



# FREQUENTLY ASKED QUESTIONS

**Q. Why try and save coral reefs if the IPCC estimates a 70% to 90% extinction is predicted if temperatures increase by 1.5°C and up to 99% if they increase by 2°C?**

**A.** Despite these harsh forecasts, there is still an opportunity to save coral reefs by channeling resources to protect the world's most resilient coral reef ecosystems known as "climate refugia". Studies such as Coral Reef Futures, Bright Spots, 50 Reefs and others have identified reefs around the world that show tolerance to global increases in sea surface temperatures and ocean acidification. We must boldly act now to mitigate and eliminate local drivers of degradation (e.g., overfishing, pollution, unsustainable tourism, etc.) to give these resilient reefs the best chance of survival in the face of climate change. The GFCR ensures that financial resources and efforts are deployed to these resilient reefs that may one day serve to re-colonize degraded areas and bring back stunning biodiversity.

**Q. Why is the blended finance approach uniquely positioned as an effective tool for the Fund?**

**A.** The "coral reef funding gap" has been a major challenge for coral reef conservation. Put simply, there is not enough money being put forth into coral reef projects. The use of a blended finance facility is the most viable solution to addressing this problem by employing a catalytic approach to unlocking more capital. Simply put, by using grants to de-risk private sector capital and catalyse reef-first businesses, a small amount of funding can be used to unlock larger volumes of funding.

**Q. How will the Fund leverage the use of blended finance and strategic sequencing?**

**A.** Unlocking investment capital requires a pipeline of investment ready projects. The GFCR will help develop the needed pipeline of investment ready projects that will attract investors and more importantly protect, recover and transform coral reefs and associated ecosystems.

Pipeline development will come in the form of grants provided by Member States and philanthropy which will assist with technical assistance, capacity building, financial structuring, and other early project stage needs. Concessional capital from sources such as the Green Climate Fund (GCF), Multi-lateral Development Banks and other sources are used to provide sizeable public investment that can provide guarantees or concessional loans in order to further de-risk portfolios for private investors and attract more resources for coral reef conservation.

**Q. What types of business models are eligible for consideration by the GFCR?**

**A.** Any business or financial instrument that has a direct or indirect positive impact on coral reefs including but not limited to: payment for ecosystem services carbon sequestration, wild-caught marine fisheries, aquaculture, marine bioprospecting, nature-based infrastructure, coral restoration, coastal and marine ecotourism, maritime transportation, ocean-based renewable energy, waste management, reef insurance, Marine Protected Areas and Locally Protected Areas.

## **Q. How does the GFCR differentiate from other initiatives (such as the Blue Action Fund and PROBLUE)**

**A.** Other initiatives are focused on various ocean seascapes while the GFCR will target coral reef ecosystems which are in need of urgent action. Additionally, the GFCR will pay particular attention to Small Island Developing States (SIDS) and Least Developed Countries (LDCs) who are at the forefront of climate change and are often overlooked.

Other initiatives are focused either solely on Marine Protected Area (MPA) support or focused heavily on developing sustainable fisheries. The GFCR has a more holistic approach for coral reefs. The GFCR supports the creation and effective management of MPAs and viable business models from several sectors (e.g., waste management, tourism, agriculture, fisheries, mariculture, aquaculture, coral restoration) that enable reef protection and restoration. Multi-tiered conservation activities will be implemented in a single geographic area to transform coral reef sites. The GFCR prioritizes projects that have a conservation impact, empowers communities and are sustainable through revenue generated activities.

The GFCR has the benefit of the implementation expertise of UN agencies and the financial support of dedicated private foundations such as the Paul G. Allen Foundation and the Prince Albert of Monaco II Foundation. These GFCR qualities can be leveraged to influence national governments, NGOs and the philanthropic sector to be more proactive in coral reef conservation and restoration.

Finally, the GFCR making use of its blended finance approach, mobilizes private grants and private investments. This will allow for more streamlined and aligned public/private efforts contributing directly to the 2030 SDG target and lending support to both Non-Profit and For-Profit entities.

## **Q. How can my organization contribute to the GFCR as a donor or investor?**

**A.** More details can be found on the Fundraising page of the GFCR website.

## **Q. What organization types are eligible for consideration by the GFCR?**

**A.** The following organization types are eligible: privately held companies, public companies, cooperatives, non-profit organizations, community-based organizations, family owned businesses, UN agencies, government agencies or ministries and multi-national organizations.

## **Q. What sites are being considered by the GFCR?**

**A.** Coral reef sites will be assessed on the following main guiding criteria:

- Resilience to climate change
- Biodiversity value
- Ecosystem service value for local populations (i.e., income, food security, coastal protection, etc.)
- Sites of significant global heritage (e.g., UNESCO World Heritage Sites)
- Favourable financial and legislative conditions to support revenue generating interventions with positive impacts for nature and people. However, the GFCR also works to create a more favourable financial and policy environment to catalyse revenue generating initiatives for sustainably financed conservation.
- Monitoring and evaluation potential

All sites will be considered on a case by case basis and within their regional context.

## **Q. How do I submit a proposal for a business model or site for consideration by the GFCR?**

**A.** The GFCR will be posting Letters of Interest and Calls for Proposals in 2021. The announcement will be made on the website and can be followed on the News & Events page. To receive a notification for the announcement and to receive other information pertaining to the GFCR, please subscribe to our mailing list by visiting the above mentioned News & Events page.