



The importance of oceans for all

Oceans and coastal ecosystems cover more than 70 percent of the Earth's surface, providing a natural asset of enormous significance to protect our planet, preserve and enhance local economic growth, promote regional stability and conserve global biodiversity. This generates vital ecosystem goods and services that support our future, such as climate and temperature regulation, absorption of carbon emissions, fisheries, food security, coastal protection, tourism services and jobs. Marine fisheries and aquaculture produce about 15 percent of the animal protein consumed by 4.3 billion people while supporting the livelihoods of approximately 650 to 800 million people globally.

Oceans absorb heat, generate over half of the world's oxygen and act as an important carbon sink. They have significant role in carbon stock enhancement as coral reefs, mangroves, marshes and sea grasses can sequester more carbon per unit area than terrestrial forests¹. At the same time, these coastal ecosystems strengthen communities' resilience to storms, floods, and coastal erosion, and ensure a steady stream of economic benefits including job creation, poverty alleviation and improved health. Coral reefs can generate significant economic activity attracting an estimated 70 million visitors annually with an associated expenditure of US \$36 billion (prior to COVID-19)². Up to half of the world's coral reefs have been lost, and if global temperatures rise by 1.5°C, 90% could disappear³, jeopardizing one of the richest sources of biodiversity on Earth and the livelihoods of hundreds of millions of people.

The 2019 IPCC Report on Oceans and the Cryosphere⁴ reported significant global impacts on marine ecosystems. Coral reefs for instance are facing unprecedented pressure from sea temperature increase and acidification which will have major impacts on ecosystem services and the people dependent upon them. Despite the urgent need to protect the ocean's natural mitigation and adaptation services, there is a widening financing gap to maintain and enhance ecosystems, whilst providing finance to local communities, especially those living in coastal areas of small island states, to build resilience to the impacts of climate change.

On the supply side, financiers find projects to be too risky while on the demand side, entrepreneurs face a range of policy, institutional and technical barriers to convert investment opportunities into bankable projects. To close the gap, innovative financial instruments and structuring are needed, as well as technical assistance. This includes an optimal mix of grants and non-grant instruments, de-risking financial investments; transformative policy shifts for stimulating technology and innovation to reduce barriers; and new initiatives like blue bonds and debt swaps for climate resilience. These solutions can lead to integrated coastal zone management which helps restore and manage coastal and marine ecosystems – coral reefs, sea grass and seaweed beds, mangroves, coastal and salt marshes – to protect communities from severe weather and sea-level rise while preserving blue carbon ecosystems.

¹ IUCN Issues Brief, 2017. Available online at: https://www.iucn.org/sites/dev/files/blue_carbon_issues_brief.pdf

² Northrop, E., et al. 2020. "A Sustainable and Equitable Blue Recovery to the COVID-19 Crisis." Report. Washington, DC: World Resources Institute. Available online at <http://www.oceanpanel.org/bluerecovery>

³ Special Report: Global Warming of 1.5°C: Impacts of 1.5° global warming on natural and human systems. Available online at: <https://www.ipcc.ch/sr15/chapter/chapter-3/>

⁴ Special Report on the Ocean and Cryosphere in a Changing Climate <https://www.ipcc.ch/srocc/>

GCF's unique role

The Green Climate Fund (GCF) is the world's largest dedicated climate fund helping developing countries to reduce their greenhouse gas emissions and to enhance their ability to respond to climate change in line with the Paris Agreement. We achieve our goal by investing across four transition areas – (1) built environment; (2) energy & industry; (3) human security, livelihoods and wellbeing; and (4) land-use, forests and ecosystems. Recognizing the important interdependence between ocean action and climate action, the GCF is rapidly increasing its investment in coastal and marine ecosystem protection. We provide a range of grant and non-grant instruments that de-risk investments in transformative climate projects while supporting the blue economy and marine conservation. With a partnership network of over 150 public and private, national and international organisations, GCF is cracking the code in deploying innovative financial instruments aimed to support ocean conservation and to help communities to enhance their capacity for more resilient livelihoods.

Approved programmes & projects



[FP152: Global Subnational Climate Fund \(SnCF\)](#): US\$ 150 million (equity) invested in partnership with the US-based Pegasus Capital Advisors. The project has multiple components to crowd in private sector investors (equity) in sustainable fishery supply chains (coastal fisheries) in the Pacific and Caribbean. It will provide investments in marine protected areas, tourism facility insurance and sustainable fisheries. A sister component of the SnCF is **[a Technical Assistance Facility of US\\$ 18.5 million grant](#)** led by our partner, International Union for Conservation of Nature (IUCN), that will help develop business plans so to scale private sector solutions in helping conserve national resources and create jobs.



[FP122: Blue Action Fund \(BAF\): GCF Ecosystem Based Adaptation Programme in the Western Indian Ocean](#) (Tanzania, Madagascar, South Africa, Mozambique): US\$ 36.6 million in grant funding in partnership with the German bank KfW. We are supporting local NGOs to protect ecosystem services and help vulnerable coastal populations adapt to the impacts of climate change. The programme will improve climate-resilient coastal zone management in this diverse region, and leverage additional co-financing from NGOs.



[FP147: Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean](#): US\$ 47.4 million in grant funding in partnership with UNEP. This will help implement systems that allow for timely and actionable climate information, as well as providing early warning on local extreme weather patterns which pose significant hazards. The project's longer-term science-based advice on adaptation planning and disaster risk reduction also ensures early action to mitigate climate change impacts.



[FP180: Global Fund for Coral Reefs Investment Window](#): GCF's first at-scale private sector programme in the blue economy is the Global Fund for Coral Reefs Investment Window (implemented with Pegasus Capital Advisors LP), a private equity fund to encourage investments protecting coral reefs. Targeting 17 countries in Africa, the Asia-Pacific, Latin America and the Caribbean, it aims to address critical financing and private investment barriers. GCF will act as anchor investor with its USD 125 million commitment, encouraging further public and private investment in the following areas: sustainable ocean production, ecotourism, sustainable infrastructure and waste management.

Additionally, the programme will benefit from synergies with the GFCR Grant Window, which aims to mobilise USD 125 million of concessional capital from philanthropies and other agencies in order to foster an enabling environment for seeding a pipeline of investment-ready projects.