertake a feasibility assessment to determine the most cost-effective and efficient approach to develop and implement an incubator program to protect coral reefs. Regionally, there is recognition of the importance of stimulating investments in smaller-scale enterprises and start-ups to address conservation priorities. However more analysis is needed to determine an appropriate design for this incubator and the type of investment program that should be implemented. In addition, WCS wants to understand better how it can best leverage its own and its partners’ technical and financial expertise as part of the GFCR project, in the establishment of this venture studio.

Under this phase WCS, Okavango and Conservation Capital will:

- Continue to assess the potential for development of incubator activities in the region;
- Assess different options and models available and determine their cost effectiveness and potential impact;
- Identify appropriate partners and potential enterprises to support once the incubator is funded;
- Develop the design for a cost-effective and an efficient incubator program;
- Identify up to two ventures that are currently in a stage where they could benefit from grant funding and mentoring; provide initial funding and mentoring in year two and expand support in year three.
- Develop the business plan and proposal for funding top present in year three of the GFCR program to fully launch the incubator.

Blue Bonds - Mwenzi Capital and Nature Stewardship Bonds (NSBs)

Summary: Mwenzi Capital is being established by Conservation Capital (CC) to leverage the positive power of democratised business ownership as a tool for driving enhanced social equity and related environmental impact across Africa's critical conservation landscapes. Mwenzi will make specially structured investments in going concern businesses on behalf of carefully targeted beneficiaries, providing a perpetual financial yield that will disrupt poverty cycles and enhance conservation.

Approach:

Traditionally, when donor funds are deployed in the conservation sector to develop community-based revenue-generating models, they are used to support new enterprises, which are expensive, risky, and tend to have long pathways to profitability leading to frustration and even retaliation by local communities. In contrast, by investing in existing and proven going concern businesses, Mwenzi's investments will be significantly de-risked and can immediately unlock economic returns for communities and/or conservation management entities. Mwenzi is rare example of Conservation Capital working with grant capital and is being developed to leverage the untapped potential of successful, going concern businesses to create positive impact by transforming them into valuable financial assets for relevant local stakeholders. The Mwenzi team will do this by building and using a grant-capitalised fund to make specially structured investments (typically \$200-500K) in existing, successful nature-based businesses on behalf of local communities and/or conservation entities, creating an immediate and perpetual financial yield. These Nature Stewardship Bonds (NSBs) will link returns to revenue – thereby creating a direct link for the beneficiary between the health of the underlying natural assets upon which these businesses are based and the yield stream that accrues. This will be central to the conservation incentives created by Mwenzi. The Mwenzi concept can be easily adapted to this Kenya and Tanzania GFCR context.

The NSBs will essentially function as zero (fixed) coupon loan instruments designed to pay out instead a fixed percentage of revenue (the proxy for the coupon essentially functioning as a revenue-based royalty) each year to a defined Beneficiary - this could be a local community or a local conservation initiative. The royalty itself will vest with the Beneficiary, but the NSB may be held by either Mwenzi or an Intermediary Trustee depending on the context and the legal and functional ability of the Beneficiary to hold the NSB asset themselves.

The Enterprise pays out the royalty to the Beneficiary. Given there is a relationship between the health of the underlying natural capital and the business's revenue, and thus the royalty paid to the Beneficiary, the Beneficiary should have a clear incentive to invest in and protect the natural capital.

It is anticipated that Mwenzi will initially target nature-based companies in the tourism sector because this is the sector with the most direct and intuitive links to protected area conservation as well as being a sector with attractive quality pipeline opportunities in light of the COVID-19 pandemic. There are three case scenarios for any given NSB transaction listed below in decreasing order of preference. In all three cases the NSB royalty vests with the Beneficiary.

Case 1: Where **the NSB is acquired by Mwenzi and passed on directly to the Beneficiary**. In this case the Beneficiary has a solid governance structure and transparent and equitable systems in place to manage the NSB and its yield.

Case 2: In instances where the target Beneficiary lacks the institutional or legal capacity to manage the asset and its yield, **the NSB is acquired by Mwenzi and passed on to an Intermediary Trustee**. This is preferable to case 3 (it reduces the administrative burden for Mwenzi Capital and more efficiently leverages local relationships) but is inferior to case 1 because it is not a direct relationship with the Beneficiary and the Beneficiary receives a reduced royalty due to the Intermediary Trustee's management fee ("**Yield Management Fee**"). In this case, the Intermediary Trustee works with the Beneficiary so the latter can develop the institutional capacity to manage the asset and yield directly.

Case 3: In instances where no suitable Intermediary Trustee is available, **the NSB is acquired by Mwenzi and held by Mwenzi**. In this case Mwenzi works with the Beneficiary through the Facility Manager.

Flow of Funds

The structure of the partnerships and flow of funds is described below:

1. Donor(s) transfers grant capital to Mwenzi. To be clear this is a grant and not an investment – there is no obligation to pay the donor back any principle or return on that principle.
2. Mwenzi, with the help of the Facility Manager, identifies the relevant parties:
 - The Enterprise
 - The Beneficiary
 - In instances when the Beneficiary lack the institutional capacity to directly manage the asset, an Intermediary Trustee
3. Mwenzi purchases NSBs issued by the Enterprise whose return is a fixed percentage of the Enterprise's annual revenue ("the Royalty") with an infinite term. The underlying NSB agreements will incorporate relevant conservation and social covenants.

The value of the NSB is typically calculated using the following formula in order to drive Mwenzi's target return to beneficiaries of 8% per annum.

The NSB's royalty vests with the Beneficiary and is held either by the Beneficiary, the Intermediary Trustee or Mwenzi, dependent on the case).

Basic Value Proposition

For the Enterprise

Upon entering an agreement, the Enterprise receives a lump sum in return for issuing the Nature Stewardship Bond. The Enterprise can then be expected to benefit from this agreement from an increase

in revenue due to (a) the positive marketing optics associated with a portion of revenue being paid out to the Beneficiary and (b) the increased quality of the natural capital upon which the Enterprise depends, because of the Beneficiary's newfound incentive to protect it.

For the Beneficiary

Upon entering an agreement, the Beneficiary makes no upfront monetary commitment yet receives an annual revenue-based royalty in return for protecting and investing in the natural capital it stewards.

For the Donor

The donor benefits from its investment in Mwenzi Capital in two ways:

- **Protection / Enhancement of Natural Capital:** By encouraging the Beneficiary to protect and invest in the natural capital it stewards the Nature Stewardship Bonds and hence the donor's investments result in the protection and enhancement of Africa's critical conservation landscapes.
- **Perpetual Income Stream for Rural Poor:** The structure of the Nature Stewardship Bonds (revenue-based royalty) ensures a perpetual income stream for an historically disadvantaged socio-economic group – the rural poor in Africa.

Corporate Biodiversity Bonds

What

A Corporate Biodiversity Bond (CBB) is a bond (usually) jointly issued by a company (the 'Corporate Partner') and (typically) a conservation organisation (the 'Execution Partner') to fund the implementation of biodiversity offsets (or other conservation driven activities) in accordance with the mitigation hierarchy.

How

There are 5 stages to a CBB:

1. The Corporate Partner (could be a group of Corporate Partners) and Execution Partner jointly issue a CBB designed to fund a specific set of conservation driven activities.
2. Impact investors invest capital into the CBB secured on the balance sheet of the Corporate Partner and ring-fenced for implementing the specified activities.
3. The proceeds of the CBB are used to fund the Execution Partner's conservation work – or the work of other organisations / entities that the Execution Partner is coordinating / supporting.
4. Where the CBB is developed around offsets, the Execution Partner generates biodiversity related credits that can be redeemed by the Corporate Partner
5. The Corporate Partner repays the impact investor's capital with interest.

1. Value Proposition for Investors

Most investments in conservation tend to be indirect (they are in businesses that support conservation rather than in direct conservation practices) and high-risk (they are in small and often high-risk businesses

in complex frontier contexts). In contrast a CBB offers investors the ability to make lower-risk investments (the capital is secured on the balance sheet of a mainstream corporation or group), directly in conservation practices (i.e. the initiatives and operations in the field that generate the biodiversity credits) with immediate impact (there is no need, as is often the case, to wait for a conservation enterprise to reach maturity or indeed for the conservation activity to generate any kind of return).

2. Value Proposition for the Corporate Partner

A CBB has three compelling attributes to Corporate Partners which would likely drive uptake and associated impact:

- Given the compelling impact and risk attributes, strong potential may exist for raising capital in the emerging impact markets at a cost well below the typical opportunity cost of capital of the Corporate Partner creating a delta that allows it to fund sustainability activity at considerable reduced effective cost. The market demand for a lower risk sustainable biodiversity related 'product' would have strong appeal to potential investors, potentially further reducing this cost of capital.
- Given the debt like nature of the CBBs the Corporate Partner could settle its conservation obligations upfront but amortise the actual cash settlement payments back to the impact investors over an extended period.
- The very act of issuing a CBB will create very powerful PR optics for the Corporate Partner. Partnering with one, or several, respected Conservation Partners would further aid this dynamic.

Application of Mwenzi to KE | TZ Transboundary Coral Reef Conservation

CBBs could be used across a variety of business sectors within the target conservation seascape to help support initiatives within **categories 3, 7 and 8 - including supporting the funding of the BEI.**

One key benefit, as is the case with Mwenzi, would be the ability to design initiatives funded by these CBBs that very specifically target coral reef conservation / restoration dynamics. The outcomes can be very direct as opposed to the often indirect benefits that result from mainstream debt or equity investing in qualifying enterprises.

Any business that has or wishes to develop a meaningful ESG / CSR mandate that is based on blue conservation would be a potential candidate and opportunities would also exist to issue joint CBBs across (say) a number of tourism companies down the target coastline thereby creating highly visible collective action opportunities.

CBBs would not (it is assumed) represent a direct investment opportunity for GFCR capital but could possibly be a co-investment opportunity for equity funds it supports. GFCR capital could however be used to support the development of capacity within an existing institution(s) vested in this seascape (WCS, Pegasus, Okavango, Conservation Capital etc) for promoting the potential of CBBs to relevant Corporate Partners, designing coral reef focused activities to be funded by them and marketing them to wider impact investment markets for subscription. The leverage potential on this activity could be significant.

4. Expected Results

Outcome 1 - Protected priority coral reef sites and climate change refugia

Result 1.1 – Short term

Completed scientific/feasibility studies to gain greater understanding of key hot spots and of the value of ecosystem services provided.

Interventions

- Inception and community meetings

A high-level Government and stakeholder meeting will be organized in both Kenya and Tanzania to launch the initiative. This will increase visibility to the programme objectives, ensure support of local communities and stakeholders and drive attention from potential investors and business ventures.

- Ecological assessment of fish biomass, coral cover, sea urchins and coral breakage at high pressure reefs

WCS's dataset of ecological data of the region will be integrated with field missions at key locations to ensure data coverage of the most sensitive areas across the landscape. A total of 10 sites per country have been identified as needing further ecological data collection which will complete the over 100 sites already in WCS's database. Sites where business ventures will potentially be implemented will be given priority. Data collection will cover a variety of parameters aimed at indicating stress on the coral reefs from overfishing, use of destructive gears, pollution, and irresponsible tourism.

- Catch assessment at high pressure reefs with enumerators

Data from the ecological assessment is integrated for long-term monitoring of small-scale fisheries, with data from catch surveys at landing sites. WCS's current network of catch data collectors will be integrated with 10 more sites per country targeting in key locations and potential sites for future projects. These will complete an extensive coverage of the area of interest and will allow to monitor ecological change over time.

- Fisheries pattern mapping

Fishing behavior of local communities is assessed via a fisheries pattern mapping exercise conducted with the support of the communities themselves. These data will target sites with potential future investments and will complete the information on catch at landing sites already in WCS's database. This will allow the programme to identify regimes of sustainable yields and optimize the location of fishery closures. Currently WCS has a database of fishery patterns that covers approximately 200km of coastline across Kenya and Tanzania; future studies by WCS and partners will ideally allow extension of this dataset across most of Southern Kenya. The proposed activity will then target remaining sites.

- Social surveys on gear use, income, needs and economic diversification

Fisheries pattern mapping data will be completed with data on gear use on target sites, contributing to a census of fishing gears in target communities. This activity will complete the data collection of ecological and small-scale fishery data at sensitive and key sites.

- Solid waste beach monitoring

This activity will entail collecting information on solid waste deposition on beaches and coastal areas. WCS has currently no recorded data of this kind and will employ 10 data collectors per country to measure trash deposition. This will allow us to produce baseline and targets for solid waste reduction initiatives as well as for potential impact of new coastal developments.

Result 1.2 – Short term

Triage evaluation of the economic and coral reef benefits of the projects prior to investment.

Interventions

- Meetings with stakeholders

WCS has completed a first assessment of the potential business ventures in the area of interest but further scoping will be conducted to extend this assessment. The scoping process will be conducted jointly by WCS and OCP and will allow us to develop a portfolio of business ventures.

- Development of ecological and financial key performance indicators (KPI) for M&E

Evaluation tools will be developed by WCS and OCP to assess the ecological and financial merit of business ventures (more details on the evaluation framework are provided in the M&E section of the proposal). The tools will allow the project to classify business opportunities, objectively guiding the implementation phase.

- Impact analysis

Initiatives will be evaluated for their ecological and financial merits independently according to an evaluation framework developed by WCS and OCP. Opportunities that do not score above a predetermined threshold of ecological and financial sustainability will be discarded.

Outcome 2 - Transform livelihoods of coral dependent communities

Result 2.1 – Medium term

Develop facilities for the implementation of sustainable financing and ecologically viable business ventures

Activities

- Work to develop, design and establish SPV

The partnership between WCS and OCP will be formalized legally as well as the pipelines identified. The development of the pipelines will likely expand across the medium term of the project as new opportunities arise.

- Establishment of a “venture studio”

The venture studio will likely be developed with a different configuration to the other pipelines, in that it will require a dedicated managing unit. This process will begin during the first year of the project and will be ready to accept initiatives and fully operational by the end of the first implementation window.

Result 2.2 – Medium term

Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.

Activities

- Identify 2 pipeline deals

The Programme will proceed with the evaluation of shortlisted deals and complete an in-depth ecological and financial evaluation of 2 deals, one in Kenya and one in Tanzania. This work will result in the development of detailed analysis of the potential of the two opportunities that will be the basis of the future implementation plan.

- Participate in conferences and public events with commercial stakeholders

To gain visibility on potential business ventures, representatives from the Programme will attend events and conferences with commercial stakeholders and partners.

Result 2.3 – Short Term

Successful early-stage investments to test and implement the approach.

Activities

- Deal execution work

OCP will lead the execution of the deal negotiating the terms, both ecological and financial, preparing required documents for Board and Committees, revising business models and financial terms, engaging with DD providers for legal, tax and accounting, negotiating legal documentation and finally closing the transaction.

- Establish legal agreements with identified opportunity

Once initiatives are identified through the ecological and financial assessment process, they will enter the implementation phase and sign legal agreements with terms and conditions of financial support with the Programme.

- Develop implementation plan (business and ecological) with objectives, indicators, baselines, and targets

Financial support to business ventures from the pipeline will be linked to the implementation of a business and ecological workplan. This will be evaluated by the Programme and revised if needed and the terms subscribed by the parties.

- Monitoring ecological and financial progress

Once the deal is in place, the monitoring phase will start. The indicators for the monitoring phase will be identified at the deal phase. During the implementation, OCP and WCS will ensure that the deal develops according to plan. Interim reports will be produced accordingly and if needed, the implementation plan will be revised to adapt to new opportunities or challenges.

5. Focal Area(s) Environmental, Social and Policy Analysis

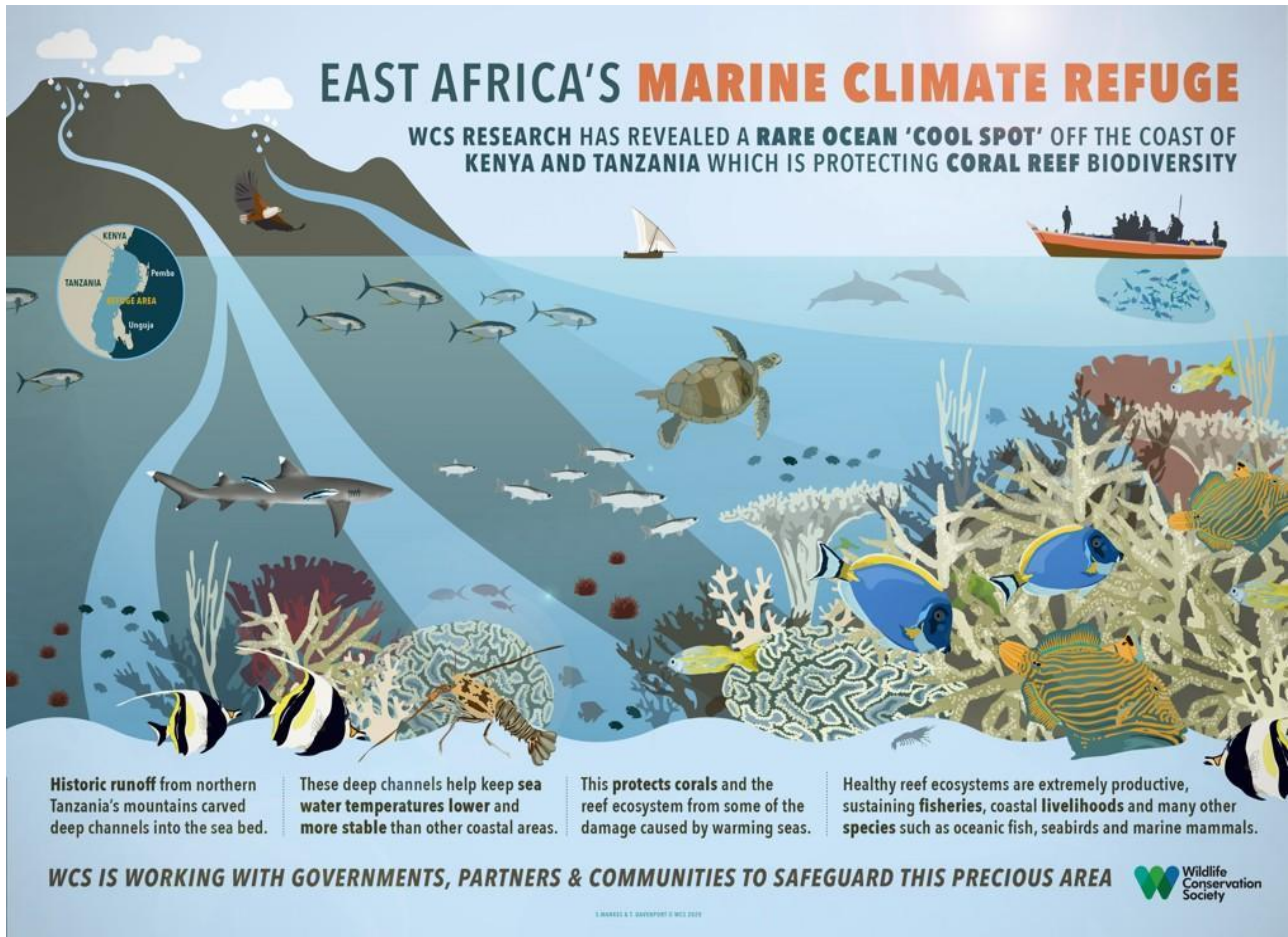
The Western Indian Ocean (WIO) is a socially and biologically diverse region that is second only to the Coral Triangle in the Pacific in terms of marine and coastal biodiversity. Along the 9,000-kilometre coastline are some of the world's most extensive and most climate resilient coral reef ecosystems, and extensive stands of mangroves. Both ecosystems are critical sources of protein, coastal protection, and income to millions of people, including numerous indigenous fishers. Globally, the area provides habitat to a significant portion of the world's shark and ray populations and is an important migratory route for marine mammals and sea turtles. The WIO has a long history of marine conservation and contains some of the oldest and largest MPAs in the world. In recent years there has been increasing government and civil society interest in creating or expanding MPAs, transboundary marine areas and locally managed marine areas in the region to meet Aichi Biodiversity Targets, including Aichi Target 11 related to MPA coverage, and contribute to the SDGs, including SDG 14.

Real and significant threats persist in the region and urgent action is needed to address these at an appropriate geographical scale and thus achieve long-lasting conservation impact. The WIO is on the cusp of a significant economic transformation driven by increased links to Asian markets and global demand for natural resources. The use of the ocean and its resources is expanding faster than at any time in the past, and much of the region's future economic development is likely to be driven by the exploitation of coastal and marine resources and the "Blue Economy³." In addition to this external exploitation, coastal and marine ecosystems are being degraded at an accelerating rate by local populations due to high poverty throughout the region (in Tanzania and Kenya the poverty rate in coastal zones is on average above 70% and in Madagascar it is close to 90%), coupled with high levels of population growth and persistent marginalization and economic inequality for coastal populations.

Many key threats thus persist in the region including overexploitation of small-scale fisheries; adoption of destructive fishing practices; poorly regulated oil and gas development; overexploitation by industrial fishing (both targeted and incidental catch); and growing trafficking and illegal trade of marine products. Government resources available for formal MPAs are often limited, in part because formal MPAs (contrary to the perceptions of locally managed areas) are not perceived as delivering broader socioeconomic impacts or as contributing to poverty reduction. All these threats are exacerbated by increasing and

diverse impacts of climate change including sea level rise, sea temperature change, coral bleaching, and changes to the frequency and intensity of storm and cyclone events. Despite these threats, opportunities exist and need to be seized. There is a potential to enhance the natural resilience of ecosystems and dependent human populations and build on the political will of national governments who have shown high-level interest in marine conservation through adherence to regional commitments and international targets for MPA creation.

The Trans-Boundary Conservation Area (TBCA) is a unique example of a transboundary conservation initiative in East Africa. It contains a network of marine parks, marine reserves and community-managed areas that have a high degree of ecological and social connectivity but suffer critical gaps in management effectiveness and infrastructure. The Trans-Boundary Conservation Area (TBCA) between Kenya and Tanzania is a known climate refuge (McClanahan 2021) due to the cooling of reefs from deep channels in the Pemba Channel. This is therefore a global unique site. Several other independent processes (including the CBD Ecologically and Biologically Significant Areas, SIDA Resilient Coasts, WWF Ecoregional Seascapes analyses) have also identified the TBCA as a contiguous and ecologically significant seascape within the WIO region. The area shares common oceanographic conditions and weather patterns and represents a continuous comprising a mangrove-dominated coastline with scattered offshore islands, and extensive fringing and patch coral reefs (Figure 1a- b), often with high coral cover. Reefs are typically shallow fringing reefs, with shallow and deeper patch reefs located further offshore. Reefs throughout the TBCA are generally rich in marine biodiversity and support significant fishing by local communities. Shallow fringing reefs are often associated with seagrass beds. The species and communities that these habitats support is similar throughout the area and genetic connectivity amongst both sedentary and migratory species populations is also thought to be high in the TBCA. In terms of the key species found in the TBCA, there are over 380 species of bony fishes, and the critically endangered coelacanth has been recorded in the Tanga Coelacanth Marine Park. Numerous species of sharks and rays exist in the TBCA. A number of marine mammals migrate through or use habitat throughout the TBCA for breeding and feeding including humpback whales and four species of coastal dolphins and dugong have been sighted on the Kenyan side of the TBCA. All five species of marine turtles are found throughout the TBCA, and the mangrove swamps, coastal wetlands, salt pans, and sandbanks found in the area provide feeding and roosting habitats for a number of seabirds. Given the biological and ecological homogeneity of habitats, and the ecologically essential dispersal and migration patterns of species throughout the TBCA (e.g., corals, mangroves, marine mammals), managing the entire area as one seascape is the only effective way to ensure a high level of conservation impact.



The TBCA officially extends from the northern end of the Diani Chale Marine Reserve (f) in Kenya to the southern boundary of the Ulenge Island Marine Reserve in Tanzania and covers an area of approximately 2200 km² (Figure 2). In Kenya, the TBCA encompasses one marine park, two marine reserves and nine community-managed areas, and in Tanzania it covers four marine reserves (known as the Tanga Marine Reserves System - TMRS) and the Tanga Coelacanth Marine Park, just south of the TBCA, is likely soon to be added to the joint management area (Table 1). Within the TBCA, MPAs have been repeatedly identified by Government and NGO stakeholders as requiring the most urgent and critical support in terms of infrastructure, integration into the surrounding socio-economic environment, and improved management effectiveness. One MPA (Diane-Chale marine reserve) in Kenya is a paper park due to historic community resistance to establishment, but there are recent signs of community interest. In Tanzania, MPA management and enforcement is a major challenge due to low MPA finance, leading to extensive fishing and mangrove harvest in these areas,. At the same time, there is still high coral cover in the Tanzania reefs, representing a major opportunity to safeguard these critical sites.

Table 1: Marine Protected Areas within or adjacent to the TBCA, with key needs for improvement.

			Level of need for improvement

<i>Seascape / MPA</i>	<i>Surface (km²)</i>	<i>IUCN Category</i>	<i>Infrastructure</i>	<i>Monitoring Systems</i>	<i>Control Surveillance Systems</i>	<i>&</i>
Kenya						
Diani-Chale Marine Reserve	250	VI	High	High	High	
Kisite Marine Park	28	II	Medium	Medium	Low	
Mpunguti Marine Reserve	11	VI	Medium	Medium	High	
Tanzania						
Kwale Island Marine Reserve	12	II	High	High	High	
Mwewe Island Marine Reserve	0.4	II	High	High	High	
Kirui Island Marine Reserve	36	II	High	High	High	
Ulenge Island Marine Reserve	3	II	High	High	High	



GLOBAL FUND FOR CORAL REEFS

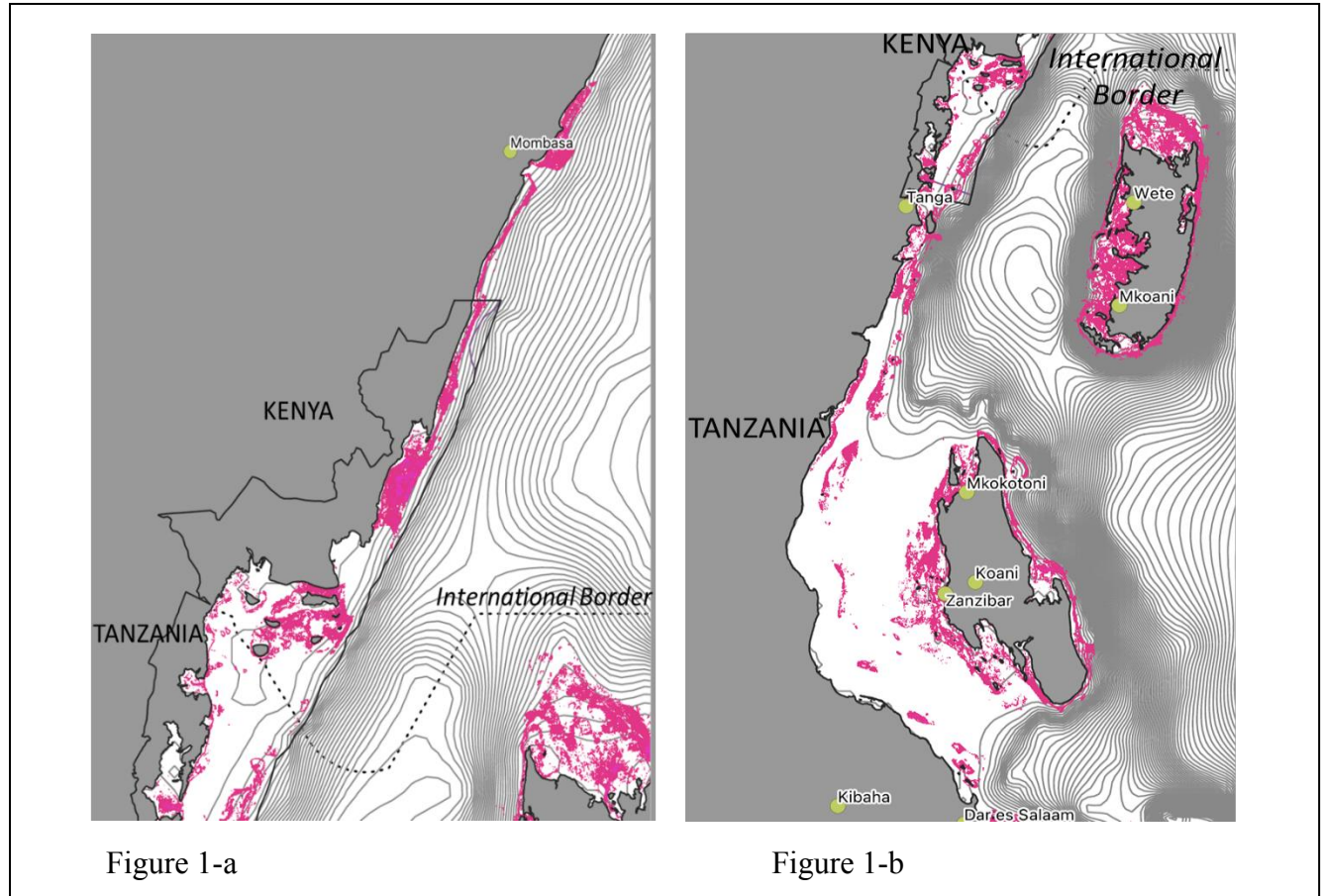


Figure 1: a –b) Coral cover in southern Kenya and northern Tanzania respectively. Coral cover shown in pink, solid lines are bathymetry contours, and dotted line is the international border.

The TBCA is in need of investments to counter increasing human pressures that are eroding high natural resilience to climate change in the selected project sites and thus threatening the long-term viability of biodiversity and the ecosystem services that human populations depend on. Enhancing natural resilience is the key to long-term conservation and socioeconomic benefits and can only be achieved by reducing the climate vulnerability of both the ecosystems and the human populations that depend on them. There is a lack of capacity and resources to translate stakeholder support for marine conservation to on-the-ground investment, implementation and management. This means that MPAs lack effective management and the critical infrastructure and equipment needed for full functioning, and the existing MPAs are ‘islands’ within the broader socioeconomic context and are arguably too small and disconnected to generate large-scale conservation or socioeconomic benefits. The areas around the MPAs are also poorly managed or unmanaged resulting in overexploitation of resources.



GLOBAL FUND FOR CORAL REEFS

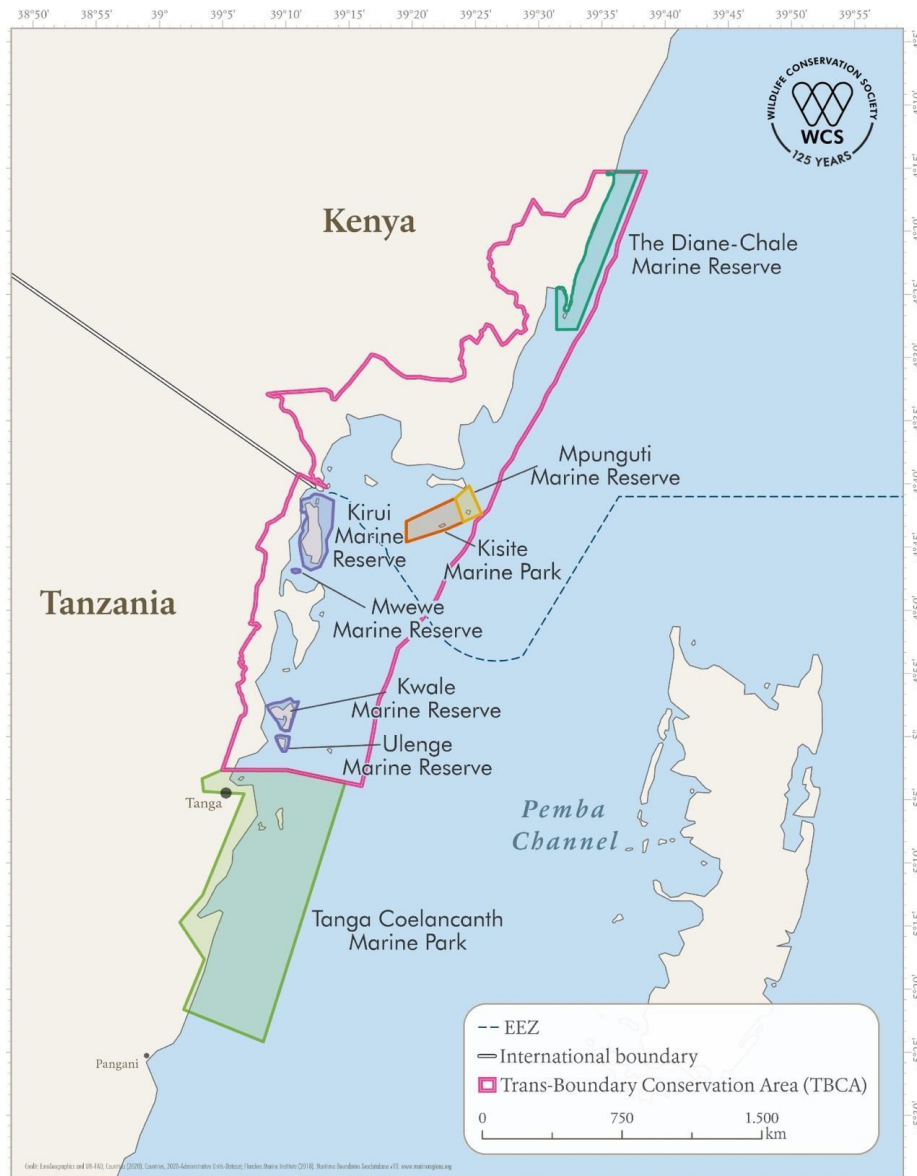


Figure 2: TBCA official area. Note that the GFCR project will focus on this core geography but also consider investments in a radius around this area that will likely extend through Malindi, Kenya to the north and Dar es Salaam, Tanzania to the south as well as across the Pemba Channel in Zanzibar.

Finally, community engagement in and support for marine conservation is undermined by a lack of tangible benefits generated by formal MPAs—this arises from a lack of investment to the productivity and management of sustainable use zones despite the strong potential opportunities to develop natural resource-based value chains if market linkages, private sector engagement, and capacity issues are addressed. It is important to note that there is no existing data on the value of coral reef ecosystem services or total beneficiaries, and this will need to be generated through the project.



GLOBAL FUND FOR CORAL REEFS

The key opportunities that the project will seize include: (i) the strong historical and current interest and activity in the creation of MPAs and locally managed areas by governments and communities both in general terms, and specifically for the two seascapes targeted by the project; (ii) the high degree of climate resilience of the seascapes that will ensure the long-term impacts generated by the project will be sustained in the face of global climate change; (iii) the relative homogeneity of threats throughout the two seascapes ensuring that there is strong potential for synergies, harmonisation and learning between work in different components of the seascapes; and (iv) successful pilot experiences in marine resource value chains. The main enabling factors that the project will promote include: (i) growing community and private sector interest and experience working in the marine domain of the WIO that will enable private sector engagement and sustainable investments in marine related value chains and tourism activities; (ii) the capacity of WCS and partners to work at a regional scale and thus address threats at a geographically appropriate scale; (iii) strong technical skills within WCS and partners within the WIO region that will allow the development of locally appropriate solutions to conservation threats; and (iv) numerous active regional fora and processes (for example, the Nairobi Convention, WIOMSA, and WIO-C) that are relevant to marine conservation and can be used to convene actors to maintain momentum in project activities, and facilitate knowledge exchange and sharing, as well as contribute to regional processes and policy.

A significant number of scientific publications have been prepared on the region and are available here: https://www.dropbox.com/sh/6wdz9a317whzck/AAA6SMxYABfidtvE_8SYxl2ma?dl=0

No data are currently available about the value of the principal coral reef systems in the region and an assessment of both the economic and ecosystem values provided would be useful. WCS does expect to carry out blue carbon feasibility assessments over the next year to begin to determine some of those carbon values as well as determine the potential revenue potential available to communities through climate mitigation efforts.

The proposed GFCR programme aligns with regional policies and programs including several carried out under the auspices of the Nairobi Convention. Specifically, the TBCA initiative was presented jointly by the Tanzanian and Kenyan governments at the 8th Conference of Parties of the Nairobi Convention in June 2015, and the concept was subsequently endorsed by the member states. Stakeholders' current engagement to the creation of the TBCA was confirmed in a joint commitment at the UN Oceans Conference in June 2017 led by the Secretariat of the Nairobi Convention, in collaboration with the Kenyan and Tanzania governments (ICT Authority. (n.d.). *Enterprise Kenya*, <https://icta.go.ke/business-kenya>). The project also aligns with priority actions identified by the East Africa Coral

Reef Task Force (CRTF) as detailed in the Regional Coral Action Plan 2008. The Action Plan was produced by the CRTF to fulfil the requirements of the Nairobi Convention COP decision CP3/2 'to implement actions that address the loss and degradation of coral reefs in the WIO region'. Finally, the project also aligns with the climate change strategy in the WIO as per the Nairobi Convention Conference of Parties decision CP8/8: Climate change adaptation and mitigation and the "Strategic action programme for the protection of the WIO from land-based sources and activities" (WIOSAP) that aims to reduce the impacts from land-based sources and activities and sustainably manage critical coastal-riverine ecosystems.

National governments have marked the Blue Economy as an integral driver for reaching their long-term development goals. Furthermore, Kenya sits among the 14 countries on the High-Level Panel for a Sustainable Ocean Economy (Ocean Panel), an initiative that further highlights Kenya's enthusiasm for



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identifying innovative solutions that will protect the ocean and develop ocean-based economic opportunities. Not only does Kenya's participation in the ground-breaking Ocean Panel reinforce the degree to which the national government is primed to engage in this space, but the Ocean Panel itself serves as a resource for cutting-edge technologies and captivating ideas, and it acts as a global support for sustainable Blue Economy businesses and ventures. Tanzania, while not directly engaged in the High-level panel process, has been also expressing its clear intention to unlock the potential of the Blue Economy (for both Tanzania mainland and Zanzibar, where a new Blue Economy Ministry has been recently created to spearhead such efforts). Enhancing collaboration in this sector between both countries will also further increase the impact of this initiative.

Looking at the potential support for entrepreneurship, Kenya and Tanzania are extremely fertile grounds for the development and adoption of innovation and new ventures, including as evidenced by the World Economic Forum flagging Kenya as an "emerging global start-up hotspot." Indeed, Kenya is actively prioritizing startup ventures through its Enterprise Kenya program, the government's "national accelerator to catalyse innovations, and provide entrepreneurs with needed support in their innovation journey." (<https://oceanconference.un.org/commitments/?id=18337>). Additionally, the amount of funding toward startups and the number of investments shows a continued increase from previous years, with Kenya benefitting from US\$ 564 million in investment funding in 2019, ranked second across the African continent behind Nigeria only. While still battling some of the challenges common to lower middle-income economies, Kenya offers a start-up environment that is conducive for growing ocean businesses and ventures. As such, enhancing the collaboration between Kenya and Tanzania will have a direct positive impact on this sector in Tanzania and the transboundary area presents itself as a particularly relevant environment to establish such collaboration.

With Kenya and Tanzania combining over 2200 km of coastline, the area benefits from a range of ocean-based industries like fisheries and aquaculture, coastal and marine tourism, ocean sports, and shipping. Kenya, which was cited as one of the fastest-growing economies in Sub-Saharan Africa, showcases potential for economic growth across the country's coasts through a variety of sectors. The Blue Economy currently contributes just under US\$ 1.6 billion per year (2.5% of the national GDP), and if developed, it is expected to bring at least in US\$ 4.5 billion per year. In addition to macro-economic role, the Blue Economy plays a major role among coastal marginalised communities who depend on the ocean for food security and income, and as such presents a unique opportunity to deliver both socio-economic and conservation impacts.

Further, the project will contribute to the Aichi Target commitments made by Tanzania and Kenya in relation to increased coverage of their respective EEZs of MPAs. In Kenya, the project will contribute to one of the government's Agenda 4 development goals, namely poverty alleviation which also meet Kenya's commitments to various international conventions including the CBD, RAMSAR and UN framework Convention on Climate Change. Building capacity to improve management of coral reefs and associated ecosystems, fisheries management, improved compliance with fisheries regulations, and removal of destructive fishing gears will contribute to habitat recovery and improved fisheries with potential positive outcomes for livelihoods (Aichi Targets 6, 10, 11, 14). The project will also contribute to reducing anthropogenic disturbance with the potential to increase the resilience of coral reefs and associated ecosystems to cope with climate change impacts (Aichi Target 15).



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The project has been designed to have an overall positive impact on livelihoods and food security. The project will support community-managed areas in the sustainable use zones of MPAs and work with communities in those zones to improve small-scale fisheries practices and generate short-term benefits (via introduction of sustainable fisheries practices and reduced post-harvest loss), and longer-term benefits (via ecosystem protection through better regulation of fisheries) thus contributing to livelihoods and food security. The project will also support actions to strengthen high-potential marine-based value chains. Within the TBCA seascape, fisheries and marine resources also form part of a mixed livelihood strategy in the majority of households. The poverty rate is estimated to be >70%, and most of the local population practice both fishing and small-scale farming. There is high potential to introduce alternative income strategies into the two seascapes. Communities are accustomed to a diverse livelihood strategy, have good understanding of and support for marine natural resource management through their involvement in community-managed areas, and have in many cases been exposed to pilot projects related to mariculture or aquaculture that have created a desire to engage in revenue-generating activities.



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6. Analysis of Drivers of Degradation

Table 1: Indicates which direct and indirect drivers of degradation to coral reef ecosystems are present and the magnitude of the issue. Provide reference material such as environmental assessments and data on threat impact in Annex VII.

Threat Present (Check the box and complete row if yes)	Specific area(s) where threat activity occurs AND where impacts are observed	Actor(s) responsible (e.g., local sugar cane farmers, copper mine, cruise ships)	Magnitude of threat and impact (e.g., xx MT of harmful agricultural runoff from xx farms, impacting 100 ha of coral reefs). <i>A baseline assessment will be conducted in the next phase of the project.</i>	Existing local strategy or project/initiative to mitigate the threat?
<input checked="" type="checkbox"/> Coastal development (including tourism infrastructure)	Shimoni Kenya, Tanga Tanzania, Unguja Tanzania	National Governments	Unknown but likely high.	ESIA report – though now well designed.
<input checked="" type="checkbox"/> Overfishing	Most reefs except some government fisheries closures and deep reefs	Artisanal fishers & some commercial trawlers	Unknown – reef area unknown and would need to be determined. From recent surveys in Tanzania more than 60% of reefs were estimated to be below sustainable fish biomass.	NGO and government support for fisheries co-management and establishment of locally managed marine areas.
<input checked="" type="checkbox"/> Destructive fishing practices (blast, cyanide, trawling, etc.)	Most reefs except some government fisheries closures and deep reefs	Artisanal fishers & some commercial trawlers	Unknown – reef area unknown and would need to be determined.	NGO and government support for fisheries co-management and establishment of locally managed marine areas.
<input type="checkbox"/> Irresponsible marine and freshwater aquaculture				
<input checked="" type="checkbox"/> Harmful runoff and poor water quality (from development and deforestation)	Kenya: Sabaki River, Tana River, Mtopanga Creek, Likoni Creek, Mtwapa Creek, Tudor Creek, Gazi Creek. Tanzania: Pangani River, Wami River, Ruvu River	Diverse actors	Unknown – would need to be determined	Some reforestation efforts.



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<input checked="" type="checkbox"/> Unsustainable tourism (overcrowding, cruise ships, etc.)	Several sites in Unguja and Pemba in Tanzania and Mombasa Beach in Kenya	Diving centers and private boats	High for the affected reefs. Know areas are Mnemba Island in Unguja, Misali Island in Pemba (500ha total)	Management plans are under development to protect selected reefs
<input checked="" type="checkbox"/> Poor wastewater treatment	Kenya: Mombasa, Malindi, Watamu. Tanzania: Dar es Salaam, Tanga, Stone Town	National and local governments and communities, businesses	Unknown	Water treatment facilities
<input checked="" type="checkbox"/> Garbage and solid waste (plastics, leaching from landfills, etc.)	Most urban towns, main river and creeks outflows	National and local governments and communities, businesses	High but exact extent unknown	Policies and waste treatment facilities but not well implemented Coastal clean ups
<input type="checkbox"/> Invasive species				
<input type="checkbox"/> Coral Reef disease (e.g., stony coral tissue loss disease)				
<input checked="" type="checkbox"/> Energy production and mining (Clean energy, Fossil Fuels and extractives)	Kibuyuni Kenya new mining operation, Exploration of oil and gas planned in Zanzibar, oil pipeline with outflow pipe in Tanga Tanzania.	National and businesses	Medium – in Zanzibar not clear if and when exploration will take place, but if implemented, could have a big impact. Zanzibar Government is developing plans to expand exploration activities.	Energy and mining regulations, ESIA
<input checked="" type="checkbox"/> Marine traffic and shipping	Shimoni Kenya, Tanga Tanzania, Unguja Tanzania	National and businesses	High- shipping will increase significantly due to new large ports. This will also increase industrial fisheries sector	Regulations, ESIA, IMO, national shipping policies and rules.
<input checked="" type="checkbox"/> Logging and wood harvesting	Mangroves and coastal forests and riparian areas	Local communities, small-scale agriculture and forestry businesses	High but exact extent unknown	Policies including protection of mangroves for Kenya, and lack of management plans for Tanzania and poor implementation of plans where present
<input type="checkbox"/> Other				



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7. Addressing Drivers of Degradation

In this section we provide an assessment of the drivers of degradation for reefs for the various outcome threats identified in section 6 and the outcomes presented as part of the theory of change. Note that the TBCA is broadly a climate refugia. However, as we seek opportunities throughout Kenya & Tanzania, there are reefs that are more and less resilient based on fishing pressures, climate variables (and oceanographic conditions) and fish and coral connectivity and fish movement patterns. We have thus proposed as part of our baseline assessment a more detailed evaluation at a reef scale of ecological hotspots that warrant enhanced investment and management.

Outcome 1: MPA Sustainable Finance

Investment Idea	Overfishing	Destructive Fishing	Nutrient & Sediment Pollution	Plastic Waste	Coastal Development (Ports, oil out pipelines, etc)	Climate Change	Lack of Public Understanding of & Value for Reefs
Virtual Reality "Aquarium" at an urban MPA	High – provision of sustainable finance	High – provision of sustainable finance		Medium – public stops depositing waste on beach			High – current knowledge very low & can contribute to policy and domestic tourism
Blue Carbon (100-500 km²)	High – provision of sustainable finance	High – provision of sustainable finance	High – prevention of sedimentation		Medium – prevention of development of mangrove areas	High – provides climate mitigation through carbon storage	
Plastic Recycling	Medium – provision of sustainable finance	Medium – provision of sustainable finance		High – removal of plastics from MPAs			Medium – public awareness on clean marine environments
Ecotourism Development	High – provision of sustainable finance	High – provision of sustainable finance			Low – promotion of sustainable coastal development		



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Outcome 2: Community Marine Management and Sustainability

Investment Idea	Overfishing	Destructive Fishing	Nutrient & Sediment Pollution	Plastic Waste	Coastal Development (Ports, oil out pipelines, etc)	Climate Change	Lack of Public Understanding of & Value for Reefs
Identifying Climate Refugia for Protection in Community Closures	High – priority places for community protection	High – priority places for community protection			Medium – informing policy on areas to avoid development	High – identifying locations for climate refugia	High – helping communities understand protection needs & opportunities
Blue Carbon (1-5 km ²)	High – provision of sustainable finance for community closures	High – provision of sustainable finance for community closures	High – local prevention of sedimentation		Low – prevention of development of mangrove areas (but at small scale)	Medium – provides climate mitigation through carbon storage (at small scales)	Low – understanding ecosystem linkages and role of mangroves & seagrasses in protecting reefs
Ecotourism Investments	High – provision of sustainable finance	High – provision of sustainable finance			Low – promotion of sustainable coastal development		Medium – provision of community reef jobs
Aquaculture coupled with enhanced reef protections	High – provision of alternative livelihoods	High – provision of alternative livelihoods				Medium – providing community financial stability through diversification & increasing community adaptive capacity	
Fisheries value addition	Medium- less post-processing loss fish loss from harvest (e.g. cold storage)	Medium – increasing value for sustainably caught fish					

Outcome 3: Risk Ecosystem Reef Reduction

Investment Idea	Overfishing	Destructive Fishing	Nutrient & Sediment Pollution	Plastic Waste	Coastal Development (Ports, oil out pipelines, etc)	Climate Change	Lack of Public Understanding of & Value for Reefs
Watershed protection (e.g. Water Funds)			High – watershed-wide erosion & pollution prevention			High – carbon storage	Medium – financial model encourages investment in healthy watersheds
Reforestation			High – watershed-wide erosion & pollution prevention			High – carbon storage	
Plastic Recycling				High – removal of plastics from marine systems			Medium – public awareness of & incentives for clean marine environments
Infrastructure (e.g. sewage treatment)			High – prevention of waste product runoff				
Mitigation of impacts of development projects					High - preventing negative effects on corals from coastal development projects		Medium – policy-level understanding of mitigation needs



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8. Partners

WCS has a long history of work in marine conservation and coral reef conservation in the subregion. During their work WCS developed long lasting collaborations with local NGOs, partners, Government stakeholders and local communities. This work will fall into the global WCS's mission and vision of "[...] a world where wildlife thrives in healthy lands and seas, valued by societies that embrace and benefit from the diversity and integrity of life on earth. WCS saves wildlife and wild places worldwide through science, conservation action, education, and inspiring people to value nature."

WCS technical capacity in marine conservation is complemented by Okavango Capital Partners for the financial component of this project. OCP has decades of innovation in creating and deploying capital structures in conservation enterprise.

Table 3: Describe why the convening agent believes the co-implementing partners are appropriate and well qualified to be included in the programme.

Co-recipients organisations (UN 56organization or Non Profit who can be eligible for direct access to the GFCR, max three)	Description of role, level of engagement thus far, track-history in the sector and region, technical capacity. Be as specific as possible.
Partner and Organization Designation (e.g., government, NGO, private business; not receiving GFCR funds, local public of commercial bank, financial institution)	Description of role, level of engagement thus far, track-history in the sector and region, technical capacity. Be as specific as possible.
Okavango Capital Partners (OCP)	OCP will conduct technical assistance on the financial implementation of the project by supporting in the evaluation of financial feasibility of business ventures, support in the development of the financial facilities, contribute to scoping of business opportunities and development of relationship with business partners. OCP participated in the design of the Programme's concept and contributed to this proposal identifying and developing business plans for target opportunities. Okavango's diverse team has 60 years of combined conservation and private equity experience across multiple continents. In partnership with the African Wildlife Foundation (AWF), leaders of Okavango helped launch its Conservation Bonds, which raised \$US 7-million from private investors financed nine <i>Conservation Businesses</i> in East and Southern Africa operating in sustainable agriculture and nature-based tourism.

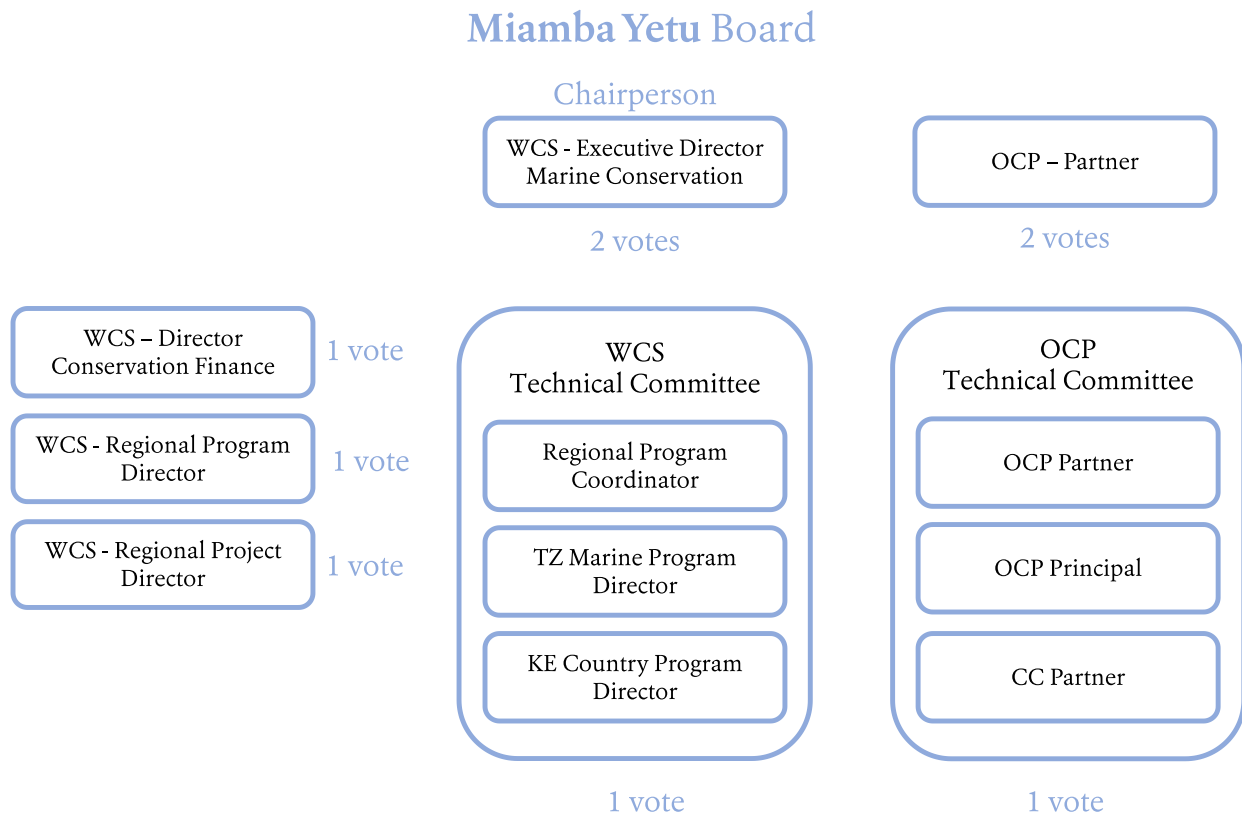


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9. Leadership Strategy for collaboration and governance arrangements

The Project will be led and represented by the Programme Board (Figure 4). The Board is chaired by WCS Executive Director for Marine Conservation and is constituted by representatives from both WCS and OKP. WCS is represented in the Board by the Chairman, the WCS Director of Conservation Finance, WCS Regional Program Director, WCS Regional Project Director and WCS Technical Committee composed of members from the regional and national WCS programs involved in the project implementation and design. OKP is represented by a Partner and a Technical Committee composed of 3 members: OCP Partner, OCP Principal and Partner from the firm Conservation Capital.

The Board has a role of representation with donors and partners and is responsible for taking critical decisions in the Programme implementation. The Board will be consulted to authorize new projects for financial support and to terminate support to ongoing projects when necessary. The Board takes decisions through a voting system where each member has either 1 or 2 votes. The details on how decisions will be made by the Board will be defined and finalized during the initial phase of implementation of the Project when the legal structure of the Programme will be formalized.





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Figure 4: Schematic representation of the Board composition showing members from WCS and OCP and the two Technical Committees. The voting power of each member is shown for reference.

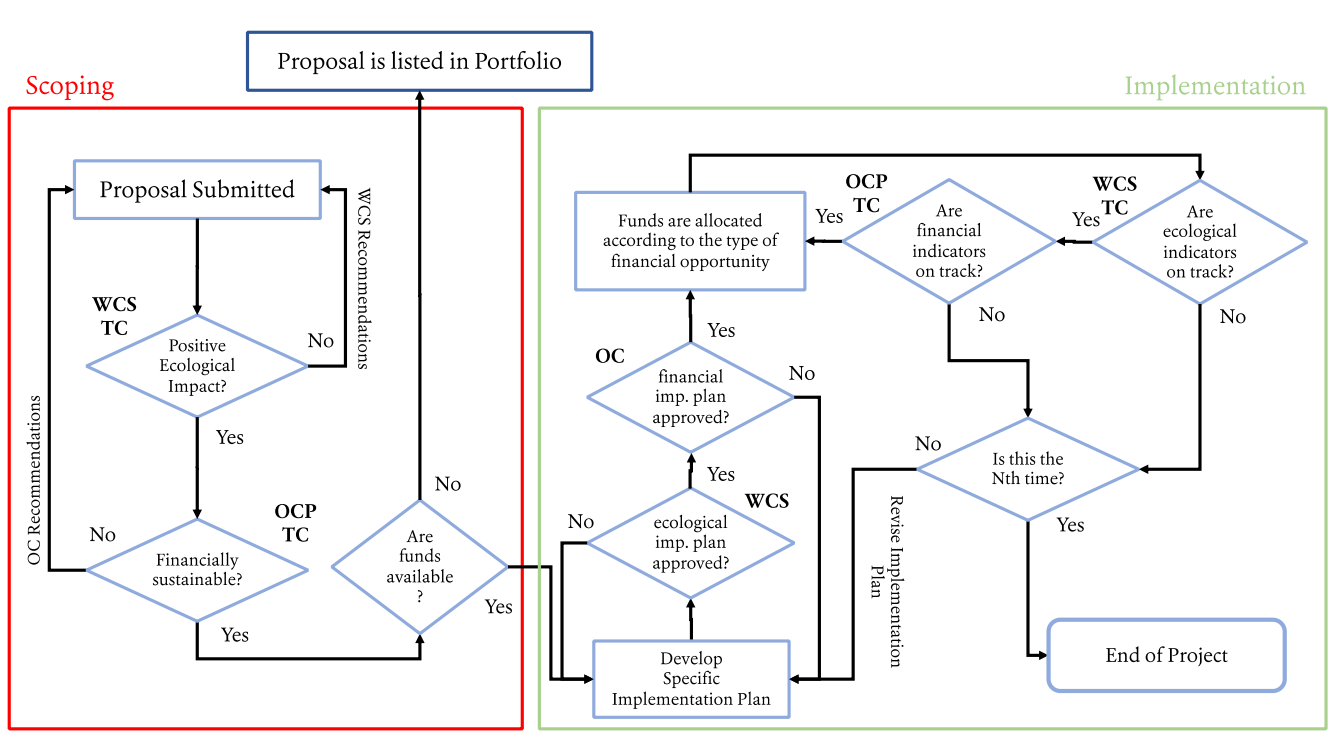


Figure 5: Flowchart of the decisional system in the scoping and implementation phase of the Programme.

In Figure 5 we present a schematic of the decisional process for the scoping phase and implementation phase. During the scoping phase, each proposal is systematically evaluated for their ecological impacts and opportunities. This process is led by WCS's Technical Committee previously described. Once a project passes this ecological review, it is evaluated for its financial merits by the Technical Committee from OCP. This process is iterative, with proposals sent back for further development as needed. If a project is finally approved, it is then listed in a portfolio or promoted to implementation depending on the financial availability in the appropriate pipeline. Access to the implementation phase is voted on by the Board.

The implementation phase starts with the development of an implementation plan, reviewed independently by WCS and OCP, which must contain a set of indicators, baseline and targets later referenced in the monitoring phase. If the implementation plan is approved, the project receives financial support and starts the activities. During its implementation the project is monitored with respect to the indicators defined in its implementation plan. If a business fails to achieve its targets, the implementation is reviewed, and the project receives further financial support if necessary. If the project fails to achieve its targets even after revision of the implementation plan, the Board can decide to halt the funding and to remove the project from the portfolio.



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The decisional process hereby described as well as the governance framework will be finalized in the bylaws of the Programme.

10. Engagement with Local Actors

Stakeholders were engaged from the Programme's conception. Local authorities in both Kenya and Tanzania were consulted during the scoping phase to ensure future support in the Programme implementation. Representatives from both National Parks administrations, national and regional fishery authorities, tourism sector and leaders at the Ministerial level were also engaged from the early stage of the Programme implementation.

Stakeholders in the private and non-profit sector were contacted by WCS country teams during scoping to identify potential business opportunities. The scoping was broad and identified several potential partners as listed in Section 3. Collaboration with many of the contacted stakeholders are on-going to help frame future possible interventions and participation to the project implementation.

A complete list of stakeholders contacted during the scoping phase of this programme is reported below.

Country	Partner Name	Geographic Focus	Thematic Focus
Both	Nairobi Convention	Both	Sabaki River opportunities, Kenya and other
Both	Cargill	Both	Seaweed purchasing
Kenya	CORDIO	WIO	marine conservation
Kenya	KWS	Kenya	MPAs
Kenya	COMRED	southern Kenya	marine conservation
Kenya	Kwale County CEC	southern Kenya	Local government admin
Kenya	KMFRI	Kenya	Aquaculture, marine research
Kenya	Base Titanium	Kenya	mining and development
Kenya	KeFS	Kenya	Fisheries management
Kenya	WMA	Kenya	Plastic recycling
Kenya	Petco	Kenya	Plastic Recycling Company
Kenya	WWF	Kenya	ecotourism, community development, fisheries, MPAs
Tanzania	MWAMBAO	Tanzania	Local NGO, marine conservation
Tanzania	MPRU	Tanzania	MPAs
Tanzania	PS Blue Economy	Zanzibar	fishery, marine conservation
Tanzania	DSFA Director	Tanzania	fishery
Tanzania	Zanzibar/Tourism	Tanzania	eco-tourism



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Tanzania	Chumbe Island	Tanzania/Zanzibar	eco-tourism
Tanzania	&beyond	Tanzania	eco-tourism
Tanzania	Kwanini/Manta resort	Tanzania	eco-tourism
Tanzania	Marinecultures	Zanzibar	Local NGO, coral reef restoration
Tanzania	Dar es Salaam Merchant Group	Tanzania	fishery
Tanzania	MWANIZANZIBAR	Tanzania	Local NGO, Seaweed farming and processing
Tanzania	ZAMANI	Tanzania/Zanzibar	eco-tourism

11. Period of Implementation

Indicate the period planned for implementation of the programme and provide brief justification of the proposed sequence.

- Include the most critical milestones (intermediary results) and if the programme will be separated into phases (e.g., Phase I, Phase II). If so, describe each phase.

The initial phase of the Programme implementation will last 2 years during which time the Programme and its pipelines will be formally set up, the baseline assessment of the ecological landscape completed, the evaluation of ecological and financial benefits of shortlisted business ventures determined and investments in target initiatives initiated.

According to the proposed timeline, the project will first establish the knowledge and organizational base over which to build an effective M&E process and then apply this structure rapidly and effectively to identified business opportunities. The Programme is then expected to start investing into business ventures in the second half of this first period of implementation, with simultaneous gathering of information from the first round of monitoring of the initiative's implementation.

Critical milestones will include completion of the legal setup of the proposed pipelines, completion of the Venture Studio pipeline (end of second year), completion of the baseline assessment (end of second year), identification and evaluation of two initiatives (first year), first round of funds deployed to initiatives (first year), and the first report on implementation of initiatives (second year).

12. Grant cost, co-financing and leverage potential of the Programme

Refer for the budget in Annex for a detail breakdown of the budget allocation.

Table 4: Summary of total grant costs

Category	Amount (US\$)
GFCR Grant Window	3M USD



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Grant Co-financing	none
Total Grant Costs	3M USD

Table 5: Summary of total investments sought or secured. Please differentiate between debt and equity investments

Category	Debt (US\$)	Equity (US\$)	Total (US\$)
GFCR Investment Window	TBD	TBD	TBD
Public Investment co-financing	TBD	TBD	TBD
Private Investment co-financing	TBD	TBD	TBD
Total Investment	TBD	TBD	TBD
Expected Programme leverage ratio of grants to investment capital (1:x)	TBD	TBD	TBD

13. Strategy for Monitor and Evaluation

The Programme will build on a strong Monitor and Evaluation foundation. One of the main outcomes of the first phase of this project will be the creation of an extensive foundational knowledge of the ecosystems in the area of interest which will integrate the already extensive database built by WCS in the past decades of work in the region.

WCS will build a solid baseline assessment of coral reefs, coastal areas and coastal communities, by deploying coral reef surveys at target locations, strategically placed to complement the already available data from the area, collecting information on benthic characteristics, fish biomass and relevant threats to coral reefs such as coral breakages from anchoring or damaging fishing activities. To complement coral reef in situ measurements, we will conduct surveys at landing sites and coastal communities on catch data, fishing gears and livelihoods in fishing communities. This will not only allow to complete the assessment of the status of the ecosystems but also to explore potential impacts of business developments on fishing communities.

WCS is then currently developing a monitoring system for the evaluation of the ecological potential of business opportunities based on a similar approach to the METT survey from IUCN for the evaluation of MPAs. Our evaluation framework will evaluate business initiatives across several key components:



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Community Value Added, Equitability, Environmental Threats, Environmental Protection, Implementation Plan, Impact on Ecosystems, Impact on Sensitive Species. This approach will allow to develop a clear evaluation metric for the ecological benefit of an initiative that, together with the financial assessment, will allow the classify business proposals for further consideration.

For the M&E of ongoing processes, we will follow a similar approach to what WCS developed during the many years of work on community and MPA governance which is to support managers into developing implementation plans guided by SMART Objectives. The proposed approach is to require each business to develop a detailed implementation plan driven by SPECIFIC, MEASURABLE, ACHIEVABLE, RELEVANT AND TIME-BOUND Objectives. Each Objective will have indicators, baseline and target values and will be evaluated during its implementation following the scheme presented in Figure 5. Indicators, both financial and ecological, will be evaluated at agreed times and adjustments will be made to the implementation plan as needed.

In the case of a business failing to implement the project as agreed during the design of its implementation plan, the Board will have the opportunity to halt the financial support. This M&E is then designed to allow the Programme to implement an exit strategy in failing projects. The terms of these procedures will be developed during the elaboration of the legal agreements between the Programme and the individual business ventures.

14. Communication and Visibility

During the first months of implementation, we will develop a communications and visibility strategy that will outline our overall communications objectives, target audiences, key messages, priority channels of communication and an overall plan of visibility and communications for the upcoming years, in line with GFCR requirements. The strategy will further develop the main communication and visibility objectives that we have identified:

- Keeping stakeholders engaged with and well informed of the project aims and outputs, through community outreach and meetings, local communications and local media.
- Disseminating lessons learned to the public and policy-makers to showcase successful approaches to conserving coral reefs through revenue-generating projects
- Ensuring the GFCR and other donors receive appropriate visibility and recognition. GFCR support for the project will be displayed in an appropriate manner in all communication activities, per GFCR's requirements.
- Keeping donors, partners, supporters and other interested parties regularly updated on the project's progress, by, for example, the organization of events, progress reporting to GFCR, dissemination of updates, etc.

The overall coordination of the communication and visibility activities will be ensured by the Project Lead, and we will utilize the skills of WCS's in-house Communications Specialist for the East Africa region to develop communication materials for a range of audiences.



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15. Accountability, financial management, and public disclosure

The Programme will be using a pass-through fund management modality where UN Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Programme through the AA.

The convening agent and recipient organizations shall assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent of the Global Fund for Coral Reefs (Multi-Partner Trust Fund Office). Such funds will be administered by each recipient organizations, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each recipient organizations shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Recipient Organizations recovered through programme support costs will be 7%. All other costs incurred by each entity in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. The project management cost should not exceed 18%.

Funding by the GFCR will be provided on an annual basis, upon successful performance of the programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the GFCR.

Partners must comply with GFCR Fund brand guidelines, which includes information on donor visibility requirements.

Each recipient organization will take appropriate measures to publicize the GFCR and give due credit to the other partners. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, partners, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each recipient organization and partners in all external communications related to the GFCR.



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Annex I: Technical review criteria for Programme Documents

Category	Criteria	Weight in category	Weight of total
1. Mandatory criteria	1.1 Submission is appropriate, complete and follows guidelines outlined in the call for proposal	Pass/Fail	
	1.2 Feasible timeframe (2-8 years) with quantitative milestones on a semi-annual basis	Pass/Fail	
	1.3a Clearly delineated impact metrics positively affecting coral reefs and associated ecosystems and coastal and reef-dependent communities (e.g., x hectares protected, x% increase in fish density, x% increase in biodiversity, alternative incomes for xx fishers, coastal protection for xx households, etc.)	Pass/Fail	
	1.3b Drivers negatively affecting coral reefs and associated ecosystems identified and clear actions to mitigate (e.g. overfishing: impose a no-take zone, agricultural runoff: introduce upstream regulation and enforcement)	Pass/Fail	
	1.3c Monitoring plan adequately described tied to delivering proposed impact metrics and appropriately resourced	Pass/Fail	
	1.5 Co-investment from local sponsors (can be in the form of funding or in-kind/staff time)	Pass/Fail	
	1.6a Revenue generation schemes are included	Pass/Fail	
	1.6b Already revenue generating	Pass/Fail	
	1.6c If Point 1.6b is 'Fail' then does the proposal include a clear, feasible route to market and eventually secure financial sustainability?	Pass/Fail	



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	1.7 Clear budget with overhead/management accounting for no more than 18% (breakdown by outcome and output)	Pass/Fail	
	1.8 Targeted grant to investment leverage ratio is 1:3 or above.	Pass/Fail	
2. Relevance	2.1 Relevance of approach according to GFRC vision and the SDGs (drivers addressed and use of blended finance mechanisms)	X/10	75%
	2.2 Theory of Change and rationale for the proposal is clear with potential for scaling-up and replication	XX/10	
	2.3 Conservation and biodiversity outcomes are project priorities with multiple drivers of degradation addressed and tied to milestones appropriately timed and measured (clearly stated; % increase in live coral cover, reduction of invasive species, increase in fish density, hectares protected, reduction in pollution, etc.)	XX/20	
	2.4 Blue finance mechanisms are viable and include appropriate timeline to implementation (business models using blue bonds, debt, guarantees to attract investment, etc.)	XX/20	
	2.5 Scale of positive impact for coastal and reef dependent communities. (i.e. number of benefactors and type)	X/10	
	2.6 Project aims to address issues of gender and social inclusion with clear metrics, timelines, and delivery routes (e.g. more economic opportunities for women)	X/5	
3. Delivery and operations	3.1 Roles and responsibilities (clarity and appropriateness of governing and policy frameworks) with local employment favoured and gender balanced	X/5	25%
	3.2 Capacities or convening agent and partners (technical capacities and/or abilities), readiness of actors involved, baseline metrics, capacity for monitoring and reporting impacts	X/5	



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	3.3 Duration and milestones (clarity and appropriateness of), with risks and mitigating factors delineated	X/5	
	3.4 Budget adequacy (cost-efficiency and appropriateness)	X/5	
	3.5 Stage of development—is the concept past the idea stage, demonstrated by financing secured, signed partnership agreements, signed contracts with the community or government, IP produced, or other contractual evidence	X/5	



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Annex II: Budget and workplan

Include or link the budget broken down to the activity level. The GFCR Global Team has provided a template.

Budget is provided as an attachment to the proposal. Listed activities are budgeted only for the first phase of the project, which will entail a first baseline assessment of the area, the evaluation of potential business and the initial implementation of up to two selected projects, one in Kenya and one in Tanzania. The attached budget does not provide a description of how the funds for the business initiatives will be deployed as this will be detailed in future implementation plans. A key component of this first phase of the programme will be the development of the technical team that will lead the project moving forward.

Annex III: Results framework

Complete the table below – add rows as needed. Only include an annual target if relevant to the indicator.

Result / Indicators	Baseline	2022 Target	2023 Target	2024 Target	2025 Target	2027 Target	2030 Target	Means of Verification	Responsible partner
Outcome 1 Protected priority coral reef sites and climate change refugia									
Number of target sites with complete socioeconomic and ecological assessment	0	20						Technical reports, MERMAID datasets	WCS
Business opportunities evaluated financially and ecologically	0	2						Socioecological and financial evaluation reports	WCS, OCP
Output 1.1 Completed scientific/feasibility studies to gain greater understanding of key hot spots and of the value of ecosystem services provided.									
Number of target sites with complete socioeconomic and ecological assessment	0	20						Technical reports, MERMAID datasets	WCS
Number of beach sites sampled for solid waste deposition	0	20						Technical reports	WCS



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Output 1.2 Triage evaluation of the economic and coral reef benefits of the projects prior to investment.									
Business opportunities evaluated financially and ecologically	0	2	6					Socioecological and financial evaluation reports	WCS, OCP
Outcome 2 Transform livelihoods of coral dependent communities									
Financial support deployed to selected initiatives	0	0	900k USD					Financial records	WCS, OCP
Number of community members positively affected by the initiatives	0	0	100					Technical report	WCS
Output 2.1 Develop facilities for the implementation of sustainable financing and ecologically viable business ventures									
SPV developed	0	1	2					Legal agreements for the developments of SPV	WCS, OCP
Venture Studio developed	0	0	1					Legal agreement for the development of a Venture Studio	WCS, OCP
Output 2.2 Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.									
Ecological and financial evaluation report on selected deals	0	2						Evaluation report	WCS, OCP
Output 2.3 - Successful early-stage investments to test and implement the approach.									
Financial support deployed to selected initiatives	0	0	900k USD					Legal agreements, implementation plan	WCS, OCP
Implementation monitoring report	0	0	2					Ecological and financial monitoring report	WCS, OCP



Annex IV: Social and Environmental Compliance

Part 1- Social and Environmental pre-screening checklist

CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?	No

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



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<i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>		
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ² greenhouse gas emissions or may exacerbate climate change?	No

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



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2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	Yes
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No



5.3	Is there a risk that the Project would lead to forced evictions? ³	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	Yes
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?	No

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



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	<i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

PART 2 – IDENTIFYING AND MANAGING SOCIAL AND ENVIRONMENTAL RISKS

Please fill in this section with preliminary analysis and suggestions for risk mitigation measures, referring to the items in the above checklist which are applicable to this Transformative Partnership. This document will be further updated and consolidated when a full project plan is developed.

For additional guidance on Questions 1 to 6, please refer to UNDP's [Social and Environmental Screening Procedure \(SESP\)](#).

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The Programme puts the interests and benefits of local communities at the center of the evaluation phase of each potential business venture. To be considered for implementation, a business opportunity will need to show ecological and social benefits. The evaluation process is designed to put the benefits of local communities at the center as it is understood that healthy coral reefs depend on good governance and sustainable livelihoods. Benefits for local communities will be addressed in our evaluation framework in terms of: number of community members directly employed by initiative, the number of fishers/fish vendors/processors who will have guaranteed access to new markets, the involvement of community members in decision-making during the development of the project, and the level of training and capacity building provided by the project to local communities. Impact and benefits on local communities is measured first in the baseline assessment, then in the evaluation phase and lastly during the monitored phase of each project.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The Programme is designed to ensure participation in the decision-making phase by all members of the community. In its activities in the region, WCS has implemented a participatory approach where fair gender representation is required in all stakeholders' meetings. WCS will also ensure that women participate in the decision-making process and project development. It is WCS's standard procedure to record gender in attendance lists which ensures traceability and allows to monitor impact. The number of women and female fishers benefiting from the business venture will be estimated as part of the evaluation process and will contribute to the overall scoring of a project thus favoring projects that promote female participation.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The Programme is designed to select projects that 1) preserve coral reefs and 2) mitigate threats to coral reefs. Our evaluation framework is designed to select projects that favor the creation of protected areas and community managed replenishment zones thus favoring the protection of habitats, reducing pollution in the environment, and supporting communities, thereby reducing anthropogenic pressure on the reefs. The financial sustainability of the project is then built into the project selection by analyzing business plans and scoping for opportunities that have a history of success in the region.



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QUESTION 2: What are the Potential Social and Environmental Risks Identified? <i>Note: Describe briefly potential social and environmental risks identified in Annex 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Annex 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>See Annex 3 for descriptions of ratings. Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5) See Annex 3, Table 1 and 2	Significance (Low, Moderate, High) See Annex 3 Table 3	Comments	Description of assessment and management measures as reflected in the Project design. If Strategic Environmental and Social Assessment is required, note that the assessment should consider all potential impacts and risks.
Risk 1: Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	I = 2 P = 2	Low	The project might result in the development of MPAs of community managed replenishment zones thus restricting access to resources.	The programme considers the integral role of communities in the protection of coral reefs. One of the driving principles of coral reef conservation is that well managed MPAs do provide benefits to communities, which allows the project to achieve both marine conservation targets and community support. The programme will select projects and develop associated implementation plans that include communities in the decision-making process as well as provide direct benefits to communities thus offsetting potential limitations in the access to resources.
Risk 2: 1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	I = 3 P = 2	Moderate	Many commercial developments in ecotourism are likely to target pristine areas in the proximity of MPAs.	The programme will offer an opportunity to better manage sensitive sites by providing direct or indirect benefits to communities and by increasing levels of protection. The programme will also provide indirect support to existing MPAs by increasing revenues from tourism.
Risk 3: 2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	I = 2 P = 2	Low	The programme will possibly support coastal development	Infrastructure developed in coastal areas will be developed according to sea level rise projections reducing the potential impact of climate change.
Risk 4: 3.2 Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	I = 3 P = 3	Moderate	The programme will consider investing in a recycling facility in Kenya	The potential impact of infrastructures will be assessed via the ecological evaluation framework and projects that plan to develop large infrastructures in proximity of sensitive or unperturbed areas will not be considered.



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Risk 5: 7.2 Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	I = 2 P = 3	Low	The programme will consider tourism developments which will possibly result in the generation of waste	Implementation plans for tourist developments (ecolodges, visitor centers, aquariums, etc...) will require adequate waste disposal plans thus limiting the possibility of accidental release of waste in the environment.
QUESTION 4: What is the overall Project risk categorization?				
Select one (see Annex IV – Table 4, or SESP , for guidance)			Comments	
<i>Low Risk</i>			<input checked="" type="checkbox"/>	
<i>Moderate Risk</i>			<input type="checkbox"/>	
<i>High Risk</i>			<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the Social Environmental Standards are relevant?				
Check all that apply			Comments	
<i>Principle 1: Human Rights</i>			<input checked="" type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>			<input type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>			<input type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>			<input checked="" type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>			<input type="checkbox"/>	
<i>4. Cultural Heritage</i>			<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>			<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>			<input type="checkbox"/>	
<i>7. Pollution Prevention and Resource Efficiency</i>			<input checked="" type="checkbox"/>	

PART 3 – RATING THE IMPACT, PROBABILITY AND SIGNIFICANCE OF RISK

Table 1: Rating the “Probability” of a Risk

Score	Rating
5	Expected



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4	Highly Likely
3	Moderately Likely
2	Not Likely
1	Slight

Table 2: Rating the “Impact” of a Risk

Score	Rating	Social and environmental impacts
5	Critical	Significant adverse impacts on human populations and/or environment. Adverse impacts high in magnitude and/or spatial extent (e.g. large geographic area, large number of people, transboundary impacts, cumulative impacts) and duration (e.g. long-term, permanent and/or irreversible); areas impacted include areas of high value and sensitivity (e.g. valuable ecosystems, critical habitats); adverse impacts to rights, lands, resources and territories of indigenous peoples; involve significant displacement or resettlement; generates significant quantities of greenhouse gas emissions; impacts may give rise to significant social conflict
4	Severe	Adverse impacts on people and/or environment of medium to large magnitude, spatial extent and duration more limited than critical (e.g. predictable, mostly temporary, reversible). The potential risk impacts of projects that may affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples are to be considered at a minimum potentially severe.
3	Moderate	Impacts of low magnitude, limited in scale (site-specific) and duration (temporary), can be avoided, managed and/or mitigated with relatively uncomplicated accepted measures
2	Minor	Very limited impacts in terms of magnitude (e.g. small affected area, very low number of people affected) and duration (short), may be easily avoided, managed, mitigated
1	Negligible	Negligible or no adverse impacts on communities, individuals, and/or environment

Table 3: Determining the “Significance” of Risk

IMP ACT	5					
	4					
	3					



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	2					
	1					
		1	2	3	4	5
PROBABILITY						
Green = Low; Yellow = Moderate; Red = High						

Table 4: Overall Social and Environmental Risk Categorization of the Project

Risk Categories	Description
Low	Projects that include activities with minimal or no risks of adverse social or environmental impacts.
Moderate	Projects that include activities with potential adverse social and environmental risks and impacts, that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard best practice, mitigation measures and stakeholder engagement during Project implementation. Moderate Risk activities may include physical interventions (e.g. buildings, roads, protected areas, often referred to as “downstream activities”) as well as planning support, policy advice, and capacity building (often referred to as “upstream” activities) which may present risks that are predominantly indirect, long-term or difficult to identify.
High	Projects that include activities – either “upstream” or “downstream” activities – with potential significant and/or irreversible adverse social and environmental risks and impacts, or which raise significant concerns among potentially affected communities and individuals as expressed during the stakeholder engagement process. High Risk activities may involve significant impacts on physical, biological, ecosystem, socioeconomic, or cultural resources. Such impacts may more specifically involve a range of human rights, gender, and/or environmental sustainability issues.

Annex V: Programme risk Management matrix

Risks	Risk Level:	Likelihood:	Impact:	Mitigating measures	Responsible Unit/Person
	Very high	Almost Certain - 5	Extreme – 5		
	High	Likely - 4	Major - 4		
	Medium	Possible - 3	Moderate - 3		
	Low	Unlikely - 2	Minor - 2		
	(Likelihood x Impact)	Rare – 1	Insignificant - 1		



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Contextual risks					
Political instability	Low	1	4	The projects implemented will align with the objectives of the local governments.	WCS/OCP
Recessions and global economic contingency	Low	3	3	The project will ensure revenue margins to account for some degree of financial instability. Sound financial monitoring will help economic resilience.	OCP
COVID	Low	3	3	The programme implementation will consider the potential for a persistent COVID pandemic thus implementing measures to allow stakeholder meetings and field missions.	WCS/OCP
Climate change	Low	4	2	The programme will require business to embed climate adaptation measures in the implementation plans	WCS
Programmatic risks					
Failure to reach ecological sustainability	High	3	4	The programme will carefully select and monitor business through their implementation and will provide a mechanism to halt implementation and support in case of failing to provide ecological sustainability.	WCS
Failure to reach financial sustainability	High	3	3	The programme will carefully select and monitor businesses through their implementation and will provide a mechanism to halt implementation and support in case of failing to provide financial sustainability.	OCP
Conflict with communities	High	2	4	The programme will ensure that communities are consulted at all stages of a project implementation and development. Projects will be selected if they provide significant benefits to communities.	WCS



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Institutional risks					
Implementation of environmentally damaging projects	High	2	4	WCS will ensure that projects that are damaging for coral reefs or that do not provide clear benefits to communities and the environment are not selected for implementation.	WCS
Fiduciary risks					
Funds not used for the intended purposes	High	2	5	The programme will provide strict financial oversight and monitoring thus ensuring sound funds allocation.	WCS/OCP
Assumptions: The programme assumes that the decision process and framework implemented is adequate to identify ecologically sound and financially sustainable projects and that the monitoring plan can detect positive and negative effects on the environment, communities, and financial status of a project.					

The risk-management methodology is depicted below, where the risk level is measured as the product of Likelihood and Consequence.



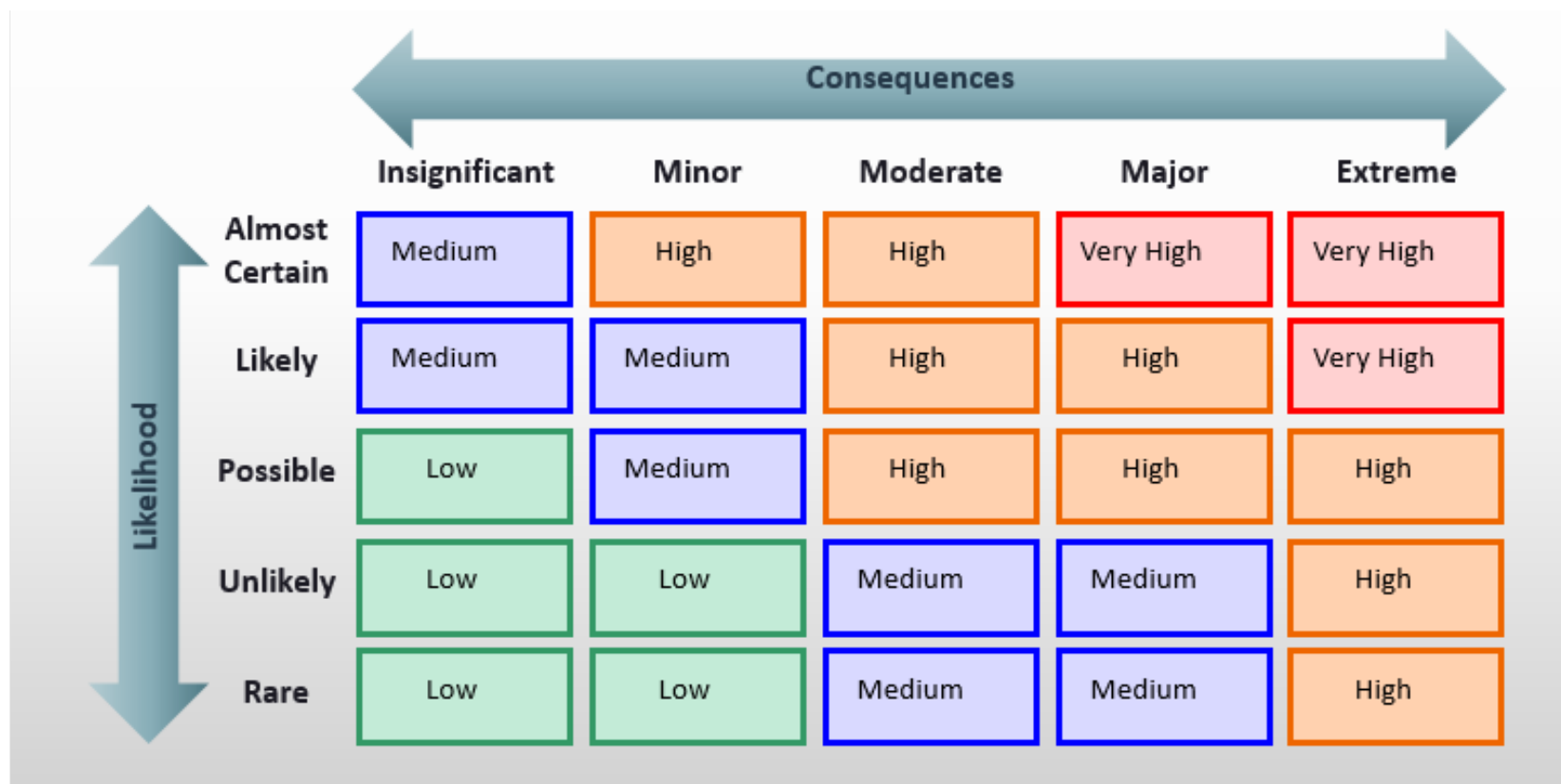
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Likelihood	Occurrence	Frequency	Consequence	Result
Very Likely	The event is expected to occur in most circumstances	Twice a month or more frequently	Extreme	An event leading to massive or irreparable damage or disruption
Likely	The event will probably occur in most circumstances	Once every two months or more frequently	Major	An event leading to critical damage or disruption
Possibly	The event might occur at some time	Once a year or more frequently	Moderate	An event leading to serious damage or disruption
Unlikely	The event could occur at some time	Once every three years or more frequently	Minor	An event leading to some degree of damage or disruption
Rare	The event may occur in exceptional circumstances	Once every seven years or more frequently	Insignificant	An event leading to limited damage or disruption

Likelihood	Consequences					Level of risk	Result
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)		
Very likely (5)	Medium (5)	High (10)	High (15)	Very High (20)	Very High (25)	High	Immediate action required by executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Likely (4)	Medium (4)	Medium (8)	High (12)	High (16)	Very High (20)	High	Immediate action required by senior/ executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	High (15)	Medium	Senior Management attention required. Mitigation activities/ treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)	Medium	Senior Management attention required. Mitigation activities/ treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Rare (1)	Low (1)	Low (3)	Medium (3)	Medium (4)	High (5)	Low	Management attention required. Specified ownership of risk. Mitigation activities/treatment options are recommended to reduce likelihood and/or consequence. Implementation of monitoring strategy by risk owner is recommended.



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Annex VI: Supporting information on environmental, social and Policy analysis
Please provide any site-specific documents of baseline studies on coral reef ecosystem health, maps, resiliency to climate change and baseline data on socio-economic context.

Part 1- Environmental Analysis Supporting Material

Fish and fisheries

- McClanahan TR, Graham NAJ, MacNeil MA, Muthiga NA, Cinner JE, Bruggemann JH, Wilson SK (2011) Critical thresholds and tangible targets for ecosystem-based management of coral reef fisheries. PNAS doi/10.1073/pnas.1106861108
- McClanahan, T.R. (2019). Functional communities, diversity, and fisheries status of coral reefs fish in East Africa. Mar. Ecol. Prog. Ser., 632, 175-191
- Samoilys M, Osuka K, Muthiga N, Harris A (2017). Locally managed fisheries in the Western Indian Ocean: a review of past and present initiatives, iv + 40p. WIOMSA. WIOMSA Book Series 17.
- McClanahan, T.R. and Kosgei, J.K. (2019). Outcomes of gear and closure subsidies in artisanal coral reef fisheries. Conserv. Sci. Pract. 1(10), e114.
- McClanahan, T. R., Schroeder, R. E., Friedlander, A. M., Vigliola, L., Wantiez, L., Caselle, J. E., Graham, N. A. J., Wilson, S., Edgar, G. J., Stuart-Smith, R. D., Oddenyo, R. M. & Cinner, J. C. (2019). Global baselines and benchmarks for fish biomass: Comparing remote and fisheries closures. Marine Ecology Progress Series, 612, 167–192. doi:doi:https://doi.org/10.3354/meps12874.

Climate change, bleaching, refugia

- McClanahan, T.R., Muthiga, N.A. and Mangi, S. (2001). Coral and algal changes after the 1998 coral bleaching: Interaction with reef management and herbivores on Kenyan reefs. Coral Reefs 19(4), 380- 391.
- McClanahan, T.R., Ateweberhan, M., Muhando, C.A., Maina, J. and Mohammed, S.M. (2007). Effects of climate and seawater temperature variation on coral bleaching and mortality. Ecol. Monogr. 77(4), 503- 525.
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Annex VII: Drivers of degradation

Please provide any specific documents or maps that provide in greater detail on the key local drivers of degradation in the programme area.

Various industrial developments are planned for the region, including the imminent development of the Shimoni Port. The EIA for the port is accessible at the link below. As other reports become public, such as the ones for the developments around Tanga, they will be added. Over the next few years these developments need to be monitored to ensure that adequate efforts are underway to avoid and mitigate impacts and for compensating where mitigation is not possible. Various opportunities may be available



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Annex X: Communication and Visibility

A- Objectives

1. Overall Programme communication objectives

- **Communication objectives in country**

- To instigate behaviour change supporting protection of coastal ecosystems across the TBCA project area, through all sectors of society.

This will be rooted in education and awareness efforts communicating the value of coral reefs, mangrove and seagrass ecosystems to coastal communities, broader society and national interests while highlighting the benefits accrued by protecting them. Through these efforts damaging practices such as overfishing, damaging fishing practices, plastic and wastewater pollution, habitat degradation and damaging coastal development should be reduced.

- To keep stakeholders engaged with and well informed of the project aims and activities.
- To disseminate research findings and lessons learned to the public and policy-makers, showcasing successful approaches to conserving coral reefs, including through revenue-generating projects.

- **Communication objectives globally**

- To increase awareness of the ecological and social importance of the TBCA and equivalent ecosystems on a national and global scale.
- To highlight the global importance and responsibility of supporting conservation.
- To ensure the GFCR and other donors receive appropriate visibility and recognition. GFCR support for the project will be displayed in an appropriate manner in all communication activities, per GFCR's requirements.
- To keep donors, partners, supporters and other interested parties regularly updated on the project's progress and achievements.
- Through these efforts a broad global audience from general public to conservation community, private sector and decision makers will become more aware of the project area and objectives, the importance of and threat to marine ecosystems, and therefore increase support for conservation efforts.

2. Messages

- *To be communicated cross the TBCA project area by WCS EAMWIO program through materials and activities;*
 - Protecting marine ecosystems benefits local livelihoods, health, the national economy, global climate (including information on ecosystem services).
 - The TBCA is a globally unique and important coral reef site and climate refuge in urgent need of protection.



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- Coral reefs, mangroves and seagrass ecosystems are hugely important locally and globally hence need to be protected from the threats they face (including outline of threats and impacts)
 - Overfishing and destructive fishing is having huge negative consequences for the present and future (explain what, how and why).
 - Effective fisheries management is crucial to protect community and national wellbeing.
 - Terrestrial ecosystem conservation is essential for marine conservation (explain watershed health, runoff, deforestation, sedimentation, pollution etc.)
 - The transition to sustainable livelihoods and coastal ecosystem protection is urgent (including an overview of sustainable options)
 - The impact of plastics on the environment, and ways to reduce and recycle plastics
 - What is blue carbon, and the potential for revenue generation and ecosystem service benefits
 - Infrastructure development must respect environmental standards and protections.
- *To be communicated globally, produced by EAMWIO program in collaboration with WCS NY;*
 - GFCR, WCS and conservation partners are supporting conservation of the TBCA for the benefit of communities, biodiversity, national and global wellbeing.
 - The TBCA is a globally unique and important coral reef site and climate refuge in urgent need of protection.
 - Case studies etc will be used to convey these messages in appealing, accessible, powerful ways.

3. Audiences

- Coastal community members and institutions such as BMUs, Village Natural Resource Committees
- Educational institutions and networks local and global
- General public and business community in coastal and urban areas
- MPA and fisheries staff, local and national government employees and decision makers
- International visitors / tourists
- Local and international policy makers, conservation stakeholders, tourism stakeholders, civil society, development partners
- International investors, donors
- Local and global media

B. Communication Activities

4. Content production

Include **details of the nature, roles and responsibilities for delivering high-quality content including stories, videos, photography, infographics, print and publications.**

- Social media news posts about the project
- Infographics explaining the project aims / rationale / research findings / activities / achievements
- Education / awareness material designs created (can be produced in poster / banner / sticker/t shirt etc.)
- Project overview poster / flier / brochure produced per project country
- Project story map explaining the initiative



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- Short videos documenting project activities / impact produced
- External media features covering project activities and achievements
- mention languages

5. Channels

Include details of advantages of particular tools (website, media, social media, events, celebrities, newsletters, etc.) in the local and global context.

WCS currently generates communication materials using a variety of tools, that we can expand upon for this project:

- a. *Social media*; WCS local social media (especially Facebook) has a strong following among audiences in the project area and regular posts on activities. At time of writing WCS Tanzania Facebook has 9,729 followers, of which 3,629 are in Tanzania. Previous marine awareness posts have reached over 400,00 people. WCS global social media (twitter, Instagram, LinkedIn, facebook) has extensive international reach. WCS Tanzania's VR coral reef film has reached over 55,000 people on YouTube so far.
- b. *Newsletter*; WCS Tanzania creates a monthly newsletter which is emailed across the WCS network.
- c. *WCS conservation blog*; The WCS Wild View blog (<https://blog.wcs.org/photo/2021/01/28/coral-reef-awareness-from-east-africa-to-myanmar/>) features conservation awareness materials created in Tanzania, reaching a broad global audience. Pdfs of materials are sent to numerous educational establishments around the world.
- d. *Websites*; WCS Tanzania (<https://tanzania.wcs.org/>) and WCS global (<https://www.wcs.org/>) websites have general information about the organization's local and global activities, teams, aims and achievements.
- e. *Events*; WCS organizes and attends an array of conservation related events at local and international levels during which activities and aims are conveyed.
- f. *Media*; WCS generates extensive media coverage across its global network.

6. Monitoring and evaluation

Include indicators and measures objectives and activities that will tell the story of the programme.

- 2 social media news posts about the project per quarter
- 6 infographics explaining the project aims / rationale / research findings / activities / achievements produced per year
- 6 education / awareness material designs created per year (can be produced in poster / banner / sticker/t shirt etc.)
- 1 project overview poster / flier / brochure produced per project country

7. Provisions for feedback (when applicable)

Give details of assessment forms or other means used to get feedback on the activity from participants.

C. Resources

8. Human Resources

- Members of the management team responsible for communication activities.
The Regional Communication Manager from WCS will lead the implementation of the communication strategy with support from the WCS teams from Kenya and Tanzania.



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9. Financial resources

Communication budget is embedded in “7. General Operating and other Direct Costs” and accounts for 4000 USD per country (8000 USD total).

10. Partnerships

List communications partners, including RUNOs, private sector, UNICs etc.

TBD

Annex XI: Project Administrative Arrangement for Recipient Organizations

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the GFCR will:

- Disburse funds to each of the Recipient Organizations in accordance with instructions from the GFCR Global Team. The AA will normally make each disbursement within fifteen (15) business days after having received instructions from the GFCR Global Team along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by Recipient Organizations and provide the GFCR annual consolidated progress reports to the donors and the GFCR Global Team;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the Recipient Organizations. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations’ headquarters);
- Disburse funds to any RO for any costs extension that the GFCR Global Team may decide in accordance with the GFCR rules & regulations.

Accountability, transparency and reporting of the Recipient Organization:

Each Recipient Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Recipient Organization in accordance with its own regulations, rules, policies and procedures, including those relating to interest

The Recipient Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by the Executive Board, the cost of such activity should be included in the project budget;

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.



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Reporting:

Each Receipt Organisation will provide the Administrative Agent and the Fund Secretariat with:

Type of report	Due when	Submitted by
Bi-annual project progress report	15 June	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
Annual project progress report	15 November	Convening Agent on behalf of all implementing and recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
Annual progress report, which may contain a request for additional GFCR allocation if the context requires it	15 December	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team

For the preparatory grant financing, the full programme document will be considered as the annual reports. The GFCR Global team might request a summary of the preparatory activities.

Financial Reports and timeline

The financial reporting requirements for the below follow the 8 UNDG budget categories.

Timeline	Event
28 February	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
30 April	Report Q1 expenses (January to March)
31 July	Report Q2 expenses (March to June)
31 October	Report Q3 expenses (January to September)
<i>Certified final financial report to be provided at the quarter following the project financial closure</i>	

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

Ownership of Equipment, Supplies and Other Property



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Matters relating to the transfer of ownership by the Recipient Organization will be determined in accordance with applicable policies and procedures defined by the Fund.

Public Disclosure

The Fund Secretariat and Administrative Agent will ensure that operations of the GFCR are publicly disclosed on the GFCR website (<https://globalfundcoralreefs.org>) and the Administrative Agent website (<http://www.mptf.undp.org>)

Final Project Audit for recipient organization projects (Not Applicable to Preparatory Grant)

An independent project audit will be requested by the end of the project (For multi-year projects the GFCR Executive Board might request add. audit reports). The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

Special Provisions regarding Financing of Terrorism

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of Fund Secretariat, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

Annex XII: Provisions Related to the Prevention of and Response to Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) involving Implementing Partners (IPs)

1. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
 - a. In the implementation of the activities under this Project Document, **the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").**
 - b. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, **the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH").** SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.
2. A) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, **have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action.** These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:



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- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
 - ii. Offer employees and associated personnel training on prevention and response to SH and SEA, **where the Implementing Partner and its sub-parties have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;**
 - iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties have been informed or have otherwise become aware, and status thereof;
 - iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.
2. B) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

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*Empowered lives.
Resilient nations.*

Financing Agreement under the Global Fund for Coral Reefs

The United Nations Development Programme, a subsidiary organ of the United Nations established by the General Assembly of the United Nations (hereinafter “UNDP”) and **Wildlife Conservation Society**, a non-governmental organisation (hereinafter “the Recipient NUNO”), each a “Party” and collectively the “Parties”, have entered into this Financing Agreement (hereinafter the “Agreement”).

WHEREAS the Global Fund for Coral Reefs Multi-Partner Trust Fund (hereinafter the “Fund” or “GFCR”), has been developed and established by United Nations funds, programmes, specialized agencies and other entities (each a “Participating UN Organization” or “PUNO”) that have signed a Memorandum of Understanding regarding the Operational Aspects of the Fund, dated 24th of July 2020 (hereinafter the “Fund MOU”; attached hereto as ANNEX 1), as more fully described in the Terms of Reference of the Fund (hereinafter the “Fund TOR”; attached hereto as ANNEX 2). The PUNOs have asked the UNDP, through its Multi-Partner Trust Fund Office (hereinafter the “MPTF-O”), to administer the Fund as set forth in the Fund MOU, and UNDP, through its MPTF-O, (hereinafter the “Administrative Agent” or “AA”), has agreed to do so;

WHEREAS the GFCR Fund TOR reflects, that non-governmental organizations, civil society organizations, and international cooperation agencies (collectively, the “NUNOs”) may receive funding from the Fund to support the development activities of the Government(s) of **Kenya and Tanzania** under the terms of an agreement to be entered into between the AA and each specific NUNO whose project is approved for funding;

WHEREAS, the Recipient NUNO has developed a project with the written consent of the Government, **Miamba Yetu: Sustainable Reef Investments**, project number **0303** (hereinafter the “Project”), which the Recipient NUNO has submitted to and the Fund Executive Board of the Fund (hereinafter the “Executive Board”) has approved for financing by the Fund on **October 12th 2021**, to support the development activities of the Government(s) of **Kenya and Tanzania** (the “Project Document”); the Project Document not being attached hereto but known by the Parties and forming an integral part hereof;

WHEREAS, further to the Executive Board’s approval of the Project, and on the basis of instructions received from the Executive Board, the AA will transfer funds to the Recipient NUNO for the latter to undertake programme implementation activities directly and with full accountability for the

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use of such funds as set forth herein and in the Project Document, further to the Fund TOR, the Fund MOU¹, and this Agreement;

NOW, THEREFORE, the Parties have entered into this Agreement under the terms and conditions set forth herein.

1.0 Objectives

- 1.1 Upon the AA's receipt of instructions to make a certain amount of funds available from the Fund to the Recipient NUNO, the AA shall transfer funds to the Recipient NUNO in the amount so instructed (hereinafter, the "Funding"), for the Recipient NUNO's implementation of the Project further to the Recipient NUNO's development cooperation with the Government(s) of **Kenya and Tanzania**.

2.0 Responsibilities of the Recipient NUNO

- 2.1 The Recipient NUNO shall retain full programmatic accountability for achieving the results and outputs of the Project, and financial accountability for the compliance and monitoring of the use of the Funding. UNDP shall have no accountability or responsibility therefor except with respect to those actions and activities undertaken by UNDP further to Article 3.1 below.
- 2.2 The responsibilities of the Recipient NUNO under the Fund and to the AA, are identical to those of the PUNOs under the Fund MOU and to the AA. To this end, the obligations of the PUNOs as set forth in the Fund MOU shall apply to the Recipient NUNO hereunder *mutatis mutandis* as if fully set forth herein, except as expressly modified below. Among other things, the Recipient NUNO:
- a. shall apply and comply with the obligations and terms of (and related timeframes for) Reporting, Monitoring and Evaluation in accordance Sections IV, V and VI of the Fund MOU; except for the financial reporting which is modified as follows, the financial reporting format follow the 8 UNDG budget categories:

Timeline	Event
28 February	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
30 April	Report Q1 expenses (January to March)
31 July	Report Q2 expenses (March to June)
31 October	Report Q3 expenses (January to September)
<i>Certified final financial report to be provided at the quarter following the project financial closure</i>	

- b. shall comply with the obligations of and apply, in terms of creating a separate ledger account, use of funds, financial regulations, audit and investigation, recovery of funds, and the special provisions regarding financing of terrorism, those related provisions as set forth in the Fund MOU, *except for* those sections that relate to the appointment and financial matters of the AA (second and third preambles, and Section I), the termination of the Fund MOU (Section X), the settlement of disputes (Section XIII) and joint internal audits (Section VI (3));

¹ Use when the Fund is a MPTF. If not, remove.

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- c. shall accept and recognize the rights of the donors to the Fund (the "Donors") as set forth in Section II (8), and elsewhere of the Fund MOU; and
- d. in carrying out its activities, shall not be considered an agent of the AA, and thus, the personnel of the Recipient NUNO shall not be considered as staff members, personnel or agents of the AA.

In addition, the Recipient NUNO shall:

- e. submit all relevant information requested by Donors during a review or evaluation of the Project initiated by Donors, within the limits of the Recipient NUNO's regulations, rules, policies and procedures;
- f. inform the Executive Board of any credible allegations of mismanagement and corruption relating to the Funding transferred to the Recipient NUNO, as reported by the Recipient NUNO to the AA, as soon as it becomes aware of any such credible allegations; and
- g. inform the Executive Board of any credible allegations that funds transferred to the Recipient NUNO have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime as reported by the Recipient NUNO to the AA, as soon as it becomes aware of any such credible allegations.

2.3 Each of the Donors whose contributions to the Fund were received by the AA at the time of approval of the Project, in a manner that allows the use of such contributions for the financing of the Project, shall have direct recourse against the Recipient NUNO for the Recipient NUNO's failure to comply with any terms and conditions of this Agreement. The Recipient NUNO accepts and agrees to such direct recourse and obligation to comply with demands of the Donors made further thereto, as further described in Article 8.3, below. UNDP shall have no responsibility or liability therefore, nor involvement therein. The AA will not pursue any claim against the Recipient NUNO which is in conflict with Donors' right to direct recourse, unless all Donors give the AA its permission to do so in writing. The Parties agree that this Article 2.3 may not be amended without the written consent of the Donors.

2.4 The Recipient NUNO shall submit an independent project audit by the end of the project. The audit report shall be attached to the final narrative project report. The cost of such activity shall be included in the project budget.

2.5 The Recipient NUNO shall cooperate and comply with any requests made by Donors and/or the AA further to their right to demand that an external audit be conducted of the use of Funding and control systems of the Recipient NUNO.

3.0 Responsibilities and Activities of the AA

3.1 The Executive Board has approved the Project, on the basis of the AA doing the following:

- (i) Transferring the Funding to the Recipient NUNO within 15 working days after receipt of the fund transfer request approved by the Executive Board;

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(ii) Receiving those funds returned by the Recipient NUNO, including unspent Funding, and other funds recovered by the Recipient NUNO following actions taken further to Section VII(4) of the Fund MOU.

3.2 The amounts of the Funding shall not be subject to any adjustment or revision because of price or currency fluctuations, or the actual costs incurred by the Recipient NUNO in the implementation of the Project.

3.3 All payments of the Funding shall be made by the AA to the Recipient NUNO to the following bank account:

Account Name: Wildlife Conservation Society – Contribution Receipts

Account Title: Checking

Account Number: 483043563066

Bank Name: Bank of America NA

Bank Address: P.O. Box 27025, Richmond, VA 23261

Bank SWIFT Code: BOFAUS3N – Incoming foreign wires in US dollars

Bank Code: 021000322

Route instructions for disbursements: _____

3.4 The AA will only be required to transfer to the Recipient NUNO an amount up to the Funding in accordance with the terms of this Agreement. UNDP will not be liable to the Recipient NUNO or any third party for any amounts determined not to have been authorized under the Project or that have been misused.

4.0 Assignment

4.1 The Recipient NUNO shall not assign, transfer, pledge or make other disposition of this Agreement or any part thereof, or any of the Recipient NUNO's rights, claims or obligations under this Agreement.

5.0 Indemnity

5.1 The Recipient NUNO shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials and persons performing services for UNDP from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) or relating to their acts and omissions under the Project, and the acts or omissions of UNDP in relation to its Activities hereunder.

6.0 Use of the Name, Emblem and Official Seal of UNDP

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- 6.1 The Recipient NUNO shall only use the name (including abbreviations), emblem or official seal of the United Nations or UNDP in direct connection with the Project and upon receiving prior written consent of the United Nations or UNDP. Under no circumstances shall such consent be provided in connection with the use of the name (including abbreviations), emblem or official seal of the United Nations or UNDP for commercial purposes or goodwill.
- 6.2 The Parties shall cooperate in any public relations or publicity exercises when the United Nations /UNDP deem these appropriate or useful.

7.0 Privileges and Immunities

- 7.1 Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNDP.
- 7.2 Nothing herein shall be deemed to confer any privileges and immunities or other aspects relating to the status of a UN entity on the Recipient NUNO.

8.0 Dispute Settlement

- 8.1 The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement, or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules then obtaining of the United Nations Commission on International Trade Law ("UNCITRAL"), or according to such other procedure as may be agreed between the Parties in writing.
- 8.2 If such dispute, controversy or claim between the Parties is not settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement; it shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim measures") and Article 34 ("Form and effect of the award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages.

In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

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8.3 The Recipient NUNO accepts that if one of the Donors acting on behalf of all Donors invokes the right to direct recourse against the Recipient NUNO based on Article 2.3, such dispute, controversy or claim, shall be settled by arbitration between the Donor(s) and the Recipient NUNO, in accordance with the UNCITRAL Arbitration Rules then obtaining.

The governing law for the dispute between the Recipient NUNO and the Donors, including but not limited to, the interpretation of the Recipient NUNO's obligations under this Agreement, shall be the law of the domicile country of the Donor pursuing the recourse. The seat of arbitration shall be the capital of the domicile country of that Donor. The procedural rules in the absence of any applicable rule in the UNCITRAL Arbitration Rules, and the applicable law for interpreting this Article 8.3 as well as the Donors' rights under Article 2.3, shall be the law of the domicile country of that Donor.

8.4 The Recipient NUNO agrees and understands that Article 8.3 may not be amended without the written consent of the Donors.

8.5 Article 8.3 shall not apply to any disputes involving the AA, for which full privileges and immunities are reserved in accordance with Article 7.

9.0 Termination of this Agreement

9.1 UNDP may modify or terminate this Agreement:

(i) Where sufficient funds are not available in the Fund; or

(ii) Upon a decision of the Executive Board of non-compliance of the Recipient NUNO with this Agreement, or a decision of the Executive Board that the Recipient NUNO may no longer receive funding from the Fund; or

(iii) Upon a decision by UNDP that UNDP may no longer act as the AA for the Fund.

9.2 UNDP may, at any time after occurrence of any of the circumstances described in Article 9.1, suspend or terminate this Agreement by written notice to the Recipient NUNO, and will consult with the Recipient NUNO as appropriate. In the event of a finding that the Recipient NUNO has engaged in fraudulent or corrupt activity with respect to this Agreement or the Project, UNDP may terminate the Agreement, in whole or in part, with immediate effect.

9.3 Upon receipt of a notice of termination by UNDP under the present Article, the Recipient NUNO shall take immediate steps to terminate the Project, in a prompt and orderly manner, so as to minimize losses and further expenditures. The Recipient NUNO shall undertake no forward commitments and shall return to UNDP, within thirty (30) days, all unspent Funding made available to it under this Agreement.

9.4 Notwithstanding anything in this Agreement to the contrary, UNDP may terminate this Agreement at any time without having to provide any justification therefor upon sixty (60) days' advance written notice to the Recipient NUNO and notify the Donors.

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10.0 Notices

10.1 Any notice, request, document, report, or other communication submitted by either the Recipient NUNO or UNDP shall be in writing and sent to the other Party at the address information specified below, as appropriate:

Notices to NGO	Notices to UNDP
Name: Simon Cripps	Name: Jennifer Topping
Address: WCS, Center for Global Conservation 2300 Southern Blvd., Bronx, NY 10460	Address: MPTF-O, Bureau for Management Services, UNDP 304 East 45th Street, 11th Floor, NY, NY, 10017
Tel: +718 220 5883 (Business Mgr – Adria DeFalco)	Tel: +212 906 6355
Fax:	Fax: +212 906 6705
Email: scripps@wcs.org	Email: Jennifer.topping@undp.org

11.0 Survival

11.1 The provisions of Article 2.3 (Third Party Beneficiary) Article 7.0 (Privileges and Immunities), and Article 8.0 (Dispute Settlement), and shall survive and remain in full force and effect regardless of the expiry of the Project or the termination of this Agreement.

12.0 Other NUNO Representations and Warranties

12.1 The Recipient NUNO represents and warrants that:

- (i) It is a legal entity validly existing under the laws of the jurisdiction in which it was formed and it has all the necessary powers, authority and legal capacity to:
 - (a) Own its assets;
 - (b) Conduct Project activities;
 - (c) Enter into this Agreement; and
- (ii) This Agreement has been duly executed and delivered by the Recipient NUNO and is enforceable against it in accordance with its terms.

13.0 Effectiveness, Duration, Extension and Modification of this Agreement

13.1 This Agreement shall enter into effect on the date of last signature of the Recipient NUNO and UNDP, acting through their duly Authorized Representatives, and shall expire upon operational and financial closure of the Project.

13.2 Should it become evident to the Recipient NUNO during the implementation of the Project that an extension beyond the period set forth in the Executive Board approval of the Project is necessary, or in the event any other operational or financial issues arise related to the Project or further to the terms of the Fund MOU made applicable to the Recipient NUNO *mutatis mutandis*

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hereunder, the Recipient NUNO shall communicate same to the AA, which will make the information known to the Executive Board; any decisions taken thereon by the Executive Board and communicated to the AA shall be made known by the AA to the Recipient NUNO.

13.3 This Agreement, including its Annexes, may be modified or amended only by written agreement between the Parties.

13.4 Failure by either Party to exercise any rights available to it, whether under this Agreement or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereof, have on behalf of the Parties hereto signed the present Agreement at the place and on the date below written:

For the Recipient NUNO :

For UNDP



Name: Mark Gately

Title: Regional Director, East Africa

Place: Kigali

Date: 15-Nov-2021

Name: _____

Title:

Place:

Date:

List of Annexes constituting the Entire Agreement of the Parties:

ANNEX 1: Memorandum of Understanding Regarding the Operational Aspects of MPTF, dated 24th of July, 2020 (the “Fund MOU”) – [Link to MPTF Gateway where MOU is found](#)

ANNEX 2: Terms of Reference of the Global Fund for Coral Reefs – [Link to MPTF Gateway where TOR is found](#)

Certificate Of Completion

Envelope Id: 9416469D79A14313A358739F59488C67

Status: Completed

Subject: Please DocuSign for GFCR: WCS Financing Agreement and Programme Proposal

Source Envelope:

Document Pages: 100

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Arianna Rebanco

AutoNav: Enabled

One United Nations Plaza

Envelope Stamping: Enabled

New York, NY 10017

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

arianna.rebanco@undp.org

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arianna.rebanco@undp.org

Signer Events**Signature****Timestamp**

Mark Gately

mgately@wcs.org

Security Level: Email, Account Authentication
(None)*Mark Gately*

Sent: 11/9/2021 11:40:50 PM

Viewed: 11/15/2021 7:09:09 AM

Signed: 11/15/2021 7:11:39 AM

Signature Adoption: Pre-selected Style

Using IP Address: 41.216.100.6

Electronic Record and Signature Disclosure:

Accepted: 11/15/2021 7:09:09 AM

ID: fa110fef-35f2-4b18-8010-ddaeeec11d464

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Arianna Rebanco

arianna.rebanco@undp.org

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Jennifer O'Leary

joleary@wcs.org

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Electronic Record and Signature Disclosure:

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Maxime Philip

maxime.philip@undp.org

Security Level: Email, Account Authentication
(None)**COPIED**

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Carbon Copy Events	Status	Timestamp
Michelle Cordray mcordray@wcs.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 11/9/2021 11:40:51 PM
Ray Victorine rvicturine@wcs.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 10/25/2021 4:40:21 PM
Simon Cripps scripps@wcs.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 10/29/2021 2:01:02 AM ID: 671d1dc8-fa68-4ed7-b394-abcd0a13ef93	COPIED	Sent: 10/25/2021 4:40:20 PM Resent: 11/9/2021 11:40:50 PM
Yabanex Batista yabanex.batista@undp.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 10/25/2021 4:40:22 PM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	10/25/2021 4:40:22 PM
Certified Delivered	Security Checked	11/15/2021 7:09:09 AM
Signing Complete	Security Checked	11/15/2021 7:11:39 AM
Completed	Security Checked	11/15/2021 7:11:39 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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