Department for Environment Food & Rural Affairs

Full Business Case Change Control Note

Version March 2026

Detail of Template

1. KEY INFORMATION

Project Name	The Global Fund for Coral Reefs
Original Project Objectives	Launched during UNGA75 in September 2020, the Global Fund for Coral Reefs (GFCR) is the first Multi-Partner Trust Fund (MPTF) for Sustainable Development Goal (SDG) 14, Life Below Water. Co-Led by the United Nations Capital Development Fund (UNCDF), the United Nations Development Program (UNDP), and the United Nations Environment Programme (UNEP)[1]. The GFCR's blended finance approach aims to expand and diversify funding, encouraging marine conservation away from dependency on short-term grant funding towards sustainably financed, "reef-positive"2 revenue streams. The GFCR delivers globally with 16 programmes across 21 countries[3], focusing on coral reefs which have been identified as more resilient to climate change. Interventions focused on these resilient ecosystems can reverse their degradation and give a coral biome the best chance of adaptation and survival, as well as offering the best Value for Money.

[1] Representatives from each agency make up the GFCR UN Global Team (UNGT); each agency has specific roles and responsibilities. UNCDF hold the secretariate function, UNEP hold the Monitoring and Evaluation workstreams and UNDP are responsible for policy architecture.

[2] Reef-positive businesses reduce specific drivers of coral reef ecosystem degradation, aid in alleviating poverty within vulnerable communities, and distribute finance through dividends and/or revenue sharing.

[3] Previously reported 18 programmes over 23 countries, however the Mozambique and Brazil programme have been indefinitely paused.

<table>
<tr><td>Reasons for change</td><td colspan="3">This Change Control Notes (CCN) seeks an uplift of funding of £1.8m for FY25/26 and an extension for 6 months (out to 30th September). The additional funding and timeline will act as a bridge between the date of planned closure of the GFCR on 31st March 2026 (as stated in CCN 2025) and approval of new funding in 2026.

This document will be approved by the Senior Responsible Owner and the Deputy Director of Defra's International Sustainable Blue Finance Division. This uplift is less than 10% of the last CCN approved by ODA hub in May 2025. The uplift and the extension of the timeline do not trigger any material changes to the programme and funding will be disbursed by the end of the financial year (FY25/26).

For additional context, the Investment Committee delegated approval authority to the ODA Board for a costed extension to the GFCR business case [redacted], providing support to the programme while a new Blue Finance business case is being developed. [redacted]</td></tr>
<tr><td rowspan="2">Whole Life Cost (FTE costs)</td><td>Original Amount £m</td><td>Revised Amount £m</td><td>Change Amount £m</td></tr>
<tr><td>£226,106</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="2">Budget</td><td>Original Amount £m</td><td>Revised Amount £m</td><td>Change Amount £m</td></tr>
<tr><td>£40.25m</td><td>£42.05m</td><td>£1.8m</td></tr>
<tr><td rowspan="2">Project Start & End Date</td><td>Original start date</td><td>Original end date</td><td>Amended end date</td></tr>
<tr><td>07/21</td><td>31/03/26</td><td>30/09/26</td></tr>
<tr><td>Other projects/ Programmes impacted by change</td><td colspan="3">N/A- No other projects impacted</td></tr>
<tr><td>Is the change Novel or Contentious</td><td colspan="3">No, the programme is not perceived as novel or contentious, the UK has been supporting the GFCR since 2021 and it has performed well.</td></tr>
<tr><td>DevTracker link to original business case</td><td colspan="3">• 2021-BPFGFCR-Business-Case-20221128101153174554873 4.pdf
• BPFGFCR-Business-Case-Addendum-2022-20221128111401745548736.pdf
• GFCR FBC Change Control Note1750846364.pdf
• 2023-FINAL-GFCR-ODA-Business-Case-Addendum-updated-20250109090129174554873 7.docx</td></tr>
</table>

2. KEY DIFFERENCES (CHANGES TO ORIGINAL FULL BUSINESS CASE)

Strategic Case – No Material Change

- The GFCR continues to be aligned with IBC, Defra and UK priorities.
- A significant funding gap of $123m remains, and funding is required for the GFCR to meet 2030 targets.
- This extension and uplift are aligned to future planning for Defra ODA marine programming, with a CCN seeking a more fulsome uplift and extension currently in draft [redacted] - The uplift of £1.8m is being bought forward from planned expenditure for next FY.
- Continued support for the GFCR will feed into the new Blue Finance Business Case planning.

Economic Case - No Material Change

- The latest BCR estimate, from the CCN approved in 2025, was 3.6, indicating High Value for Money (VfM) under the Defra VfM Framework. At the latest Annual Review, GFCR met the majority of its performance indicators, supporting the expectation of continued positive performance. A full economic assessment is underway [redacted], which will update the BCR using the latest available data.

Commercial Case – No Material Change

- The GFCR continues to be in a unique position to deliver on our International Marine ODA outcomes referenced.
- The GFCR is the only fund that has a coral reef focus coupled with a blended finance model.
- The funding mechanism remains a financial contribution.
- A new Standard Administrative Agreement and financial contribution letter will be drawn up prior to disbursing funds.

Financial Case – No Material Change

- As discussed above the payment will remain the same: a direct contribution, paid to the UNDP Multi-Partner Trust Fund Office – the GFCR trustee. A Standard Administrative Agreement along with a contribution letter detailing terms will be in place.
- All spend will continue to be classed as Resource Departmental Expenditure Limit (RDEL) due to the end recipient (GFCR) being able to use funding at their discretion (providing that this supports ODA eligible activities).
- Payment in advance has HMT approval: UN funds require money in the bank before committing to partners and therefore Defra will make payment in advance. The UN has an agreement in place with HMT to allow for this, and the UN MPTF are included in this exemption. The Defra financial regulation team have also approved payment in advance.
- The GFCR will continue to be 100% ICF accountable.
- The programme has scored As in all 4 Defra-led annual reviews.
- The economic appraisal remains valid and demonstrates good value for money as demonstrated in the Year 4 Annual review.

  [redacted]
- Further funding for the GFCR is an opportunity to reduce the GFCR funding gap and support the continuation of the GFCR's current programmes. UK funding is also expected to be catalytic and leverage further finance, as demonstrated in previous years (New Zealand's $10m contribution).

[redacted] The GFCR meets the criteria in the AO test: [redacted]
Management Case – No Material Change - Management of the programme remains the same.