



Media Announcement

Global Fund for Coral Reefs Awarded Anchor Commitment Investment from the Green Climate Fund to Strengthen Reef Resilience to Climate Change

[Connecticut, New York, October 12, 2021] – The Global Fund for Coral Reefs (GFCR) is pleased to announce the approval of an initial commitment of up to USD 125 million from the Green Climate Fund (GCF) for its Investment Window managed by Pegasus Capital Advisors. GFCR is a blended finance mechanism dedicated to the conservation and restoration of coral reef ecosystems and the communities that depend on them.

Coral reef ecosystems are critical for providing coastal protection, food security, and livelihoods to coastal communities through the vast range of ecosystem services and economic activities they generate. However, climate change and local drivers of degradation are deteriorating the resilience of coral reefs and adjacent marine ecosystems. Despite the urgent need for action to avoid coral extinction and reverse degradation, the funding required for coral reef protection is approximately seven times greater than current funding flows.

As the only global blended finance mechanism devoted to coral reefs, the GFCR targets local drivers of reef degradation, including plastic pollution, sewage waste, unsustainable tourism, and unsustainable fishing, by deploying grants and investments across climate resilient coral reefs in lower- and middle-income countries.

The GFCR acts through two key financial instruments:

- (i) The Grant Window managed by the United Nations Multi-Partner Trust Fund Office** has a target size of USD 125 million of which over USD 20 million have already been committed by the Paul G. Allen Family Foundation, Prince Albert II of Monaco Foundation, and the governments of France, Germany and the United Kingdom. GFCR grants serve to incubate projects and de-risk private sector investment in a pipeline of investible business models that generate positive environmental, social and economic impact. Grant funded activities include technical assistance, capacity development, emergency grants, direct conservation activities, and monitoring and evaluation.
- (ii) The Investment Window managed by Pegasus Capital Advisors** is a blended finance private investment fund with a mandate to invest in a diversified global portfolio of mid-sized, scalable projects in the fields of sustainable ocean production, ecotourism, and sustainable infrastructure that benefit coral reef ecosystems and the people who depend on them.

At its Board meeting on October 6, 2021, the Green Climate Fund (GCF) approved a commitment to a first-loss tranche of up to USD 125 million to the GFCR Investment Window. As GCF's first at-scale private sector programme in the blue economy, the commitment is intended to de-risk investments for private investors at the fund level, thereby bridging the gap between public and private investors. GCF will serve as an anchor investor in the GFCR Investment Window.



Yannick Glemarec, Executive Director of the Green Climate Fund, said: *“I am very excited about this blue economy initiative as it represents GCF’s first large-scale private sector programme in the blue economy. GCF’s anchor investment of USD 125 million in this equity fund is revolutionary as it will attract business investment in coral reef protection across multiple countries, including a number of highly climate vulnerable Small Island Developing States.”*

Jody Allen, Co-Founder & Chair of Paul G. Allen Family Foundation, a founding partner of the Global Fund for Coral Reefs, said: *“Scientists predict that 90 percent of the world’s coral reefs will be lost by 2050 without drastic intervention. To prevent that catastrophe, we must advance solutions addressing the drivers of coral ecosystem decline in a thoughtful and coordinated way. This groundbreaking commitment from the Green Climate Fund is the first to catalyze climate finance to support coral reef conservation and restoration at scale. It addresses twin issues: the impacts of climate change on corals and the widely-recognized coral reef funding gap.”*

Lord Goldsmith, UK International Environment Minister, said: *“I’d like to congratulate the Global Fund for Coral Reefs for receiving Green Climate Fund approval. Coral reefs are among the world’s most valuable ecosystems but they are also extremely vulnerable to climate change and unsustainable human activity. This is why, through the UK’s Blue Planet Fund, we are supporting the Global Fund for Coral Reefs to enhance these crucial habitats. We must all play our part to protect the marine environment and to improve the ocean’s resilience to climate change. As hosts of COP26, the UK is putting nature at the heart of the conference, including championing the protection and restoration of marine ecosystems.”*

Craig Cogut, Founder, Chairman & CEO, Pegasus Capital Advisors, said, *“I am excited that we are part of GFCR – the first fund dedicated to SDG 14 that blends public and private sector finance. I am certainly grateful for the commitment of the Green Climate Fund as an anchor investor and the support of the many countries who have agreed to work with us. I believe we will unlock private investor capital to scale and maximize the impact of financially sound projects in the blue economy in close collaboration with the Grant Window.”*

Achim Steiner, Administrator, UNDP, said, *“Bold action is needed to protect, restore and build the resilience of our planet’s priceless coral reefs. With the generous and catalytic support of the Green Climate Fund, the Global Fund for Coral Reefs will be able to unlock game-changing reef-positive investments and empower local communities and enterprises who rely on them. This unique Fund will showcase business solutions that put nature at the heart of sustainable development.”*



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Pegasus Capital Advisors, L.P.

Pegasus Capital Advisors is a leading global private markets impact investment manager. As the first U.S. private equity fund manager accredited by the Green Climate Fund, we are dedicated to fostering sustainable and inclusive growth while providing attractive returns for our investors. Founded in 1996 by Craig Cogut, Pegasus has invested over USD 2 billion across five private equity funds. For additional information, please visit: www.pcalp.com.

United Nations Multi-Partner Trust Fund Office

Established in 2003 and housed within the United Nations Development Programme (UNDP), the Multi-Partner Trust Fund Office (MPTF Office) facilitates UN coherence and development effectiveness in addressing multifaceted issues and engages in collaborative international efforts on pandemics, climate change and biodiversity conservation. The MPTF Office assists the UN system and national governments in establishing and administering pooled financing mechanisms—multi-donor trust funds and joint programmes—to collect and allocate funding from a diversity of financial contributors to a wide range of implementing entities in a coordinated manner.



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