

# Annual Review

<b>Title: Global Fund for Coral Reefs</b>		
<b>Programme Value £ (full life): £40,250,000</b>		<b>Review date: June 24-July25</b>
<b>Programme Code: GB-GOV-7-BPFGFCR</b>	<b>Start date: March 2021</b>	<b>End date: 31<sup>st</sup> March 2026</b>

## Summary of Programme Performance

Year	2021	2022	2023	2024	2025	2026
Overall Output Score	N/A	A	A	A	A	
Risk Rating	N/A	MEDIUM	MEDIUM	MEDIUM/HIGH	Medium /high	

DevTracker Link to Business Case:	<ul style="list-style-type: none"> <li>• <a href="#">2021-BPFGFCR-Business-Case-202211281011531745548734.pdf</a></li> <li>• <a href="#">BPFGFCR-Business-Case-Addendum-2022-202211281111401745548736.pdf</a></li> <li>• <a href="#">2023-FINAL-GFCR-ODA-Business-Case-Addendum-updated-202501090901291745548737.docx</a></li> <li>• <a href="#">GFCR FBC Change Control Note 2025</a></li> </ul>
DevTracker Link to results framework:	<a href="#">Year 4 Logframe</a>

## Table of Acronyms

BPF	Blue Planet Fund
CAs	Convening Agents
CCN	Change Control Note
EB	Executive Board
GEDSI	Gender Equality, Disability and Social Inclusion
GFCR	Global Fund for Coral Reefs
ICF	International Climate Finance
MAR	Meso-American Reef
MPA	Marine Protected Area
MPTFO	Multi-Partner Trust Fund Office
ODA	Official Development Assistance
OOFF	One Ocean Finance Facility
SDG	Sustainable Development Goals
TOC	Theory of Change
TWG	Technical Working Group
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Fund
UNEP	United Nations Environment Programme
UNOC	United Nations Ocean Conference
UNGT	United Nations Global Team
VfM	Value for Money

## A. SUMMARY AND OVERVIEW

### A1. Description of programme

Launched at the United Nations General Assembly (UNGA75) in September 2020, the Global Fund for Coral Reefs (GFCR) is the first Multi-Partner Trust Fund 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), it integrates public and private grants and investments for coral reef nations around the world, operating with two funds under the same Theory of Change, the Grant Fund and the Equity Fund<sup>1</sup>:

- The Grant Fund serves to incubate investible projects in tropical coral reef ODA-eligible countries, with a focus on interventions that support communities dependent on coral reefs, such as waste management projects, Marine Protected Area (MPA) financing and eco-tourism.
- The Investment Fund supports with scalability to maximise the impacts of projects incubated by the grant fund.

The UK is the largest donor to GFCR, first contributing in 2021. Through the Blue Planet Fund (BPF), the UK has contributed £40.25 million to the GFCR grant fund, which includes an approval in May 2025 for a £4 million uplift via a Business Case Change Control Note. GFCR continues to be classified as 100% International Climate Finance (ICF). This classification was reaffirmed during the Year 3 Annual Review, see Annex A.

In the reporting period, June 2024 – July 2025, financing from Defra continued to support existing GFCR programmes<sup>2</sup> discussed in the previous annual reviews, in addition to a new technical assistance programme delivered by Catalytic Finance, see Table 1 below.

*Table 1 Approved GFCR programmes receiving Defra Support*

Location	Project	Approved
Fiji	Investing in Coral Reefs and the Blue Economy (ICRBE)	March 2021
Kenya-Tanzania	Miamba Yetu: Sustainable Reef Investments (Kenya-Tanzania)	October 2021
Papua New Guinea	Gutpla solwara, gutpla bisnis ('Good oceans, good business')	October 2021
Philippines	Mamuhunan sa mga MPAs ('Responsible investment in MPAs')	December 2021
Indonesia	Terumbu Karang Sehat Indonesia	March 2022
Mesoamerica Reef	MAR+Invest	March 2022
Colombia	Fi Wi Riif	October 2022
Indonesia	KORALESTARI Sustaining Indonesia's Coral Reefs through Bankable Conservation and Restoration Initiatives	March 2023
Maldives	Maldives Resilient Reef Ecosystem and Economy for the Future (Maldives RREEF)	June 2023

<sup>1</sup> Previously referred to as the Investment Fund.

<sup>2</sup> As a multilateral fund, Defra's contributions are combined with other donors, making it difficult to attribute specific funding amounts to individual activities, programmes or countries.

Location	Project	Approved
Micronesia	Micronesia Coral Reefs	November 2023
Jordan	Gulf of Aqaba Resilient Reefs Programme	January 2024
Sri Lanka	Sri Lanka Coral Reef Initiative	March 2024
Tanzania - Pemba	Blue Economy for Conservation Areas	June 2024
<b>Catalytic Finance</b>	<b>Flexible Technical Assistance and Capital Acceleration; delivers support in Fiji, Brazil, Maldives and Philippines<sup>3</sup>.</b>	<b>December 2024</b>

## A2. Summary supporting narrative for the overall score in this review

The GFCR has scored its fourth consecutive **A rating**, demonstrating strong and consistent performance over its lifetime. Of the eighteen performance indicators assessed, twelve exceeded target, three met expectations, and three fell below target.

Public finance mobilisation has exceeded targets, and return on investment from reef-positive businesses is strong. However, private finance mobilisation remains below target, reflecting ongoing challenges in attracting capital to early-stage reef-positive enterprises. New fundraising mechanisms and donor engagement efforts are underway though, and the leverage ratio remains close to target (1:1.9 vs 1:2).

As noted in the 2025 Change Control Note, UK funding currently accounts for 46% of the total Grant fund. To ensure long-term sustainability, it is vital for the GFCR to continue exploring opportunities to diversify funding sources and reduce reliance on UK contributions. Despite this high financial burden and exposure risk, there is evidence that UK funding is catalytic.

Livelihood indicators have exceeded expectations, with 1,567 direct jobs created and 34,252 individuals benefiting from improved reef resilience, both well above targets. Gender-smart investments have also surpassed targets, with 51 reef-positive businesses meeting the 2X Challenge criteria which aims to promote women's economic empowerment through investment<sup>4</sup>. While disaggregated data shows gender disparities persist, targeted efforts are underway to promote women-led businesses and improve inclusion of youth and Indigenous communities.

Under the ecological pillar, the programme is performing well, with fish biomass and coral cover indicators on target and over 7.7 million hectares (including 1,197,711 ha of coral reefs) now under sustainable ecological management. Capacity-building efforts have scaled significantly, with over 5,400 practitioners trained and 75 formal agreements signed to support marine resource management. Local engagement has deepened, with 143 organisations actively participating in programme development.

Overall, the GFCR is making strong progress towards its impact goals, and targeted actions are in place to address areas where performance has not yet met expectations, ensuring continued momentum and strategic alignment with UK priorities. Originally launched as a demonstration fund to test blended finance for coral reef conservation, the GFCR is successfully mobilising capital and expanding its portfolio. The UNGT are also building on learnings of the GFCR and along with other organisations, are supporting the

<sup>3</sup> The programme also delivers in Bahamas but UK funding does not support this as funding is earmarked for ODA eligible countries only.

<sup>4</sup> The 2X Challenge gender criteria aim to promote women's economic empowerment through investment, and two key criteria include: ensuring women hold at least 30% of leadership or board positions, and maintaining a workforce where women represent 30–50% (depending on the sector), alongside offering quality employment indicators such as fair wages, safe working conditions, or access to training and advancement opportunities.

conceptualisation of the One Ocean Finance Facility (OOFF), a Payment for Ecosystem Services (PES) model that aims to reduce reliance on ODA funding.

### **A3. Major lessons and recommendations for the year ahead**

#### **A3.1 Lessons**

Key lessons from the review period include:

1. Strengthening regional collaboration and community engagement to align conservation with local priorities is essential to deliver impact and share knowledge.
2. Blended finance mechanisms and models are new and complex, requiring and clear communication and agreed definitions across stakeholders
3. Systems-based approaches that integrate ecological, social, and economic dimensions is essential to inclusive and sustainable delivery
4. There could be strategic opportunities for targeted coastal programming beyond traditional focus on Least Developed Countries due to significant poverty levels in rural coastal communities
5. the “missing middle” financing gap for early-stage reef-positive enterprises is a key challenge and should be addressed Through adaptive programming (e.g. a global debt finance modality).
6. Mobilising private capital for reef-positive businesses remains challenging due to high perceived risks and structural barriers, resulting in a clear need to de-risk investments and build investor confidence.

Below provides more context to these learnings and for more detailed reflections see Annex B. For regional reflections see Box1.

#### **REEF+ Regional Convening (October 2024)**

The inaugural REEF+ regional convening of GFCR stakeholders and coral practitioners, in October 2024 marked a significant milestone in fostering regional collaboration across Latin America and the Caribbean. The event provided valuable training on the MERMAID monitoring tool, facilitated knowledge exchange, and introduced new GFCR policies and grievance mechanisms. Key challenges identified included the need for enhanced technical assistance for Indigenous and local enterprises, persistent financing gaps for early-stage reef-positive businesses, and the importance of securing government and community buy-in. The convening also underscored the critical role of standardised data and evolving monitoring frameworks in demonstrating impact and guiding future programming.

#### **Community Engagement in Raja Ampat (February 2025)**

A field visit to Raja Ampat in February 2025 highlighted GFCR’s efforts to mobilise finance for nature and support reef-positive economic development. The Raja Ampat Mooring System (RAMS), a key initiative to reduce reef damage, was well received by the community. However, feedback from local leaders revealed concerns about the lack of visible direct benefits, such as infrastructure and employment. This highlighted the need for conservation finance to deliver tangible, inclusive outcomes and reinforced the importance of direct engagement to align conservation goals with community priorities.

#### **MAR+ Invest Technical Site Visit (February 2025)**

The MAR+ Invest technical site visit provided insights into GFCR’s blended finance approach and its engagement with local communities, particularly through a Gender Equality, Disability,

and Social Inclusion (GEDSI) lens. The visit revealed the complexity of financial structures and the need for clearer communication and shared definitions across stakeholders. It reaffirmed the value of a systems-based approach to reef conservation, integrating ecological, social, and economic dimensions. The visit also highlighted significant poverty levels in coastal communities, suggesting a strategic opportunity for targeted coastal programming beyond traditional focus on Least Developed Countries (LDCs).

### **Bridging the “Missing Middle”**

A recurring theme across GFCR programming is the challenge of the “missing middle”. Early-stage reef-positive enterprises that are too large for microfinance but not yet ready for commercial investment. These ventures often have strong potential for environmental and social impact but lack access to capital and technical support. GFCR is responding with adaptive programming, including the development of a global debt finance modality to complement existing grant and equity funds. Addressing this gap is essential to unlocking sustainable finance flows and enabling community-led solutions to scale effectively.

### **Private Sector mobilisation**

Blended finance structures such as the GFCR face persistent challenges in mobilising private capital, largely due to perceived high risks, long investment horizons, and limited track records for reef-positive business models. Many conservation and blue economy projects lack the scale, predictable revenue streams, and financial structures required by institutional investors. Additional barriers include regulatory complexity, currency risk, and the need for robust environmental and social safeguards, all of which can deter private sector engagement. The blended finance model, while innovative, is often unfamiliar to traditional philanthropic organisations accustomed to direct grant-making, and risk perceptions around marine conservation in developing regions remain high, particularly in the absence of long-term impact data. Early-stage reef-positive businesses continue to attract limited interest from private investors due to concerns over returns and the emerging nature of sustainable finance models. To address these challenges, GFCR has introduced a new technical assistance modality and is developing a debt facility concept, both designed to de-risk investments, build investor confidence, and accelerate progress towards private finance mobilisation and co-finance targets.

## **A3.2 Summary of previous Recommendations**

Significant progress has been made in addressing the recommendations from the Year 3 Annual Review (See Annex C). Many actions have been completed or are well underway, including the completion of the logframe and target review, and UK participation in a site visit to support business case development and this annual review. In addition, the GFCR is on track in transitioning to GEDSI empowering by Dec 2025. While progress is evident across most areas, some recommendations remain partially addressed and require further attention (see below).

## **A3.3 Recommendations for the year ahead**

### **1. Governance & risk management**

- Linked to learning 1, the UNGT should seek to broaden partnerships and promote stronger coordination between Convening Agents and local stakeholders, with support from BPF regional coordinators to align networks and enhance collaboration

- Linked to learning 2, the UNGT should ensure all communications with board members and partners are delivered in straightforward and non-technical language to ensure stakeholders better understand the value and function of programmes/concepts, enabling them to make informed decisions with confidence
- The UNGT should strengthen risk reporting by updating the GFCR risk register to include risk appetite, risk owners, social safeguarding, fraud risks, and integration of Grievance Redress Mechanisms (GRM). Annual reports should include updates on grievances raised. (Deadline: Nov 2025)
- The UK should continue leveraging its position as co-chair of the GFCR Executive Board to strengthen governance processes and support fundraising efforts. (Deadline: Dec 2025)

## **2. GEDSI Integration & Capacity Building**

- The UNGT should continue to embed GEDSI and poverty alleviation principles within programming. Building on the progress made to date, the programme team should continue to take a partnership approach with regards to supporting the UNGT to implement actions required to transition to GEDSI-empowering (Deadline: Mar 2026)
- The UNGT should explore ways to strengthen disability inclusion within programming, with support from the programme team, Defra's Social Development Unit, and the FCDO Disability Helpdesk, to reduce barriers and apply best practices. (Deadline: Mar 2026)
- GFCR Programme annual reports should include specific discussions on GEDSI action plans, poverty reduction contributions, beneficiaries, and targets for the year ahead. (Deadline: June 2026)
- The UNGT should recruit specific GEDSI resource to further integrate and mainstream GEDSI within programmes

## **3. Poverty Alleviation & Evidence**

- Linked to Learning 3, the UNGT should strengthen the narrative on poverty alleviation by explicitly articulating, through thematic case studies, how systems-based approaches, with specific focus on socio-economic benefits are essential for inclusive delivery. (Deadline: April 2026)
- The UNGT should disseminate the "Systemic Solutions for Coral, Economic, and Social Resilience" paper widely to support learning and adaptive programme design. The paper should also be developed into a learning course for REEF+ (Deadline: April 2026)

## **4. Evaluation & Strategic Alignment**

- The UNGT, through the midterm review process should evaluate evidence and methodology for capturing multi-dimensional poverty and consider alternative indicators. (Deadline: July 2026)

- The Mid Term Reviews should assess integration of intersectionality within programmes (gender, ethnicity, age, disability) and causal impacts on poverty and GEDSI outcomes. This should consider, in detail, the lag effect associated with job creation, and what is necessary to address current challenges. (Deadline: May 2026)
- The UNGT should consider a fund-level evaluation to assess portfolio impacts and interactions between Grant and Equity Funds and progress towards finance mobilisation targets, complementing mid-term reviews. (Deadline: June 2026)
- The UNGT, with input from donors, should review and update the Theory of Change to reflect learnings, strategic alignment, and causal links to poverty alleviation. (Deadline: Dec 2025)

## 5. De-risking investments

- Linked to learnings 5 and 6, the UNGT, should continue to explore ways to address challenges around the missing middle and private finance mobilisation through a new debt fund concept and TA Facility (Ongoing)
- The programme team should utilise in-house expertise regarding blue finance and private finance mobilisation addressed through new concepts and input into their design (March 2026)

# B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

## B1. Theory of Change

The GFCR [Theory of Change \(ToC\)](#) (Figure 1) and supporting narrative was developed in 2021 in consultation with coral reef experts and drawing on scientific literature. The ToC reflects the multilateral and diverse nature of the GFCR, with multiple donors (each with

### **Box 1 – Regional Reflections**

The Global Fund for Coral Reefs (GFCR) has demonstrated strong strategic relevance and effectiveness across Southeast Asia and Latin America, aligning with national priorities and UK objectives through innovative, community-led, and financially sustainable reef conservation models. In Southeast Asia, programmes in the Philippines and Indonesia have successfully incubated reef-positive businesses and introduced blended finance mechanisms, while Latin American initiatives like MAR+Invest and Fi Wi Riif have mobilised significant capital, launched long-term financial tools, and strengthened local governance. Key learnings include the importance of tailored technical assistance, adaptive governance, and inclusive finance to overcome challenges such as investment readiness, administrative delays, and political transitions. Recommendations for the year ahead include strengthening M&E systems, institutionalising regional knowledge-sharing, publishing case studies, and enhancing coordination between GFCR, UK Posts, and donors to maximise impact and sustainability.

For full discussions see reports from BPF regional coordinators in [Latin America](#) & [South East Asia](#)

unique priorities), 16 programmes and multiple evidenced pathways to impact. The GFCR Monitoring and Evaluation (M&E) Framework and Defra logframe (see below) have been developed in line with the overarching GFCR ToC.

The GFCR impact statement is to “prevent the extinction of coral reefs in our lifetime by eliminating the coral reef financing gap and supporting interventions for their best chance of survival”. The GFCR ToC applies to both the Grant and Equity Funds, and has been adopted



by Convening Agents of all programmes. It outlines four interconnected outcomes to achieve this impact:

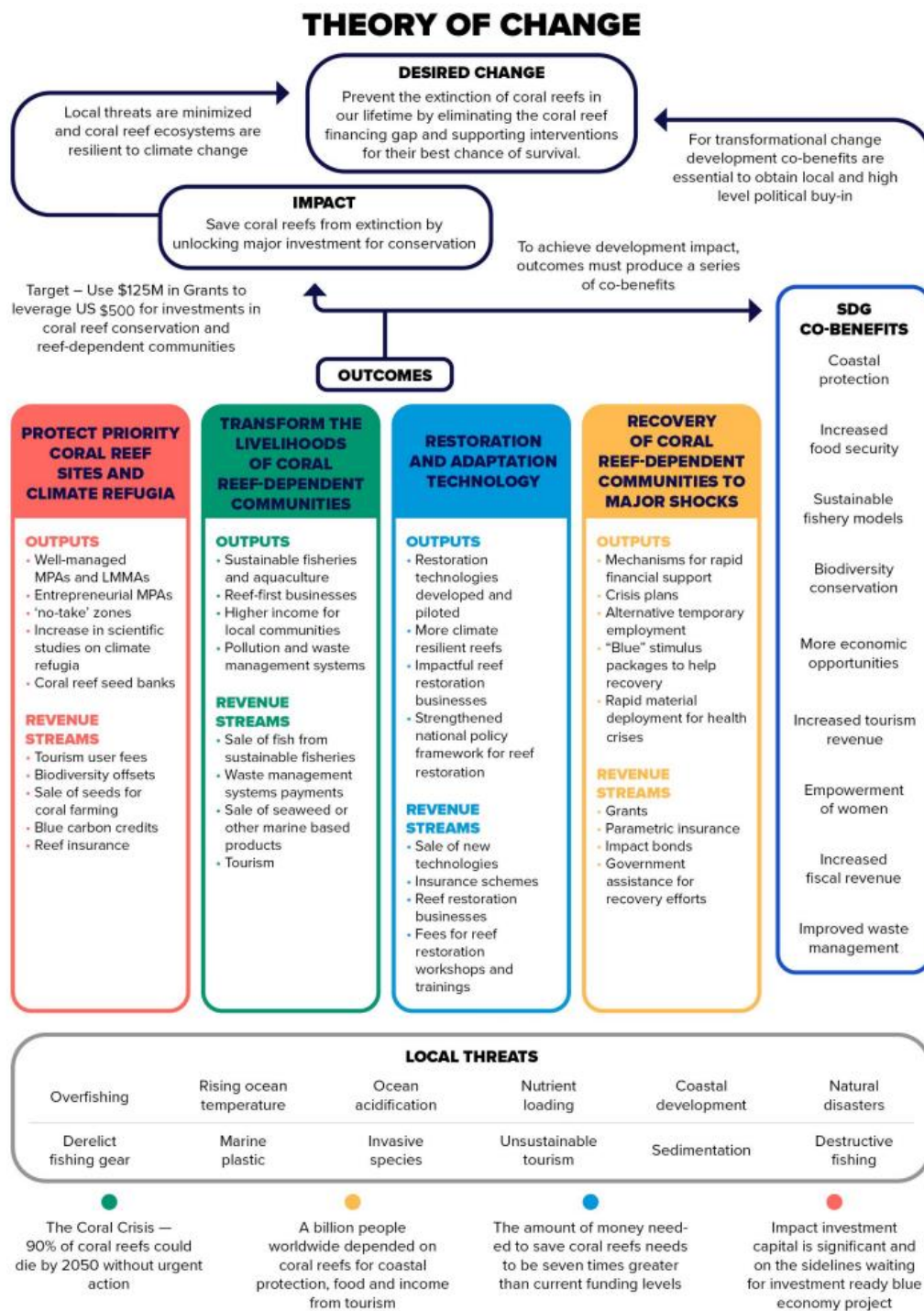
- Outcome 1: Protect priority coral reef sites and climate refugia
- Outcome 2: Transform the livelihoods of coral reef-dependent communities
- Outcome 3: Restoration and adaptation technology
- Outcome 4: Recovery of coral reef-dependent communities to major shocks

There have been no revisions to the ToC since it was developed. The UNGT have recently produced a [strategic plan \(2025-2030\)](#), outlining GFCR's vision, mission, and 2030 targets, alongside high-level strategies for achieving impact through five identified pathways, which are designed to more effectively deliver on the GFCR'S long-term objectives. These pathways have been designed to consolidate lessons learned and scale reef-positive solutions globally:

1. **Finance Solutions** - Expand sustainable finance mechanisms to assure abundant and stable resources dedicated to coral reefs, marine conservation, and reef-positive businesses.
2. **Ocean-Positive Businesses** - Continue growing investible reef and ocean-positive business pipelines that transform coastal economies and communities toward sustainability and abundance.
3. **National Investment Ecosystems** - Foster an enabling environment at the national level to scale and replicate reef-positive business and sustainable finance.
4. **Knowledge, Learning & Impact Cycle** - Create a virtuous cycle of knowledge and learning to influence effective investment and policy choices.
5. **Sustainable Ocean Finance & Policy** - Mainstream blended and innovative finance approaches, strengthen institutions, and leverage GFCR's coalition to transform ocean finance and policy.

A key recommendation for the year ahead is for the UNGT to consider a full ToC and Target re-fresh. To support this, the programme team held a workshop in August with representatives from the UNGT to reflect and discuss operational experiences and learning. The workshop affirmed that the existing outcome pillars broadly reflect GFCR programming and overarching objectives, but also highlighted the need to better show social and economic impacts, strengthen causal pathways, identify/test assumption and adopt a full systems approach. The UNGT have committed to refreshing the ToC by the end of 2025. This process will require input from all donors and final sign off at the Executive Board.

Figure 1 GFCR Theory of Change



### GFCR M&E Framework

The [M&E Framework](#) was finalised in July 2023 and provides indicators that enable Grant Fund programmes to translate delivery into measurable progress against the GFCR ToC. Defra supported the development of the framework and continues to work closely with the UNGT to ensure a streamlined approach to monitoring, evaluation and learning. The GFCR UNGT includes dedicated MEL resource and supports convening agents via capacity building sessions using REEF+ (see section below) to ensure data collection, methodology and reporting is consistent across the GFCR portfolio.

The Blue Planet Fund (BPF) portfolio's evaluability assessment conducted in November/December 2024 assessed GFCR to have a comprehensive MEL framework with 10 standard

indicators and 36 sub-indicators and strong alignment with BPF's environmental and development outcomes.

### **REEF+**

The [GFCR REEF+ platform](#) is now operational and builds and supports communities of practice across the coral reef financing ecosystem. REEF+ serves a target audience of GFCR stakeholders and the wider coral finance community of conservation practitioners, businesses and impact investors. This mechanism aims to enhance learning and encourage solution sharing and networking among coral reef finance and management practitioners through focused webinars and practitioner discussions, networking events, the creation and curation of thematic communities of practice and working groups, as well as annual convenings.

### **Defra logframe**

The Defra Logframe was developed prior to the finalisation of the GFCR Monitoring and Evaluation (M&E) Toolkit. Since then, significant efforts have been made to review and ensure alignment between the two frameworks (see section C2 and Annex D).

### **Evaluation**

As part of the GFCR M&E strategy, independent mid-term reviews for four GFCR programmes will begin mid-2025, with a final independent evaluation planned post-2030. Defra will utilise in-house expertise from the BPF MEL team, ODA Hub and the Social Development Unit to input into the design of these reviews to ensure UK priorities are met.

This will include assessing the impact of the GFCR in contributing to systemic change and poverty reduction, understanding who is benefiting, and the types of livelihoods supported, in addition to reviewing programmes against the ToC and testing original assumptions. The UNGT will also explore embedding economic impact assessments to measure changes in income, productivity (for example fish catch/landings, seaweed production, etc.), and the sustainability of new income-generating activities within the evaluation.

While there are no current plans for a fund-level interim evaluation, Defra is currently working with the UNGT and other donors to explore options (recommendation 4a). A fund-level process evaluation would take account of progress and alignment of the Grant Fund and Equity Fund and would inform UK decisions around future funding.

To further aid alignment with BPF evaluation and learning priorities, both the GFCR MEL lead and learning leads are members of the BPF MEL working group. The working group is intended to help drive improvements across BPF portfolio in terms of monitoring and data collection and to facilitate knowledge exchange between partners.

## **B2. Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?**

The GFCR is on track to deliver against its expected outcomes and impact across all three pillars of the logframe. Of the 18 indicators, 12 exceeded targets, 3 were on target and 3 were under target for this reporting period. While some indicators, such as private finance mobilisation and sustainable finance mechanisms, are slightly below target, these are expected to improve as programmes transition from development to implementation phases. Overall, the GFCR is making strong progress toward its impact goals, with targeted actions in place to address areas where targets were not met.

## 1. Financial Pillar

### Impact indicators

Impact Indicators: Financial Pillar	Milestone(s) for this review	Achieved (cumulative)	Progress
1.1 Public Finance leveraged at the Global-Level (ICF KPI 11)	90,000,000	92,309,415	Above target
1.2 Private Grant Finance Leveraged at the Global-level (ICF KPI 12)	30,000,000	22,288,23	Under target

**Impact 1.1** (*public finance leveraged*) is above target notably due to the UK's £4m uplift (\$5 million USD) and Norway's new commitment of 20 million kroner (\$2 million USD). Builders Foundation have also committed an additional \$2 million USD to support the conceptualisation of the One Ocean Finance Facility<sup>5</sup>.

**Impact 1.2** (*private finance leveraged*), has fallen below target for this reporting period. While some progress has been made (with an increase of \$617,491 private finance from last year), finance mobilisation has been a challenge and results are not unexpected given the global economic landscape (see Risk section below). Attracting additional philanthropic investment to the GFCR remains a strategic priority, though several challenges persist. The blended finance structure, while innovative, can be complex and unfamiliar to traditional philanthropic organisations, particularly those accustomed to direct grant-making. Risk perceptions associated with marine conservation in developing regions may also deter engagement, especially in the absence of long-term impact data.

At the global level, over the last year, the GFCR have put a considerable amount of effort and resource into engaging private philanthropies and governments regarding potential partnerships and contributions to the GFCR.

As discussed in the lessons learned section above, a key challenge continues to be limited attractiveness of early-stage reef-positive businesses to institutional investors, largely due to perceived risks around returns and the emerging nature of sustainable and blended finance models. To try and tackle this challenge, a new technical assistance modality was introduced, and a new debt facility concept is in development. These mechanisms are aimed at advancing GFCR's progress in mobilising private finance and meeting co-finance targets.

Given these challenges the targets for these indicators have been adjusted for the year ahead (table 2).

Table 2 Revised Targets for Impact Indicators 1 and 2

Year	Public finance target (USD)		Private finance target (USD)	
	Current	New	Current	New
Year 5 25/26	131,500,000	140,000,000	43,500,000	35,000,000

### Outcome indicators

Outcome Indicators: Financial Pillar Indicators	Milestone(s) for this review	Achieved (cumulative)	Progress
1.1 Leverage/mobilization ratio by sector of GFCR investment to other mobilized financing GFCR F8.6	1:2	1:1.97	On target

<sup>5</sup> A proposed payment for ecosystems services facility for the ocean in development by UNCDF along with a coalition of organisations including UNDP, UNEP, WEF, IUCN, ORRAA, to move away from a reliance on ODA funding.

1.2 ROI generated from business returns and sustainable financing (GFCR F9.1)	\$13,700,000	\$14,221,654	Exceeded
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**Outcome 1.1** (*leverage ratio*) - the GFCR continues to report a leverage/mobilisation ratio of close to 1:2 (currently at 1:1.97). The main sources of leveraged finance are public funding leveraged by the Indonesia programmes including the debt swap deal (USD 35 million) and donor co-funding (USD 14.6 million). An example from the private sector is Pemba's Impact Loan Facility (\$1,050,000) which provides early-stage, impact-linked loans to community-based enterprises in sectors like aquaculture and ecotourism, helping to restore marine biodiversity while creating local jobs. This facility is part of a broader effort to scale reef-positive businesses that contribute to the long-term MPA management and strengthen the blue economy in the region.

**Outcome 1.2** (*Return on Investment*) has surpassed its target. The figure only relates to the four programmes and is largely due to revenue generated by reef-positive businesses supported by the MAR Fund in the Mesoamerican Reef region, which contributed USD 14 million (additional revenue came from Blue Alliance programmes in the Philippines and Pemba). The amount invested in those 4 programmes is \$12.3 million, with a revenue of \$14.2 million, meaning an ROI of 15.45%. Several other programmes are either still in Phase 1 of delivery or are receiving support from UNGT to strengthen their reporting methodologies and data entry in MERMAID, and are expected to report data in the year ahead.

## **2. Livelihood Pillar**

### *Impact indicators*

<b>Impact Indicators: Livelihood Pillar</b>	<b>Milestone(s) for this review</b>	<b>Achieved (cumulative)</b>	<b>Progress</b>
<b>2.1</b> Number of direct jobs created (disaggregated by gender, age, disability, Indigenous peoples, small-scale producers)(#) DI 7; GFCR F6.1	1,380	1,567	Exceeded
<b>2.2</b> Number of People benefiting from improved resilience of coral reef ecosystems (ICF KPI 4) (GFCR F7.1 total direct beneficiaries - disaggregated by gender, age, disability, Indigenous peoples, small-scale producers)	19,100	34,252	Exceeded

Significant progress has been made on impact indicators under the livelihoods pillar, with both indicators exceeding targets. The number of sustainable jobs created (**Impact 2.1**) rose from 368 as reported in the previous Annual Report, reflecting a clear shift from programmes transitioning operationalisation (Phase 1) to implementation (Phase 2). Programmes in the MAR Region, Indonesia (YKAN and KI), the Philippines, and Pemba have shown consistent growth in direct job creation from mid-2024 to mid-2025. Examples of jobs include; community outreach officers, waste collection and recycling workers, marine park rangers, dive guides, community fisheries coordinator and aquaculture technicians. The number of jobs created is comparatively low given the amount of funding the UK has contributed to the GFCR. This can however be explained by "the Lag Effect". During the initial years, GFCR programmes prioritise foundational activities such as building partnerships, developing proposals, identifying investible pipelines, and assessing technical assistance needs. As programmes transition from Phase 1 (design and operationalisation) to Phase 2 (implementation), we anticipate a significant increase in beneficiaries and job creation driven by investments in reef-positive businesses. Currently, many programmes are still in the operationalisation stage, which explains the limited impact reported to date.



With this, the number of people benefiting from increased resilience (**Impact 2.2**) has nearly doubled from the previously reported 15,184. Notable contributions include MAR+ Invest supporting 5,049 individuals through mentorship, capacity building, and financing, particularly under the King Crab mariculture initiative in Mexico, with plans to expand to Belize and Honduras. In Honduras, GOAL Global<sup>6</sup> is supporting fisher capacity building activities have further strengthened livelihoods. In the Philippines, Aquahub initiatives (mangrove crabs and sea cucumbers) have trained farmers and staff, while Blue Wild Eco Ventures has positively impacted coral safari staff and local communities.

Fully disaggregated data is available for this reporting period; this is welcome progress from the previous year whereby disaggregation was fragmented. This speaks to the GFCR's ability to build the capacity of convening agents regarding M&E and is mostly likely due to REEF+ Knowledge Platform and regional convenings.

Data has been disaggregated into men, women and youth, and shows gender disparities persist between who is benefiting from the interventions. Youth data is a subset of the total reported figure and cannot yet be further disaggregated by gender, highlighting a need for intersectional disaggregation. While programmes like the MAR+ Invest are reporting a near 50/50 split, other programmes show a 10% to 40% gap between male and female beneficiaries. This is likely due to the male-dominated nature of sectors such as marine protected area management, fishing, ecotourism, and community outreach. To address this, the GFCR UNGT is actively working with country programmes to promote women-led businesses and enhance training, capacity building, and support for women, youth, and Indigenous communities where relevant, in order to close the reporting gap (See GEDSI section below).

*Table 3 Disaggregated data for Livelihood Impact and Outcome indicators*

<b>Indicator 2.1 Number of sustainable livelihoods created or protected (#) DI 7</b>	<b>Men</b>	<b>Women</b>
1567	848	719
Of which, youth (between 18 – 24 years)	8	
<b>Indicator 2.2 Number of People benefiting from improved resilience of coral reef ecosystems (ICF KPI 4)</b>	<b>Men</b>	<b>Women</b>
34,252	24,324	9928
Of which, youth (between 18 – 24 years)	419	

#### *Outcome indicators*

<b>Outcome Indicators: Livelihoods</b>	<b>Milestone(s) for this review</b>	<b>Achieved (cumulative)</b>	<b>Progress</b>
<b>2.1</b> Number of gender-smart investments (GFCR F10) (New indicator as of Year 4 24/25)	27	51	Exceeded

<sup>6</sup> GOAL Global is a downstream partner of the MAR+ Invest programme. GOAL is an international humanitarian agency that saves lives and empowers vulnerable communities to build resilience against crises, providing emergency response, food, nutrition, health, and livelihood support in over 60 countries.

**Outcome 2.1** - to enhance the GFCR from GEDSI sensitive to GEDSI empowering, and monitor the GEDSI impacts of programmes, a decision was made to include this new indicator in the annual review process. This indicator tracks progress on gender equality and inclusive economic growth, ensuring investments deliver transformative outcomes aligned with UK priorities. This is the first year that data are being reported for this indicator, and targets have been exceeded.

The programme with the highest number of 2X challenge<sup>7</sup> solutions is the MAR fund (21 businesses) followed by Blue Alliance in the Philippines (11) and Pemba (6) as well as Papua New Guinea (6). In the MAR region, initiatives like Women of the Sea and Lionfish Jewellery Market enable women to lead reef-positive ecotourism and artisan enterprises, while VOS Honduras transforms fish skin into luxury goods sourced from women producers. In the Philippines and Pemba, Blue Alliance programmes support women in sustainable aquaculture, fisheries, and marine education, with targeted training and leadership pathways. In Papua New Guinea, the Blue Economy Incubation Facility backs women-led cooperatives and businesses in coconut oil production, seaweed farming, eco-tourism, and sustainable fishing, providing infrastructure, training, and start-up grants.

### **3. Ecological Pillar**

#### *Impact indicators*

Impact Indicator(s)	Milestone(s) for this review	Achieved	Progress
<b>3.1</b> Average reef fish Biomass kg/ha GFCR F4.3	2% increase/>500kg/ha	528	On Target
<b>3.2</b> Average live hard coral cover, % GFCR F4.1	slight decrease	27.9%	On Target- In line with expectations baseline is 29.3%

During the January target review, the measurement indicator for fish biomass (**Impact 3.1**) was revised from a fixed value (kg/ha) to a percentage increase. However, following consultation with the UNGT and recognising that outcomes for this indicator are influenced by numerous external factors beyond GFCR's direct control, the decision was made to revert to the original unit of measurement (kg/ha). Programmes are encouraged to aim for an average fish biomass of over 500 kg/ha as a benchmark for coral health.

In the last AR for indicator 3.1 fish biomass, 545kg was reported. In the current reporting period, an average of 528 kg/ha was reported across programmes. The slight reduction is due to an increase in available data influencing the average across programmes. Despite the reduction, the figures remain above the 500 kg/ha threshold. It should be noted that methodologies for estimating fish biomass vary between programmes and regions, and it could be misleading to provide a global average. Programmes that show biomass below the 500 kg/ha threshold and are potentially overfished ecosystems include Philippines, Pemba, Indonesia, and the Mesoamerican Reef. The GFCR will continue to have a target for programmes of 500 kg/ha, and will follow trends in reef fish biomass at the programme level.

In terms of coral cover and other benthic groups, the main indicator being tracked is percentage of live coral cover on the reef (**Impact 3.2**). This is an indicator of a healthy reef, with higher coral cover indicating a healthier reef, and higher macroalgal <sup>8</sup>cover indicating a

<sup>7</sup> The 2X Challenge is a global initiative to mobilise investment for women's economic empowerment, based on six criteria: entrepreneurship, leadership, employment, supply chain, products/services, and portfolio impact.

<sup>8</sup> Macroalgae refer to large, photosynthetic organisms that can dominate marine ecosystems, such as coral reefs, leading to shifts in ecological states characterised by reduced fish diversity and lower species richness.

degraded reef. The current average % coral cover across all programmes is 27.9%, down from 29.3% reported previously: this change is due to more programmes submitting data, thus affecting the global average figure. It must be noted that the data received are all from pre-bleaching surveys and that the mass global coral bleaching event of 2024 will most likely reduce coral cover in all programmes in the next reporting phase.

Ten programmes have submitted data on coral cover and reef fish biomass, and future surveys will allow the GFCR to track ecological changes in the coral reef ecosystems. The overall average values for GFCR will change as new data sets for more GFCR programmes become available.

#### *Outcome indicators*

Outcome Indicator	Milestone(s) for this review	Achieved	Progress
<b>3.1</b> Area under Ecological Management (ha) (ICF KPI 17): coral reefs and associated ecosystems (mangroves and seagrasses) within effectively managed protected areas and other effective area-based conservation measures	2,109,478	7,740,172	<b>Exceeded</b>

Substantial progress was achieved under **Outcome 3.1**, primarily driven by the availability of data from a greater number of GFCR programmes compared to the previous year. Activities focused on building capacity among MPA managers accelerated significantly. The expansion significantly exceeded the original target and reflects the strengthened implementation efforts and improved data reporting across the portfolio. Methods for reporting have been expanded beyond reporting for MPAs and OECMs to also include locally managed and co-managed areas to support with ICF reporting – this may also be a reason for the substantial increase in figures. This includes areas of coral reefs, mangroves, seagrass but also other marine ecosystems within the protected areas; effectively managed areas are those that have strong governance, skilled authorities, and sustainable financing systems that ensure long-term resilience and ecological health. Disaggregated data can be found in Annex E.

### **B3. Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio**

During the reporting period, the GFCR has continued to deliver strong performance, with outcome and output achievements consistently averaging an 'A' rating. This reflects the fund's effectiveness in meeting objectives, progressing the development of investable projects, and progressing towards the realisation of intended outcomes and impacts.

The fund continues to offer strong value for money (VfM), and there is currently no compelling economic, financial, or strategic rationale for the UK to withdraw support or pursue alternative options. While the nature of blended finance is inherently complex and challenges remain in mobilising private capital, the GFCR has demonstrated sound management of these issues and remains on course to achieve its stated goals.

Defra maintains confidence in the GFCR's ambition, delivery model, and strategic direction. Continued UK investment is expected to maximise global environmental and developmental benefits, reinforcing the UK's leadership in innovative climate and nature finance. In addition, the GFCR continues to have strong alignment with Blue Planet Fund outcomes<sup>9</sup> and wider

<sup>9</sup> The GFCR delivers crosscutting interventions contributing to many BPF outcomes - MPAs, critical marine habitats, pollution, IUU, sustainable aquaculture and programming has a strong focus on SIDS and commonwealth countries.



HMG priorities<sup>10</sup>. Poverty alleviation and Gender Equality and Social Inclusion (GEDSI) are principal objectives of the GFCR, supporting Defra's ODA requirements. The GFCR remains classed as 100% International Climate Finance (ICF).

## C. DETAILED OUTPUT SCORING

**C1. Briefly describe the outputs, activities, and provide supporting narrative for the score.**

**N.B. All results presented are cumulative, building on previous years' reporting.** Whilst significant progress has been made with regards to gender disaggregation, and youth, no data sets were disaggregated by disability or indigenous peoples, which is something the GFCR continues to work with convening agents on. Targets that have been exceeded have been revised for year 5 (2025/26) to ensure targets are ambitious, and reflect learning and performance trends. See Annex F.

<b>Output Title</b>	Output 1: Work to operationalise and expand GFCR pipeline and portfolio		
Output number:	1	Output Score:	<b>A</b>
Impact weighting (%):	25	Weighting revised since last AR?	no

Indicator(s)	Milestone(s) for this review	Progress
<b>1.1</b> Number and type of sustainable finance mechanisms (GFCR F8.5)	25	Under target - 22
<b>1.2</b> Number of countries supported by GFCR - TA KPI	19	Exceeded - 20 (ODA) 22 total

**Output 1.1** (*Number and type of sustainable finance mechanisms*) is currently slightly below target, primarily due to delayed reporting from some programmes. However, this is expected to improve as initiatives transition from Phase 1 (development) to Phase 2 (implementation). Encouragingly, promising examples are already emerging. In Indonesia, a sustainable financing model for Marine MPAs is being implemented through user fees, with the BLUD-UPTD (Marine Park Authority) in Berau, East Kalimantan leading the effort. This builds on the successful model established in Raja Ampat by YKAN, another GFCR-supported programme. Meanwhile, in the Mesoamerican Reef (MAR) region, Viwala (a blended finance debt fund specializing in financing Latin American small medium enterprises (SMEs)) mobilised US\$500,000 in private capital in November 2024 for Maritime Procurement Services (MPS), a Mexican company addressing waste management in the shipping industry. The funding supports a solid waste and cooking oil treatment facility in Cozumel (the busiest cruise port in the region), with 6.3 million passengers in 2023 and 106 tonnes of daily waste recorded in 2024<sup>11</sup>, this project offers a timely and sustainable solution to ease environmental pressures, protect local ecosystems, and contribute to the overall health of the MAR region.

**Output 1.2** (*Number of ODA eligible countries supported by the GFCR*), is on target, with the GFCR continuing to support 19 countries. The reported figure reflects countries where full programme proposals have been approved by the GFCR Executive Board. Countries include: Fiji, Tanzania, Papua New Guinea, Philippines, Indonesia, Mexico, Honduras, Guatemala, Belize, Colombia, Indonesia, Maldives, Jordan, Egypt<sup>12</sup>, Palau, Marshall Islands, Federated

<sup>10</sup> The GFCR is well aligned with many UK-endorsed international commitments/initiatives; The Kunming Montreal Global Biodiversity Framework, High-Level Panel for a Sustainable Ocean Economy, The High Ambition Coalition, The 2030 Coral Breakthrough, UN Sustainable Development Goals.

<sup>11</sup> <https://siturq.gob.mx/lector?name=Agosto%202024&url=https://returq.siturq.gob.mx/storage/pdf/situr/tourist-information/171d15a7-57e7-40c1-a57c-34b991fa4b30.pdf>

<sup>12</sup> Defra funding does not support the Egyptian Red Sea Initiative as this is a USAID funded GFCR programme.

States of Micronesia, and Sri Lanka. The GFCR also provides support to programmes in the Bahamas and Seychelles, these are not funded by Defra since they are non-ODA eligible.

### Output 1 score: A

The overall output score is assessed as 'A', reflecting balanced and effective delivery as expected. While one indicator fell slightly below target, another significantly exceeded expectations. Balancing score of A+ and B leads to an overall A rating and indicates continued progress toward programme objectives.

<b>Output Title</b>	Output 2: Financial and institutional support to businesses / Small and Medium-sized Entreprises (SMEs) and their sector		
Output number:	2	Output Score:	A
Impact weighting (%):	25	Weighting revised since last AR?	no

Indicator(s)	Milestone(s) for this review	Progress
<b>2.1</b> Number of local scientific/research partners involved in strengthening capacity for participation and co-development (e.g., national universities, regional science organizations) (GFCR F5.3)	40	Exceeded - 70
<b>2.2</b> Grant co-financing leveraged at the project level: Amount, number and type of private investments (GFCR 8.2)	\$25,650,000	Exceeded - \$70,398,150
<b>2.3</b> Investment leveraged at the project level. Amount, number and type of public investments (GFCR F8.1) & Amount, number and type of philanthropy investments (GFCR F8.3)	\$61,953,000	Under target – \$28,925,113

**Output Indicator 2.1** (*Number of local scientific/research partners involved in strengthening capacity*) has exceeded its target, largely due to programmes building on existing partnerships and leveraging the REEF+ platform and regional convenings. Notably, the Latin America and Caribbean convening in Puerto Morelos, Mexico (October 2024) supported three programmes (Colombia, MAR+ Invest, and the Bahamas) and the Western Indian Ocean convening in Zanzibar, Tanzania (February 2025) which brought together 40 partners from seven programmes (Egypt, Kenya-Tanzania, Pemba, Seychelles, Maldives, Jordan, and Sri Lanka) including CORDIO East Africa, Global Socioeconomic Monitoring Initiative for Coastal Management (SocMon), Universidad Autonoma de Mexico and Western Indian Ocean Marine Science Association. Collaborations with universities and marine science institutions help to build capacity relating to ecological monitoring, biodiversity assessments, and climate resilience modelling to inform MPA design and management, in addition to supporting standardised reef health data collection (via MERMAID). Additionally, applied research partnerships support development of innovative solutions like nature-based wastewater treatment, blue carbon initiatives, and sustainable aquaculture systems, that help to build local capacity for data-driven decision-making and scaling reef-positive approaches.

**Output Indicator 2.2** (*Grant co-financing leveraged at the project level*) also significantly exceeded its target, with an additional \$17.9 million mobilised during the reporting period. This was primarily from private investments in Indonesian aquaculture.

**Output 2.3** (*Investment leveraged at the project level*) fell short of its target. \$19.4 million was leveraged, mostly from philanthropic sources such as the Minderoo Foundation and Builders Foundation, supporting the development of the global pipeline. As with Outcome Indicator 1.2 (*ROI generated*), the reported figure is based on only 4 programmes, with others due to begin reporting revenue in the year ahead. Falling under target is not unexpected given the challenges in mobilising finance and the limited maturity of the investable pipeline, which

reflects the perceived novel nature and high-risk profile of coral reef blended finance, as well as the complex investment environments in many GFCR countries.

This review highlighted areas for improvement regarding the definitions and targets for Output 2.2 and 2.3, particularly regarding the current definition of Indicator 2.2 *“Grant co-financing leveraged at the project level: Amount, number and type of private investments (GFCR 8.2)”*. The term "grant co-financing" is distinct from "private investment," and combining the two under a single indicator may obscure important differences. To provide a more comprehensive overview of total investments versus co-financing the following is being proposed:

- **Output 2.2** Co-financing at the project/programme level
- **Output 2.3** Investment leveraged at the project/programme level (public, private and philanthropic). This will be reported as a total of GFCR indicators F8.1, F8.2, F8.3.

### Output score: A

The overall output score is assessed as 'A', reflecting balanced and effective delivery as expected. While one indicator fell slightly below target, the others significantly exceeded expectations. Balancing score of two A+ and a B leads to an overall A rating and indicates continued progress toward programme objectives.

<b>Output Title</b>	Output 3: Socioeconomic support to small scale / subsistence livelihoods		
Output number:	3	Output Score:	A+
Impact weighting (%):	25	Weighting revised since last AR?	no

Indicator(s)	Milestone(s) for this review	Progress
3.1 Number of businesses and sectors with GFCR funding sources (GFCR F8.4)	70	Exceeded - 81

The efforts of GFCR partners have resulted in 81 reef positive businesses receiving incubation support, exceeding the target for output 3.1. The businesses fall under three categories:

- **Sustainable Ocean Production:** projects and initiatives that promote environmentally responsible fishing and aquaculture practices aimed at reducing pressure on coral reefs. Includes 37 businesses in fisheries and aquaculture in this reporting period.
- **Sustainable Coastal Development:** projects that encourage sustainable ecotourism practices, coastal infrastructure, and coral restoration revenue models. There are 33 reef-positive businesses in this category that have been screened and are being supported by the. The businesses are predominantly eco-tourism businesses, but also include mooring systems to reduce anchoring damage and coral reef restoration actors aiming to develop revenue streams.
- **Circular Economy and Pollution Management:** projects that promote sustainable infrastructure and waste management to reduce pollution and sedimentation adversely affecting coral reefs. Covers 11 reef-positive businesses, including one reducing eutrophication through locally produced fertiliser and farming techniques in Fiji, and addressing sewage issues in Kenya.

### Output 3 score: A+

The overall output score is assessed as A+ due to exceeding planned targets for this reporting period.

<b>Output Title</b>	Output 4: Capacity for MPA management / enforcement		
Output number:	4	Output Score:	A+

Impact weighting (%):	25	Weighting revised since last AR?	no
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Indicator(s)	Milestone(s) for this review	Progress
4.1 Number of local practitioners trained / supported in coral reef conservation (e.g. community rangers) (GFCR F5.4 ) (ICF TA KPI2)	1500	Exceeded - 5011
4.2 Number of agreements with local authorities or fishing cooperatives to manage marine resources (e.g., LMMAs, MPAs, OECMs) (GFCR F5.5)	45	Exceeded - 75
4.3 Number of local organizations engaged in meaningful participation and co-development (GFCR F5.2)	120	Exceeded - 143

All indicators for Output 4 significantly exceeded targets, despite being increased as part of the January 2025 target review to increase ambition. Targets have been reviewed again as part of this annual review and updated for future years. See section C2.

*Table 4 Disaggregated data for Indicator 4.1 Number of local practitioners trained / supported in coral reef conservation*

Indicator 4.1 Number of local practitioners trained / supported in coral reef conservation	Men	Women
5011	4021	990
Of which, youth (between 18 – 24 years)	464	

**Output Indicator 4.1** (*Number of local practitioners trained or supported in coral reef conservation*) has exceeded its target, with over 5,011 individuals benefiting from training and capacity building across GFCR programmes. Examples include providing fuel, training, and patrol planning support to strengthen local monitoring and control to nine community enforcement groups ('Bantay Dagats') in the Philippines.

Data has been disaggregated by gender and age, revealing a significant gender disparity, with men currently benefiting more than women. Youth data is a subset of the total reported figure and cannot yet be further disaggregated by gender. The UNGT is actively working to close these gaps by prioritising inclusive training approaches. Programmes are placing strong emphasis on engaging women and marginalised groups through tailored sessions on topics such as financial literacy, conservation, waste management, and community enterprise development, empowering participants to take on more active roles in reef-positive initiatives (See GEDSI section).

**Output Indicator 4.2** (*Number of agreements with local authorities or fishing cooperatives to manage marine resources*) has exceeded its target, with multiple formal agreements established to support the management of locally managed marine areas (LMMAs) and other effective area-based conservation measures (OECMs). Examples include in the Philippines, where five new 10-year renewable agreements were signed with local government units (LGUs), expanding co-managed marine areas to cover 575,000 hectares of fishing grounds, 9,600 hectares of coral reefs, and 69 MPAs.

**Output Indicator 4.3** (*Number of local organizations engaged in meaningful participation and co-development*) also shows strong progress, with increased engagement of local organisations in programme development and implementation. In Indonesia, the KI programme collaborates with five universities, eight finance and investment partners, two

community organisations, and three MPA management authorities, demonstrating a broad and inclusive approach to co-development.

**Output 4 score: A+**

The overall output score is assessed as A+ due to exceeding planned targets for this reporting period.

**C2. Describe any changes to Indicators during the past year, and any planned changes as a result of this review.**

As recommended in the Y3 AR (23/24), the programme team worked closely with the GFCR UNGT to review the logframe targets. This process was completed in January 2025 for future years out to 2030. Some targets are now more ambitious, whilst others have been reduced following learning from the previous years. Targets in the Defra logframe go out to 2030, despite Defra funding ending March 2026. This is to show how the GFCR hopes to meet its targets over the lifetime of the programme. These are not specific to Defra funding but are reliant on meeting the GFCR's fundraising needs more broadly.

Given the current economic climate and global reductions in ODA budgets, it is recommended following the Mid-Term reviews that the UNGT conduct a fund-level target review. During the drafting of this annual review and assessing reported figures against targets, some targets for Year 5 (2025/26) have been further revised to reflect learning and performance trends. **See Annex E.**

**C3. Progress on recommendations from the previous AR**

Please refer to Section A3 and Annex B.

**D: RISK**

***Overview of risk management***

At the Fund level, the GFCR's Risk Management System (RMS) was reviewed and formally endorsed by the GFCR Executive Board in August 2022. Risks are monitored formally by the UNGT through the Annual and Bi-Annual Narrative Reporting process (both at the programme level and fund level), which are normally completed in March and July every year, respectively. High-level risk-management-related findings are communicated on a quarterly basis during the Executive Board meetings and are recorded and monitored by Defra via the programme risk register. Convening Agents are primarily responsible for identifying, managing, and reporting risks to the UNGT.

Significant progress has been made with regards to risk management following recommendations from the Year 3 annual review. The GFCR UNGT have shared a comprehensive live risk register (including fund-level and programme-level risks) and have ensured sufficient time allocated within board meetings for more prominent risk discussions. Risks have been escalated to Defra outside of board meetings when appropriate (see below). Opportunities remain to define risk appetite, enhance coverage of fiduciary and safeguarding risks, and strengthen reporting practices. Defra will continue to work with the UNGT to strengthen this area.

Within Defra, risk management is approached at several levels. In the first instance risks are recorded in the programme risk register and discussed at monthly BPF Programme Management Meetings (PMM). When required, risks are escalated from this meeting to the ODA Board. Broadly risks are managed effectively, and PMM meetings help to ensure the programme team regularly review and discuss risks and issues. Over the last year the programme team have strengthened their approach to risk management through monthly GFCR programme team risk reviews, wider Sustainable Marine Management team risk discussions prior to BPF PMM meetings, developing and setting risk appetite for GFCR risks,

and increased collaboration on risk with the ODA Hub. There are, however, opportunities to strengthen the programmes team's approach to risk management for example through enhanced risk management training.

No fraud or safeguarding incidents have been reported during the 2024/25 Annual Review period. The delivery chain map, safeguarding action plan and fraud risk assessment have been reviewed and updated as part of the 2025 Business Case Change Control Note process, whereby an uplift of £4m was approved in May 2025. The Year 3 review noted that while the GFCR has policies in place to monitor fiduciary and safeguarding risks, the absence of reported incidents indicated a need to strengthen these policies to ensure effective incident capture and reporting. In response, the UNGT engaged a policy specialist to review, enhance, and expand GFCR policies. This work has now been completed and includes new policies on Stakeholder Engagement, Indigenous Peoples and Local Communities, and a Grievance Redress Mechanism. Defra, along with other board members, contributed to the review and development of these policies.

Challenges remain in demonstrating that policies in place are working as they should in capturing risks at the right level. As discussed previously, a key recommendation for the year ahead is that UNGT should explore how best to integrate the new GRM within the risk registry, in addition to ensuring annual reports have specific discussion and updates on any grievances raised in the reporting period

In the previous AR, the risk rating for this programme increased from medium, to medium/high, notably due to the confirmation of the 4th mass coral bleaching event in 2024<sup>13</sup>. The risk rating for this review period remains medium/high due to ongoing bleaching, in addition to the changing economic climate and reducing ODA budgets.

## **E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE**

### **E.1.1 Gender Equality and Disability Social Inclusion (GEDSI)**

#### **Overview**

The GFCR has shown a strong commitment to integrating GEDSI across its programming. In 2024 the fund was assessed and classified as GEDSI-sensitive. The GFCR recognises that diverse community participation is essential for building capacity and financial sustainability in coral reef conservation and so embedding GEDSI principles is central to achieving GFCR's objectives, to ensure inclusive conservation, equitable access to sustainable livelihoods, enhanced community resilience, and the integration (and preservation) of traditional knowledge (See Box 2 and 3). This GEDSI approach also aligns GFCR's work towards Sustainable Development Goals, notably SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

As discussed in the previous annual review, in May 2024, Defra's programme team convened a GEDSI workshop with the GFCR United Nations Global Team (UNGT) in Geneva. The session outlined UK ODA requirements and led to the development of an indicative GEDSI Action Plan. This live document, reviewed through Defra's annual review process, identified key pathways for GFCR to transition from GEDSI-sensitive to GEDSI-empowering (see discussion below). Recommended actions included conducting a fund-level GEDSI analysis, strengthening policy frameworks, improving safeguarding and risk management, and embedding GEDSI updates within annual reporting.

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<sup>13</sup> While GFCR targets the most resilient reefs with high recovery potential, these events perpetuate the challenges in achieving the GFCR's desired impact



### **Box 2 – GEDSI delivery in GFCR'S Colombia Fi Wi Riif Programme**

*In Colombia's Seaflower Biosphere Reserve, the Raizal community represents approximately 90% of the population in Providencia and Santa Catalina, and 30% in San Andrés. The I-FISH initiative is helping Raizal fishers recover from Hurricane Iota's devastation and focuses on rebuilding the artisanal fishing fleet and promoting sustainable practices that align with coral reef conservation. This reduces pressure on nearshore coral reefs, supports food security, and promotes sustainable fishing practices. The intervention includes conservation agreements, no-take zones, and turtle monitoring, directly benefiting reef ecosystems and community livelihoods. The programme ensures that Raizal fishers are actively involved in decision-making and benefit-sharing, while also supporting women-led businesses and inclusive governance. By respecting traditional knowledge and cultural practices, I-FISH strengthens ecological stewardship and social cohesion. It demonstrates how international climate finance, channelled through blended models like the Global Fund for Coral Reefs, can deliver tangible environmental and socio-economic impact. Through access to loans and inclusive governance, the initiative empowers Indigenous communities, enhances climate resilience, and protects biodiversity—offering a replicable model for sustainable development in vulnerable coastal regions.*

For more info: [Facilitated finance for a sustainable fishing fleet in Colombia](#)

### **GESI Analysis: Key Findings**

The UNGT-led GESI analysis, finalised in November 2024, confirmed that all GFCR programmes have undertaken gender analyses to varying degrees. Findings revealed that women play vital roles across the fisheries and seaweed value chains, particularly in post-harvest processing and marketing. Despite their contributions, gender gaps persist in asset ownership and financial inclusion. The analysis also highlighted the importance of empowering not only adult women, but also girls, adolescents, and elderly women, particularly through inclusive education access, safeguards, and meaningful participation in blue economy sectors. Simultaneously, engaging men and boys in positive masculinities and alternative livelihoods was identified as essential for holistic inclusion.

### **Transition to GEDSI-Empowering**

As part of this annual review, the programme team conducted a deep dive into GFCR's approach to GEDSI. This assessment focused on whether the actions outlined in the GEDSI Action Plan had been completed and aimed to gather evidence to support GFCR's formal transition from GEDSI-sensitive to GEDSI-empowering.

Over the last year significant progress has been made with regards to GEDSI mainstreaming, particularly around SEAH safeguarding and capacity building due to the development of the REEF+ Knowledge platform which aims to share best practice and learnings between GFCR stakeholders. As standard process, all GFCR programmes are now required to conduct GEDSI analyses and develop GEDSI Action Plans aimed at creating economic opportunities for women and marginalised groups, and programmes are designed to ensure inclusive decision-making (with representation from all sectors of the community). The GFCR is actively pursuing transformational change by supporting reef-positive businesses, piloting sustainable financial mechanisms, and integrating GEDSI throughout the programme cycle.

There are some remaining gaps however around enhancing data disaggregation, strengthening GEDSI integration in annual reporting, strengthening narrative around disability inclusion and securing dedicated resources for GEDSI and safeguarding.

Disability inclusion remains a recognised gap within the GFCR's current programming. During the reporting period, initial discussions were held with the GFCR team to explore opportunities for greater inclusion. These conversations highlighted several challenges, including cultural

sensitivities surrounding disability and the complexities of collecting disaggregated data. In many contexts, disability is not openly discussed, and social stigma can hinder both identification and engagement. This presents difficulties in designing inclusive interventions and in ensuring that data systems adequately capture the experiences of persons with disabilities. The UNGT acknowledges these challenges and is committed to exploring practical pathways to strengthen disability inclusion across its portfolio. The programme team will work with UNGT, Defra's Social Development Unit to develop a disability inclusion action plan, this will include engaging the FCDO disability advisor, reviewing resources such as the Disability Helpdesk, identifying and addressing programmatic/contextual challenges and identifying key entry points to strengthen inclusion. The team will also collaborate with UNGT and SDU to deliver a practitioner-led discussion on GEDSI implementation, featuring best-practice marine case studies, a Q&A, and a focused session on disability inclusion. Insights from these webinars will inform capacity building and be captured as a GFCR REEF+ knowledge product.

Current economic constraints have limited the ability to finance dedicated GEDSI and safeguarding roles within the UNGT, but the UNGT is addressing this gap through staff training and by expanding the responsibilities of regional leads to include GEDSI and safeguarding monitoring. It is also important to note that disaggregated data shows a high gender disparity, with more men currently benefiting from GFCR interventions. This may be due to the fact that many reef-positive sectors such as fisheries, marine tourism, and coastal infrastructure, are traditionally male-dominated, which can influence patterns of engagement, access to resources, and visibility within programme activities. Addressing this imbalance remains a priority to ensure more inclusive and equitable outcomes.

Despite these gaps, there is compelling evidence that provides assurance that the GFCR is on target to progress to GEDSI-empowering status in the year ahead. The GFCR meets key criteria for example using GEDSI analyses to inform delivery, ensuring participation of women and marginalised groups in planning/design process, and having a robust MEL strategy in place. All gaps that have been identified have been included in the recommendation section of this annual review. This includes; considering how disability inclusion is embedding within programming, and identifying ways to strengthen this, enhancing GEDSI and poverty alleviation narrative (e.g. in annual reports, theory of change), ensuring the independent mid-term reviews place greater emphasis on assessing GEDSI impacts to date, further strengthening risk management associated with social and safeguarding risks and exploring opportunities where Defra can help build capacity and share expertise e.g. REEF+ communities of practice.

### **Poverty Reduction**

The GFCR supports poverty reduction via supporting sustainable financing opportunities, capacity building and technical assistance. Programme interventions include capacity building such as conservation practitioner training and women-led education initiatives; technical assistance to support reef and ocean-positive businesses, wastewater treatment plants and plastic recycling projects; sustainable ecotourism and blue finance mechanisms, such as carbon credits, to ensure the effective and sustainable management of marine protected areas (MPAs) and other area-based conservation measures (OECMs). Box 3 provides an example.



### **Box 3 – GFCR'S Gutpela solwara, gutpela bisnis ('Good oceans, good business')**

*In Papua New Guinea's remote West New Britain region, the GFCR's "Gutpela Solwara, Gutpela Bisnis" programme launched the Blue Economy Enterprise Incubation Facility (BE-EIF) to support women-led businesses, promote food security and empower local communities. The region faces high poverty, limited infrastructure, and environmental degradation from unsustainable practices. BE-EIF incubates six women-led enterprises, including Kabilaso Business Group, which pioneers sustainable poultry farming as an affordable protein source, and generates steady income for cooperative members, especially women, and Connas Trading, which supports responsible fishing with solar-powered facilities to reduce post-harvest losses. These initiatives empower women, improve livelihoods, and reduce pressure on coral reefs.*

*Complementing this, the Blue Economy Guarantee Facility unlocks financing for small marine enterprises, bridging gaps in rural financial inclusion. It enables loans for eco-tourism, aquaculture, and sustainable fisheries, helping fishers transition from overfished reefs to offshore waters*

For more information: [Blue Economy Incubation Facility Launched in Papua New Guinea | Joint SDG Fund](#)

Over the last year, significant progress has been made with regards to strengthening ambitions regarding poverty reduction within programming. Annex G provides a detailed review of progress. All identified areas for improvement have been noted in the recommendations section of this annual review, including a ToC review to identify pathways to strengthen multi-dimensional poverty reduction and ensuring mid-term views take an intersectional approach to assessing impacts.

In addition, the programme team have worked closely with the GFCR UNGT to strengthen the narrative around poverty alleviation. A key outcome of this was GFCR's "Systemic Solutions for Coral, Economic, and Social Resilience" report, which highlights how GFCR interventions contribute to poverty alleviation through mechanisms not easily captured in Defra logframe indicators, such as reducing household costs, diversifying income, and formalising informal sectors. Examples include nature-based wastewater treatment in Mexico lowering costs for low-income households, and the formalisation of 2,000 informal waste workers in Fiji, enhancing job security and access to social protections. The GFCR UNGT plan on utilising this report within the REEF + Knowledge Platform, either as bite sized case studies or developing it into a learning module or community of practice session.

### **Policy Architecture**

In 2024, the UNGT onboarded a dedicated Policies Specialist to support the development and management of new fund-level policies aimed at enhancing social and environmental safeguards. A key focus was the creation of a Grievance Resolution Mechanism (GRM), designed to address potential inequalities, elite capture, and loss of access to natural resources, particularly in contexts such as protected area establishment or carbon market projects.

In addition to the GRM, the Policies Specialist developed several new policies, including the Indigenous Peoples and Local Communities Policy, GFCR Grievance Redress Mechanism Policy, GFCR Private Sector Partnerships Due Diligence Policy and the Stakeholder Engagement Policy.

Defra, along with other board members reviewed and input into policy development. All policies were approved by the Executive Board in April 2025. To ensure accessibility policies have been translated into English, French, and Spanish, with plans to expand translation into Arabic. Operational Guidance Notes to support implementation are due to be completed by

the end of September 2025. With this, to promote awareness and uptake, the GFCR REEF+ Community of Practice have hosted “[GFCR Policies in Action](#)” practitioner discussions, and launched a learning course on the [Social and Environmental Safeguards Policy](#):

### **E.1.2 Paris Alignment**

In line with the FCDO Programme Operating Framework (PrOF) which sets out mandatory rules and guiding principles for the implementation of policy programming, the GFCR aligns with the Paris Agreement and delivers high positive impacts for the climate, nature, and biodiversity by providing financing and capacity building to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.

### **E.1.3 Delivery Partner performance**

#### **Communication**

The UNGT team continues to demonstrate strong performance in communications and collaboration. They remain responsive, efficient, and professional, consistently providing timely and comprehensive information when requested by Defra (and other donors). Their approach is marked by friendliness, flexibility, and a clear passion for their work. The UNGT maintains high availability for meetings and actively engages with the Blue Planet Fund, including ongoing support for the BPF MEL strategy through the MEL steering group.

Their commitment to strategic alignment and collaboration with Defra/UK priorities remains evident, as they regularly seek opportunities to improve governance and delivery, and co-develop shared products such as the poverty paper and GEDSI analysis previously discussed. The UK’s role as co-chair, along with in-person meetings and site visits, continues to play a valuable role in strengthening the UK-GFCR partnership.

#### **Finance**

The GFCR continues to demonstrate a systematic and reliable approach to financial management, however as discussed there are areas for improvement with regards to monitoring and reporting fraud risk. The UNGT regularly conducts financial analysis to balance incoming resources with expected disbursements and programme needs. Regular financial updates and discussions are held both via the Executive Board and on an ad hoc basis when required. Budget forecasting remains transparent, accurate and well-presented which aids the programme team with strategic planning for future ODA marine funding.

The Annual Financial Report was published by the Multi-Partner Trust Fund (MPTFO) in June. At the project level, non-UN recipients are contractually required to submit annual audit reports upon programme completion, ensuring robust oversight. Additionally, non-UN convening agents undergo independent HACT assessments, which continue to guide policies and procedures for cash transfers, audits, assurance, and monitoring.

### **E1.4 HMG programme team performance – Defra Blue Planet Fund**

The programme team sought feedback from the UNGT regarding HMG performance over the last year. Their response was “The DEFRA/UK team has consistently demonstrated outstanding collaboration with GFCR, remaining highly accessible and always willing to engage. They respond promptly to requests and provide valuable technical support that strengthens GFCR’s overall operations and impact. As Co-Chair of the GFCR Board, they provide strong leadership and play a pivotal role in fostering engagement with other donors, further advancing GFCR’s mission and partnerships.”

It is important to consider the evolving ambition of UK ODA requirements, which continue to be strengthened to reinforce HMG values and ensure programmes deliver meaningful impact.

While changes are aligned with strategic intent, they can unintentionally result in an increased burden on delivery partners through frequent adjustments to requirements and expectations (particularly challenging for multi-lateral funds with multiple donors with differing priorities). While the UNGT have always graciously accommodated additional asks, to support more effective delivery, the programme team should continue to ensure clarity and coordination in the communication of requirements and expectations. Establishing structured and reasonable timelines for changes will enable delivery partners to better align with UK priorities and contribute more efficiently to shared outcomes.

## **E1.5 Joint areas for improvement**

### **Governance and influence:**

Given the GFCR's high fundraising ambition, the UK and GFCR should identify areas/donors where UK could support and use soft power influencing. The UK has previously successfully supported this via knowledge exchange and reflection sessions with New Zealand and Norway. In the same vein, the UK has taken an active role in supporting the GFCR in various international events, such as the 3rd United Nations Ocean Conference. Discussions on how the UK can support the GFCR strategy at future events are already in progress, including COP30. As discussed in the Risk section above, there are concerns around the governance processes between the Grant Fund and the Equity Fund. The UK should continue to utilise the Co-chair role to work with the UNGT to ensure Equity Fund remains accountable to the MoU.

### **Risks and safeguarding:**

While there have been improvements in communicating risks in various forums there continues to be opportunities to strengthen this area. The risk dashboard detailing current risks and issues should continue to be included in Executive Board meetings. Moving forward, both parties should make a concerted effort to ensure there is sufficient time allocated to have productive discussions regarding risks with specific focus on safeguarding and fraud.

## **E2. Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year**

### ***E2.1 Overview***

The conclusion for this Annual Review is that GFCR is on track to deliver “High” to “Very High” Value for Money (VfM), as per the Defra VfM Framework. This is due to impressive performance against key outcome and impact indicators and supported by narrative evidence against the 4 Es (Economy, Efficiency, Effectiveness and Equity) and overarching Cost-Effectiveness.

This conclusion shows a continuation of positive findings from the Year 3 Annual Review for 2023/24. Recommendations for further improvement next year are identified and summarised in section E2.4: Conclusion and VfM Recommendations.

### ***E2.2 Background and changes***

#### **Business Case and Addendums (2021-2023)**

The Full Business Case (FBC) for GFCR was completed in 2021, with further addendums for additional funding completed in 2022 and 2023. This laid out the relationship between Defra and GFCR and included an economic assessment of the potential monetary benefits and VfM that could be delivered by the programme (see section E2.4 below for more information).

#### **Change Control Note (2025)**

Most recently, a Change Control Note (CCN) for GFCR was completed in May 2025, with an uplift of £4m approved. The CCN included an updated assessment of programme-level VfM, including an estimate for the monetary benefits achieved by the programme to date, based on reported outcome and impact data.

### **VfM recommendations from AR 2023/24**

The VfM recommendations from the previous AR include the following, with progress made against these summarised below:

- **Efficiency:** *focus on achieving greater coherence between the Grant Fund and the Investment Fund, via establishing weekly calls between the two fund teams, for example*
  - Progress has been made against this recommendation, with the Grant and Investment Fund teams holding fortnightly calls on programmatic and investment issues. However, more engagement is needed from the Investment Fund team on M&E and reporting.
- **Effectiveness/cost-effectiveness:** *Defra should assess the monetary benefits achieved by the programme to date, to compare against the benefit-cost ratio (BCR) estimate from the Full Business Case*
  - Progress has also been made here, as the monetary benefits achieved to date were first assessed for the Change Control Note in May 2025, and have since been updated further based on the latest results data to June 2025. The results from this analysis are presented in a separate paper developed by the BPF Evidence Team. However, this is still considered to be a partial assessment of the monetary benefits, as the logframe contains targets up to 2030 which the programme will continue to collect results for in future years.

## **E2.3 Theory of Change and progress towards outcomes**

### **Theory of Change (ToC)**

As noted in Section B above, the GFCR ToC and supporting narrative was developed in 2021 and has not been revised since. The GFCR Monitoring and Evaluation (M&E) Framework and Defra logframe were developed in line with the overarching GFCR ToC.

The GFCR impact statement is to “prevent the extinction of coral reefs in our lifetime by eliminating the coral reef financing gap and supporting interventions for their best chance of survival”. The ToC also identifies four interconnected outcomes to achieve this impact:

- Outcome 1: Protect priority coral reef sites and climate refugia
- Outcome 2: Transform the livelihoods of coral reef-dependent communities
- Outcome 3: Restoration and adaptation technology
- Outcome 4: Recovery of coral reef-dependent communities to major shocks

Recommendation 4a in section A3.3 above references a further review of the ToC, in order to ensure greater alignment with GFCR’s 2025-2030 strategic plan. The deadline for this has been stated as December 2025.

### **Indicator results**

GFCR has met or exceeded 9 out of 10 impact and outcome indicators, and 7 out of 9 output indicators. This includes significant progress against ICF KPI 17 (and DI KPI 1; BPF KPI 6) “area under sustainable management”, and ICF KPI 4 (and BPF KPI 2.1) “people benefitting

from improved climate resilience”. This demonstrates that the GFCR is delivering well against Effectiveness, and that it is likely to meet or exceed end of programme targets for most key indicators. Impressive performance against targets, coupled with the estimated monetary benefits achieved and the additional steps taken in the last 12 months to improve VfM overall (which are detailed in sections E2.3 and E2.4 below), shows that the programme is likely achieving strong VfM in relation to the goals set out in the ToC.

## ***E2.4 Economic Assessment***

### **Monetary benefits forecast – Year 2 Business Case Addendum**

The benefits assessed for this analysis in 2023 consisted of ecosystem service benefits from coral reef protection and restoration, ecosystem service benefits from mangroves and seagrasses, carbon sequestration and livelihood benefits from sustainable fishing. Assessing the potential benefits across different countries for intervention, the analysis produced a mean BCR estimate of **4.1**, and a median of 2.0. This represented a Net Present Value (NPV) of **£60m**. See the business case addendum and economic case annex for more detailed breakdown of the methodology used.

### **Updated assessment of monetary benefits – CCN 2025 and AR 2025**

The Annual Review for Year 3 noted that the first assessment of the monetary benefits achieved by the programme to date was planned to take place ahead of the Year 4 Annual Review, and this has been achieved. The monetary benefits were first assessed for the Change Control Note uplift in May 2025. In order to maintain comparability between this estimate and the forecast for the Year 2 Addendum, the monetary benefits again focused on ecosystem services for coral reefs, mangroves and seagrasses, as well as the monetised benefits of carbon emissions reduced or avoided, and the increase in income to individuals through the additional direct jobs created. Logframe indicators Impact 2.1 (direct jobs created), and Outcome 3.1 (area under sustainable management) were used as the results data underpinning this analysis. The results from this analysis informed the economic appraisal which was key for the CCN decision making.

Using updated logframe data for key indicators, the analysis of monetary benefits achieved by the programme was again revisited for this Annual Review. Improvements in the BCR were expected, given the significant progress made against key indicators including area under sustainable management and the number of direct jobs created. The analysis also used a new monetary benefits model, which was developed by the BPF Evidence and Analysis team to assess the monetised benefits achieved for each programme in the portfolio. As the programme is yet to be completed, the assessment of monetary benefits is partial, and therefore the figures are not included in this Annual Review. This is because it is not yet a fair assessment of the performance of the programme, as further results will be achieved in future years. However, early results show that the programme **is on track to achieve or exceed** the BCR from the FBC analysis (4.1).

### ***Assessment of the 4 Es of ODA VfM***

Having assessed the monetary benefits of the programme, we now turn to a qualitative assessment of the remaining 4 Es (with Cost-Effectiveness covered in section E2.1).

### **Economy**

Economy considers whether the inputs required for a project are being procured at the best price.

- GFCR have recently taken additional steps to reduce costs where possible, in the face of a 20% reduction on the historical funding level for UN agencies. This includes a reduction in travel costs (by ending in-person workshops and instead meeting online), and reduced costs for the MERMAID software, with minimum costs being covered for maintenance and training following the initial large investment. UNEP staff have also trained to become trainers themselves, meaning that no additional funds will need to be allocated to the technical partner beyond 2026.
- In 2024, GFCR published guidance on their 10 Investment Principles<sup>14</sup>, which outline ten general investment principles to set the key criteria the GFCR uses to make decisions on investments. This helps ensure that funds are directed to the most reliable areas.

## Efficiency

Efficiency relates to how inputs can be turned into desired outputs.

- GFCR has recently updated its approach to delivery in the new Strategic Plan 2025-2030<sup>15</sup>, which builds on lessons learned from 2020-2024. This clarity of vision should lead to efficiency gains across programme delivery.
- The previous Annual Review identified opportunities for efficiency improvements with regards to coherence between the Grant Fund and Investment Fund. To promote success and continued efficiency in delivery of the GFCR, both funds need to work in tandem to ensure they are aligned on ambition, progress and governance. As noted above, progress was made against this recommendation, with the Grant and Investment Fund teams holding fortnightly calls on programmatic and investment issues. However, more engagement is needed from the Investment Fund team on M&E and reporting.

## Effectiveness

Effectiveness refers to the ability of funding to deliver the selection of outputs most likely to result in the desired outcomes (and impacts).

- Based on the output scoring and assessment of outcome and impact data, GFCR is effective, and is likely to achieve or exceed end of programme targets for most indicators. GFCR has met or exceeded 9 out of 10 impact and outcome indicators, and 7 out of 9 output indicators, with significant progress against Impact 2.2 and Outcome 3.1.
- GFCR maintains an effective approach to MEL, increasing accountability to targets and helping to improve results through adaptive learning. The MERMAID platform was in its early stages when the last Annual Review was completed. The software was launched in early 2025, and training sessions have been held to build capacity of convening agents regarding areas such as data disaggregation.
- GFCR's approach to MEL has informed a prioritisation exercise among UN funds, which has strengthened the case for the programme amid the cuts to budgets noted above.

<sup>14</sup> [REEF+ | GFCR Investment Principles](#)

<sup>15</sup> [GFCR Strategic Plan \(March 2025\)](#)

- GFCR have also published a number of outputs between July 2024 and June 2025 that are relevant for programme VfM and learning, including: Call for Capitalisation 2025-2030; updated M&E Toolkit; GFCR Private Sector Partnerships Due Diligence Policy; “Can blended finance help save the world’s coral reefs?” factsheet.
- In addition, the GFCR is currently in the review stage for a Coral Reef finance report which will provide the most up-to-date overview, options and lessons learned for blended finance in the coral reef space.

## Equity

Equity assesses the degree to which the results of the intervention - both positive and negative - are equitably distributed, with consideration of different vulnerable groups in the population such as women and girls, those whose livelihoods are most at risk, and the young and elderly.

- GFCR’s reporting framework includes indicators that are disaggregated by gender and age group, such as logframe indicators Impact 2.1, Impact 2.2, Outcome 2.1 and Output 4.1. Men have been the main beneficiaries of Impact 2.2 (people benefitting from improved resilience of coral reef ecosystems) and Output 4.1 (number of local practitioners trained / supported in coral reef conservation). Therefore, more needs to be done to extend opportunities to women for these indicators and achieve a more balanced result in future. See Section B above for the steps being taken to address this.
  - Programme-level results for Impact 2.2 / ICF KPI 4: “people benefitting from improved resilience”, for example, show that there have been **24,324** male beneficiaries but only **9,928** female beneficiaries to date
- As noted in the GEDSI section above, a UNGT-led GESI analysis (completed in November 2024), found that all GFCR programmes have undertaken gender analyses to different levels. It was also found that women play vital roles across fisheries and seaweed value chains. However, despite, the contribution of women, gender gaps persist in asset ownership and financial inclusion. The analysis also concluded that there is a need to empower girls, adolescents and elderly women, as well as women of working age. At the time of the last Annual Review, GFCR was classified as GEDSI Sensitive, but this has since been improved to GEDSI Empowering.

## Risks to VfM

One risk to VfM that has been noted earlier in this Annual Review is GFCR’s challenge in raising the capital it needs to sustain delivery. If GFCR is unable to raise sufficient levels of capital, this will affect the efficiency and effectiveness of the programme, will potential adverse implications for achieving targets for key indicators – or failing to achieve impact to its full potential where indicators have already met or exceeded targets.

A second risk is the potential for further cost-cutting measures to be implemented across UN agencies. If even greater expectations for reducing costs are enforced, this could improve efficiency and economy but also risk effectiveness in terms of the ability to achieve or exceed targets for key indicators.

## ***E2.5 Conclusion and VfM Recommendations***

The GFCR continues to show good promise for achieving Value for Money. The narrative assessment of the four Es draws on many examples of progress that has been made to strengthen the Economy, Efficiency, Effectiveness and Equity of the programme. Impressive

performance against outcome and impact indicators suggests that the monetary benefits achieved by the programme will be significant, with “High” to “Very High” VfM likely by completion.

Recommendations for VfM over the next 12 months include:

**1. Defra and GFCR: Improve opportunities for women to benefit for key disaggregated indicators**

- The main beneficiaries for key indicators have been men to date – steps are already underway to address this imbalance, but this should continue to ensure GFCR is building on its designation as GEDSI empowering.

**2. GFCR: Continue to develop cost or time saving measures**

- In the face of reduced budgets for UN agencies, the GFCR should continue to develop measures to keep costs low, and (with support from the evidence of GFCR’s MEL approach) strengthen the case for the programme in future years.



## Annex A: International Climate Finance (ICF) review - Evidence and Justification 2024

Table 5 - International Climate Finance (ICF) review - Evidence and Justification 2024

	Rio markers (0-2)				ICF %			
	Mitigation	Adaptation	Biodiversity	Desertification	ICF	Adaptation	Mitigation	Nature
	2	2	2	0	100	50	50	100
Programme Summary	The Global Fund for Coral Reefs (GFCR) is a blended finance instrument integrating public and private finance to mobilise action and resources to protect, restore and safeguard coral reef ecosystems and the communities that depend on them.							
Evidence Base	HMG Nature Rapid Evidence Assessment (2024): Positive climate impacts for a number of potential interventions including evidence for MPAS, Sustainable aquaculture, coral reef and mangrove restoration, diversification of fishing practices and Green/blue bonds							
	There is growing evidence that blended finance vehicles may be more efficient at achieving conservation/climate outcomes than public or private funding. The blended approach aims to expand and diversify funding, encouraging marine conservation away from dependency on short-term grant funding towards sustainably financed revenue streams.							
	<a href="https://www.biofin.org/sites/default/files/content/knowledge_products/LBIN_2020_RGB_ENG.pdf">https://www.biofin.org/sites/default/files/content/knowledge_products/LBIN_2020_RGB_ENG.pdf</a>							
ICF justification	Nature Best Buys 2022: There is strong evidence that long time horizons are needed for mangroves/corals to mature, which make conservation a better option to restoration, when possible. Restoration or conservation of coastal and marine habitats, restoration or conservation of wetland habitats and fisheries reform are judged as "High potential" Interventions. There is mixed evidence for MPA management. here is strong evidence that reducing fertiliser overuse has benefits for soil, water, biodiversity and greenhouse gas emissions.							
	Climate mitigation and adaptation are significant objectives as per the Rio Markers							
	Biodiversity is a significant objective of the GFCR, as per the Rio Markers							
	All GFCR programmes have a focus on reef-positive interventions to achieve climate outcomes and reduce poverty. These range from supporting reef-positive businesses, aquaculture, technical assistance, waste management. All programmes prior to approval must demonstrate how they benefit, either directly or indirectly, coral reef ecosystems.							
	There is a growing evidence base demonstrating the impact of interventions on climate mitigation and adaptation and the benefits of Blended Finance mechanisms.							

## Annex B: Learnings from the reporting period

### REEF+ Regional Convening (October 2024)

The first REEF+ regional convening organised by GFCR in October 2024 was a successful step toward building stronger regional collaboration and learning, bringing together partners from Latin America and the Caribbean. Sessions focused on training with the MERMAID<sup>16</sup> monitoring tool, sharing learning and best practice, in addition to discussions on new GFCR policies and grievance mechanisms. The workshop also featured sessions on blended finance and a field visit to Carbonwave, a company turning sargassum into sustainable products, as an example of scalable reef-positive business models.

The BPF Latin America and Caribbean regional coordinator attended the convening. It was a valuable opportunity for them to build in depth knowledge and understanding of the GFCR programmes in the region, in addition to building their regional network with key stakeholders.

Key learnings from the convening highlighted four major challenges in supporting reef-positive businesses:

1. **Pipeline development and technical assistance:** many businesses, especially those led by Indigenous Peoples and Local Communities (IPLCs), need additional capacity building to become investment-ready.
2. **Financing gaps:** Smaller, less mature reef-positive businesses have challenges in securing capital investment to scale (See Missing Middle below).
3. **Government and community engagement:** All programmes are expected to demonstrate government and community buy in during the programme approval process. This engagement essential for success but is often slowed by changes in leadership and capacity gaps.
4. **Data and capacity needs:** standardised methods and updated baseline data are crucial for effective reef conservation. GFCR's monitoring and evaluation (M&E) framework is evolving to better track ecological, financial, and social impacts, with plans to introduce control sites and sector-specific indicators to more clearly demonstrate the fund's effectiveness.

A representative from the Joint Nature Conservation Committee (JNCC) also attended the convening and noted it was a valuable opportunity to deepen their understanding of the Global Coral Reef Monitoring Network<sup>17</sup> (GCRMN) and MERMAID, and to explore how GFCR's expertise, networks, and technical resources could help strengthen coral conservation efforts in UK Overseas Territories (UKOTs) and the Coral Communities of Practice for the Overseas Territories (C-COT) initiative. Even in cases where direct financial support may not be available, the technical guidance, data-sharing platforms, and collaborative opportunities provided by the GCRMN and GFCR can play a crucial role in advancing coral reef resilience and management across UKOTs.

### Community Engagement in Raja Ampat (February 2025)

In early 2025, the Defra Permanent Secretary joined the Marine Conservation Director of the Government of Indonesia, alongside representatives from the British Embassy, GFCR UNGT, and delivery partner Konservasi Indonesia, for a field visit to the Bird's Head Seascape in Raja Ampat, West Papua. The visit aimed to observe how GFCR is mobilising additional finance for nature and supporting reef-positive economic development.

<sup>16</sup> [MERMAID - Marine Ecological Research Management Aid | MERMAID](#)

<sup>17</sup> [GCRMN – Global Coral Reef Monitoring Network](#)

The delegation visited Friwen Village to engage with local stakeholders involved in the Raja Ampat Mooring System (RAMS), a key component of the GFCR-funded Terumbu Karang Sehat project. The RAMS initiative, designed to reduce reef damage from vessel anchoring, includes 116 mooring buoys and a user-fee system to fund maintenance and local conservation activities.

While the community were positive about the programme, the village chief raised concerns about the lack of visible local direct benefits, such as infrastructure improvements and employment opportunities. This feedback highlighted the importance of ensuring that conservation finance delivers tangible, community-level outcomes. The visit reinforced the value of direct engagement in understanding local perspectives and the need to align conservation goals with inclusive development.

### **MAR+ Invest Technical Site Visit (February 2025)**

In February 2025 the programme team conducted a technical visit to the GFCR's MAR+ Invest programme. The visit aimed to inform this annual review and the development of a Business Case Change Control Note seeking a £4m uplift of funding for the GFCR Grant Fund. The MAR+ Invest programme was selected due to being one of the most mature GFCR programmes and as a strong example of the GFCR's blended finance approach. The visit aimed to deepen understanding of how the GFCR and the MAR+ invest programme is supporting and engaging local communities, particularly from a Gender Equality Disability and Social Inclusion (GEDSI) and poverty perspective, in addition to building a clearer understanding of blended finance in practice, as well as identifying opportunities for learning and alignment across the broader ODA marine and IBC portfolios.

A summary of key learnings and reflections are listed below:

1. **Language:** A critical insight from the visit was the importance of aligning language and definitions across stakeholders. Terms such as *local communities* and *poverty alleviation* were interpreted differently by the programme team and delivery partners, highlighting the need for clearer, shared frameworks. GFCR took an action to develop guidance for partners for future donor visits.
2. **Delivery Model:** The MAR Fund's<sup>18</sup> operational and financial structures are notably complex. Financial terminology and mechanisms presented challenges in understanding, underscoring the need for simplified communication around financial literacy for donors to help inform decisions.
3. **Systems Approach:** The visit reaffirmed the necessity of a systems-based approach to reef conservation that integrates ecological, social, and economic factors. Rather than focusing solely on individual financial models, the programme is increasingly fostering cross-sector collaboration, with each MAR Invest partner contributing distinct but complementary. The visit also highlighted the urgency of coral conservation given the threats to coral health (e.g. bleaching). The MAR Fund's diverse portfolio from grassroots initiatives to large-scale investments demonstrated a commitment to this approach.
4. **Poverty in UMICs:** The MAR region is composed of Upper-Middle-Income Countries (UMICs), however the site visit highlighted significant poverty levels in remote and coastal areas, particularly among indigenous communities. This nuance is essential for future ODA marine business planning and was also identified during a PROBLUE site visit to Indonesia. While UK support has traditionally focused on Least Developed

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<sup>18</sup> The Mesoamerican Reef Fund (MAR Fund) is a regional environmental fund established in 2004 by conservation organizations from Belize, Guatemala, Honduras, and Mexico, aimed at securing funding and partnerships to conserve, restore, and sustainably manage the Mesoamerican Reef ecosystem. The MAR Fund is the convening agent for the GFCR MAR+ Invest programme.

Countries (LDCs), there is a clear opportunity to address poverty through targeted coastal programming in UMICs.

5. **Poverty links:** While the programme showed strong environmental outcomes, the narrative around poverty alleviation is less developed, despite poverty alleviation being embedded in many MAR Fund activities. There is a clear opportunity to strengthen framing to better reflect UK priorities and articulate how interventions support socio-economic outcomes for all GFCR programming (see recommendations below)
6. **Monitoring and Evaluation:** Through conversations with the MAR Fund, it was noted that there were some instances of underreporting of direct beneficiaries due to differing understanding of who should be classed as a direct beneficiary (see Poverty Section for more detail). Enhancing data collection and reporting practices will be vital for demonstrating true extent of impact and informing future programming.

### The Missing Middle:

A key challenge identified within the GFCR's delivery model is the "missing middle", a gap in support for early-stage, reef-positive enterprises that are too large for microfinance but not yet mature or secure enough to attract commercial investment. This challenge feeds into the previous annual review discussions around a lack of mature investable pipeline, with enterprises often having strong potential to deliver environmental and social impact but have challenges in gaining access to the capital and technical assistance needed to scale their operations. Bridging the missing middle is essential to unlocking sustainable finance flows and enabling locally led/ community-led solutions to thrive. Currently, around 70% of solutions in the GFCR pipeline fall within the \$500,000 to \$2 million range, where financing options are limited. Even the more established entities, such as financing facilities or special purpose vehicles (SPVs) like Viwala (MAR+ Invest programme), face difficulties attracting investment due to perceived risk, limited track records, or geographic constraints. Without targeted support, many innovative reef-positive ventures may fail to scale, limiting the GFCR's ability to meet its 2030 targets. Addressing this gap also strengthens the case for blended finance as a viable conservation tool, demonstrating how strategic public funding can catalyse private sector engagement in marine ecosystems. GFCR have demonstrated adaptive programming in relation to these learnings and are in the process of developing a concept for a global debt finance modality (e.g., GFCR Debt Fund) to compliment the Grant Fund and Equity Fund and to bridge this gap.

## Annex C: Overview of progress on Year 3 Annual review recommendations

*Table 6 Overview of progress on Year 3 Annual Review Recommendations*

Recommendation	Progress
1. Formalise risk and safeguarding discussions at Executive Board meetings, building on progress made with the Risk Dashboard and ad hoc discussions.	<b>Ongoing:</b> Significant progress made with a comprehensive risk register and more prominent risk discussions. Risks have been escalated to Defra when appropriate. Opportunities remain to define risk appetite, enhance coverage of fiduciary and safeguarding risks, and strengthen reporting practices.
2a. GFCR should aim to achieve GEDSI empowering status.	<b>Complete:</b> Defra collaborated with UNGT to strengthen GEDSI mainstreaming, including a GEDSI Action Plan and fund-level analysis. GFCR is expected to be confirmed as GEDSI empowering by Dec 2025.
2b. Future reporting should include more complete disaggregated data and targets, as outlined in the GEDSI action plan.	<b>Ongoing:</b> MERMAID software launched in early 2025, requiring disaggregated data for reporting. Training sessions have been held to build capacity of convening agents regarding data disaggregation. Data is fully disaggregated by gender and the

Recommendation	Progress
	UNGT have confirmed they are now receiving more disaggregated data by youth and indigenous peoples.
2c. Convening Agents should align reporting with Defra's GEDSI Action Plan criteria to enable standardised performance tracking.	<b>Ongoing:</b> GEDSI discussions included in annual reports. Future reports should focus more on GESI Action Plan progress, targets, key safeguarding risks and impact case studies.
3. Logframe and target review should be finalised.	<b>Complete:</b> Finalised in January 2025.
4. A technical site visit should be conducted before the Programme Closure Review to gather direct evidence of GFCR outcomes.	<b>Complete:</b> Site visit to MAR+ Invest programme conducted in March 2025. See BTOR for full discussion.
5. The programme team should explore adjusting the Annual Review deadline with the ODA hub to improve reporting efficiency.	<b>Complete:</b> Annual Review deadline moved to November to align with GFCR mid-year reporting and quality assurance process.
6. GFCR should clarify financial flows and governance through a flow diagram and monitor TA modality impacts.	<b>Complete:</b> Governance relating to the Technical Assistance modality have been clarified through the Catalytic Finance Programme proposal and replenishment. This programme was approved in December 2024.
7. The programme team should ensure participation of policy experts and regional coordinators at Technical Working Groups.	<b>Complete:</b> Policy teams, Regional Coordinators and colleagues from Post in relevant programme countries attend TWGs and offer technical review on programme proposals and funding replenishments. This added layer of governance has been valuable to ensure fulsome assessment of programmes to support decision making.
8a. Case studies demonstrating poverty alleviation impacts should be developed and appropriate indicators for indirect beneficiaries explored.	<b>Ongoing:</b> The GFCR have developed a paper showing key examples of how programme interventions support with poverty alleviation. Deep dive case studies will be valuable to truly demonstrate the impact on marginalised groups and poverty. Similarly, there is ongoing discussion around how we can better demonstrate poverty impacts within the Defra Logframe.
8b. Independent evaluations should assess GFCR's impact on poverty alleviation, including who benefits and the sustainability of supported livelihoods.	<b>Ongoing:</b> The process for GFCR Mid-term reviews is underway. ToRs are expected to be drafted in late 2025. Defra and other donors will have an opportunity to input. Defra will ensure Poverty and GEDSI are key themes of these assessments.

## Annex D : Logframe

The Defra logframe was developed in line with the overarching GFCR Theory of Change (ToC), however, given the nature of the GFCR and its multilateral approach, diverse portfolio and scale at which it delivers, the Defra logframe takes a proportionate approach to monitor key pillars which encompass UK priorities and reporting requirements- as such the logframe is more focused than the ToC. This required careful consideration to ensure that the level of data captured is appropriate and that aggregation across the GFCR's diverse portfolio is feasible.

For this reason, there are some challenges in clearly demonstrating alignment between the two frameworks. While both the logframe and ToC incorporate multidimensional poverty, they do so at different levels. The ToC currently treats multidimensional poverty as a co-benefit or outcome of reef protection, whereas the logframe positions both reef protection and livelihoods improvement (including poverty reduction) as core impact goals. This divergence reflects

differing interpretations of how poverty outcomes are integrated into programme design and will be addressed as part of the ToC review.

Despite these structural differences, the GFCR ToC and the UK Defra logframe are well aligned in their shared ambition to prevent coral reef extinction by closing the financing gap and supporting interventions that enhance reef health, biodiversity, and community resilience. The ToC's four outcome areas; reef protection, sustainable livelihoods, restoration, and community resilience, map closely to the logframe's Ecological and Livelihood pillars, with strong integration of Gender Equality Disability and Social Inclusion (GEDSI) considerations. Finance is treated as a cross-cutting theme in the ToC, while the logframe focuses in on it as its own pillar to enable clearer tracking of investment flows and returns. This was a way for Defra to monitor the impact of GFCR as a blended finance vehicle.

## Annex E: Disaggregated data for Outcome 3.1 Area Under Sustainable Management (ICF17)

Year 4				
Country	Area (Ha)	Ecosystem type	Theme	SM group
	<b>17,583</b>			
Fiji	8,183(MPA) 9,400(LMMA)	Barrier Reef	Management and Protection	Marine and Coastal
	<b>26,800</b>			
Tanzania	26,800(MPA)	Fringing Reef	Management and Protection	Marine and Coastal
	<b>3,877,894</b>			
Indonesia	481,005(MPA) 3,396,889(LMMA)	Fringing Reef	Management and Protection	Marine and Coastal
Micronesia	<b>154,433</b>			
Palau				
Marshall Islands				
	<b>690,700</b>			
Philippines	690,700(MPA)	Fringing Reef	Management and Protection	Marine and Coastal
Belize	<b>2,144,900</b>			
Mexico				
Honduras				
Guatemala				
	<b>145,318</b>			
Kenya	54,818(MPA) 90,500(LMMA)	Fringing Reef	Management and Protection	Marine and Coastal
Maldives	<b>0</b>	Atoll Reef	Management and Protection	Marine and Coastal

Sri Lanka	<b>32,094</b> 32,094(MPA)	Fringing Reef	Management and Protection	Marine and Coastal
Jordan	<b>280</b> 280(MPA)	Fringing Reef	Management and Protection	Marine and Coastal
Colombia	<b>650,170</b> 650,170(MPA)	Fringing Reef	Management and Protection	Marine and Coastal

## Annex F: Updated targets for the next reporting period (Year 5 Annual Review).

Table 7 Updated targets for the next reporting period (Year 5 Annual Review).

Indicator	25/26 (year 5) targets		Reason for change
	Current	New	
<b>Impact Indicator 2.1:</b> Number of direct jobs created (disaggregated by gender, age, disability, Indigenous peoples, small-scale producers) (#) DI 7; GFCR F6.1	1,440	5,440	Target increased: Already exceeded target, target increased to be more ambitious. The number of jobs created by GFCR is expected to increase as more programmes move into implantation phases
<b>Impact Indicator 2.2:</b> Number of People benefiting from improved resilience of coral reef ecosystems (ICF KPI 4)	22,700	38,500	Target increased: Already exceeded target, target increased to be more ambitious
<b>Impact Indicator 3:</b> Average reef fish Biomass kg/ha GFCR F4.3	3% increase	>500kg/ha	changed from using percentage change to target of >500kg/ha
<b>Outcome Indicator 1.1:</b> Leverage/mobilization ratio by sector of GFCR investment to other mobilized financing GFCR F8.6	1:1.5	1:2	Target increased: Already exceeded target, target increased to be more ambitious
<b>Outcome Indicator 3.1:</b> Area under Ecological Management (ha) (ICF KPI 17) (DI 1): coral reefs and associated ecosystems (mangroves and seagrasses) within effectively managed protected areas and other effective area-based conservation measures	2,628,682	9,000,000	Target increased following increased reporting from programmes - and the set target has been surpassed
<b>Output Indicator 1.3:</b> Number of countries supported by GFCR - TA KPI	20	20	GFCR added Brazil as one business was supported.

<b>Output Indicator 2.1:</b> Number of local scientific/research partners involved in strengthening capacity for participation and co-development (e.g., national universities, regional science organizations) (GFCR F5.3)	53	75	Target increased: Already exceeded target, target increased to be more ambitious
<b>Output Indicator 2.3:</b> Grant co-financing leveraged at the project level: Amount, number and type of private investments (GFCR 8.2)	47,000,000	74,896,440	Target increased: Already exceeded target, target increased to be more ambitious
<b>Output Indicator 2.4:</b> Investment leveraged at the project level. Amount, number and type of public investments (GFCR F8.1) & Amount, number and type of philanthropy investments (GFCR F8.3)	74,525,000	40,000,000	Target reduced substantially following the currently political landscape, difficult in mobilizing funding.
<b>Output Indicator 4.1:</b> Number of local practitioners trained / supported in coral reef conservation (e.g. community rangers) (GFCR F5.4) (ICF TA KPI2)	2667	4400	Target increased - Already significantly exceeded targets. target increased to be more ambitious
<b>Output Indicator 4.2:</b> Number of agreements with local authorities or fishing cooperatives to manage marine resources (e.g., LMMAs, MPAs, OECSs) (GFCR F5.5)	68	82	Target increased: Already exceeded target, target increased to be more ambitious

## Annex G: Review of GFCR and poverty reduction

The previous GFCR Annual Review also highlighted the need to strengthen the narrative around poverty reduction, given there was a large disparity between beneficiaries/livelihood support and the amount of funding mobilised<sup>19</sup>.

There are several reasons for this disparity:

- **Lag Effect:** many programmes remain in Phase 1 (design and operationalisation), and as they transition into Phase 2 (implementation), the number of beneficiaries and jobs created is expected to increase.
- **Indirect beneficiaries Vs Direct Beneficiaries:** A key learning from the Meso-American (MAR) Technical Site visit conducted in March 2025 found differing understandings with regards to reporting direct and indirect beneficiaries. For example, the MAR Fund did not report individuals (or by extension their families) who received

<sup>19</sup> To date the GFCR has mobilised a total of \$248.6m; over \$106m for the Grant Fund and \$141m for the Equity Fund.



support via a mentorship program as direct beneficiaries. While Defra and GFCR would count them at the point of receiving support via the programme. MAR Fund's view was that the benefit of the mentorship had not yet been realised (e.g. implementing their business plan). Following this learning, it was suspected that there may have been differences in understanding across the wider GFCR portfolio leading to under reporting. GFCR has since worked closely with convening agents to harmonise definitions and strengthen reporting methodologies.

- **Changes to reporting:** In the Year 3 review, Defra and GFCR agreed to exclude indirect beneficiaries from reporting due to concerns over the methodology, which defined them as individuals living within 100km of coral reefs<sup>20</sup>. However, recognising the intrinsic value of healthy reef ecosystems, discussions are underway to refine this approach for future reviews.

*Table 8 Review of GFCR*

Recommendation	Comments
<b>GEDSI Compliance:</b> full compliance with Defra's GEDSI guidance	Following review, the GFCR is on track to transition to GEDSI empowering by March 2026.
<b>Causal Pathways:</b> Ensure programmes explain how environmental actions will lead to poverty-related outcomes, including testing assumptions.	<p>This remains an area for improvement. There is no explicit mention of multi-dimensional poverty alleviation within the GFCR Theory of Change (ToC) or 2030 Strategic Plan, but rather terminology focuses on socio-economic benefits and livelihood support.</p> <p>The ToC should reviewed and updated to ensure assumptions and logic pathways remain true and to encompass learnings from the last 4 years of delivery. It will be important to demonstrate how GFCR's 2025-2030 strategic plan fits with the ToC activities, pathways and impacts, with particular focus on poverty alleviation.</p> <p>The GFCR mid-term reviews also present a valuable opportunity to explore casual impacts relating to GEDSI and Poverty.</p>
<b>Poverty Framing and Integration:</b> Promote clear, locally relevant definitions of poverty, embed poverty goals throughout programme logic, and use multidimensional approaches.	The GFCR supports poverty reduction via supporting sustainable financing opportunities, capacity building and technical assistance, however framing should be strengthened to align with UK ODA objectives (as discussed above)

<sup>20</sup> [An assessment of people living by coral reefs over space and time](#)

<p><b>MEL:</b> aligning poverty-related indicators with programme objectives, embedding early baseline data collection, using mixed methods, and promoting cross-programme learning</p>	<p><a href="#">The Monitoring and Evaluation (M&amp;E) framework and toolkit</a> incorporates a comprehensive set of indicators covering ecological, social, and financial parameters. Among these, several indicators specifically measure progress on poverty alleviation, improved livelihoods, and Gender Inclusion:</p> <ul style="list-style-type: none"> <li>• Number of direct jobs created</li> <li>• Total direct beneficiaries</li> <li>• Number of communities engaged in meaningful participation and co-development</li> <li>• Number of local organizations engaged in meaningful participation and co-development</li> <li>• Number of gender-smart investments</li> </ul>
<p><b>Inclusion and Representation:</b> Support meaningful participation of excluded groups, especially IPLCs and women, and increase transparency in inclusion strategies.</p>	<p>There is clear evidence GFCR is supporting inclusion and representation in decision making and leadership roles.</p>
<p><b>Intersectionality:</b> embedding analysis of overlapping vulnerabilities into programme design, targeting, and implementation, and ensuring reporting systems track intersectional outcomes.</p>	<p>This remains an area for improvement. The GFCR mid-term reviews present a valuable opportunity to assess how overlapping vulnerabilities, such as gender, ethnicity, age, and disability, are being integrated into programme design and implementation. It is recommended that these evaluations explicitly examine whether reporting systems are effectively capturing intersectional outcomes, and identify any gaps or areas for strengthening inclusion and equity across the portfolio.</p>
<p><b>Economic Viability and Equity:</b> Assess market feasibility of alternative livelihoods, avoid dependence on fragile resources, and include complementary interventions.</p>	<p>The GFCR tests the market feasibility of alternative livelihoods by conducting value chain assessments and local market research. These activities help ensure that proposed livelihood options (e.g sustainable aquaculture, eco-tourism, or artisanal products) are economically viable and relevant to the communities they aim to support.</p> <p>To avoid overreliance on fragile natural resources, GFCR projects often promote diversified income streams. For example, programmes take a portfolio approach; rather than depending solely on coral reef tourism, programmes combine conservation efforts with restoration, sustainable aquaculture, and/or vocational training. This helps build resilience and reduces vulnerability to environmental or economic shocks.</p> <p>Complementary interventions are also incorporated where needed. These may include financial literacy training, access to microfinance, or infrastructure improvements to support new livelihoods. By integrating these elements, GFCR aims to ensure that alternative livelihoods are not only sustainable but also equitable and inclusive.</p>

<p><b>Research and Knowledge Sharing:</b> Ensure research informs decisions and share lessons learned across Defra's ODA portfolio.</p>	<p>REEF+, GFCR's knowledge platform: <a href="#">REEF+   Global Fund for Coral Reefs</a> builds and supports communities of practice that aims to enhance learning and encourage solution sharing and networking among coral reef finance and management practitioners. This is delivered through focused webinars/courses and practitioner discussions, networking events, the creation and curation of thematic communities of practice and working groups, as well as annual convenings.</p> <p>UNGT have previously attended Defra's ODA GEDSI champions Community of Practice sessions, to build on this the UNGT, via REEF+ could share these open sessions with their network.</p>
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