



GLOBAL FUND FOR CORAL REEFS

UNCDF Initiative for the Global Fund for Coral Reefs

Project Title: Blue Bridge	Recipient UN Organization(s): United Nations Capital Development Fund (UNCDF)																																			
Project Contact: Anders Berlin Director, LDC Investment Platform United Nations Capital Development Fund	Project Location: Global																																			
Project Description: Establish the GFCR Blue Bridge to facilitate an “Investment Continuum” between the GFCR Grant Window supported businesses and projects with the larger-scale investments of the GFCR Investment Window and other public and private investors. The Blue Bridge aims to provide businesses and projects identified by GFCR Convening Agents with concessional loans, guarantees, and grants in various forms to help the business grow, create sound credit history and hence attract private investment and scale impact for coral reefs and communities.	Blue Bridge (BB) Global Costs (2-years): USD 590,640 As per GFCR Executive Board decision, disbursements will be determined based on fiduciary assessment, expenditures and GFCR Secretariat’s performance review. Start date: November, 2021 Proposed close date: 31 December 2029 The project start date will be triggered by the first tranche of disbursement from GFCR.																																			
Key Expected Outputs The current budget enables Blue Bridge to underwrite, originate and monitor transactions identified in four Track 1 Priority Ecosystem proposals for the initial two years. The Convening Agents and programs are as follows: <table border="1" data-bbox="203 1514 1414 1717"> <thead> <tr> <th>Organisation</th> <th>Country/Countries</th> <th># of Transactions</th> <th>Allocation (USD)</th> <th>Blue Bridge Support (USD)</th> </tr> </thead> <tbody> <tr> <td>TNC</td> <td>The Bahamas</td> <td>4</td> <td>\$2.74m</td> <td>\$0.13m</td> </tr> <tr> <td>WCS</td> <td>Kenya and Tanzania</td> <td>4</td> <td>\$1.53m</td> <td>\$0.12m</td> </tr> <tr> <td>UNDP</td> <td>Papua New Guinea</td> <td>1</td> <td>\$1.39m</td> <td>\$0.04m</td> </tr> <tr> <td>BF</td> <td>Philippines</td> <td>6</td> <td>\$2.36m</td> <td>\$0.23m</td> </tr> <tr> <td></td> <td>Blue Bridge Global</td> <td>N/A</td> <td>N/A</td> <td>\$0.67m</td> </tr> <tr> <td colspan="3">TOTAL*</td> <td>\$8.02m</td> <td>\$1.19m</td> </tr> </tbody> </table> <p>*Total values do not include 7% indirect costs</p>		Organisation	Country/Countries	# of Transactions	Allocation (USD)	Blue Bridge Support (USD)	TNC	The Bahamas	4	\$2.74m	\$0.13m	WCS	Kenya and Tanzania	4	\$1.53m	\$0.12m	UNDP	Papua New Guinea	1	\$1.39m	\$0.04m	BF	Philippines	6	\$2.36m	\$0.23m		Blue Bridge Global	N/A	N/A	\$0.67m	TOTAL*			\$8.02m	\$1.19m
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It is expected that Blue Bridge will support additional transactions of future Track 1 – Priority Ecosystem programs.

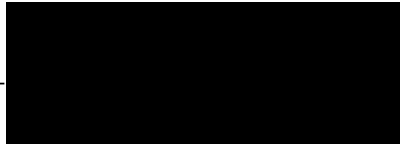
Additional allocations to flow through Blue Bridge will be approved by the GFCR Executive Board as part of the Convening Agents' proposal and accompanying Budget and Workplan.

Signature of Recipient UN Agency - UNCDF:

Print Name: Preeti Sinha

Title: Executive Secretary

Signature: _____



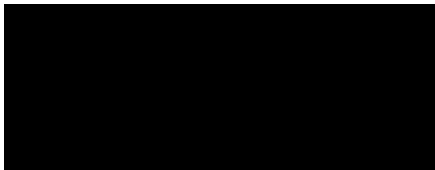
Date: 07-Dec-2021

Signature of UN Executive Board Partner:

Print Name: Andrew Hudson

Title: Head, Water & Ocean Governance Programme

Signature: _____



Date: 08-Dec-2021



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Budget by United Nations Sustainable Development Group (UNDG) Categories

Total Budget Breakdown (2-years) (USD)	Total
1. Staff and other personnel (Blue Bridge Costs)	\$518,000
2. Supplies, Commodities, Materials	\$-
3. Equipment, Vehicles, and Furniture (including Depreciation)	\$-
4. Contractual services	\$-
5. Travel (Blue Bridge Cost)	\$34,000
6. Transfers and Grants to Counterparts	\$-
7. General Operating and other Direct Costs	\$-
Total Direct Costs	\$552,000
8. Total Indirect Support Costs (Max. 7%) - Blue Bridge	\$38,640
Total Budget	\$590,640



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United Nations Capital Development Fund (UNCDF)

Blue Bridge

**A development-focused financial service to support the Global Fund for Coral Reefs, its
implementers and partners**

November 2021



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Material changes since the May 2021 Blue Bridge Concept Note:

In the original Concept Note, UNCDF proposed that GFCR allocate approximately \$40M to a dedicated pool of funding for UNCDF to deploy investment capital and technical assistance grants to companies identified through 1) GFCR Track I, II, and III proposals, and 2) additional pipeline sourced through the UNCDF global country network within GFCR's Priority Ecosystems through 2030. In contrast, this proposal focuses solely on supporting GFCR's Track I Priority Ecosystems not as a standalone facility but as a service based on needs identified by Convening Agents and approved by the Executive Board. Rather than dedicating a pool of funding for Blue Bridge, each Priority Ecosystem in Track I will be able to propose the use of Blue Bridge for specific projects as needed.



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1. Executive Summary

The Role of Blue Bridge within the GFCR

UNCDF was brought on as a key partner to the GFCR in the early stages of the Fund design given its unique experience and technical capacity on innovative development finance, with the aim of providing catalytic loans and guarantees to enterprises or projects that have the potential to achieve scalable positive impact and financial sustainability to support coral reefs ecosystems conservation and their resilience in the face of climate change.

In the GFCR Investment Plan, the UNCDF implemented Blue Bridge was proposed to deploy concessional finance, sitting between the Grant Window and the Investment Window for blue economy project incubation.¹

- The GFCR and its Convening Agents (CAs) aim to achieve a transformative change by supporting business models that can sustainably finance key conservation and development goals for coral reefs and which therefore help to seed a sustainable Blue Economy. This includes the incubation of very early-stage businesses that need technical assistance, grants and patient investments to find product-market fit, accelerate growth and attract private sector investment in the future. During proposal development, CA's are informed of UNCDF Blue Bridge services that can support their programs when no locally operating entity with similar capacity and mandate is identified. To date, UNCDF Blue Bridge has been requested by the CAs to support this incubation as an important measure to deploy concessional financial instruments and build a link between the strategies of the Grant Window and the Investment Window, as well as serve as a "bridge" to connect incubation to attract impact investment beyond the IW.
- In practical terms, the \$500M Investment Window will have an average investment size² that is larger than what companies emerging from the Grant Window can absorb. Innovative early-stage impact companies and projects, like those supported by the Grant Window, take at least 10 years to reach the scale necessary to attract investment from private equity funds, and then only *if* they are exceptionally successful. In the early years of a venture, smaller investments are used and grow progressively with corporate development and revenue growth. Blue Bridge will provide the range of funding to fill this need, with grants, recoverable grants, loans and guarantees ranging from \$200,000 to \$2M for specific businesses and interventions within CA Track 1 Priority Ecosystem programs (the maximum investment size would be defined by the maximum funding an investee can receive from the Grant Window itself). This range can be flexible depending on the needs of specific programs and will be assessed during proposal development with the Convening Agents. Blue Bridge can also administer technical assistance to address the most common business development challenges and weakness that inhibit growth for early-stage companies, however, CA's are encouraged and often do identify other partners with the capacity to provide Technical Assistance support for early incubation.
- In addition to channeling grants, investments and technical assistance, Blue Bridge provides rigorous due diligence, structuring, execution, and monitoring services to help ensure GFCR's fiduciary duties

¹ GFCR Investment Plan, Section 5.

² Estimated by Pegasus to range from \$15M - \$60M, though this is not yet finalized.



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are fulfilled in GFCR's highest-risk projects.³ Rigorous due diligence and providing funding that can be returned has the benefit of preserving scarce catalytic capital for early-stage development, and also disciplines recipients to design and adapt with sustainability as an imperative. Finally, UNCDF uses the due diligence process itself to mentor and promote investment readiness of investees by patiently guiding first-time borrowers through the process of obtaining investment funding.

- UNCDF will work with the Convening Agents and the GFCR Secretariate to determine what instruments and sequence to deploy to incentivize good business practices and catalyze growth.
- Beyond the transaction work of each deal, UNCDF, through its engagement with Track 1 programs, will strive to contribute to GFCR's broader mission to demonstrate and shift the sector towards sustainable and scalable solutions. This includes:
 - Help investees accelerate their path to sustainable and scalable business operations that benefit coral reefs and attract public and private investment from various sources and networks.
 - Working closely, and, sharing knowledge, with Convening Agents to equip Convening Agents with the know-how and investor network to use investment tools when designing interventions in the future,
 - Share the knowledge and experience with other investors by contributing case studies to the GFCR Knowledge Management Platform and helping to disseminate these learnings through the impact investing and development sectors.⁴ This component of the Blue Bridge will share lessons learned and best practices for specific Blue Economy sectors, Technical Assistance Facilities and Incubators, and aggregation mechanism.
 - Collaborate with the Pegasus Capital Advisors and Convening Agents to identify and implement financing solutions to connect the GFCR Grant Window and Investment Window.

Management

- Blue Bridge will be managed by a UNCDF team of senior impact investment specialists focused on supporting early-stage impact companies in frontier markets with grants, loans, guarantees and technical assistance.
- The UNCDF team is within the Least Developed Countries Investment Pillar ("LDC IP"). LDC IP applies a best-in-class⁵ investment due diligence process that helps 1) prepare early-stage companies to access commercial capital in future rounds of funding, and 2) demonstrate the viability of investing in last-mile environments, and stimulate domestic and foreign investors to deploy capital in countries and opportunities traditionally underserved by capital markets.
- The team also has extensive experience in providing guarantees to local financial institutions to catalyze local sources of investment by structuring and issuing portfolio guarantees.
- LDC IP and Blue Bridge is built on UNCDF's long-term strategy to build confidence of private sector investors in new sectors and high-risk geographies.⁶ This confidence building is essential to

³ On a technical note, UNCDF can provide grants in various forms to private entities; US-based NGOs (including their foreign subsidiaries) do not have this capacity, nor is this common for NGOs in other jurisdictions.

⁴ Examples include distributing Blue Economy case studies through the Global Impact Investing Network (GIIN) and Convergence Finance as well as key conferences such as SOCAP. Note that no budget is being requested at this time for 2022 for these activities but will be included in future budget requests.

⁵ According to a 2021 assessment of UNCDF's investment processes conducted by BDO as part of an EU Pillar Assessment.

⁶ UNCDF has supported technical assistance and incubators in developing countries, for which most NGOs have limited experience and can benefit from UNCDF experiences.



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bridging the gap between the grant supported initiatives and commercial investments targeted in GFCR's Investment Plan.

Legal Structure

- Blue Bridge is legally part of a pre-existing UNCDF facility called BRIDGE, which issues technical assistance, grants and loans from UNCDF's balance sheet to Small and Medium-sized Enterprises ("SMEs"), located primarily in the Least Developed Countries and Small Island Developing States.⁷
- BRIDGE was developed by the UNCDF LDC IP team starting in 2016 and has the established governance, staff, processes, and infrastructure to issue and manage investments in early-stage companies in frontier markets. The Blue Bridge will benefit from the same organization and process.
- BRIDGE was structured to have different sub-windows (like Blue Bridge) to leverage the platform for specialized programs. UNCDF's investment systems were recently vetted by BDO through an EU Pillar Assessment, qualifying UNCDF to be a submanager for the EU to deploy concessional development finance.

Governance and Investment Process

- The GFCR Secretariat, Blue Bridge and the Convening Agents will work together to recommend which projects identified by CA's scoping efforts within each Track 1 Priority Ecosystem Program should receive services through Blue Bridge.
- After the GFCR Grant Window Executive Board approves an overall Priority Ecosystem Program proposal, the projects to be funded through Blue Bridge will be subject to UNCDF's investment due diligence and investment approval processes to ensure that GFCR and UNCDF's fiduciary duties and legal requirements are fulfilled.
- Funding from GFCR would be transferred to UNCDF and then disbursed to investees, and the receivable would reside on the UNCDF balance sheet for the term of the investment. UNCDF would manage collections of principal repayments and interest on loans (or fees on guarantees). A Financial Management Information system powered by Oracle is in place for this purpose.
- Funding that is recovered will be redeployed within each project or to future rounds of GFCR projects approved by the GFCR Executive Board through the life of the GFCR.
- Some loans may not be fully repaid by the closure of the GFCR. In this case, the use of the remaining balance on the UNCDF Blue Bridge balance sheet as the loans are repaid will be determined by the GFCR Executive Board.

⁷ More information on BRIDGE can be accessed using the following link ([www.https://www.uncdf.org/article/7015/the-bridge-facility-a-dedicated-financing-facility-for-the-ldcs](https://www.uncdf.org/article/7015/the-bridge-facility-a-dedicated-financing-facility-for-the-ldcs)).



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2. Background: An Overlooked Development Challenge

In Brief

Public and private funding must be fully utilized to incubate, scale and replicate the solutions necessary to preserve and restore coral reefs in Priority Ecosystems around the world. Blending those sources of funding is sometimes difficult, and Blue Bridge is designed as a practical solution to use scarce grant resources efficiently and attract private sector funding. This helps innovative early-stage projects transition from grant-dependence to access private investment. The service has the additional benefit of helping Convening Agents and its co-implementers learn how to use financial tools to design and execute conservation interventions, so they are not solely reliant on grant funded solutions.

GFCR and UNCDF have already collaborated on transactions in Fiji that illustrate how access to concessional funding can have an amplified impact to help bridge gaps in local funding (Shark Reef Marine Reserve (Beqa Adventure Divers), Fertile Factory, and the Sanitary Landfill).

Context

Coral reefs are vital to the global ecosystem and economy. However, a Conservation for Biodiversity High-Level Panel assessment estimated that current global funding levels fall far short of the funding required for coral reef protection. Private investment capital and innovative finance tools are needed to efficiently scale-up initiatives to save coral reefs and build the resiliency of communities that depend on them. However, there is limited pipeline of reef positive businesses and limited technical capacity locally to design innovative blended finance solutions that can attract private sector investment to the nascent blue economy sector. Additionally, the financial ecosystem is lacking experience and appetite to finance coral reef climate resilience and adaptation projects. Reef positive enterprises that need to borrow to fund their development are subjected to high interest rates that compromise the ability to get sustainable blue economy projects and businesses off the ground. Requirements to access credit can be so demanding that it makes it impossible for local businesses to obtain a loan. Public investment, which provides an important platform for private sector growth and development, is also frequently limited. Further, different organizations regard “investability” in different ways. What can be considered an initiative worth investing for a Non-governmental Organisation (NGO) may not be regarded in the same way by a bank.

Despite these challenges, the political momentum and investor interest around ocean ecosystems is growing: 14 countries forming the High-Level Panel for a Sustainable Ocean Economy have committed to sustainably managing 100% of their waters and in a recent survey, 72% of investors have confirmed their interest in investing in a sustainable ocean economy. However, an interest in investing is not the same as being able to invest.

To mobilize action and resources for coral reef protection, resilience and restoration, a global coalition of partners launched the “Global Fund for Coral Reefs” (GFCR) in 2020. The GFCR is a blended finance initiative raising at least \$125 million in grant funding (the “Grant Window”) and a \$500 million private equity fund (part of the “Investment Window”) that seeks to enhance the resilience and adaptive capacity of priority coral reef ecosystems and of the communities that depend on them. This proposal is focused on the role of Blue Bridge within GFCR: to deploy concessional finance instruments and technical assistance tailored

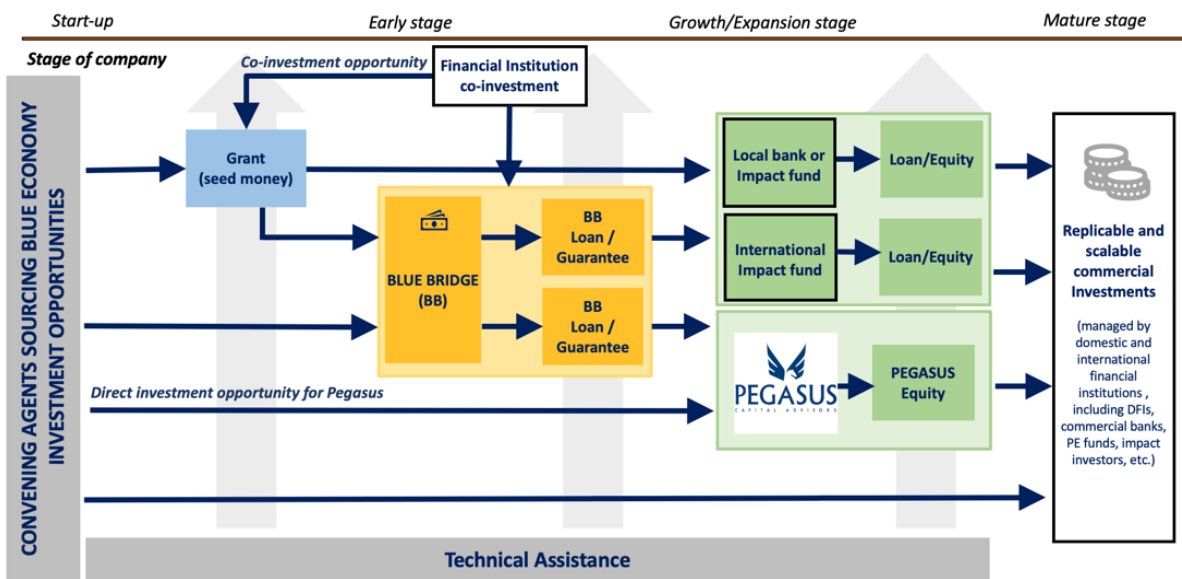


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for early-stage companies in emerging markets to help extend the capabilities of the Grant and Investment Windows. The Blue Bridge is located within the Grant window of GFCR.

3. The role of Blue Bridge within the Global Fund for Coral Reefs

In the GFCR Investment Plan, a key success factor was to embed different tools needed to bring the opportunities to scale and make sure finance flows to these opportunities at various stages of their growth. Blue Bridge is envisioned as a key funding channel on the GFCR investment continuum to help Convening Agents execute their program strategy by deploying concessional investment instruments along the different growth stages of businesses on the way to more commercial sources of funding.



The table above illustrates a major challenge for coral reef conservation and restoration: finding businesses that can grow from the early stage to become bankable and access commercial finance without public funds. So, for projects and businesses that are supported by the Grant Window of the GFCR, it is important to envision from the outset the pathway that will enable them to become commercially bankable. As these businesses and projects grow their financial and technical assistance (TA) needs also evolve. It is therefore key to assist companies and projects through the most challenging stages of financing to accelerate their journey to become scalable and financially sustainable.

The most challenging stage may be at the transition from grant funding to accessing commercial funding, particularly without a credit history. Therefore, GFCR wants to fill this gap to ensure support for projects and businesses at this critical juncture. The Blue Bridge will play a key role in ensuring that relevant pipeline candidates supported through the Grant Window will continue to grow their businesses and begin to access sustainable sources of investment. However, it is the preferred option that Blue Bridge be used only when necessary; strong candidates should access credit locally or from international investors whenever possible. In the table above, illustrated by the direct arrow from the Grant box to the local bank box. The



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Blue Bridge will also be able to de-risk investment by local banks with guarantees or subordinated loans i.e., co-investment to incentivize local engagement. The objective is to nurture the businesses to the other end of the table where they are able to access commercial capital themselves, and the capital repaid to the Blue Bridge can be re-deployed into new early-stage businesses.

It is UNCDF's experience that this gap is particularly challenging for early-stage enterprises and new business models (like coral reef related businesses) where conventional finance have very little experience and are normally very risk adverse. This challenge is aggravated in frontier markets like LDCs, in 30 of which UNCDF has local presence with strong ties to local commercial banks. In addition to finance, a key component to success is supportive business advice (TA) both for basic financial management as well as for impact. The bar on the bottom of the table illustrates the offering of TA throughout the business maturity process.

Extending the impact of the Grant Window and the Investment Window

The Grant Window

The Grant Window is seeding innovative coral reef positive efforts with an aim to replicate and scale impact in the future. The Grant Window will deploy grants and blended finance solutions in over 23 Priority Ecosystems. As seen in the first round of Grant Window programs proposals, there are exciting opportunities to help grow promising pilots, such as Blue Carbon Credits and Reef Insurance, funding innovative early-stage companies, such as the Fertile Factory in Fiji, and incubate new SMEs around the world through blue economy accelerators and Technical Assistance Facilities (TAF).⁸

The Grant Window is prioritizing projects and companies that have the potential to outgrow their reliance on grant funding, however, many early-stage efforts originating in the Grant Window will not graduate directly to the Pegasus-managed private equity fund. Therefore, the Blue Bridge provides concessional finance to transition company's off grant resources and prepare for the Investment Window and more commercial sources of finance.

The Investment Window

The Investment Window⁹ will bring large investments to today's shovel-ready enterprise-level interventions. The Pegasus-managed fund has not defined its targeted minimum number of investments or minimum investment size. But, in practical terms, deploying its \$500M in funding across approximately 10-20 companies or projects around the world implies an average investment size range of approximately \$10M-\$50M per transaction. Generally, investments from a private equity fund are in the form of equity instruments; in the case of Pegasus, they may consider debt in some situations. The Fund's general strategy is to obtain a majority interest in each company (though will take minority stakes in some situations), which implies an average Enterprise Value of the target companies of at approximately \$30M

⁸ Many of the proposals are requesting grant funding, but a large percent, if successful, could return catalytic resources so that GFCR can redeploy scarce grant funding into the next round of innovative programs. In each case, the right mix of grants, recoverable grants, concessional investments need to be assessed between each round of funding.

⁹ Referring to the private equity fund managed by Pegasus Capital Advisors affiliated with the Global Fund for Coral Reefs



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and \$100M. While the Pegasus Fund will not technically have a minimum investment size, it is difficult for any fund manager to deviate materially from its target investment size range since its strategy, budget, and human resources are assembled to facilitate a certain range of investment size and corporate stage of development. Therefore, funding solutions are needed to fill the needs between the Grant Window and the Pegasus-managed private equity fund.

The Blue Bridge

The Blue Bridge will support Convening Agents by providing a range of funding to help transition investees out of the Grant Window towards more sustainable sources of funding. The Blue Bridge will deploy grants, recoverable grants, loans and guarantees ranging from \$200,000 to \$2M (or, as large a maximum investment that the Grant Window is willing to allocate to a single investee identified by Convening Agents). Blue Bridge can also work in collaboration with other investors in a funding round to deliver higher total investment sizes to the most promising projects. Blue Bridge will act as a lender of last resort when Convening Agents are not able to identify practical local alternatives.

Blue Bridge will use the process of investing in the business to coach the investees through the process of obtaining external investment. The Blue Bridge team can also administer technical assistance to address the most common business development challenges and weakness that inhibit growth for early-stage companies. This has been a key activity to the progress of UNCDF's LDC-focused portfolio of companies. Combined, these financial instruments and TA interventions will enable the business or project to create a track record and sound credit history. After gaining some experience with concessional debt from UNCDF, and hopefully realized additional organic growth, the investee will be referred to Pegasus or other financiers, including domestic investors, internal national impact fund and private equity funds.





UNCDF aims to provide a bridge between the traditional grant activities and the more commercial capital. The loan to Beqa Adventure Divers (Beqa) from the GFCR's pilot program in Fiji illustrates a transaction where concessional lending can help fill needs unattended by local financial institutions and private investors (See Case Study below).



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Case study: Shark Reef Marine Reserve Fiji

Transaction information:

-  Beqa Adventure Divers (Fiji)
-  6-year Term Loan + Grant
-  USD 350,000 concessional loan +
USD 150,000 grant
-  Construction of Dive & Research station (loan)
Wet lab & scientific equipment + community support (grant)

Company information:

Founded in 2015, BAD is a multi-awarded, world-renowned, for-profit marine conservation project that is specialized in shark conservation, research and ecotourism. BAD co-manages the Shark Reef Marine Reserve (>1,800ha of coral reef ecosystems), empowering local communities and providing staff and personnel for operational management of the MPA (Community Development, Biodiversity Conservation, Management & Infrastructure, Law Compliance).

Financial highlights:

- Consolidated business with about \$800k in revenues in 2019
- Break-even in 2017, profitable in 2018 & 2019
- Severe losses in 2020 due to the impact of the COVID-19 pandemic
- About US\$700 of accumulated losses due to difficulties in making the economics of a Marine Protected Area (MPA) work

Bridge Blue Facility in Action

- Ticket size too small and project too risky to be financed by commercial players
- However, revenue-generating activity can enable repayment of concessional debt
- Support to turnaround the business in post-COVID 19 environment
- UNCDF due diligence complete and loan approved for disbursement in November '21

The Beqa Adventure Divers were struggling amidst the pandemic, they had just repaid a very small loan to a local bank but were not able to get any follow-on finance from this bank or any other local investor. With a combination of a grant and loan from the UN, the business is set to not only survive the pandemic but also expand its conservation activities. It is also an opportunity for Beqa to start building a credit history with a higher loan size to be able to show local banks they are creditworthy. Without a concessional loan Beqa would have continued to struggle. The options for the GFCR was simply a pure grant, which would have been a very cost-inefficient use of scarce resources, or a concessional loan. This transaction is not of interest to the Investment window due to its size. The idea is that businesses like Beqa will grow over time and one day may be interesting for the Investment Window.



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Knowledge Sharing

Another key activity of Blue Bridge will be working closely, and, sharing knowledge, with Convening Agents to equip them with the know-how and investor network to use investment tools when designing interventions in the future. This will help increase the financial tools available to Convening Agents beyond sole reliance on grant funding.

Perhaps just as powerful, Blue Bridge will work to share its Blue Economy knowledge and experience with other investors by contributing case studies to the GFCR Knowledge Management Platform and helping to disseminate these learnings through the impact investing and development sectors. This component of the Blue Bridge will share lessons learned and best practices for specific Blue Economy sectors, Technical Assistance Facilities and Incubators, and aggregation mechanism. Blue Bridge will seek to attract new resources to the Blue Economy sector by helping to create and distribute case studies to Convening Agents (and their peers), as well as investors through the Global Impact Investing Network, Convergence Finance and impact investing conferences like SOCAP.

4. How Blue Bridge will work

UNCDF will work with the Convening Agents and the GFCR Secretariate to determine what instruments and sequence is needed to best incentivize good business practices and catalyze growth. In addition to channeling financial resources, Blue Bridge provides rigorous due diligence, structuring, execution, and monitoring services to help ensure GFCR's fiduciary duties are fulfilled in its highest-risk projects. So far, the GFCR Global Team and Convening Agents have identified [9] projects from the first three approved Priority Ecosystem proposals that can benefit from Blue Bridge's active involvement.

Organisation	Country/Countries	# of Transactions	Allocation (USD)	Blue Bridge Support (USD)
The Nature Conservancy	The Bahamas	4	\$2.74m	\$0.13m
Wildlife Conservation Society	Kenya and Tanzania	4	\$1.53m	\$0.12m
UNDP	Papua New Guinea	1	\$1.39m	\$0.04m
Blue Finance	Philippines	6	\$2.36m	\$0.23m
	Blue Bridge Global	N/A	N/A	\$0.67m
TOTAL*			\$8.02m	\$1.19m

*Total values do not include 7% indirect cost

a. Blue Bridge Principles of investment

UNCDF was brought on as a key partner to the GFCR in the early stages of the Fund design. This is due to UNCDF's unique experience and technical capacity of its impact investing team, the "Least Developed Countries Investment Platform" ("LDC IP"). LDC IP serves as a competence center on innovative development finance, with the aim of providing catalytic loans and guarantees to enterprises or projects that have the potential to achieve scalable impact and financial sustainability. It is also due to its experience



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of managing a loan portfolio of investments in SMEs and projects, as well as its network of financial institutions and investors.

As a development financier, UNCDF broadly adheres to the OECD DAC blended finance principles for unlocking commercial finance for the SDGs and has adopted the following principles to guide its own investment operations:

- Credit worthiness of the borrower
 - Ensure that the borrower has the financial capacity to pay back the debt including the concessional debt from UNCDF.
- No significant risk of market distortion:
 - Ensures equal opportunity to all market players through fair sourcing process.
 - Adheres to principle of “minimum concessionality”, i.e. minimize subsidy without jeopardizing the financial sustainability of the business
- Contribution to market development:
 - Influences markets in a non-distortive way i.e. open-up markets, counter monopolies, enhance symmetry of information.
- Additionality:
 - Provides financing that no other private or public financier is willing or able to provide at the required cost and conditions.

b. UNCDF’s Instruments

Based on UNCDF’s mandate, the toolbox of financial instruments available in Blue Bridge includes both liquidity, risk-sharing instruments, as well as grants, including recoverable and forgivable grants, and technical assistance.

i. Liquidity Instruments (Loans)

UNCDF loans seek to deliver concessional funding on terms that enable the borrowers to grow while, at the same time, trying not to be excessively concessional or crowd out private investment. Concessionality is manifested in various elements of each loan:

- **Tenor and Grace Period:** To be determined on a case by case basis, but extended grace periods on interest and or principal (e.g. up to 3 years), and long maturity profiles (e.g. up to 8 years) are available.
- **Amount:** \$200,000 to \$2,000,000 (limited by maximum Grant Window single-entity exposure)
- **Currency:** Local currency or USD, as preferred by the borrower
- **Interest rate:** Below-market rate, as benchmarked with UNCDF’s Concessional Interest Rate Calculation Methodology (if a loan is denominated in local currency, this typically results in a mid-single interest rate).
- **Other Terms:** UNCDF has the flexibility to deploy subordinated loans and other novel loan structures, such as revenue-based repayment models



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ii. Risk Sharing Services (Guarantees)

UNCDF's guarantee instruments would primarily focus on absorbing some of the risks other investors, banks, developers, suppliers and customers may face, especially in the forms of lost investments, unpaid invoices and lost customers as a consequence of e.g. reduced economic activity in the face of a pandemic. The UNCDF guarantee instrument can be utilized in various modalities:

- i. **Portfolio Guarantee:** UNCDF's partial credit risk guarantees typically provide credit risk coverage to banks and other investors who extend financing to individual companies or a broader portfolio of companies.
- ii. **Portable Guarantee:** UNCDF can also issue a portable guarantee that a GFCR beneficiary company can use to help attract financing from a lender locally or internationally.
- iii. **Capital Equity Guarantee:** UNCDF can guarantee equity providers to absorb some of the equity risk by ensuring a certain price range at exit.
- iv. **Guarantees can take one of two forms: Pari Passu or Subordinated**

In a pari passu guarantee, UNCDF can absorb up to half of the credit risk borne by a bank or investor where a default occurs. In other words, where a company fails to pay a bank or investor any amount due, UNCDF can cover up to 50% of the loss that the bank or investor incurs.

- a. In a subordinated guarantee, UNCDF can absorb all losses suffered up to a certain risk percentage. This structure offers a higher level of protection to lenders compared to a pari passu structure.

iii. Grants and Recoverable Grants

UNCDF can issue grants to both for-profit and non-profit legal entities around the world, which is more flexible than other UN agencies and most grant-making non-profit organizations. During the proposal and due diligence process, UNCDF will work with the investee, its Convening Agent and the GFCR Global Team to recommend the optimal mix of grant and investments based on an assessment of repayment capacity of the investee, the context of each deal, and comparable situations in other regions. As a general principle, soft start-up costs tend to be funded by some form of grant (activities such as an initial feasibility study or detailed business planning). Hard start-up costs are typically funded by investment tools (activities such as buying equipment, leasing and renovating infrastructure, funding working capital or initial operating expenses until break-even).¹⁰

The principle applied will be to minimize concessionality and the use of pure grants where possible in favor of recoverable instruments, both to recycle scarce grant funding, but also to encourage projects to pursue sustainable strategies with a path to end reliance on grant funding. In some cases, such as a non-profit creating a start-up using a new business model, loans will not be appropriate since there is not a high degree of certainty the loan can be repaid. Yet, if projects and start-ups are successful, they could have

¹⁰ UNCDF is exploring the use of convertible loans or equity instruments in situations where grants, recoverable grants and loans are not well suited.



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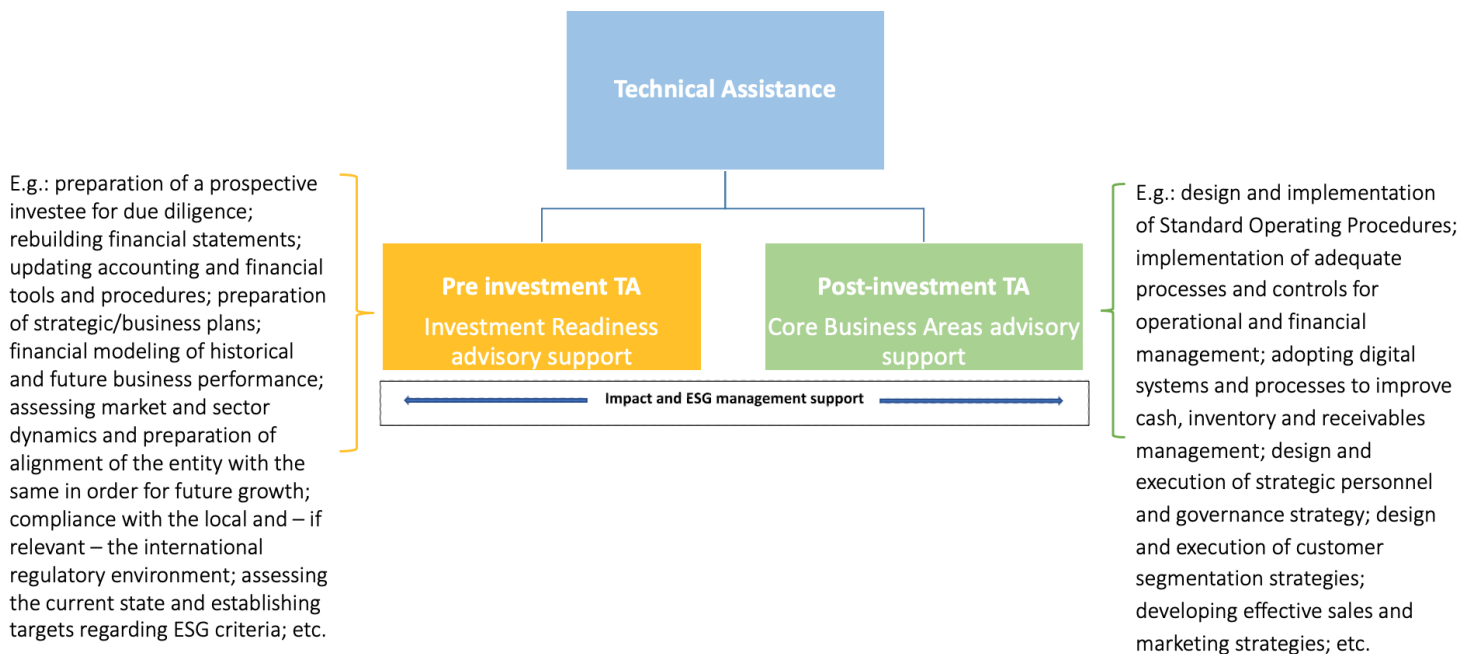
repayment capacity to return funds for redeployment to the next round of innovative projects. Where neither a pure grant nor a concessionary loan is appropriate, Blue Bridge can deploy a recoverable grant.

iv. Technical Assistance

UNCDF investees frequently benefit from business development technical assistance during the investment cycle, either:

- Before UNCDF investment
- Over the course of the investment
- To help access follow-on funding from other investors in future rounds of funding

Convening Agents will lead conservation and specialized industry technical assistance interventions, and companies in many cases will have access to the local Technical Assistance Facilities being established with several the Priority Ecosystem programs. If the Convening Agent or Blue Bridge, identify an area for improvement that cannot be addressed by any other party, Blue Bridge can deploy technical assistance. UNCDF's TA focus is on key business development issues that frequently inhibit the growth of small and medium sized enterprises in frontier markets. The unique needs of each company normally becomes apparent during UNCDF's in-depth due diligence or during monitoring over the course of the loan. The chart below illustrates the offering of TA throughout the business maturity process.





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LDC IP's Technical Assistance program is backed by:

- The UNCDF TA Diagnostic tool to help benchmark and tailor support for each engagement,
- Established guidelines with standardized procurement, evaluation and contracting to ensure transparency, integrity and quality,
- A roster of consultants to ensure efficient and tailored deployment of the business development advisory services across many sectors including climate finance,
- Policy and Operating Guidelines regarding the technical assistance scope, project cycle and process, types of services offered and output reports, etc.

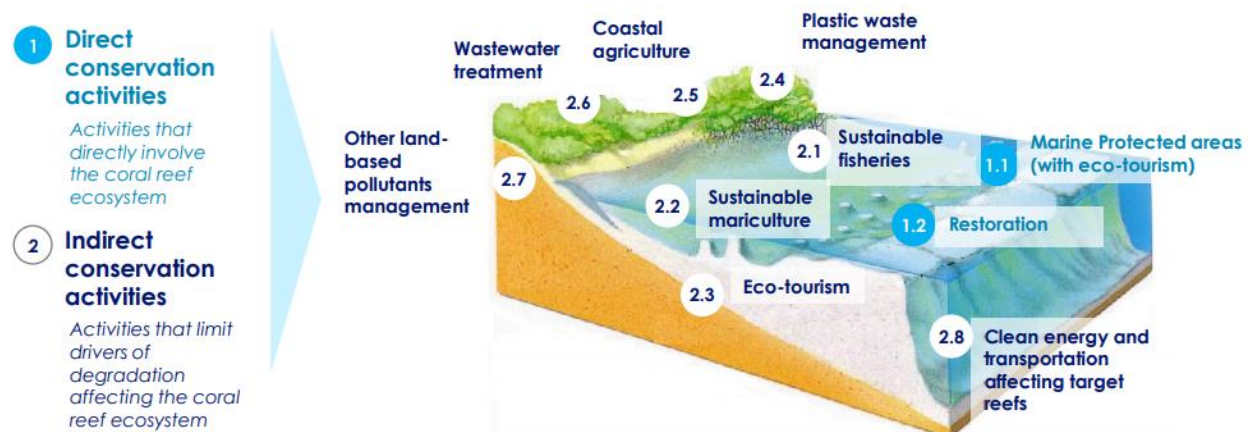
If UNCDF identifies needs that cannot be filled by Convening Agents or existing facilities, a TA needs assessment and budget will be proposed to GFCR in the future in coordination with the Convening Agent.

c. Blue Bridge Investment Cycle: Sourcing, Due Diligence, and Approval

Blue Bridge will use the investment process and systems UNCDF has established, which, according to the most recent UNCDF Strategic Framework Evaluation, "...enables systematic management, monitoring, and reporting of capital-at-risk from loan and guarantee exposures, including analysis, review, and approval procedures aligned with best practices."¹¹

Sourcing

GFCR assets managed through Blue Bridge will be sourced from the GFCR Track I Priority Ecosystem proposals approved by the GFCR Executive Board.¹² As aligned with the sourcing scheme in the original Investment Plan for GFCR, opportunities and activities supported will be along two lines: 1) direct conservation activities and 2) indirect conservation activities.



¹¹ "Evaluation of UNCDF's Strategic Framework 2018-2021." Baastel, August 2021

¹² UNCDF serves other UN teams in the Blue Economy sector through its other managed funds, the original BRIDGE facility and the BUILD Fund, which may be a useful source of funding to projects that GFCR already supports.



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Key Factors include:

- Sites with coral reefs that exhibit resilience to the impacts of climate change
- Sites of significant heritage and scientific value i.e., preservation of biodiversity, historical value UNESCO world heritage etc.)
- National priorities (proven national and/or local government commitment to conserve their coral reefs)
- Site readiness (feasible to engage, local partners with adequate capacity, accessible sites, etc.)
- Potential viable business model identified (preferably scalable)

Investment criteria

Blue Bridge will consider any project that is recommended from the GFCR pipeline and perform due diligence to verify the key investment assumptions and risks of the transaction. This wide scope includes:

- Company stage: From start-up – to early growth stage
- Geography: All countries in which GFCR operates and that have a designated Convening Agent
- Financial Instruments: Grants, recoverable and forgivable grants, various loan structures, guarantees, and technical assistance¹⁰
- Investment Size: \$200,000 to \$2,000,000¹³

Core Eligibility Criteria	<ul style="list-style-type: none"> • All entities shall have a result framework for monitoring the impact towards GFCR impact framework • Transparent ownership structure and legally registered entity • Clear revenue model to earn recurring revenue streams • Positive Net Equity
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Due Diligence Process

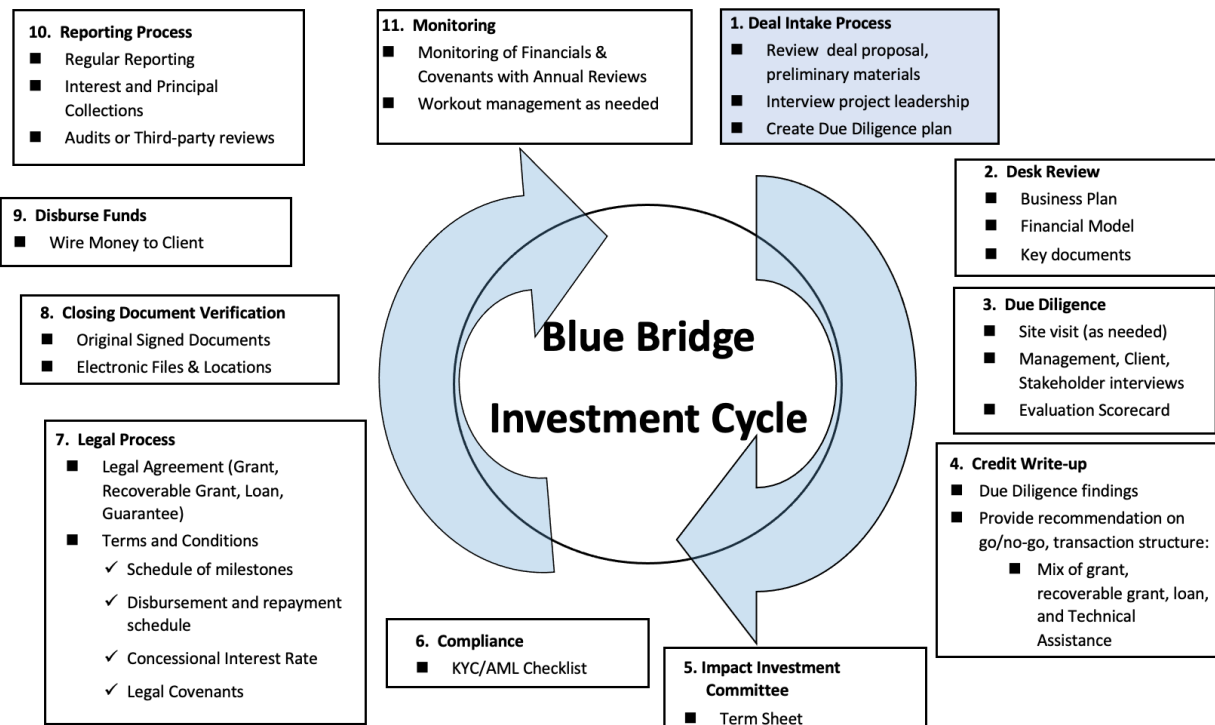
- The Blue Bridge investment process will begin early in the life of each project within a program led by a Convening Agent.
- At the Concept Note stage, Convening Agents will be informed of the Blue Bridge services and can request support as a co-recipient if capacity gaps are identified in the coalition of partners they have brought together. If there is agreement between Blue Bridge and CAs to partner, then Blue Bridge will become part of the respective program design team.
 - In some situations, GFCR's Secretariat or Executive Board may want Blue Bridge to evaluate local financial intermediaries or advisors to ensure local agents have adequate capacity to manage fiduciary responsibilities.

¹³ There is technically no minimum or maximum investment size, but transaction costs create a lower bound for smaller transactions, and the de facto maximum single-entity exposure in the Grant Window defines the upper bound.



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- Convening Agents will source all Track I programmes. The GFCR Global Team, Blue Bridge and the Convening Agents will work together to recommend which projects within each Priority Ecosystem Program should be funded through Blue Bridge.
- Blue Bridge engages with Convening Agents and projects throughout the development of the proposal. This includes the Convening Agent sharing business models and financials of specific projects for which Blue Bridge advises on its ability to support and prepare a brief Blue Bridge pre-Due Diligence memo.
- After the GFCR Grant Window Executive Board approves an overall Priority Ecosystem Program proposal, the projects to be funded through Blue Bridge will be subject to UNCDF’s investment due diligence and investment approval processes to ensure that GFCR and UNCDF’s fiduciary duties and legal requirements are fulfilled (See Blue Bridge Investment Cycle Diagram and Approval Process section below).¹⁴
- The entire investment process, from Deal Intake to Disbursing Funds takes 3-6 months depending on preparedness and responsiveness of the investment recipient.



Blue Bridge provides the following services associated with each loan, guarantee and recoverable grant to bring the investment from the process of origination through final repayment or restructuring (if a loan enters default):

¹⁴ If due diligence discovers adverse material findings that prohibit UNCDF from recommending the transaction, UNCDF will notify the GFCR Secretariate, and work closely with the target company, the Convening Agent, and GFCR to identify remediation or mitigation strategies (such as Technical Assistance), or, decline the investment if solutions cannot be found.



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- perform project development support prior to a loan
- perform initial desk review of key business documents follow by in-depth due diligence (virtual or on-site based on deal complexity, size, and perceived risk level),
- structure the deal (advise on TA if needed, the mix of grant/concessional loan if applicable, set minimal concessionary interest rate, determine repayment schedule within repayment capacity, set covenants, etc),
- develop and execute legal agreements,
- obtain approval from independent credit committee, and then disburse the funding, and finally,
- ongoing financial monitoring and payment collection, and workout/restructuring for loans that go into default.

Beyond the labor of originating, monitoring and collecting loans, the investment cycle process is built to help the projects prepare to access future forms of financing through rigorous underwriting, monitoring and identifying opportunities for TA before and during the term of the investments.

Originating loans costs an average of \$32,500 as a one-time cost to originate each loan through entire process. This reflects an average of 17.5 FTE days for a senior investment officer to originate a transaction from beginning to end: pre-DD, DD and direct economy travel cost, investment structuring and recommendation, securing IIC approval, legal costs to develop and execute investment agreement(s), fulfilling conditions precedent and processing disbursement. This also includes provision of staff time associated with loan default and restructuring. Throughout, the LDC IP investment process is built to help the projects prepare to access future forms of financing through rigorous underwriting, monitoring and identifying opportunities for TA before and during the term of the investments. Starting in the year following loan disbursement, monitoring investments cost an average of \$8,100 annually.

d. Governance and Approval Process

Following due diligence, investments are referred to UNCDF's Impact Investment Committee ("IIC"), which must evaluate all investment activities originating from UNCDF's balance sheet. This Investment Committee is composed of the Director of the Least Developed Countries' Investment Platform at UNCDF, three key UN-affiliated investment professionals and three independent investment experts who also sit on other investment committees of international impact investing funds. According to the 2021 BDO EU Finance Pillar Assessment, the IIC provides, "robust consideration of the key operational and financial concerns of each proposal." Technically, the Impact Investment Committee recommends (or rejects) proposed investment transactions for final sign-off by the UNCDF Executive Secretary. The Committee also provides advice to the transaction team (and business) to ensure healthy growth. UNCDF is in the process of adding a Blue Economy expert to join the Bridge IIC to support Blue Economy transactions.

It is the job of the UNCDF LDC IP Investment Specialists to ensure that any investments which cannot meet the standards of UNCDF are either improved or declined as early as possible to avoid wasted time for all parties. Accordingly, Blue Bridge will work with Convening Agents and potential investees as proposals are being developed to pre-screen transactions before they are presented to the GFCR Grant Window or the IIC.

Once an investment is fully approved, and prior to disbursement, Blue Bridge will:

- finalize all required legal agreements,



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- ensure completion of any conditions precedent to disbursement set by the GFCR Executive Board or UNCDF IIC, and,
- carry out all background checks to comply with Know Your Client and Anti-Money Laundering laws.

If an investment is declined by the IIC, or due diligence reveals material weaknesses that prevent the deal from being proposed to the IIC, then UNCDF will work with the Convening Agent, the project management and the GFCR Secretariat to address the deficiencies. Failing that, the Convening Agent and the Secretariat will determine if a different project should be proposed to GFCR, or, if funding should be reallocated to another program at the determination of GFCR.

e. Legal Structure and Flow of Funds

Legal Structure

Blue Bridge is technically a program residing within a pre-existing UNCDF program called “BRIDGE”, which issues loans and guarantees from UNCDF’s balance sheet to Small and Medium-sized Enterprises (“SMEs”) and small-scale projects primarily in the Least Developed Countries and Small Island Developing States. BRIDGE was established by UNCDF and in place by 2017 to provide the governance, staff, processes, and infrastructure to issue and manage investments in early-stage companies in frontier markets. The BRIDGE program was established based on a historic portfolio of loans and guarantees that had been issued by UNCDF previously. BRIDGE is structured to have different sub-windows to leverage the platform for specialized programs (like Blue Bridge). UNCDF’s investment systems were recently vetted by BDO through an EU Pillar Assessment, with the purpose of qualifying UNCDF to be a submanager for the EU to deploy concessional development finance.]

Flow of Funds

GFCR Grant Window funds channeled through UNCDF as grants would be disbursed to investees through the agreed-upon financial instrument once due diligence, final approval, legal agreements and any conditions precedent to disbursement have been completed. From an accounting perspective, the receivables would reside on the UNCDF balance sheet for the term of the investment until repayment (or until the grant terms are completed).

Administratively, UNCDF would manage collections of principal repayment and interest on loans (or fees on guarantees). Funding that is recovered will be redeployed to future rounds of GFCR projects approved by the GFCR Executive Board and the IIC through the life of the GFCR.



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5. Project Management

UNCDF accomplishes its catalytic investment activities through the LDC Investment Platform (LDC IP), which will also be the organizational unit implementing Blue Bridge's support services. Although UNCDF's mandate to invest with loans and guarantees dates back to its inception (1966), the LDC IP was formed as a result of a UNCDF strategic decision in 2016 to revamp its catalytic investment operations, in the wake of the 2030 Agenda and the Addis Ababa Action Agenda on Financing for Development.

The service relies on UNCDF's enterprise risk management and investment policies; strengthened due diligence processes for vetting and assessing risks of potential investment opportunities; investment monitoring systems; and dedicated capacity to manage a portfolio of capital investments and ensure robust accountability. The platform has a team of investment professionals with significant transactional expertise in developing countries and impact investing backgrounds (see Annex 1).

There are 4 investment specialists based at the HQ in NY, 4 investment specialists based in Africa, one dedicated Technical Assistance Manager, one Portfolio Manager and one Legal expert (under recruitment) based in NY. Closely linked to the LDC IP is a roster of 20 investment professionals with different thematic expertise who work closely with the investment specialists. Primarily, the investment specialists have two functions within the organization: (i) an advisory function to support the sourcing entities in the structuring, the due diligence and the monitoring of the transactions (ii) a risk control function through an independent evaluation and risk appraisal for each transaction. These two roles will be the same for the GFCR initiative. The LDC IP works closely with UNCDF's many other programs around 30+ LDCs where UNCDF has staff on the ground, e.g. Fiji where UNCDF's Pacific program supported the investment into Beqa.

Overall, the aim of the UNCDF is to be part of the ecosystem in three ways; (a) demonstrate to domestic and international investors that difficult markets and projects can and do generate returns, provide opportunities for successful investment, and merit the attention of a wider range of investors; (b) use those demonstration effects to support policy and regulatory improvements and scale up of what works by other actors; and (c) help a number of companies advance to the next level of growth where more commercial funding will replace the concessional funding. In the case of Blue Bridge, UNCDF will strive to also (d) Build local capacity to deploy TA and financial instrument to reduce dependence on international organizations for effective use of catalytic capital and (e) Contribute to knowledge sharing of solutions for catalyzing a continual pipeline of reef positive blue economy opportunities. This mission is well aligned with what is needed by the GFCR initiative.



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ANNEX I – UNCDF Team

UNCDF's LDC IP team includes the following people who would be involved with the implementation of Blue Bridge in different capacities.

Anders Berlin

Mr. Anders Berlin is currently the Director for UNCDF's Investment Platform in New York with the aim of increasing the innovative use of loans and guarantees throughout UNCDF's portfolio and in cooperation with other UN agencies. As Director of the Investment Platform, he leads a team of Investment Specialists.

Anders has previously had the post as Head of Unit for Loans and Guarantees at the Swedish International Development Cooperation Agency (SIDA) managing a portfolio consisting of approximately 50 projects/programs around the world, mostly in Africa and Asia. Prior to this duty, Mr. Berlin worked as the Head of Development cooperation at the Embassy of Sweden in Kosovo and deputy Head of Cooperation in Tanzania. He also worked as a senior advisor to the General Director of SIDA and a senior Advisor at DG RELEX at the European Commission in Brussels, as well as an economist at the World Bank.

Anders holds a Master's degree in Economics from Stockholm University, and a Master's degree in Economic Policy Management from Columbia University.

Benjamin Midberry

Mr. Benjamin Midberry will manage Blue Bridge under the supervision of Anders Berlin. He is an Investment Specialist based in New York on the Least Developed Countries Investment Platform.

Prior to joining UNCDF, Ben served as the CFO of Thai's Health, a digital health company treating COVID-19 patients. Before that Ben co-founded and served as CFO and then CEO of Alina Vision, a blended finance holding company created to launch greenfield hospitals focused on restoring sight to the poor by replicating a successful social enterprise model into new frontier markets. Before operating social enterprises, Ben served as a Vice President with Deutsche Bank's Global Social Finance team, where he led impact investments in healthcare ventures in emerging markets around the world, and microfinance institutions throughout Africa and Asia. He also managed two innovative funds: 1) the first debt fund focused on affordable eye care, and 2) a guarantee fund supporting early-stage companies in frontier markets. After leaving Deutsche Bank to co-found Alina Vision, Ben joined several of DB's impact investment funds as a Board Member and Investment Committee member.

Ben holds an MBA from Columbia Business School, a Bachelor's Degree in Accounting from Grove City College with High Honors and earned his CPA license.

Fabrizio Cometto

Mr. Fabrizio Cometto will be called upon to originate GFCR loans from time to time. He is currently an Investment Specialist with UNCDF, where he has transaction advisory, underwriting, and risk management responsibilities for catalytic investments to small and medium enterprises (SMEs), financial service providers, and small-scale infrastructure projects primarily located in LDCs.



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Before joining UNCDF, Fabrizio was Portfolio Manager at MCE Social Capital, an innovative impact investment firm that provides capital to Micro Finance Institutions (MFIs) and Small and Medium Enterprises (SMEs) in the developing world. At MCE Social Capital, he contributed to the launch and development of a new fund focused on investing directly into SMEs with the aim of closing the “missing middle” financing gap. His focus areas included agricultural value chains, renewable energies, and access to safe water. During his four-year tenure at MCE, Fabrizio closed over thirty transactions across Africa, Asia and Latin America, totaling over \$20 million in aggregate value.

Prior to MCE, Fabrizio had a successful 13 years’ career in the private sector, where he held key business management positions across a wide range of industries and companies. He started his career in Singapore as a credit analyst for BNP Paribas, before moving to China where he helped define and execute the Michelin Group’s go-to-market strategy. After working in Paris for a travel industry start-up venture, he joined the Ariston Thermo Group, for which he first led large marketing teams in the Far East before managing its operations in the Iberian Peninsula. Just before MCE, Fabrizio volunteered in Côte d’Ivoire with Technoserve, a Washington D.C.-based development NGO.

Fabrizio holds an Msc in Management from HEC Graduate School of Business in Paris and a Master of International Public Policy from Johns Hopkins School of Advanced International Studies (SAIS) in Washington, DC. He speaks English, Spanish, Mandarin Chinese, French and Italian.

Mattias Granqvist

Mr. Mattias Granqvist will be called upon to originate GFCR loans from time to time, as well as advise and structure guarantee solutions for GFCR guarantee needs. He is an Investment Specialist with UNCDF, where he has transaction advisory, underwriting, and risk management responsibilities for catalytic investments to small and medium enterprises (SMEs), financial service providers, and small-scale infrastructure projects primarily located in LDCs. Before joining UNCDF, Mattias worked as a Risk specialists and Senior program manager at the Unit for Loans and Guarantees at the Swedish International development cooperation Agency (Sida). His focus included implementing financial solutions in adherence with Sida’s policy for Global development goals. Mattias was also responsible for setting up a coherent framework of procedures and processes regarding valuating, risk, accounting for guarantee operations and follow-up measurements related to guarantees. Mattias was also responsible for implementing several innovative guarantee operations which together mobilized almost 2 billion USD within the sectors of financial inclusion, health, renewable energy, infrastructure, and the agriculture sector.

Before joining Sida Mattias worked financial analyst at the Swedish Financial Supervision authority (FI) where he conducted supervisory and audits towards financial institutions with in-depth knowledge of management strategies, risk management, regulatory compliance, Value at Risk models, permitted assets, valuation and Take overs. Prior to FI, Mattias had a successful 7 years’ career in the private sector. Mattias has worked with in the corporate finance sector with listed companies, mainly related to M&A, cost savings programs and rights issues. Mattias has also worked as an asset manager in a regulated security company. Mattias also co-founded a healthcare venture, which he led as the CFO and President of the board and later exited to an acquiror.

Mattias holds a master's degree in business administration with finance specialization from Stockholm School of business and one additional master's degree in political economy from Stockholm School University.



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Nelly Elimbi

Ms. Nelly Elimbi will be called upon to originate GFCR loans from time to time and help coordinate and oversee Technical Assistance as needed. She is an Investment Specialist and Technical Assistance Facility Manager in New York, USA. Her key role entails the design and management of Technical Assistance (TA) facilities, and to provide business advice pre and post investments through a roster of internal experts and external consultants.

Prior to joining UNCDF, Nelly worked essentially in the private sector. She spent 10 years in the Technical Assistance area adding value to either equity or debt investments. Since 2014, she was working for a Swiss-based impact investor as a Senior Manager in charge of Capacity Building covering Sub Saharan Africa, Asia, Latin America and the MENA regions. She has been catalytic in positioning the technical assistance function as a center of competences offering tailor-made services to donors – mainly from the public sector (set up and management of TA vehicles, organization and active contribution to donors' committee meetings, project proposals write ups, donors' reports, etc.) and for the benefits of the investees (TA project origination, terms of reference design, consultants proposals assessments, project monitoring, reporting). she was catalytic in raising ca. EUR 6 million in 18 months to fund TA multi-country programs for investee financial institutions in the sector of agrifinance and agri-value chain financing, digital financial services and SME finance. Between 2010 and 2014, Nelly also served as an executive manager in charge of a TA facility attached to a microfinance private equity firm dedicated to Sub Saharan Africa. AS a TA specialist, she has a good network and hands-on experience working with investees, donors, consultants and other stakeholders.

Before her immersion in the development finance industry, Nelly spent 10 years of her career in the oil distribution industry as a Credit manager, in the banking industry as a credit analyst and customer relationship representative in charge of local corporate and SMEs and in the advisory sector. She demonstrated a first-hand appreciation of the heavy lifting and broad range of responsibilities inherent in working for new, small firms/start up initiatives in many instances, namely as a co-founder of a boutique real estate advisory firm in Cameroun in 2008.

Nelly holds a Bachelor of Economics Management with Honors, from the Catholic University of Central Africa, Cameroon.

Charulata Singal

Mrs. Charulata Singal will be called upon to originate GFCR loans from time to time. She is currently an Investment Specialist with the LDC Investment Platform at UNCDF, where she has transaction advisory, underwriting, and risk management responsibilities for catalytic investments to small and medium enterprises (SMEs), financial service providers (FSPs), and small-scale infrastructure projects primarily located in LDCs.

Her previous positions include Senior Investment Fellow at Capria Ventures, Senior Investment Officer at responsAbility Investments AG, Consultant at CDC Plc, India representative at BlueOrchard Finance SA and Assistant Vice President at ING Bank. In some of these roles, she had geographic responsibility for financial inclusion investments in the South Asia region.



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Charulata has an undergraduate degree from the Sydenham College of Commerce & Economics, an MBA from the Goa Institute of Management, and an MBA in Finance and Strategy from the Indian School of Business and the Leonard N. Stern School of Business at New York University.

Ferdinand Sia

Mr. Ferdinand Sia will support the financial monitoring and support systems underpinning LDC Ips investment activities powering Blue Bridge. He is a senior consultant with UNCDF, where his work comprise of setting up of systems and infrastructure for investment operations to facilitate investment growth. Before joining UNCDF, Ferdinand was the Chief Financial Officer and head of Business Development for EEI Corporation in the Philippines. His earlier experiences include strategy for the International Finance Corporation (IFC) in East Asia and South Asia regions, as well as development projects for USAID.

Ferdinand obtained his MBA from the Wharton School and an undergraduate degree from Ateneo De Manila University.

Abhisheik Dhawan

Mr. Abhisheik Dhawan will assist with GFCR awareness building and fundraising activities from time to time, as requested by the Secretariate. He is currently a Partnerships Specialist with UNCDF. Prior to joining UNCDF, Abhisheik was Director, Cleantech Practice at Business Development Bank of Canada (BDC) investing in Canadian Cleantech companies as part of the \$600M fund of the Canadian government. With over 17 years of experience in international markets and financial services, he has worked with banks and technology companies, including startups, in India and the United States, engaging with clients across continents. Over the last eight years, he has shifted focus to sustainable development.

Before joining BDC, Abhisheik worked with Juntos, a startup that helps plan for a secure financial future for its clients through trust-based relationships, and Enerknol, an energy startup. Prior to that, he was Head of Partnerships and Fundraising at Shakti Sustainable Energy Foundation, an entity facilitating India's transition to a cleaner energy future, where he led fundraising efforts to support Indian governments efforts on climate change. Abhisheik started on his banking career of over a decade with IDBI Bank at Bangalore, India's tech capital, with a focus on the IT industry. Subsequently, he worked as Director at Standard Chartered Bank covering middle market and large corporate clients.

Abhisheik has completed an MPA with a concentration on Economic and Energy Policy and Finance from Columbia University in New York. He also holds an MBA in Finance from the Indian Institute of Management (IIM Kozhikode), CFA-Level II and a B.Tech in Mining Engineering from the Indian Institute of Technology (ISM- Dhanbad).

Florence Knop

Ms. Florence Knop will assist with investment and grant disbursement, collections and administration of GFCR loans managed under Blue Bridge. She is currently a Program Associate for the Least Developed Countries Investment Platform (LDC IP) at United Nations Capital Development Fund (UNCDF). Based in HQ New York, USA, Florence provides support to the team relating to back-office administrative and



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operational tasks, Loan & Guarantee Portfolio Management, and the Financial Instrument Management System.

Florence brings with her over 22 years of experience in administrative, operations, and program assistance (9 within the UN). Prior to joining the LDC IP team, Florence served as Program Associate for the Better Than Cash Alliance at UNCDF, and Administrative Associate for the Office of the Human Development Report at UNDP, the High-Level Panel on Women's Economic Empowerment (hosted by UN Women), and the Global Environment Facility at UNDP. Prior to joining the UN, Florence worked for the private sector in the USA, as well as the World Trade Center's Association, an international non-profit organization, in both New York and in Hong Kong.

Florence holds a Bachelor's Degree in Business Administration - Marketing & Communications -from L'Institut Européen des Affaires, France. She is a Certified Member of the Chartered Institute of Purchasing Supply (CIPS Level 2)



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ANNEX II – List of Blue Bridge Support in The Bahamas, Kenya/Tanzania, PNG and the Philippines

Priority Ecosystem	Project Name and Description	Leading institutions	UNCDF Support
PNG	Capital to fund guarantees to local MFIs and banks to support SMEs coming through Blue Economy Enterprise Incubation Facility (BE-EIF).	UNCDF PNG	- Guarantee(s) to be issued through UNCDF; already advising local team on structuring guarantee program; leverages team's deep experience using guarantee instruments in frontier markets previously at SIDA and Deutsche Bank.
Kenya/Tanzania	Investing in Okavango Fund, or creating SPV side-car for co-investing in Blue Economy Deals	-Wildlife Conservation Society (WCS) -Okavango Capital	- Provide due diligence on fund manager; advise on structuring and executing agreements.
Kenya/Tanzania	Blue Economy Venture Studio	-Wildlife Conservation Society (WCS) -Okavango Capital	- Help evaluate incubator viability and consider involvement of specialized implementers.
Kenya/Tanzania	2 impact investments in short-term from Okavango pipeline	Okavango Capital	- Investment funding channeled through UNCDF. Assess feasibility of implementation of Project Meerkat (plastic recycling), micro-forestry, Project Pemba (coastal tourism) and other proposed investments for the initial phase.
The Bahamas	Blue Economy Programme Accelerator	Access Accelerator Small Business Development Centre (SBDC)	- Monitor progress of participants for commercial viability and help with recommendation on annual grant renewals.
The Bahamas	Blended finance for the effective management of MPAs; Blue Finance setting up MPA in the region.	Bahamas National Trust (BNT) and Blue Finance	- Administer grant; structure, deploy and monitor loan.



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The Bahamas	Minimizing the ecological impact of tourism in Elizabeth Harbour by installing, maintaining and collecting fees for moorings and pump-out services so ships don't dump waste into the harbor.	Elizabeth Harbour Conservation Partnership	- Administer grant; structure, deploy and monitor loan.
The Bahamas	Scaling Coral Restoration - Coral Vita	Coral Vita	- Due Diligence on company; evaluate if portion of grant can be structured as a recoverable grant, concessional loan or equity; structure and monitor for recovery.
Philippines	3 new MPA networks	Blue Finance	- Due diligence; evaluate if higher portion of grant can be structured as a recoverable grant or concessional loan; structure and originate loans and grants; monitor for recovery.
Philippines	Various reef-positive businesses to support MPA networks	Blue Finance	- Originate initial preparation grant; assist and monitor development and structuring for future potential loans and grants.