



GLOBAL FUND FOR
CORAL REEFS

**ANNUAL NARRATIVE REPORT:
TERUMBU KARANG SEHAT INDONESIA
(TeKSI)**

January – December 2024

Programme Overview

Programme Title & Project Number		Programme Duration	
Programme Title: Terumbu Karang Sehat Indonesia (TeKSI) Programme Number: 131252		Start Date: June 2022 End Date: December 2029	
Programme Location		Co-recipient Organisation/s and Implementing Partners	
Country/ies: Indonesia Priority Coral Reef Site/s: <ol style="list-style-type: none"> Bird's Head Seascape Indonesia Eastern Indian Ocean Seascape Lesser Sunda Seascape 		Implementing Partner/s: <i>Lead Implementation Partner:</i> Yayasan Konservasi Cakrawala Indonesia (YKCI) <i>Research Partners:</i> <ol style="list-style-type: none"> Papua State University (UNIPA) Nusa Cendana University (UNDANA) Artha Wacana Christian University (UKAW) Mataram University (UNRAM) Hatch Innovation Services <i>Finance and Investment Partners:</i> <ol style="list-style-type: none"> UNDP Yayasan Konservasi Alam Nusantara The Nature Conservancy Terratai Mana Impact Harapura Impact Deliberate Capital Hatch Blue <i>Community Partners:</i> <ol style="list-style-type: none"> Blue Abadi Fund/Yayasan KEHATI EON Engineering <i>MPA Management Authorities:</i> <ol style="list-style-type: none"> Raja Ampat MPA Management Authority Bomberai MPA Management Authority National MPAs Management Authority, MMAF <i>Other:</i> East Nusa Tenggara Provincial Conservation Board (Dewan Konservasi Perairan Provinsi NTT)	

Total Approved Budget

Total GFCR Budget: US\$ 8,499,596

-Phase 1 total: US\$ 3,000,000

-Phase 2 total (current phase): US\$ 5,499,596

(USD 2,499,596 disbursed as of 30 Aug 2024)

Convening Agent: Yayasan Konservasi Cakrawala Indonesia (KI)/Conservation International (CI)

Programme Description

Indonesia's coral reefs are among the largest, most diverse and resilient in the world. Within Indonesia, the GFCR programme will focus on three priority coral reef sites—the Bird's Head Seascape (BHS), Lesser Sunda Seascape (East Sumba), and Indonesia Eastern Indian Ocean Seascape. In the BHS, the programme will: a) diversify sustainable revenue streams to the Marine Protected Area (MPA) network to ensure effective protection of critical coral reef ecosystems and the prevention of destructive fishing; and b) will invest in the marine tourism industry to ensure it is better managed, associated threats to reefs are reduced, and Papuan communities benefit. In Lesser Sunda Seascape (East Sumba), the programme will invest in transforming the rapidly growing seaweed mariculture industry to demonstrate coral-positive, equitable, and profitable models that can be replicated nationally, per the ambition of the Indonesian Government. Across both regions, the programme will focus on the direct incubation of scalable reef-positive enterprise investments. In Indonesia Eastern Indian Ocean Seascape, the programme will establish sustainable long-term financing for effective MPA management and enforcement.

Investment mobilization to reef-positive enterprises is also expected to double during the implementation phase, with extensive pipeline scoping and network, an increase in investability of potential businesses, and capacity building from domestic financial institutions.

Report submitted by:

Conservation International

Laura Vega, Senior Coordinator, Global Public Partnerships

lvega@conservation.org

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GLOSSARY

<i>Acronym</i>	<i>Definition</i>
BHS	Bird's Head Seascape
BKKPN	Balai Kawasan Konservasi Perairan Nasional / National Marine Conservation Area Agency
BLUD	Badan Layanan Umum Daerah / Regional Public Service Agency
BPLDH/IEF	Indonesian Environment Fund
CIV	Conservation International Ventures LLC
CMMAI	Coordinating Ministry of Maritime Affairs and Investment
CRFF	Coral Reef Funding Facility
EVIKA	Evaluasi Efektifitas Kawasan Konservasi / Conservation Area Management Effectiveness Evaluation
FMA	Fisheries Management Area
GDI	Gender Development Index
Gol	Government of Indonesia
KI	Konservasi Indonesia
LoB	Liveaboard
LSS	Lesser Sunda Seascape
MoEF	Ministry of Environment and Forests
MoHA	Ministry of Home Affairs
MMAF	Ministry of Marine Affairs and Fisheries
MPA	Marine Protected Area
NCE	No Cost Extension
RAMS	Raja Ampat Mooring System
SESP	Social and Environmental Screening Procedure
SME	Small and Medium Enterprises
TekSI	Terumbu Karang Sehat Indonesia
TFCCA	Tropical Forest and Coral Reef Conservation Act
TNC	The Nature Conservancy
TNP	Taman Nasional Perairan / Marine National Park
UBH	Bung Hatta University
UPTD	Unit Peaksana Teknis Daerah – Regional Technical Implementation Unit
YKAN	Yayasan Konservasi Alam Nusantara

I. Executive Summary

1. Programme Progress Update

In 2024, the TeKSI (*Terumbu Karang Sehat Indonesia*) programme entered its Phase II implementation stage. During this year, the programme has achieved substantial progress building on the foundations laid in Phase 1 (2022-mid 2024). Further details on each blended finance solutions under incubation are outlined in the dedicated sections.

Intervention I – Capacity strengthening and funding diversification for sustainable MPA management

- Following the enactment of the West Papua Governor Regulation Number 30 of 2023 on Service Tariffs¹ for BLUD Kaimana and Fakfak MPAs and the socialisation of the regulations, BLUD has drafted SOPs for administrative and operational functions. From October to November 2024, five cruise ships carrying 682 tourists visited Kaimana MPA, generating IDR 700,200,000 or about US\$46,000.
- The Coral Reef Conservation Agreement (CRCA) has been signed by the Government of Indonesia, the United States Government and conservation partners (Conservation International, The Nature Conservancy, Konservasi Indonesia and Konservasi Alam Nusantara) on July 8th, 2024. The total debt swap amount including the contributions from swap fee partners is US\$35 million, and the deal closed on January 15th, 2025.

Intervention II – Building responsible and inclusive tourism growth in Indonesia

- A series of meetings and discussions took place since March 2024 between BLUD UPTD (Regional Technical Unit), the authority that manages MPA in Kaimana and Fakfak district, and other partners to identify the Namatota village as a pilot for local community-led ecotourism enterprise in Bomberai MPAs. Namatota village was selected due to its recognition as the second-place winner in the Indonesian Tourism Village Award in 2024 for the developing tourism category.

Intervention III – Accelerating installations and operations of RAMS

- KI with BLUD Raja Ampat as the assigned Raja Ampat Mooring System (RAMS) Manager, the Southwest Papua Government, Sorong Navigation District, and Raja Ampat Harbourmaster successfully deployed two mooring buoys in Dampier Strait (Mioskon & Friwen) on June 8, 2024. RAMS also implemented a booking system which has been operationalized and is managed by 4 local service officers hired by the RAMS Manager. These officers are from two villages, Mioskon and Friwen.

Intervention IV – Safeguarding reef-positive seaweed production and development

- A series of meetings and focus group discussions have taken place in Kaliuda village, the seaweed production centre, involving community and local stakeholders, village government leaders, village-owned enterprise, farmers' cooperative, and representatives from 20 farming groups to design a seaweed hatchery intervention.
- Concepts for the coral reef solution enabling activities such as a multi-stakeholder forum for sustainable tourism and seaweed monitoring framework have been initiated and consulted with government and implementing partners.

¹ KI assisted the formulation of this regulation in Phase 1 of the programme.

Intervention V – Scaling up investment opportunities and capability of reef-positive businesses

- Investment Portfolio: As of December 31, 2024, CI Ventures (CIV) disbursed a cumulative total of US\$ 1.7M as loans and equity across four portfolio companies since Phase 1; 25% of which are gender-smart² investments. US \$1.8M was committed to investments per the programme replenishment, however it was decided to pause investment to Sejiva (value US\$ 200k) due to a need for improvement of the business model based on desk assessment and a site visit that was conducted. The site visit showed that Sejiva is not yet ready to implement a reef-positive business model to their operation in East Sumba. Additional, investment to Sambung Asa (value US\$ 250k) although has already passed the IC 1 stage, is currently on hold until clarity is provided on whether they can expand their business to the priority sites. YKAN may provide a grant to Sambung Asa to conduct a feasibility pilot to implement their business model in Berau, East Kalimantan. The result of the pilot will determine whether we will proceed with the investment.
- Investment Pipeline: As of December 31, 2024, there were more than 60 prospective reef-positive investment opportunities identified as part of the program pipeline, including 3 companies that advanced to the CIV Investment Committee 1 (“IC1”) stage³ which will bring the total number of companies financed to seven by Q2 2025.

2. Milestones and Adaptations

Key milestones for MPA financing in this period include the first revenue received from tourism activities to the BLUD Bomberai (US\$46K) and the signing of a US\$35 million debt swap to protect Indonesia’s coral reef systems under TFCCA, a significant grant facility to protect key coral ecosystems and build local capacity in the country that opens co-financing opportunities for solutions under incubation or investment by TEKSI. Initially, a portion of the proceeds will be allocated to the Blue Abadi Fund, which is a dedicated conservation trust fund for the Bird’s Head Seascape. This fund supports local communities and agencies in sustainably managing their marine resources. Over time, as the new grant fund is established and becomes operational, the allocation of proceeds will gradually shift from the Blue Abadi Fund to the new grant fund. The new grant fund will explore sustainable funding mechanisms, such as endowments and partnerships to ensure long-term financial stability to support conservation initiatives. The projected values are generated from this grant mechanism to help to bridge the funding gap. Currently this grant mechanism divides into:

- **PRIMARY Sub-grants**
Grant cycle: annual or multi-years sub grants
Grant amount: US\$ 25,000 to US\$ 500,000 per organization
- **INOVASI Medium Sub-grants**
Grant cycle: annual or multi-year sub grants
Grant amount: US\$ 10,000 to US\$ 25,000 per organization
- **INOVASI Small Sub-grants**
Grant cycle: annual sub-grants (max. of 12 months per grants cycle)
Grant amount: \$1,000 to \$10,000 per organization

These grants will be utilized by environmental NGOs, regional and local organizations, local/indigenous (*masyarakat hukum adat*) organizations, coral reef-dependent communities, as well as the Government of Indonesia (GoI) and subnational governments to improve governance and enhance management of coral reef ecosystems without replacing existing levels of financial efforts by the GOI. The flow of funds is presented in Annex H.

² Based on 2X Challenge Criteria

³ CIV employs a two-stage investment decision process: IC1 (pre-due diligence approval) and IC2 (post-due diligence approval)

An Oversight Committee (OC) was established to ensure transparency, accountability, and effective management of funds and projects. The OC consists of 9 members: i) permanent members (GoI, USG, KI, and YKAN) and ii) designated members (University of Papua and a local NGO to be nominated by permanent members). Two seats are allocated for each permanent member (with the exception of YKAN) and 1 seat per each designated member. The OC members will establish priorities and key objectives of conservation and activities to be funded; supervise the grant application process and make final decisions on grant award; oversee performance of the Fund Administrator, Trustee, and Investment Manager; and develop a monitoring and evaluation plan to determine conservation impact of funded projects.

On the investment side, of the US \$1.7M that CIV has disbursed since Phase 1, US \$850k is from GFCR funding, and US \$850k is co-financed from CIV, resulting in an investment ratio of 1:1. In Phase 2, CIV aims to finance a total of 10 additional businesses in the replenishment with a total cumulative value of US \$3,500,000 (inclusive of enterprises in Phase 1), with a target of 40% being gender-smart investments.

Most of the solutions and enabling activities will not be changed, however adjustments could be made to advance impact such as the instalment of a digital tool on mooring buoys to capture marine data and potential threats.

3. 2025 Outlook

TekSI Programme priorities in 2025 include:

Intervention I – Capacity strengthening and funding diversification for sustainable MPA management

- The operationalization of TFCCA while ensuring the quality of strategic planning of the grant facility including the inclusive consultation process with the Government of Indonesia (Ministry of Marine Affairs and Ministry of Finance Affairs). In Q1, a draft of the strategic plan of TFCCA will be developed which will outline i) the activity of coral reef conservation in Bird's Head Seascape, Banda Seascape and Lesser Sunda Seascape and ii) develop a monitoring and evaluation plan to ensure the activities aligned with the strategic plan.
- Multistakeholder forums for sustainable tourism in Raja Ampat and seaweed development in East Nusa Tenggara province initiated in Q2 2025.
- Establishment of BLUD in West Sumatra initiated and the 1st consultation meeting organized in Q2 2025.

Intervention II – Building responsible and inclusive tourism growth in Indonesia

- In BLUD Bomberai, BLUD fisheries business plan is developed and piloted, and Namatota village-led enterprise is established and operationalized. The draft business plans for BLUD and Namatota tourism will be ready in Q2 2025.

Intervention III – Accelerating installations and operations of RAMS

- Business plan and financial model for the RAMS agreed upon by key partners in Raja Ampat and Southwest Papua province. Draft business plan will be ready in Q1/Q2 2025.

Intervention IV – Safeguarding reef-positive seaweed production and development

- Seaweed nursery enterprise and handling facility established in Kaliuda, East Sumba. Business plans for these initiatives will be available in Q2 2025.

Intervention V – Scaling up investment opportunities and capability of reef-positive businesses

- In Q1/Q2 of 2025, CIV's priority GFCR pipeline opportunities to undergo due diligence include: 1) **RECO** (<https://www.recovered.id/>), an Indonesian end-to-end plastic waste recovery and recycling enterprise focused on providing plastic waste management solutions in rural and other underserved communities in Indonesia, including priority areas within and adjacent to the Bird's Head Seascape; 2) **Azura Indonesia** (<https://azuraindonesia.id/>), a social enterprise focused on electric engines for coastal fishing vessels; and 3) **Komodo Water** (<https://www.komodowater.org/>) an Indonesian social enterprise providing clean water access and ice supply to reduce seafood waste and loss in coastal fishery supply chains.
- CIV and KI will continue to work together with partners such as YKAN's KORALESTARI programme through their blended finance mechanism called Coral Reef Funding Facility (CRFF) that is being designed as an early-stage, impact-first recoverable grant fund and will be implemented with the support of TNC to provide finance for reef-positive solutions.
- Consulting partner Instellar will provide an additional pipeline target of 20 new companies during the consultancy period in addition to the companies already in the CIV pipeline. From the 20 companies that will be curated by Instellar, the aim is to get at least 10 accelerated companies and 5 investment-ready companies by the end of 2025. The target milestones include signing the contract and kicking off meetings with Instellar by the end of March 2025, holding the first committee meeting in March 2025, investing in three companies by Q2 2025 and two companies by the end of 2025 bringing the total of 5 companies invested in 2025.

II. Programme Progress Overview

In the implementation phase (January-December 2024), KI focused on three regional priority coral reef ecosystems in: i) Bird's Head Seascape (BHS) in West Papua and Southwest Papua Provinces; ii) Lesser Sunda Seascape, specifically in East Sumba Province; and iii) Indonesia Eastern Indian Ocean Seascape in West Sumatera Province (in FMA 572). BHS was selected for its high marine species diversity with over 600 species of hard coral and 1,850 species of reef fish within its 225,000-ha area, while East Sumba covers the largest of Sumba MPAs zoned under the Sawu Sea TNP, with an estimated 80% of a total 19,248-ha of reef area⁴, yet the conservation investment is lower compared to other locations. The programme's theory of change is presented in Annex E.

1. Progress Toward Outcomes and Outputs

The Birds Head Seascape (BHS)

The funding gap for the effective management of BHS both for BLUD Raja Ampat and BLUD Bomberai is currently addressed through a tourism entrance fee, support from the Blue Abadi Fund⁵, and in-kind support from provincial and district governments of Southwest Papua and West Papua, respectively. Grants from TFCCA will provide additional resources for both MPA managers and partners working in the

⁴ Monitoring Kondisi Terumbu Karang Dan Ekosistem Terkait di Kabupaten Sumba Timur - Jakarta: COREMAP CTI LIPI 2018

⁵ Dedicated conservation trust fund for the Bird's Head Seascape.

area, however a funding gap still exists. BLUD Raja Ampat requires IDR 18,824,698 (approx. US\$ 1,142) for MPA management while, the available budget from the Raja Ampat Government is IDR 881,766 (approx. US \$53,50) and other sources (CI, TNC, YKI, UNIPA) is IDR 882,878 (approx. US \$53,56). The remaining funding gap is IDR 17,060,054 (approx. US\$ 1,137)⁶.

In 2024, BLUD Bomberai earned US \$46K from tourism entrance fees, which marks the first revenue received from tourism upon its establishment. Fees are charged per liveaboard (approx. US \$133). Regulations and standard operating procedures established through TEKSI in the previous years are the enabling principles to this achievement. Moreover, exploring other revenue sources to BLUD Bomberai is underway through the assessment and preparation of a fisheries related business plan. Fisheries are the key economic driver in Kaimana and Fakfak MPAs, which is a significant opportunity for BLUD to generate revenue in this sector.

RAMS is a new hope for managing damages to coral reefs due to harmful vessel anchoring practices in tourist areas, while unlocking other revenue sources for BLUD Raja Ampat. The success of the two mooring pilots has stimulated investments from other stakeholders as the pilot phase yielded promising results. For example, fifty vessels have registered with BLUD to use the mooring system. To continue with this system, RAMS created blue jobs for communities to act as service officers (*Petugas Kepil*). At the end of 2024, BLUD confirmed that 6 additional moorings are planned in 2025 from BLUD funding.

The growth of tourism increases waste production within the area which is a direct threat to coral reefs. CIV has been exploring investments to RECO to support the establishment of a Plastic Recovery Centre that will remove plastic waste and educate communities on other waste management practices. The centre will be supported by the municipality, and there is already interest from the resorts to partner with RECO to manage the waste. The centre will also work with the waste bank that was funded by the Blue Abadi Fund to restart their operations following its discontinuation from the COVID-19 pandemic until now due to a lack of funding to cover operating costs. The operations of the waste bank are dependent on the grant for survival, but having RECO as a partner to offtake the waste from the waste bank could generate consistent revenue to re-operationalize the business. RECO is well connected to the industry via B2B channel which could provide stable market demand for the waste bank.

Lesser Sunda Seascape (LSS)

TFCCA will bring coral reef conservation financial support to Lesser Sunda Seascape which is a priority site for TEKSI. BKKPN Kupang, the authority that manages Sawu Sea Marine Park, has funding limitations for managing the MPA, but with the support of TFCCA, this will enable partners to contribute to effective MPA management.

Engagement with the private sector is an opportunity to leverage investment to MPA management in this area as well. Seaweed serves as the main commodity in this seascape and is a potential umbrella commodity for private engagement as it is well aligned with the central government priority of blue economy development in Lesser Sunda. The TeKSI programme work in East Sumba will be designed as a model for community-led seaweed development in this area. In addition, KI started piloting in late 2024 a public-private seaweed development collaboration in Ekas Bay; another model which will provide options and lessons learned for community-based seaweed farming.

⁶ Data source from Starlink (local NGO) did cost analysis in 2015

Indonesia Eastern Indian Ocean Seascape in West Sumatera Province (in FMA 572)

This area is the latest seascape included in this programme and it is a flagship seascape for KI and the Indonesian government for the integration of protection and production as a model in ocean conservation (Blue Halo S⁷). Ocean conservation investment to this seascape is even smaller than LSS and few development partners are working in this area. Out of 6 provinces in this seascape, West Sumatra is the priority for the TeKSI programme in highlighting the opportunities for blue economy development such as surfing tourism. BLUD, as a successful mechanism in the Papua region, will be replicated in this area. Consultation and engagement with local government and stakeholders started in September 2024 to introduce the TeKSI programme including the establishment of BLUD in this region. This initiative received positive responses from local government and stakeholders. As a result, KI's team held a meeting with the West Sumatera Governor in January 2025 that will be followed up with focus group discussions with stakeholders to initiate this plan. Over the next years, the focus will be on the establishment of BLUD and the most feasible revenue sources, including surfing fees.

Transforming Access to Financing for Reef-Positive Enterprises

From January to December 2024, CIV deployed a total of US\$1.2M across 3 reef-positive portfolio investments and has identified more than 60 prospective investment opportunities. Investment to Seadling (US \$500k) was completed during the inception phase in 2023. CIV investments support the investee during the fundraising period, which secured more investments from private sector and impact investors. The investment leverage is almost 1:10. As of 2024, JALA has supported 16,784 livelihoods and Seadling employs 20 people, supports 198 livelihoods and trained 390 individuals. Additional data is pending from the other investment companies. Despite slower than anticipated progress during Phase 1, there was an increase in sourcing and origination activities in late 2024, and early 2025 has identified multiple promising opportunities, including 3 new deals at the IC1 (pre-due diligence) stage, and 3 new deals currently under due diligence. Of these opportunities in-progress, 70% are Indonesian-led and/or Indonesian-owned enterprises. Further, Indonesian enterprises represent 30% of prospective pipeline opportunities.

The onboarding of consultant firm, Instellar, the development of the YKAN/TNC Coral Reef Financing Facility, and the formal launch of the Indonesia Investment Advisory Committee are all expected to accelerate progress toward the GFCR portfolio investment objectives of 15-20 reef-positive enterprise investments by 2029.

2. Grants, Investment, Revenue Mobilised

Grants and Investments:

The total CIV investment to date amounts to US \$1,700,000 disbursed to Seadling, JALA, Living Seas Aquafeed and Wittaya Aqua. Additionally, US \$1,550,000 is currently undergoing due diligence for Sambung Asa, Agrata, RECO and BlueYou.

In addition, a grant facility under TFCCA set up through the debt swap will commence in 2025, as well as grants from TFCCA to local implementing partners to establish the community-led enterprises in eco-tourism (village-owned enterprise) in both in Bird's Head Seascape and Lesser Sunda Seascape.

Revenue and Sustainability:

Most business and revenue generation interventions are at initiation stage. Tourism tariff/fees from MPA Bomberai that are managed by BLUD Bomberai has generated revenue of IDR 700 million or about US

⁷ Blue Halo S is an integrated marine conservation and fisheries management approach. S stands for sustainability.

\$46K from tourist cruises. This amount will likely increase following the progression of the tourism sector in Bomberai. TeKSI programme investment in mooring buoys has attracted investments from other stakeholders including BLUD Raja Ampat. BLUD Raja Ampat will support 6 moorings from their funding resources for a total investment of US \$148,932. Some other partners such as the public works agency and the Ministry of Tourism have expressed their interest in investing in moorings in Raja Ampat as well.

Challenges and Next Steps:

- Challenge: Most of the solutions are linked to investment which needs to be carefully designed and planned, especially with communities that are directly involved. This type of intervention of combining grant and investment in Indonesia is still uncommon, thus best practices are limited.
Next step: Learn from other partners and start with small investments. A consultant has been recruited to identify the appropriate business model and format for local community engagement in 2025.
- Challenge: The district government does not have the authority to manage the RAMS user fee and how it is allocated to the community despite its familiarity with the local context, which has caused tension among the district and regional governments. This is one of the challenges in accelerating the process of RAMS user fee implementation, particularly because of a lack of clarity from the government on how the user fee will be allocated to the community.
Next step: The RAMS business plan and the willingness to pay assessment will provide data to convince stakeholders with data.

3. Challenges and Lessons Learned:

In 2024, the main challenge in all development programs in Indonesia were the changes in government structure (the election of new government administration including Governor and head of district), which has impacted programme implementation as some activities linked to policy decisions such as the formation of regulation of the user fee and the establishment of the multi-stakeholder forum were placed on hold until the new government was inaugurated.

The other challenge is in designing a community-led enterprise initiative that empower local champions to drive the local economy. The village-owned enterprise (BUMDES) received village funds (Dana Desa) from the government but these funds were used for operational and personnel costs such as office rent, electricity and phone bills, logistic and salary for BUMDES's staff. The enterprise is not yet at a stage where it is generating revenue. Because a majority of community interventions are grant-based, this has posed a challenge in the design process. However, the programme aims to carefully build this initiative starting at the local level.

For CIV, some challenges have been encountered in this period including the geographic mismatch between the program priority sites and where the investable company currently operates. For some companies, operating in the eastern part of Indonesia is challenging due to lack of infrastructure and additional logistical costs. Because of this, economic activity in Indonesia is mostly centralized in Java. In the second phase, combining TeKSI priority sites in FMA 572, BHS, LSS, and KORALESTARI sites in LSS, Riau Islands Province, and East Kalimantan Province will aim to provide more options for companies to expand their operation to the program priority sites. Coordination with YKAN-TNC is necessary to blend CIV investments with grants to expand businesses to these priority sites, especially in LSS, which both programs have clear overlap. Internal coordination between CIV and KI field staff continues to be important to align on investment opportunities such as RECO to connect to the local needs of waste management in Sorong and Raja Ampat. Participation of the KI field staff on facilitating RECO was key during their pre-feasibility study in Sorong and Raja Ampat to advance the investment process. Also

important going forward is to connect the investment opportunities with local entities such as BLUD and village-based enterprises (BUMDES) to support local area management and the local economy.

4. Emerging Risks

Some risks that emerged occurred during this period include:

- Ensuring government buy-in due to new administration changes in Oct 2024. The KI team will conduct consultations and coordination with the new government to rebuild and obtain support for the TeKSI Programme.
- The sustainability of mooring systems is a concern due to potential changes in the new government's priorities. BLUD Raja Ampat and KI together with other partners in RAMS working group will organize regular meetings and will be involving larger stakeholders including new government administration at district, provincial and national levels to socialize the RAMS and its progress. The financial/business plan of RAMS that is currently being prepared is critical to communicate about future plans and sustainability strategies of RAMS to potential partners and investors.
- Collaboration involving funding or investment at the local level is quite risky due to lack of trust amongst community members. KI will closely assist and monitor the development of the community enterprises to minimize the risk of mismanagement of enterprises. The KI team will learn from best practices on community enterprise development in other areas in Indonesia such as Java Island.

III. Solutions

1. Overview of Progress and Composition of Solution Portfolio

TeKSI Solution #1: Entrance Fee Implementation in Bomberai MPAs

Following the enactment of the West Papua Governor Regulation Number 30 of 2023 on Service Tariffs for BLUD Bomberai, in September to October 2024, BLUD and partners conducted stakeholder consultations and received mixed feedback. BLUD Bomberai covers MPA Fakfak and MPA Kaimana. There was a positive response from the MPA Fakfak that received implementation of service tariff, however, there was still resistance in Kaimana due to a lack of agreement on the tariff proportion between BLUD and the community. Since July 2024, BLUD has also drafted SOPs for administrative and operational functions. From October to November 2024, five cruise ships carrying 682 tourists visited Kaimana MPA, generating US \$46,000. We have received commitment from the West Papua government to co-finance for regular patrol of the MPA and the funding amount will be confirmed in 2025.

TeKSI Solution #2: Debt-for-Nature Swap Mobilization (Tropical Forest and Coral Reef Conservation Act – TFCCA)

The Coral Reef Conservation Agreement (CRCA) was signed on July 8th, 2024, by the Government of Indonesia, US Government and conservation partners (Conservation International, The Nature Conservancy, Konservasi Indonesia and Konservasi Alam Nusantara). The total debt swap amount including the contributions from swap fee partners is US \$35 million. Due to some challenges with opening the bank account in Singapore, the closing that was initially scheduled in December was pushed to January 15th, 2025, and the CRCA was also amended in January 2025. Upon the closing, a series of meetings and workshops have been conducted since 2024 to form the committee structure and select the administrator (KEHATI) to perform TFCCA projects. The administrator's consultant (*REKAM Foundation*) has been recruited to produce strategic documents for TFCCA project implementation.

TeKSI Solution #3: BLUD Establishments and Surf Fee Enablement in FMA 572

Socialization of the TeKSI program to the West Sumatra government and relevant stakeholders was conducted in Bung Hatta University (UBH), Padang with approximately 37 attendees. Following the consultations, KI collaborated with UBH to assist the West Sumatra government in the establishment of BLUD's MPA in West Sumatra. A senior lecturer and marine expert from the university was hired as a consultant working to formulate an academic study on the feasibility of establishing BLUD's MPA in West Sumatra. The baseline study will be initiated for BLUD establishment and draft of surf fee regulation will be used as a result of the willingness to pay study in FMA 572 that will take place in 2025.

TeKSI Solution #4: Village-based Ecotourism Business in MPA Bomberai

Over a series of discussions with BLUD UPTD (Regional Technical Implementation Unit) Bomberai, KI identified Namatota village as a pilot for local community-led ecotourism enterprises to spark tourism development in Bomberai MPAs. Namatota Village was selected due to its recognition as the second-place winner in the Indonesian Tourism Village Award in 2024 for the developing tourism category. As a result, a short film was produced to amplify Namatota's village biodiversity, including its coral cover across Bomberai MPA. Moreover, the hiring process for a consultant to support the village in developing the ecotourism business plan will continue in 2025.

TeKSI Solution #5: RAMS Construction and User Pay System

KI with BLUD Raja Ampat as the assigned RAMS Manager, the Southwest Papua Government, Sorong Navigation District, and Raja Ampat Harbourmaster successfully deployed the pilot construction of Raja Ampat Mooring System (RAMS) at two locations in Dampier Strait on June 8, 2024. This solution brings positive impact to improve the overall health of coral ecosystem by reducing coral damage from boat anchors (Map of potential mooring locations provided in Annex H). As a continuation of this system, RAMS has also implemented a booking system managed by 4 service officers hired by the RAMS Manager. There are early signs of interest from liveaboards to use the mooring – fifty vessels have been registered on the booking system. Based on mooring buoy officers' reports from December 16-31, 2024, 35 mooring utilizations both for liveaboards and yachts were recorded. Users provided feedback on alternative fee schemes, including lower rates for members and flexible payment options. A willingness to pay and business plan will be developed in 2025. The user fee will be utilised for operational services, maintenance, repair, regulations, management and sustainable financing.

The initial investment of US\$ 51,600 was co-financed in-kind by the government toward financing the two pilot moorings as part of the TeKSI programme intervention. This investment provided a government-run vessel to stop boat traffic during the deployment process. TekSI expects six additional moorings with an estimated value of US\$ 202,603 funded by BLUD Raja Ampat. This co-financing of 25% from BLUD Raja Ampat for two pilot moorings is in addition to their in-kind contribution.

TeKSI Solution #6: Local seaweed hatchery business

A series of meetings and focus group discussions took place in Kaliuda Village on December 10-12, 2024, involving community and local stakeholders, village government, village-owned enterprise, farmers' cooperative, and representatives from 20 farming groups. The discussions focused on addressing the decreased quantity and quality of seedling resources. Due to the absence of rejuvenation, seedlings are not resistant to temperature fluctuations and climate change, thus causing diseases. Further discussions explored how seedling production can be developed into a business initiative that benefits farmers while promoting ecosystem health. Currently, potential seedling sources have been identified, including *Kappaphycus* sp. 1 from Sulawesi, and a potentially superior strain of *Kappaphycus striatus* collected during Phase 1 exploration by the University of Mataram. A sufficient mass of these seedlings will be ready for the hatchery within the next 1-2 months.

TeKSI Solution #7: Community-led seaweed first-handling facilities

As reported in Solution #6, the KI team was exploring a potential methodology and initiator for this approach whether through village-owned enterprises or cooperatives. Detailed interventions and approaches will continue in 2025.

TeKSI Solution #8: Increased Investments in Coral Reef Positive Solutions

Investment Portfolio: As of December 31, 2024, CIV disbursed a cumulative total of US\$ 1.7M across four portfolio companies, 25% of which are gender-smart.⁸ investments. CIV investment has leveraged investments from private sector investors in the ratio of roughly 1:10. Other co-investors for Seadling include Toyo Seikan Group, the Yield Lab Asia Pasific, AgFunder, Katapult Ocean, and Kul Loesningar 3. Wittaya co-investors are The Yield Lab Asia Pasific, SEEDS Capital, Future Planet Capital, and SeaAhead Blue Angels. Co-investors for JALA are Intudo Ventures, SMDV, Mirova, and Meloy Fund.

Portfolio Company	Priority Site	Sector	Financing Sources (US\$,000s) ⁹			
			GFCR	CIV	OTHER	TOTAL
Seadling	LSS	Aquaculture	--	500	1000	1500
JALA Tech Pte. Ltd.	LSS	Aquaculture	500	--	13100	13600
Wittaya Aqua	LSS	Aquaculture	350	--	2450	2800
Living Seas Aquafeeds	LSS	Aquaculture	--	350	--	350
TOTAL			850	850	16550	18250

Investment Pipeline: As of December 31, 2024, there were more than 60 prospective reef-positive investment opportunities identified as part of the program pipeline, including 3 companies that advanced to the CIV Investment Committee 1 ("IC1").

Pipeline Company	Priority Site	Sector	Stage
Sambung Asa	LSS	Aquaculture	IC1 (GFCR Funding)
BlueYou	LSS and YKAN	Other	IC1 (GFCR Funding and CIV Co-Financing)
Agrata	YKAN	Aquaculture	IC1 (CIV Co-Financing)

TeKSI Solution #9: Ecosystem-Building for 'Reef Positive' Investments

Instellar, a social impact advisory, has been contracted as a local consultant to support sourcing of reef-positive enterprises, providing technical assistance through an accelerator program and facilitating engagement between the enterprises and potential investors and partners. This consultancy aims to add 20-30 companies to the pipeline that are eligible for investment consideration directly or through the accelerator program. Selected enterprises will be supported through an investment readiness program to fundraise for investors and other financial institutions and develop partnerships with relevant stakeholders to scale and expand. The investment advisory committee will also be operationalized in 2025 that would add members from Indonesia-based investors and reef scientists to connect portfolio companies to other investors and guide additional reef-positive investment opportunities.

TeKSI Solution #10: Improving Capacity for 'Reef Positive' Practices in Portfolio Companies

This solution is scheduled for implementation in early 2025 and will be delivered by Instellar with guidance from KI/CIV. Instellar will hold an acceleration program for a cohort of 10-20 companies. Through mentoring and further assessment, it is targeted to prepare 5-10 investment-ready companies from this programme. KI and CI Ventures are closely communicating with YKAN-TNC to connect with CRFF to help

⁸ Based on 2X Challenge Criteria

⁹ Financing Sources: GFCR = GFCR funded portion of CIV investment; CIV = CIV co-financing; OTHER = Third-party co-financing

the enterprises achieve the intended impact. The acceleration program would also be open for YKAN-TNC potential grantees or investees.

2. Support and Financing

In Bird's Head Seascape, support and financing are generated to BLUDs in Raja Ampat and Bomberai from the availability of funds from the Blue Abadi Fund (BAF) and USAID projects Ber-IKAN and KOLEKTIF. TeKSI does not have any dependencies on the USAID projects, because these are complementary initiatives in addition to the work of the TeKSI programme. In the Lesser Sunda Seascape, technical support related to seaweed seedlings are provided by district marine and fisheries agency (DKP) of East Sumba, some universities in East Nusa Tenggara and Astil, and seaweed processing companies. These existing resources are necessary for the success of the program.

3. Challenges and lessons learned

The programme encountered various challenges, including regulatory and administrative hurdles, stakeholder alignment, financial sustainability, and geographic constraints. Investments in existing mechanisms such as BLUD and BUMDES (village enterprises) were pursued to de-risk efforts, recognizing the limitations in the local investment ecosystem. Implementing financial mechanisms like the Debt-for-Nature Swap and user pay systems required extensive consultations, leading to delays in decision-making. Additionally, there is a limitation of investable businesses operating within or connecting to priority sites in FMA 572, BHS, and LSS, due to lack of infrastructure, logistical cost, market opportunity or other reasons necessitating coordination with YKAN-TNC to blend CIV investments with grants and expand businesses to these areas. Capacity gaps among local communities and institutions also underscored the need for ongoing technical assistance in ecotourism, seaweed hatcheries, and investment readiness.

4. Objectives and Milestones for 2025

Bird's Head Seascape:

- TFCCA grants disbursed to local partners to strengthen MPA management in BHS
- 8 moorings deployed with funding from TeKSI and 6 moorings with funding from BLUD Raja Ampat
- Business plans developed for BLUD to generate revenues through fishery and Namatota village eco-tourism
- Multistakeholder forums organised for sustainable tourism in Raja Ampat to strengthen capacity and funding diversification for sustainable MPA management

Lesser Sunda Seascape:

- Establishment of seaweed nursery enterprise and handling facility
- Multistakeholder forums for seaweed development in East Nusa Tenggara province
- TFCCA grants disbursed to local partners to strengthen MPA management in Lesser Sunda Seascape

Indonesia Eastern Indian Ocean Seascape in West Sumatera Province (in FMA 572):

- Establishment of BLUD in West Sumatra

The Tropical Forest Conservation Act (TFCCA):

- Strategic plan developed for coral reef conservation activities in Bird's Head Seascape, Lesser Sunda Seascape and Banda Seascape
- Monitoring and Evaluation plan developed to ensure the activities aligned with Strategic plan

CI Ventures:

- First meeting for the investment advisory committee in March 2025, with confirmed participation from UNCDF, Deliberate Capital, and YKAN-TNC. Communication is also ongoing with other prospective committee members. The committee will be chaired by KI SVP and Executive Chair.
- Successful contract signing with 3 companies in Q2 2025
- Instellar to provide at least 10 accelerated companies and 5 investment-ready companies by the end of 2025

IV. Facilities and Conservation Trust Funds

1. Design Overview

The Tropical Forests and Coral Reefs Conservation Act (TFCCA) is a collaboration between the US government, Indonesian government, Conservation International, The Nature Conservancy, Konservasi Indonesia and Yayasan Konservasi Alam Nusantara. The total amount of this debt-for-nature swap initiative is US\$35 million for an estimated period of 10 years as a sinking fund. This initiative aims to preserve tropical coral reef ecosystems through grants in the three seascapes Bird's Head Seascape, Banda Seascape, and Lesser Sunda Seascape to target areas of marine biodiversity. KEHATI¹⁰ has been selected as the administrator of the TFCCA grant facility. A map of priority areas of TFCCA is presented in Annex H.

2. Progress and Challenges

Since March 2024, consultations have taken place to discuss the six guidance objectives including : i) establishment, restoration, protection, and maintenance of parks, protected areas, and reserves; ii) development and implementation of scientifically sound systems of natural resource management, including reef and ecosystem management practices; iii) training programs to increase the scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts; iv) the restoration, protection, or sustainable use of diverse animal and plant species; v) research and identification of medicinal uses of flora of coral reef ecosystems to treat human diseases, illnesses, and health-related concerns; and vi) development and support of the livelihoods of individuals dependent on coral reef ecosystems and related resources in a manner consistent with conserving such resources, including the selection of priority areas and negotiations on the draft legal agreements such as the coral reef conservation agreement, debt swap agreement, and swap fee contractual agreement.

The Coral Reef Conservation Agreement was signed in June 2024 and on August 6, 2024, an Oversight Committee (OC) was formed that consists of permanent members from the Government of Indonesia, US Government and NGOs. The Director of Ministry of Marine and Fisheries Affairs was also appointed as the Oversight Committee (OC) chairperson. The programme design will be prepared in early 2025 after the closing date, which occurred on January 15, 2025.

Several challenges occurred during this period including:

- A challenging negotiations process between the parties for 3 TFCCA agreements which were finally agreed and signed by the parties on July 8, 2024
- Agreement and set up of priorities location for TFCCA
- Determination of debt swap fee
- Delays in the closing date from December 15, 2024, to January 15, 2025, due to challenges in opening the debt service account (DSA) in Singapore.

¹⁰ A national organization with a 30-year track record in terrestrial and marine conservation.

- Delayed recruitment process of three key personnel (Director, Monitoring & Evaluation specialist and Finance Officer) by the fund Administrator (KEHATI). The recruitment process is ongoing in 2025.

V. Enabling Environment

1. Policies at National and Sub-National Levels

National level policies:

- The KI team is closely engaged with the Ministry of Marine Affairs and Fisheries (MMAF) on Indonesia Blue Economy Targets especially on MPA vision 30X45. Through other funding sources, KI facilitated activities in assessing priority areas for MPA expansions and consulted the areas with respective stakeholders. In addition, guidelines for establishing MPAs are also developed and technical analysis including cost-benefit analysis of MPA establishment.
- KI was invited by the national government (Development Planning Agency) to be involved in the development of a seaweed development road map which is expected to be completed in 2025. Previously, this was coordinated by the Coordinating Ministry of Maritime Affairs and Fisheries who contributed to several initiatives in the TekSI programme including the International Tropical Seaweed Research Institute, RAMS initiative coordination alongside other ministries such as the Ministry of Tourism and Creative Economy. However, due to the new government structure, the Coordinating Ministry of Maritime Affairs and Fisheries was disbanded and replaced by the Coordinating Ministry for Food Affairs who will continue to coordinate this initiative.

Birds Head Seascape

- The tourism spatial plan for Raja Ampat was developed with the Raja Ampat Regency Government and West Papua government and the draft tourism management legislation that will be formed for tourism governance and management for Raja Ampat has been submitted. It is currently undergoing review by the Regency Law Department. It took longer than expected because of the changes in government administration but will be completed in 2025.
- User fee regulation for Raja Ampat Mooring System (RAMS): This policy establishes a framework for creating a mooring system in the Raja Ampat Conservation Area, with a user fee structure aimed at generating funds for mooring procurement, placement, and maintenance. It also aims to develop a sustainable funding model and ensure community involvement in managing the mooring system.
- A draft MoU between the Government of Raja Ampat Regency and Yayasan Konservasi Cakrawala Indonesia (KI) in the field of Culture, Tourism, and Empowerment of Indigenous Communities has been consulted. This MoU between the local government of Raja Ampat and KI establishes a partnership for the sustainable management of natural resources in Raja Ampat. The agreement aims to support local development, environmental conservation, and community empowerment, focusing on areas such as environmental management, education, culture, tourism, and fisheries.

Lesser Sunda Seascape

Dry seaweed markets established in East Nusa Tenggara Province (NTT province) are managed through the Governor Regulation No. 39 of 2022. Two articles of this regulation had important impact on NTT seaweed industry: i) Article 15 forbids the trade of raw dried seaweed (RDS) outside the territory of NTT, necessitating processing within the province before it can be shipped to other parts of Indonesia; ii) Article 13 – NTT regional government will determine base price of commodity. There are only two seaweed

processing companies operating in NTT that are small to medium sized companies. One is a regional government-owned enterprise (based in East Sumba) and the other one is a privately owned (based in Kupang). Their raw dried seaweed price is less competitive than other companies offer. Because of this regulation, farmers in East Sumba must sell seaweed products to regional government-owned enterprise which caused a market monopoly, including price control by the company. Despite this, there is also a lack of storage facilities owned by the company which has caused an accumulation of raw seaweed materials in farmer's houses. As a result, the government repealed this regulation that encourages the growth of a healthy competition environment among business actors. KI intervention is enhanced economic and resilience for local communities through reef-positive seaweed industry development by establish local seaweed hatchery business and community-led seaweed first handling facilities.

Indonesia Eastern Indian Ocean Seascape in West Sumatera Province (in FMA 572)

The MMAF has assigned an expert from Bung Hatta University (UBH) in West Sumatra to conduct an initial assessment to identify an effective MPA management body for managing MPAs in West Sumatra. This assessment also included BLUD as a potential mechanism for MPA management.

2. Other Enabling Environment Factors

Aside from government intervention, community involvement plays an essential role in this programme. In Bird's Head Seascape, communities have actively voiced their support for the mooring system, recognizing its role in preventing coral reef destruction, securing resources crucial for their livelihoods, and are advocating for additional moorings in their areas.

In Lesser Sunda Seascape, the programme is working in partnership with research institutions to develop a safeguarding framework for a reef-positive seaweed industry and a biodiversity mapping monitoring survey in Ekas Bay. Additionally, the Indonesia Tropical Resilience Seaweed Center (ITSRC) that was launched in May 2024 is providing technical expertise to enhance seaweed propagation, processing, and market development, positioning the industry for long-term resilience and economic growth.

In the Indonesia Eastern Indian Ocean Seascape, the surf fee has existed with some concerns from stakeholders on the management and utilizations of the fee because no significant allocations have been made for environment programs. Tourism operators noticed that this policy would reduce the number of tourists due to lack of transparency of the fund.

3. Complementary Initiatives

- USAID Ber-IKAN is a 5-year development work in sustainable fisheries funded by USAID with total allocated grants of US \$2.3 million. The program focuses on registration of small fishing boat for fishermen to obtain government access facilities that empower small scale fishery communities, improving fisheries management, and protecting endangered species.
- USAID Kolektif collaborated with Kehati for a US \$126,700 grant with activities in Bomberai focusing on BLUD Bomberai governance, SOP development, financial training and facilitates the measurement of MPA management effectiveness. In 2024, USAID Kolektif and TeKSI programme coordinated on the revision of Governor's regulation to support the establishment and management of BLUD. USAID Kolektif developed SOPs of BLUD management such as administrative, communication, logistics and personnel.

It is important to note that these two USAID programmes were recently impacted by the Executive Orders from the new US administration. There are no direct implications on the TeKSI programe as these are complementary initiatives. The TeKSI programme works on establishing regulation and implementation of the entrance fee in Bomberai MPA, while USAID works on effective MPA

management and sustainable fisheries. However, the closing of the USAID programmes does affect the overall MPA management since these programmes support the important MPA management activities such as MPA surveillance, monitoring, etc.

- Blue Halo S is CI/KI's flagship program focusing on integrated marine conservation and fisheries management approach that aims to harmonize efforts in protecting and managing Indonesia's marine resources. Funded by the Green Climate Fund, the program envisages a grant facility and blue bond issuance as a blended financing initiative to set up and manage conservation areas and support the blue economy.
- ITSRI – International Tropical Seaweed Research Institute was initiated to support in developing ecological and socio-economic safeguards of reef-positive seaweed industry that currently focus on East Nusa Tenggara Province.
- ADB - Coral Reef Insurance (CRI) in which KI is a consortium member, aims for the development of a coral reef insurance pilot project in Indonesia, following the success of coral reef insurance in Quintana Roo, Mexico. Working closely with the Ministry of Marine Affairs and Fisheries, KI supported the feasibility studies that were used in coral reef pilot site selection. Nusa Penida Island in Bali has been selected for the pilot site.
- Coral Bond - The Government of Indonesia introduced Indonesia Coral Bond in the 38th General Meeting International Coral Reefs Initiative/ICRI GM 38) in September 2024. The Indonesia Coral Bond is a non-sovereign and non-debt funding instrument that is used to increase the effectiveness of conservation area management in a measurable manner using IUCN Green List standards. This bond is issued by World Bank and will be distributed through a finance manager, the Indonesian Environment Fund (BPLDH). BPLDH is identifying potential partners to deliver this activity with coverage areas in Alor, Sawu and Raja Ampat.

VI. Gender Equity and Social Inclusion (GESI)

1. Gender Roles and Risks:

The Bird's Head Seascape region has a unique characteristic in its gender approach to marine conversation as women and men have different roles. In general, women have the right to use and protect natural resources while men have ownership rights to these natural resources. This can be seen as men play a role in the formal sector as marine guards, while women play a role in the social sector by participating in supervising natural resources while carrying out domestic activities. For these reasons, the TeKSI programme is eager to involve women in its activities to ensure they have equal opportunities to men. Women have a voice in community meetings and discussions, including providing their opinions regarding conservation efforts. In the formal sector, the TeKSI programme also encourages women to apply for jobs as mooring officers (Kepil officer).

Aside from involving women in the formal sector, there are other gender aspects that need to be improved such as strengthening women's capacity and empowerment through entrepreneurship training. This capacity building is important to consider in the gender-conservation nexus because most of the homestay, culinary, and handicraft businesses are managed by women.

In Lesser Sunda Seascape, it was proven from the socio-economic baseline assessment that women have an equal opportunity in conducted seaweed cultivation. The profile of the community shows that 56% of seaweed farmers are men (ages 15-64), while 40% are women (ages >64). Income level is between IDR 1,800,000/month (approx. US \$120) and IDR 7,200,00/month (approx. US \$480). This

assessment was conducted by a consultant and KI was not engaged with the community during this assessment.

2. Programme Actions and Outcomes:

During this period, gender and social inclusion interventions focused on:

- Providing guidance on gender inclusion plans for MPA Bomberai
- Inviting networks of local groups to help disseminate information and strengthen participation of women in communities
- Developing an attendance list that segregates by gender
- Developing an invitation letter template that include women's groups and enterprises

In pursuit of sustainable and equitable Marine Protected Area (MPA) Management, the programme ensures balanced gender representation. This includes equal involvement of all genders, with a particular emphasis on women's participation. The goal is to foster a safe and inclusive environment where everyone, regardless of their gender, feels valued and their voices are heard. This approach not only promotes gender equality but also contributes to the overall effectiveness and sustainability of MPA management.

The program advocates for an inclusive approach to economic activities, where women, indigenous people, and vulnerable groups are not just beneficiaries but active participants. The strategies implemented not only provide these groups with income-generating opportunities but also ensure that these opportunities are aligned with their specific needs and promote their active involvement. This approach is crucial for achieving economic empowerment and reducing vulnerability among these groups.

3. Lessons Learned & Future Direction

A GESI intervention will be embedded in the programme activities in 2025. Throughout implementation, the programme team understands that women's engagement has an essential role in conservation. In Lesser Sunda Seascape, the programme team noticed that women play an important role in the seaweed industry as seedling binders that help accelerate seaweed cultivation. In Bird's Head Seascape, most of the tourism business entrepreneurs are women. They manage businesses of homestay, culinary and handicraft that can help in generating additional income for their families.

VII. Partnerships

1. Partner Contributions

Implementing partners:

- As the RAMS Manager, Raja Ampat MPA Management Authority (BLUD Raja Ampat) leads the implementation of the mooring system and sustainable tourism in Raja Ampat's seven MPAs, including coordinating efforts in the two national MPAs. They are responsible for patrolling and managing the Raja Ampat MPA network, with key achievements including the deployment of two pilot moorings in June 2024.
- Bomberai MPA Management Authority (BLUD Bomberai) is a key entity in the implementation of entrance fees to the MPA, development of tourism and fisheries strategy, and facilitating the establishment of the tourism village pilot. This entity is responsible for patrolling and managing the Fakfak-Kaimana network of six MPAs. BLUD Bomberai also assists in understanding how to best fund the Bomberai MPA management.
- PT. EON is a technical partner that provide services for initial assessment of mooring location, the design of mooring buoys and its management. PT. EON is also involved in the RAMS working group (POKJA) and provides technical advice to partners.

Government partners:

- Kaimana Regency Government in MPA Bomberai actively coordinates and communicates in tourism and fisheries management with the BLUD UTPD (Bomberai MPA Management Authority).
- Provincial Government of East Nusa Tenggara (NTT), Department of Marine Affairs and Fisheries (DKP NTT) provides coordination and communication to map investment patterns in seaweed development. This agency is the governance authority for marine affairs in East Nusa Tenggara waters. It also serves as the lead agency for marine management, and fisheries and aquaculture activities in provincial waters.

Research/scientific partners:

- UNDANA/UKAW – These universities conducted seaweed studies (economic and ecology) in 2023, and both partners presented their findings to stakeholders in 2024.
- UNRAM – Conducted seaweed climate resilience species assessment and identified new species with economic potential. UNRAM presented the findings to stakeholders in East Sumba in 2024.

2. Fostering Collaboration Among Partners

The TeKSI programme works closely with government counterparts both at the national and regional level throughout implementation. In each location, KI has identified and mapped out potential partners for collaboration.

Birds Head Seascape

POKJA RAMS (RAMS working group) in MPA Raja Ampat: This group was initiated to facilitate stakeholders' coordination and contributions to RAMS. This group consists of government, private sectors (tourism operators, resort and homestay associations), NGOs and local community representatives. It is coordinated by BLUD Raja Ampat as the manager of RAMS.

In MPA Bomberai, collaboration among stakeholder was not yet structured and coordinated by a certain entity. There are several partners working in this MPA including YKAN, USAID Kolektif and USAID BerIKAN and each coordinate with BLUD Bomberai separately.

Lesser Sunda Seascape

In addition to the government partner responsible for MPA and seaweed development (Fisheries Office of East Sumba and Marine and Fisheries Affairs of East Nusa Tenggara), collaboration is currently centralized with university partners such as UNDANA, UKAW and UNRAM. The universities provided technical inputs on the seaweed species to be piloted in the hatchery.

VIII. Monitoring and Evaluation (M&E)

1. Overview of M&E Activities

During this reporting period, the Monitoring & Evaluation (M&E) team has made significant progress in establishing a structured framework to guide the program's implementation and impact assessment. The M&E framework has been designed to ensure comprehensive tracking of key performance indicators throughout the program period. As part of this effort, the TeKSI M&E framework has been successfully integrated into the broader KI M&E system, creating a streamlined approach to monitoring project outcomes. A key component of this integration is the development of a dedicated real-time dashboard, which will enable continuous tracking of project progress and provide valuable data insights for decision-making.

2. Entities Responsible for M&E

To maintain an adaptive and responsive monitoring system, monthly periodic meetings have been conducted to assess progress on the ground and identify any necessary adjustments. This approach ensures that emerging challenges and contextual shifts are accounted for in program strategies. Recognizing the importance of incorporating lessons learned, a bi-annual review cycle has been scheduled to evaluate progress systematically and refine project activities accordingly.

3. Key Achievements and Insights

In parallel with these efforts, the M&E team is identifying the requirements for a more comprehensive M&E plan that aligns with the GFCR M&E framework. This will enable the project to allocate time and resources effectively, ensuring a robust monitoring and evaluation process.

Through these initiatives, the M&E framework will be better positioned to support evidence-based decision-making and enhance the program's overall impact.

4. Challenges and Lessons Learned

The project is implemented across various regions, making it challenging to regularly collect all the necessary information. Regular monitoring meetings with key TeKSI project staff are crucial to ensure consistent data collection and alignment. Given the project's fast-paced implementation, it is also essential to have a thorough and well-budgeted M&E plan that accounts for time and resource needs.

Managing regular catch-ups across different KI regional teams is important to ensure data reconciliation and consistency. Currently, the M&E plan is still under development and has not yet been finalized or approved. This includes identifying data collection needs and methods.

Integrating the TeKSI M&E system with KI's existing M&E infrastructure presents additional challenges, as the project uses a different format compared to KI's standard system. This integration will require careful planning to ensure compatibility and data consistency.

5. Next Steps and Timeline

In the next reporting period, the M&E team plans to develop a more rigorous M&E plan and conduct a critical review of activities to ensure alignment with the project's outputs and outcomes. The team will also work on integrating the TeKSI M&E system with KI's existing digital platforms to streamline the monitoring process. Additionally, the plan includes mapping out socio-economic results and GESI considerations, as well as developing standardized tools for reporting on trainings and other project activities.

IX. Programme Management

1. Decisions and Resolutions by Governance Body:

The Programme has an advisory and support team that consists of KI's Senior Vice President – Asia-Pacific Field Division, CI's Sustainable Finance, KI Ocean Advisor, and KI Senior Programme Director. This advisory committee provides insights to the TeKSI implementation team. TeKSI programme's governance committee organized one meeting in early February 2025 just after the GFCR team field visits in Raja Ampat and Sorong in Southwest Papua (Birds Head Seascape) and Sumba and Kupang in East Nusa Tenggara (Lesser Sunda Seascape). This meeting was delayed until the onboarding of the TeKSI programme lead in early January. In terms of business process, the TeKSI implementation team is supported by KI Operations team for grant management, HR, finance, IT and Admin.

2. Work Plan & Budgetary Adjustments:

No major changes in programme management, however, KI received a request from MMAF regarding the integration of mooring buoys with tools and technology to collect marine data. This request has not yet been followed up as the official request and proposal from government about this plan has not been set.

3. Operational Adjustments:

Human Resources

The TeKSI program coordinator was recruited in September 2024 to support the implementation of TeKSI programme in KI's priority areas – Bird's Head Seascape, Lesser Sunda Seascape and Indonesia Eastern Indian Ocean Seascape, while the TeKSI project lead was recruited in January 2025 and has since been onboarded. KI's VP Program was responsible for the management of TeKSI programme during this hiring process. In addition, KI also established and recruited additional staff based in Kupang to manage the programme's field implementation in Lesser Sunda Seascape.

Processes and Procedures

Other than in-house processes, there have been no additional processes or procedures developed, implemented, modified, or halted during the reporting period.

Digital Tools and Technology

The TeKSI programme is a national initiative that implements in three priority geographies: Bird's Head Seascape, Indonesia Eastern Indian Ocean Seascape, and Lesser Sunda Seascape. In the current situation of various geo-location challenges, team members and partners, use online collaboration tools (Microsoft Teams, online repository and meetings, etc.) to maintain strong communication and collaboration. These resources have been essential in accelerating our operations and help to reduce costs and carbon emissions by limiting travel to the sites when the online alternative is feasible.

4. Operational Challenges & Mitigation:

The operational challenges that occurred in this period were due to the programme team not yet being at full capacity. The TeKSI coordinator was recruited in September 2024 while the TeKSI lead was recruited in January 2025. In the interim, KI utilized existing staff resources to implement this program.

5. Replenishment

Phase II of the TeKSI programme replenishment started in July 2024. This phase is designed for a period of 3 years. Planning forward, the KI team is preparing budget projections for the 2026 fiscal year (FY26, July 2025 – June 2026) based on the programme workplan to estimate the next funding request.

X. 2025 Objectives

1. 2025 Objectives

The TeKSI programme will prioritise continuing to provide technical and financial investments to various stakeholders for strengthening coral reefs protection in the three priority areas of the programme. The programme will continue working closely with government, community and private entities. Below are the three most significant milestones to achieve in 2025:

RAMS business plan and BLUD Bomberai revenue diversifications

Diversification of revenue sources of MPAs is a key strategy for ensuring the sustainability of MPA financing. The deployment of mooring buoys as a new approach for addressing coral reefs threats from poor vessel anchoring practices is also an opportunity for increasing BLUD Raja Ampat revenue. In 2025, RAMS business plan will be completed, which details strategy (investment, partnership, communication, etc.), a roadmap toward mooring targets for achieving sustainable ecotourism in Raja Ampat and financial flows of the mooring user's fee. This plan is in development and will be socialized and consulted with various stakeholders in Indonesia. On the other hand, BLUD Bomberai will initiate a new business model in 2025 including community fisheries microfinancing and collaboration with village enterprises.

Linking LSS seaweed development strategy to national seaweed roadmap

In 2025, seaweed enterprises in East Sumba will start operations in both seaweed hatchery and processing. In addition, the KI team is invited by national government to participate in the development of national seaweed roadmap. This roadmap will entail strategies and priorities at all levels of seaweed development from on farm to off farm including processing, policy, markets, etc. Lessons learned and best practices from East Sumba will be proposed to the national roadmap.

Ecosystem building for reef positive investment

With the operationalization of the investment advisory committee that complements CIV's internal investment committee, and the support of Instellar as service provider for the accelerator program and investment readiness support will improve the investment process for reef-positive businesses opportunities, especially in the priority sites. This will aim to address previous challenges and can support the investment target for the investment phase and engage with the wider landscape of investors, financial institutions and the private sector. Priority will be given upon the governance of each element and the short-term target of disbursing at least 5 investments by the end of 2025.

XI. Communication, Visibility and Knowledge Management

1. Strategic Role of communications:

TeKSI programme communication is coordinated with the KI communications team and focuses on amplifying key messages related to coral reef ecosystem conservation and ocean conservation blended financing. A communication strategy has been developed for TeKSI programme. The aim of communication strategy is to amplify the key messages of the programme through various communication products and channels targeting stakeholders both at sub-national level and national.

In 2024, TeKSI programme communication products were primarily published on social media platforms and media publications and communication materials such as fact sheets.

- Nearly 70 publications related to the TeKSI programme with topics ranging from coral reef-positive seaweed in Nusa Tenggara, the first deployment of RAMS and local economy improvements ecotourism development in the Raja Ampat.
- Through social media, these key messages have reached 106,102 accounts and achieved 7,771 public engagement views. The social media content is presented in the form of short videos and photo carousels.
- Factsheets about the TeKSI programme and RAMS were produced and shared in events such as the COP16 CBD and engagement with local stakeholders.

2. Alignment with programme goals:

Communication messages and efforts were planned and aligned according to the programme milestones and achievements, as well as building awareness of communities about a new initiative such as the debt-for-nature swap. Below are some examples:

- The KI team organized a media visit and prepared a press release during the first deployment of mooring buoys in Raja Ampat. The installation process was covered by journalists from prominent national media outlets including [KOMPAS](#), [Mongabay](#), and news agency [ANTARANEWS](#), which were further amplified by online media outlets.
- Upon the signing of Coral Reef Conservation Agreement (CRCA), KI invited media for exploring coral reefs in Lesser Sunda Seascape which has received less attention in the past years. This was then featured in a long-form article, infographic, video and published by CNN on September 26, 2024.
- After the seaweed climate resilience species identification was completed and identified two new seaweed species with economic opportunities, the KI team prepared a press release on this finding and 10 media outlets published the news.

3. Effectiveness and Future Planning:

Leveraging digital platforms and media publications have been identified as the most effective communication approaches in supporting this programme. Therefore, in 2025, the programme will continue to focus on its engagement on social media platforms, media publication, developing digital products and producing communication materials to amplify the TeKSI programme to a wider audience. The programme will aim to share success stories, testimonials, and case studies that illustrate the programme's impact and benefits.

4. Knowledge Sharing:

KI's communications team participated in the GFCR online sharing platform where the TeKSI programme communication strategy was presented as well as its gender mainstreaming efforts. Moreover, the KI team participated in UNCBD 2024 alongside the GFCR and Indonesian government to present RAMS progress and future plans for the programme.



Annex A – Results Framework

Please refer to Excel document submission.

Annex B – Programme Milestones by Activities

	Deliverables/Milestone	Target Date of Completion	Status	Milestone Remarks
OUTCOME 1	PROTECT BHS: The funding gap to effectively protect the globally significant coral reef and associated ecosystems in the Bird's Head Seascape MPA network is significantly reduced			
OUTPUT 1.1	MPA financing: Increased, diversified and more sustainable revenue sources that support MPA management in priority MPAs in the BHS through: (a) a coral reef focused debt for nature swap for the Blue Abadi Fund; and (b) replication of relevant MPA governance and financing models first piloted in Raja Ampat.			
	Activity 1.1.1 – Participate in the negotiations for a debt-for-nature swap and support the design of related governance and administrative components. If agreement is reached, co-invest in the debt for nature swap, thus closing Blue Abadi's financial gap in perpetuity.	Q4 2024	On track	Discussions between KI, Gol, and TFCCA were conducted in August 2024, agreeing to a total amount of US\$ 35 million debt-for-nature swap. Conservation Agreement delayed in Q4 2024 but signed in January 2025.
	Activity 1.1.2. – Develop a sustainable financing plan for Cenderawasih Bay National Park and an improved user fee mechanism to support park management costs.	No target completion date and budget under this activity	Revised	KI shifted priority locations - Lesser Sunda Seascape with BKKPN Kupang and Indonesian Eastern Indian Ocean Seascape – FMA 572 as Blue Halo S pilot site, as described in the replenishment document.
	Activity 1.1.3 – Build the capacity of the newly established Bomberai BLUD to secure and manage sustainable financing for the Kaimana and Fak-Fak MPAs through a combination of sources.	Dec-2023	Achieved	KI developed a diversified sustainable financing plan for Bomberai BLUD – managing authority of Fakfak and Kaimana MPAs – through the implementation of a service tariff and formulating the legislation. The Governor Decree on



				User Fee in Bomberai BLUD was signed in 2023.
	Activity 1.1.4: Support development and implementation of MPA sustainable financing model of BLUD in WPP 572	June-2027	On Track	KI organized preparatory meetings and the development of a road map of BLUD initiatives in 2024.
OUTCOME 2	TRANSFORM BHS ECOTOURISM: Culturally appropriate, reef-positive economic development and livelihood initiatives are cultivated in the BHS, in and around the MPA network, with an initial focus on ecotourism, thus reducing the rates of poverty and food insecurity and creating jobs for local reef-dependent communities, while incentivizing continued coral-reef conservation			
Output 2.1	RESPONSIBLE ECOTOURISM GROWTH: The anticipated growth of ecotourism in the BHS is thoughtfully planned, geographically dispersed, and well-managed, ensuring sustainable ecotourism grows in such a way that reduces impact to coral reefs and maximizes benefits to local communities while incentivizing continued conservation.			
	Activity 2.1.1 – In partnership with the Raja Ampat Regency Government and West Papua government, develop a Tourism Spatial Plan for Raja Ampat future tourism developments.	Dec-2023	Achieved	This activity has been completed in Phase I.
	Activity 2.1.2: In partnership with the Raja Ampat Regency Government and West Papua Government, draft comprehensive tourism management legislation for Raja Ampat.	June-2027	On track	Considering the study results from Activity 2.1.1, the draft of the tourism management legislation for Raja Ampat has been completed and submitted. It is currently undergoing review by the Regency Law Department.
	Activity 2.1.3: Conduct community, government, and stakeholder consultations to generate and vet investment pipeline	June-2027	On track	In preparation for the development of a multistakeholder forum, KI organized 3 meetings in 2024.

	<p>across all eco-tourism activities.</p> <p>Phase II: The activity will be focused on strengthening stakeholders' capacity on reef positive and responsible tourism through establishment of multistakeholder forum on sustainable tourism in Raja Ampat to produce guideline for sustainable tourism.</p>			
	<p>Activity 2.1.4: Once the Tourism Spatial Plan is complete (Activity 2.1.1), begin structuring a package of tourism infrastructure development investments and/or a plan for a sustainable resort investment for the GFCR Equity Fund.</p>	June-2027	This activity has been combined with Activity 2.1.3.	See Milestone Remark above.
Output 2.2	<p>INCLUSIVE TOURISM DEVELOPMENT SUPPORT: Equitable access to financing and technical support for micro, small and medium coral reef-positive ecotourism enterprises is increased, with a specific focus on Papuan and women-led enterprises and sustainable enterprises at risk of COVID-caused bankruptcy.</p>			
	<p>Activity 2.2.1: Explore demand, opportunities, and constraints to commercial microfinance access in West Papua. Assess the demand for commercial microfinance and needs for related technical assistance in West Papua with emphasis on Papuan and/or women-led</p>	Jun-2023	Revised/On-Track	<p>Upon consultation with partner, local government and field team, this activity was not considered as the priority programme in TekSI. However, in this current phase, village-based enterprises (Bumdes) or local enterprises will be supported as part of the pilot implementation of</p>



	microenterprises in the ecotourism sector.			local community-led reef-positive ecotourism management. In 2024, KI has conducted several preparatory meetings.
	Activity 2.2.2: Diversify BHS ecotourism SMEs by investing, via CI-Ventures, in a portfolio of diverse coral-positive small or medium enterprises in the eco-tourism industry, including structuring COVID recovery financial packages in exchange for reef-positive sustainability commitments.	Dec-2023	Revised (to be continued in Phase 2)	Phase 1 revealed the scarcity of ecotourism SMEs in BHS suitable for investment assessment. To tackle this challenge, in Phase 2, CIV will continue this activity shifting its focus to engage enterprises beyond the BHS region, encouraging them to establish operations within the designated GFCR program area. At the same time, KI will also aim to build a village-based tourism village in Bomberai as detailed in revision of Activity 2.2.1 as an alternative approach in piloting sustainable tourism business and empowering coastal livelihoods.
	Activity 2.2.3: Scope potential for establishing a tourism training center for BHS.	No target completion date and budget under this activity	On track	Scheduled to be implemented starting in Phase 2. KI is currently disseminating the spatial plan study and communicate the recommendations to the key stakeholders.
Output 2.3	ECOTOURISM THREAT REDUCTION: Direct impacts of the ecotourism industry on coral reef ecosystems in the Bird's Head Seascape, including from anchor damage, plastic waste, and wastewater, are reduced.			



	Activity 2.3.1: Develop a fully functional, legally mandated, and self-financing Raja Ampat Mooring System (RAMS).	June 2027	On track	<p>On June 8, 2024, 2 pilot mooring buoys were deployed and the mooring buoy service including the booking system and mooring officers officially started on December 16 of 2024. Based on mooring buoy officers' reports from December 16 – 31, 2024, 35 mooring utilizations both for liveaboards and yachts were recorded.</p> <p>RAMS Manager will deploy 6 new mooring buoys as a continuation of 113 identified mooring points during Phase 1.</p> <p>User Pay system has been discussed with the users, including JANGKAR, and received several inputs such as other alternative financing schemes for members. This discussion also resulted in the development of a business plan and willingness to pay survey that will be conducted by a consultant from December 2024 to May 2025.</p>
OUTCOME 3	ENHANCED ECONOMIC RESILIENCE THROUGH REEF-POSITIVE SEAWEED DEVELOPMENT			
Output 3.1	EVIDENCE-BASED FRAMEWORKS FOR REEF-POSITIVE SEAWEED DEVELOPMENT. Foundational research to guide near-term reef-positive mariculture siting and growing practices and long-run disease and climate resilience.			

	Activity 3.1.1: Undertake East Sumba baseline biophysical, bioecological, and socioeconomic baseline assessments	Dec-2023	Achieved	<p>Baseline assessments in East Sumba are completed.</p> <p>Bioecological research was undertaken around six seaweed cultivation locations in East Sumba. Two main results of the research, which will be used as baseline indicators are: i) the average life coral cover was 36.5%; and ii) the coral fish class was found to be consistently low with a fish biomass average of 146.3 kg/ha.</p> <p>The socio-economic baseline assessment of East Sumba indicates potential for expanding the seaweed industry with regulatory support. Seaweed cultivation, which accounts for almost 20% of local employment, serves as the primary income source alongside other activities, with equal involvement from both genders as shown by a GDI of 0.73.</p>
	Activity 3.1.2: Support and advance seaweed disease and climate resilience research	Jun-2023	Achieved	<p>Research conducted in Phase 1 discovered two new seaweed strains which are expected to be better suited for cultivation, and more disease- and climate-resilient. Follow-up activities</p>



				include investing in the establishment of Indonesia Tropical Resilience Seaweed Center (ITRSC) and piloting climate resilient seedling hatchery-are scheduled to be completed in Phase 2.
Output 3.2	ROADMAP FOR INVESTMENT IN REEF-POSITIVE SEAWEED DEVELOPMENT. Roadmap and strategy for blended investment in reef-positive seaweed industry and livelihood development			
	Activity 3.2.1: Design and develop coral reef-positive seaweed investment guidance, and impact monitoring and assessment framework and tools.	Sep-2023	Achieved	In the inception phase, CIV completed the first draft of reef-positive investment guidelines and criteria for various blue economy business lines (e.g. ecotourism, marine aquaculture, etc) , including the framework of assessing impact to the environment and livelihood development, measuring overall risk of the business, and monitoring the projected results. CIV's Investment Guideline is provided as a separated document.
	Activity 3.2.2: Explore opportunities, and constraints to sustainable, coral-positive seaweed sector investment in Sumba and development of investment roadmap.	Sep-2023	Achieved	Included in the baseline assessment conducted in Activity 3.1.1 , opportunities, and constraints for reef-positive seaweed industry in East Sumba have been identified and will be taken into consideration in investment roadmap development . Follow-up



				activities are scheduled to be completed in Phase 2.
	Activity 3.2.3: Develop pipeline of SMEs within and across the seaweed value chain that have potential to deliver positive, quantifiable sustainable development, and livelihood benefits while reinforcing coral reef protection and conservation.	Dec-2023	Achieved	Output included in Activity 4.1.1 as per submitted workplan. Please refer to Annex I for pipeline information and details of Phase 1.
	Activity 3.2.4: Reef-positive seaweed production and monitoring in Ekas Bay (Lombok)		On Track	Training on reef-positive seaweed cultivation practices for seaweed farmers and local communities as well as developing reef-positive monitoring framework and safeguards will be completed during the next reporting period in Phase II.
OUTCOME 4	TRANSFORM ACCESS TO FINANCING FOR CORAL-POSITIVE ENTERPRISES: Reduced barriers to financial access for coral-positive micro, small, and medium enterprises			
Output 4.1	PIPELINE OF CORAL REEF-POSITIVE INVESTMENT OPPORTUNITIES IN PRIORITY SITES: Geographically, strategically, and thematically aligned investment opportunities are identified in Priority site.			
	Activity 4.1.1: Develop pipeline of strategically and thematically aligned coral-positive investment opportunities in GFCR Indonesia Priority Areas.	Dec-2023	On Track	Including outputs of Activity 2.2.2 and 3.2.3 , throughout Phase 1, we have benefitted from Hatch & CI Ventures' co-hosted event "Women in Ocean Food", their relationship with UNDP for "Blue Finance Accelerator" and "AIS Forum" programs, among others from our network such as Deliberate Capital, to get a pipeline of



				<p>total 18 companies. Selected companies proceeded to advance for investment as referenced in Annex I.</p> <p>Update 2024: To date, CIV's pipeline database listed 62 companies that potentially align for reef positive investment. Secured NDA with Terratai and closely coordinated with YKAN-TNC, and other partners like Deliberate Capital, Harapura Impact, Mana Impact, Hatch Blue, and UNDP will continue to add the pipeline. Instellar hired to provide 20 – 30 new companies to the pipeline.</p>
Output 4.2	INVESTMENT MOBILIZATION: Mobilization of initial portfolio of coral-positive investments in GFCR Priority Areas and sectors			
	Activity 4.2.1: Form, establish, and operationalize dedicated GFCR Indonesia investment window with CI Ventures.	Dec-2022	Achieved	CI Ventures has hired a local investment officer which has been on board since Jan 1 st , 2023, and hired a local law firm for country legal due diligence for CIV operationalization in Indonesia. Relationships have been established with several development partners such as UNDP, USAID, YKAN, WB , among others with the prospect of taking part in the investment advisory committee .



	Activity 4.2.2: Capitalization of dedicated GFCR Indonesia investment window within CI Ventures.	Sep-2022	Achieved	<p>CI Ventures has established a special budget account specifically for Indonesia. Furthermore, an investment memorandum and agreement have been executed with Indonesian company, as a commitment to investing in and supporting local enterprises.</p>
	Activity 4.2.3: Investment execution and portfolio management.	Dec-2023	On Track	<p>Seedling – an enterprise focusing on seaweed bioprocessing – was the first investee within the TeKSI programme, with a granted US \$500,000 investment funded by CIV as part of the initial commitment of joint investment with GFCR. Between April and June 2024, four companies (Jala, Wittaya, Sambung Asa, and Sejiva) were deployed for investment with total amount of US \$1,300,000.</p> <p>Update 2024: Invested in JALA and Wittaya Aqua US \$850,000 and conducted due diligence for RECO, Sambung Asa, and BlueYou with the total amount is US \$900,000. Conducted site visit with Sejiva and decided that the business model is not the priority for investment.</p>

Annex C – Dashboard Intake Form

Please refer to Excel document submission.

Annex D – Risk Log

Event / Risk	Cause	Impact/s	Risk Category	Risk Level	Mitigation / Management Measures	Remarks
Funding gap for MPA management	Insufficient or delayed financial commitments from donors or partners. The capacity of MPA management has not been strengthened yet to generate income.	Reduced effectiveness in protecting coral reefs, potential decline in biodiversity. The MPA management has insufficient funding to protect coral reef, and its potential decline in biodiversity.	Financial	Impact: 4, Likelihood: 3 = Substantial	Regular financial assessments conducted to identify potential funding gaps and develop strategies to address the risk	
Failure in the implementation of debt-for-nature swap for Blue Abadi Fund	Political or economic instability, lack of stakeholder buy-in	Limited funding for MPA conservation, reputational risk	Political, Financial	Impact: 5, Likelihood: 3 = High	Strengthen stakeholder engagement, creating business models that generate income while promoting marine conservation or other exploring alternative financing models	
Limited financing for micro and small ecotourism	Lack of access to credit, administrative barriers	Delay in Outcome achievement	Financial	Impact: 3, Likelihood: 4 = Moderate	Enhance the support for Indigenous People or locally led management	

enterprises that led to mistrust among community members						
Unsustainable tourism growth impacting reefs	Weak enforcement of ecotourism guidelines, over-tourism	Damage to coral reefs, loss of marine biodiversity	Environmental, Operational	Impact: 4, Likelihood: 4 = High	Develop and enforce Tourist guidelines	
Plastic and wastewater pollution from tourism	Inadequate waste management systems, lack of awareness	Coral reef degradation, reduced water quality	Environmental, Operational	Impact: 4, Likelihood: 3 = Substantial	Implement waste management strategies, promote sustainable practices among tourists	
Failure to develop reef-positive seaweed mariculture	Lack of investment, poor market access	Economic insecurity for communities, continued reliance on destructive fishing practices	Financial, Strategic	Impact: 4, Likelihood: 3 = Substantial	Develop investment roadmap, strengthen market linkages, provide technical support. Invest in research by engaging with research centre such as University or research center to obtain new strains that are resilient to climate change	
Limited access to finance for reef-positive enterprises	High perceived risk by investors, lack of financial literacy	Slower adoption of sustainable business models	Financial, Regulatory	Impact: 3, Likelihood: 4 = Moderate	Build partnerships with financial institutions to tailor financial literacy. Increase investor awareness, provide	



					capacity-building programs.	
Failure to mobilize investments in GFCR priority areas	Weak pipeline of investment opportunities, lack of investor confidence	Delayed economic and environmental benefits, missed conservation opportunities	Financial, Strategic	Impact: 4, Likelihood: 3 = Substantial	Engage with private sector to reassure investors about the viability of the project. Develop investment incentives, strengthen public-private partnerships	

KI has established an Accountability Grievance Mechanism (AGM) to promote transparency, fairness, and accessibility for all stakeholders. This mechanism offers multiple channels for submitting complaints and ensuring ease of access. Additionally, individuals can request confidentiality to safeguard their identity and sensitive information. Notably, no complaints were received during the 2024 project period.

All grievances are systematically recorded in a centralized database, enabling the AGM Coordinator to effectively track and monitor case progress. This structured approach ensures timely resolution, strengthens accountability, and fosters trust in the grievance-handling process.

Annex F – GESI Action Report

Linked Programme Outcome	Objective	Action	Indicator	Milestone – 2024	Remarks
OUTCOME 1: PROTECT BHS	Strengthen women's participation in MPA management and ensure that all resource users' needs, ideas and priorities are reflected in plans.	Address the evidence requirements of the above list	Address the evidence requirements of the above list	As per the evidence requirements	Substantiate / explain milestone/s that were (not) accomplished through the reporting period, as necessary.
	Strengthen women's participation in MPA management and ensure plans are inclusive of the requirements and target participation.	<ul style="list-style-type: none"> ● Provide guidance on gender inclusion plan for MPA Bomberai ● Invite networks of local groups to help disseminate information and strengthen participation of women in communities, making information and communications materials appropriate and accessible 	# of women and men participate in training on financial management of Bomberai BLUD Pokdarwis Kampung Namatota (kelompok home stay)	Financial and MPA management capacity building and its implementation with inclusive gender.	In the pursuit of sustainable Marine Protected Area (MPA) Management ensure balanced gender representation. This includes equal involvement of all genders, with a particular emphasis on women's participation. The goal is to foster a safe and inclusive environment where everyone, regardless of their gender, feels valued and their voices are heard. This approach not only promotes gender equality but also contributes to the

					overall effectiveness and sustainability of MPA management.
OUTCOME 2: TRANSFORMED BHS ECOTOURISM; OUTCOME 3: ENHANCED ECONOMIC AND LIVELIHOOD RESILIENCE FOR LOCAL COMMUNITIES THROUGH REEF-POSITIVE INDUSTRY DEVELOPMENT AND OUTCOME 4: TRANSFORM ACCESS TO FINANCING FOR REEF-POSITIVE ENTERPRISE	Enhance the active involvement of women in income-generating activities and guarantee that the strategies implemented meet their needs.	<ul style="list-style-type: none"> Develop attendance list that segregate by gender Develop invitation letter template that include women groups/enterprises Financial literacy training for women managing the village-owned enterprises and community businesses 	<p># of women and men participate in the trainings or capacity buildings, disaggregated by gender, vulnerable group, and indigenous people.</p> <p># of Indigenous people obtained business opportunities and job creation disaggregated by gender.</p> <p># of women vulnerable people who obtained access to jobs created and business opportunities disaggregated by gender and sector.</p>	<p>Balance portion of gender involvement of indigenous people and vulnerable people in capacity-building activities.</p> <p>Establishment of community businesses and job creation with gender inclusion, indigenous people, and vulnerable people.</p> <p>Women led businesses obtained financial access to develop their businesses.</p>	Advocating for an inclusive approach to economic activities, where women, indigenous people, and vulnerable groups are not just beneficiaries but active participants. the strategies that not only provide these groups with income-generating opportunities but also ensure that these opportunities are aligned with their specific needs and promote their active involvement. This approach is crucial for achieving economic empowerment and reducing vulnerability among these groups.



			# women-led businesses that can access financing.		
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Annex G – Safeguards

Provide an update on any safeguard risks encountered by the programme. Also report on previous safeguard concerns and how they have been addressed. These may be specific to solutions or for the programme as a whole. Safeguards cover social and environmental risks. The Social and Environmental Checklist has been provided as a guide to complete this Annex. For responses with a “Yes” expand on the mitigation measure.

CHECKLIST POTENTIAL SOCIAL AND ENVIRONMENTAL RISKS	
Principles 1: Human Rights	
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of vulnerable/marginalized groups?	No (assuming safeguard policies and mitigation measures listed below are applied)
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹¹	No (assuming safeguard policies and mitigation measures listed below are applied)
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No (assuming safeguard policies and mitigation measures listed below are applied)
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No (assuming safeguard policies and mitigation measures listed below are applied)
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No (assuming safeguard policies and mitigation measures listed below are applied)
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	No (assuming safeguard policies and mitigation measures listed below are applied)
7. Have local communities or individuals (including local opinion leaders), given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No (assuming safeguard policies and mitigation measures listed below are applied)
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and/or individuals?	No (assuming safeguard policies and mitigation measures listed below are applied)
Principle 2: Gender Equality and Women’s Empowerment	

¹¹ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.



1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No (assuming safeguard policies and mitigation measures listed below are applied)
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	Yes
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No



1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	<p>Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?</p> <p><i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i></p>	No (assuming safeguard policies and mitigation measures listed below are applied)
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹² greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3	<p>Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?</p> <p><i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i></p>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No (RAMS does not include in a large-scale infrastructure development)
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No (assuming safeguard policies and mitigation measures listed below are applied)
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No

¹² In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]



3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No (assuming safeguard policies and mitigation measures listed below are applied)
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	Yes
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ¹³	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	Yes
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	Yes

¹³ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

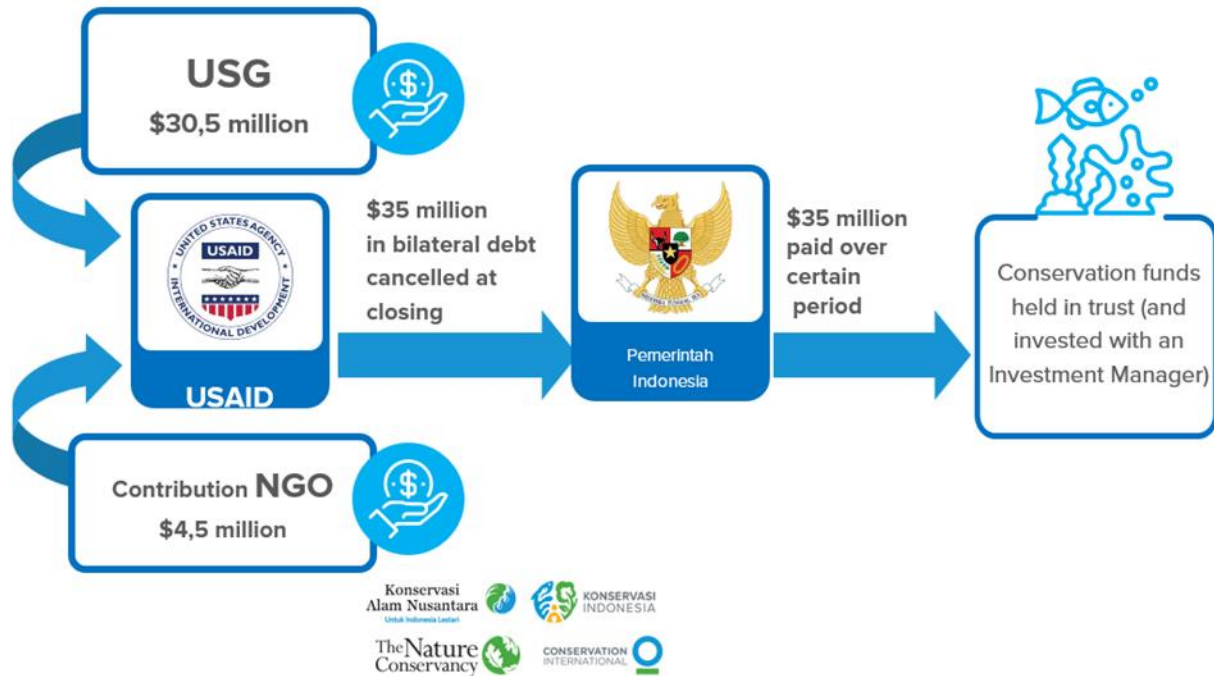


6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	No (assuming safeguard policies and mitigation measures listed below are applied)
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	Yes
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	Yes
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	Yes
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Annex H – Supplementary Maps and Diagrams

TFCCA Flow of Funds

FLOW OF FUNDS



Map illustrating TFCCA priority areas

