

Preparatory Grant – UNDP Maldives

Programme Title: Technical Assistance/Finance mechanism for the Protection and Restoration of Maldives' Marine Ecosystems	Recipient Organisation(s): UNDP
Programme Contact: Ahmed Shifaz, Assistant Resident Representative, UNDP Maldives ahmed.shifaz@undp.org	Programme Location: Maldives
Programme Description: The UNDP Maldives Country Office aims to use the preparatory grant to identify a suitable blended financing mechanism/national finance provider, through which to disperse sustainable funding for priority ocean conservation and climate change adaptation activities and to incentivize and de-risk investments into activities that will support local coral reef-based economic sectors and livelihoods.	Total Preparatory Grant Costs: USD 100,000
	Proposed Project Start Date: 1 March 2021 Proposed Project End Date: 10 May 2021
Key expected outputs <ul style="list-style-type: none"> - Full Programme Proposal submitted to the GFCR Executive Board in May 2021 - Key elements to be included in the full Programme Proposal: (a) Presence of resilient reefs; (2) Blended Finance to promote sustainable revenue streams with positive impact on coral reef ecosystems and dependent communities; (3) Consortium of partners convened by UNDP; (4) M&E Strategy; (5) Budget and workplan tied to clear milestones 	
Signature of Receiving Organisation - UNDP: Print: _____ Name: _____ Title: _____ _____	

Concept Note

FACT SHEET

Title of the proposed Programme: Technical Assistance/Finance mechanism for the Protection and Restoration of Maldives' Marine Ecosystems

Lead Entity: United Nations Development Programme (Maldives Country Office)

Date: 14th January 2021

Lead contact person: Ahmed Shifaz (UNDP)

Other participating entities and contact persons:

- United Nations Development Programme (Maldives Country Office)
- Maldives Ministry of Fisheries, Marine Resources & Agriculture
- Ministry of Environment
- Maldives Marine Research Institute
- Maldives Ministry of Finance
- United Nations Environment Programme (UN Environment)
- United Nations Capital Development Fund (UNCDF)
- IUCN
- Additional partners to be defined during PPG

Name of coral reef site or project area: The Maldives Archipelago

Period of implementations (years and months): 3 months (PPG)

Total amount requested:

Grant Window capital amount requested: USD100,000.00

Investment Window capital amount requested: N/A

Relevant objective/s from national strategic document/s:

Government Strategic Action Plan (2019-2023)

Blue Economy - Fisheries & Marine Resources

Policy 2: Ensure the integrity & well-being of the marine ecosystems

Policy 3: Strengthen institutional capacity & foster international & multi-sectoral partnerships

Policy 4: Promote employment in fishery & marine resource sector

Policy 8: Strengthen the role of education, research and technology in development & promotion of the fisheries and aquaculture sectors

Blue Economy – Small & Medium Enterprises (SMEs)

Policy 2: Improve access to finance to SMEs

National Biodiversity Strategy & Action Plan (2016-2025)

Strategy 1: Strengthen governance, policies & strategies for biodiversity

Strategy 2: Enhancing communication & outreach through awareness programmes & capacity building

Strategy 4: Ensure sustainable use of biological resources

Strategy 5: Address threats to conserve biodiversity

Strategy 6: Strengthen information management and resource mobilisation

SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars):

- **SDG5 (gender equality):** Target 5.a (reforms to give women equal rights to economic and natural resources);

- **SDG8 (decent work and economic growth):** Target 8.3 (promote decent job creation, entrepreneurship, creativity and innovation, and encourage growth of micro, small and medium-sized enterprises); Target 8.6 (decrease youth unemployment); Target 8.9 (promote sustainable tourism that creates jobs and respects local culture and products); Target 8.10 (strengthen domestic financial system);

- **SDG9 (industry, innovation and infrastructure):** Target 9.3 (increase access of small-scale and industrial enterprises to financial services);

- **SDG12 (responsible production and consumption):** Target 12.2 (achieve sustainable management and use of natural resources);

- **SDG13 (climate action):** Target 13.1 (Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries); Target 13.2 (Integrate climate change measures into national policies, strategies and planning); Target 13.3 (Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning)

- **SDG14 (life below water):** Target 14.1 (reduce marine pollution of all kinds); Target 14.2 (sustainably manage and protect marine and coastal ecosystems); Target 14.4 (sustainably manage fish stocks and combat destructive fishing practices); Target 14.7 (increase economic benefits to SIDS and LDCs from sustainable use of marine resources); Target 14.b (provide access for small scale fishers to marine resources);

- **SDG17 (partnerships for the goals):** Target 17.3 (mobilise additional financial resources for developing countries); Target 17.9 (enhance support for capacity building in developing countries); Target 17.16 (enhance global partnerships that mobilise and share knowledge, expertise, technology and financial resources); Target 17.17 (promote public-public, public-private and civil society partnerships).

In addition, the joint programme will have important secondary impacts on multiple additional SDGs. These include: **SDG1 (zero poverty); SDG2 (zero hunger); SDG10 (reduced inequalities);**

Relevant GFCR outcomes and outputs:

Outcome 1: Protect priority coral reef sites and climate change-affected 'refugia'

- 1.1 - Increase in well managed and enforced MPAs and LMMAs that protect and promote healthy reefs
- 1.2 - Entrepreneurial MPAs
- 1.3 - Increase in scientific studies on identifying climate refugia
- 1.4 - Establishment of 'no-take' zones and nurseries within protected areas

Outcome 2: Transforming the livelihoods of coral reef-dependent communities

- 2.1 - Community-based projects for sustainable fisheries, seaweed farms, aquaculture, tourism, etc.
- 2.2 - Sustainable value chain development and educational programmes to build skills for alternative careers and livelihoods
- 2.3 - Women empowered through capacity building and safety nets
- 2.4 - Reef-first businesses
- 2.5 - Communication and educational campaigns to drive and sustain behavioral change

SELF-ASSESSMENT

Eligibility criteria	Yes/No
The proposal reflects a holistic approach to mitigating various drivers of coral reef degradation	YES
The proposal is based on a blended finance approach, with the goal of creating an enabling environment for private sector engagement and/or developing revenue streams to sustainable finance coral reef conservation and reef-first businesses	YES
The proposed results are aligned with national SDG priorities	YES
The proposed Programme will be endorsed by the government and include key national stakeholders	YES
The proposal is based on country consultations, as explained in the Concept note, and efforts have been or will be made to secure Programme government endorsement of the full proposal (the Letter of Endorsement)	YES
The proposal is based on the standard template for Concept Notes, it is complete, and it includes: <ul style="list-style-type: none"> - Theory of Change demonstrating contribution to GFCR Outcomes - Results-oriented partnerships - Environmental and socio-economic baseline data is available and/or there is a strategy in place to collect this data - Results are measurable and a clear plan exists for monitoring and evaluation - Blended solutions (transactions) and substantive outcome-level results, and - Initial risk assessment and mitigation measures. 	YES
The proposal is expected to leverage resources for the SDGs at scale	YES

PROPOSAL FOR JOINT PROGRAMME

1. Summary of the Programme

Overall Purpose

The proposed Joint Programme aims to:



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- (a) Identify a suitable blended financing mechanism/national finance provider, through which to disperse sustainable funding for priority ocean conservation and climate change adaptation activities and to incentivize and de-risk investments into activities that will support local coral reef-based economic sectors and livelihoods;
- (b) establish baseline data which will determine the support conservation, restoration and management measures. This will be carried out with a focus on "priority" climate resilient reefs in Maldives; and
- (c) establish drivers of degradation and identify an initial pipeline of prospective investment opportunities and/or projects that will directly and indirectly address the local drivers of coral reef degradation, thereby positively impacting on Maldives coral reefs and associated livelihoods. The projects will be structured as short term, small scale quick win opportunities as well as identify the sectors and interventions that need large scale transformative investment. .

Problem Definition and Financing Solution

Funding models for marine conservation in SIDS are typically grant-based. Governments are increasingly looking at alternative models to finance long-term protection and recovery of coastal ecosystems. The Government of the Maldives is, therefore, seeking to establish a financing mechanism to bridge the gap between investment needs and private capital seeking investment returns.

Through the planned financing mechanism, the Government will channel conservation finance towards:

- (i) coral reef conservation and restoration activities with a specific focus on those sites identified as bio-climatic units;
- (ii) expansion and improved management of existing marine protected areas;
- (iii) support the development of a comprehensive marine spatial planning (MSP) framework;
- (v) identifying businesses and SMEs which either rely on or may, through their business activities, be impacting coral reefs, which are revenue generating and available for investment; and
- (vi) investments in reef-first business models that contribute to Maldives' Blue Economy vision.

A number of possible models exist for the design of such a financing mechanism. These include existing Government (State) owned enterprises such as the SME Development Bank and other fund structures such as the Maldives Fund Management Corporation and the Maldives Center for Islamic Finance. Future grant and investment financing drawn from the GFCR will be distributed through the financing mechanism, to generate a pipeline of projects for further GFCR investments. This financing mechanism could also potentially manage and distribute other sources of funding including international sources (such as debt-for-nature/climate swaps, Blue/Green bonds¹ and SDG bonds) and local co-financing options such as the emerging local institutional capital² pool which is currently poorly diversified.

The specific design and operating model of the financing mechanism, local-international appetite for co-financing for investments, incentives required to onboard mainstream investors, the legislative framework under which the financing vehicle can be established (e.g trust law³) and the specific data to build a pipeline of projects aligned with the ToC of GFCR, will be further investigated as part of the project preparation phase.

¹ GoM announced its first Green Bond initiative (\$50M) to be issued on international markets in its 2021 Budget

² The estimated institutional capital pool (local pension fund, insurance schemes, Hajj fund, Other Financial Institutions OFI) stood at MVR 18.64 billion (\$1.2B) by the end of 2019 which is roughly 21% of GDP and represents a source of long-term investment appetite.

³ A trust law is envisioned by the Maldives Government under the legislative agenda (2019-2023) which would outlay the functioning of independent trust funds in Maldives and represents a promising structure to incorporate tax-efficient future conservation trust funds.



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An initial pipeline of investment projects will also be identified during the PPG phase through a request for expressions of interest from suitable local and international investors.

Programme Duration

The project preparation phase will operate for a period of approximately 3 months. Submission of project document to May Executive Board. Followed by implementation..

2. Climate resilience of coral reefs in the proposed project area

The 2015-2016 El Niño weather phenomena and associated sea surface temperature anomalies in 2016 caused one of the largest recorded episodes of mass bleaching in the Maldives. Across a total of 71 sites monitored during this event (IUCN, 2016), the overall percentage of bleached corals recorded was 73%, indicating a severe bleaching event. Of these, 66% of corals bleached at a depth of 0m to 7 m, and 77% of corals bleached in depth from 7m to 13 m. Furthermore, 72% corals in sheltered sites and 74% of corals in exposed sites bleached, indicating no significant difference in bleaching response detected between exposures.

Despite the high impact of the event, a number of sites (e.g. Drift Thelu Veliga House Reef in South Ari Atoll, Blue Cove and Coral Gardens at Magoodhoo island in Faafu Atoll, Reethi Beach West in Baa Atoll, Sonevafushi House Reef in Baa Atoll, and Emboodhoo Finolhu Inner Reef in South Malé Atoll) were reported to have less than 45% incidence of coral bleaching and more than 25% live coral cover. These sites represent possible climate change refugia, and have been identified as sites that warrant both further attention and investment in management and protection.

3. Barriers hindering progress towards sustainable practices, development of financial instruments and barriers to private sector engagement related to coral reef ecosystem health

At present Maldives does not have a sustainable source of conservation financing. The government has established one biosphere reserve fund and also collects tax revenue from tourism operators as green tax which is passed onto a green fund. These funds can mobilize resources but are not at scale to support full implementation of conservation commitments under the upcoming MSP. Current legislative instruments do not provide for the creation of specific conservation financing vehicles which are tax-efficient and that would function as the financing vehicle for the upcoming MSP

The current state and continued decline of coral reefs globally demands significant financial resources in order to support comprehensive adaptation strategies to save the reefs from climate change and multiple local anthropogenic threats. Well designed, managed and financed Marine Protected Areas (MPAs) and projects to support and promote the sustainable growth of a range of blue economy sectors are seen as the cornerstones of international efforts to "replenish marine biodiversity and nourish the growing human population" (IUCN, 2018). Benefits that flow from improved marine ecosystems include enhanced food supply and fishing incomes for coastal communities, opportunities for nature tourism businesses, shoreline protection and greater resilience to climate change (and contribute to a number of different SDGs).

This need notwithstanding, despite the commercial viability of many blue economy initiatives, that may generate positive impacts for coral reef ecosystems, neither public nor private funding is currently available nor invested in adequate sums.

The design and deployment of innovative blended sustainable finance mechanisms is increasingly being seen as one option to increase private capital flows through:

- (a) assisting with the design of a robust pipeline of investable project proposals; and
- (b) providing catalytic funding to strengthen the enabling environment and to reduce the overall investment risk for private capital, thereby making such investment more attractive to private investors.

In the context of the Maldives, ecotourism remains under-developed despite the vast potential in the country. Natural coastal habitats could present opportunities for ecotourism centered on coral reefs,



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mangroves, sea grass beds, as well as cultural tourism built on observation of the traditional line fishing for tuna. Dive, snorkeler and bird-watching tourists could be directed to natural areas, and boost revenue generation needed for management through the institution of entry fees. Hanifaru Bay in the Baa Atoll Biosphere Reserve represents such a model, and designating more functioning Marine Protected Areas, Marine Managed Areas or Biosphere Reserves around the country could generate increased revenue from tourism and recreation.

4. Thesis and theory of change of the Program

Problem statement

Coral reefs and associated ecosystems (including seagrasses and mangroves) in Maldives are under severe pressure, and face possible extinction, as anthropogenic and climate change-related impacts accelerate and marine conservation initiatives are not attracting impact capital at the same pace as the rest of the impact investment market.

Causes and drivers

- Immediate causes – Unsustainable and damaging practices by communities (unsustainable fishing techniques, coastal developments, unsustainable tourism practices and direct tourist pressure, pollution, etc.)
- Underlying causes – Climate change leading to coral bleaching, acidification and increased intensity of adverse weather events and natural disasters
- Structural causes – Lack of effective coastal planning and management; shortage of investment-ready projects, private sector perceived risk of investing in blue natural capital, high interest rates.

Pathway to Change

The project preparation phase is intended to lay the foundation for a full scale project that would detail out clear pathways to address drivers of coral reef degradation. The resulting joint programme will target the key local drivers of coral reef degradation and the barriers to private investment into reef-positive initiatives. Working with a number of international and national conservation partners, the programme will identify and fund a range of conservation and management measures aimed at halting the decline of coral reefs and restoring the health of priority reefs in Maldives. The joint programme will also develop a pipeline of investment projects to meet the requirements of investors, using grants and concessional finance to de-risk investments and create a conducive enabling environment for conservation finance/investment in nature/coral-positive opportunities, fundraise, work with government and key stakeholders including communities, and establish a robust M&E framework to monitor the impact of the proposed interventions on coral reef health.

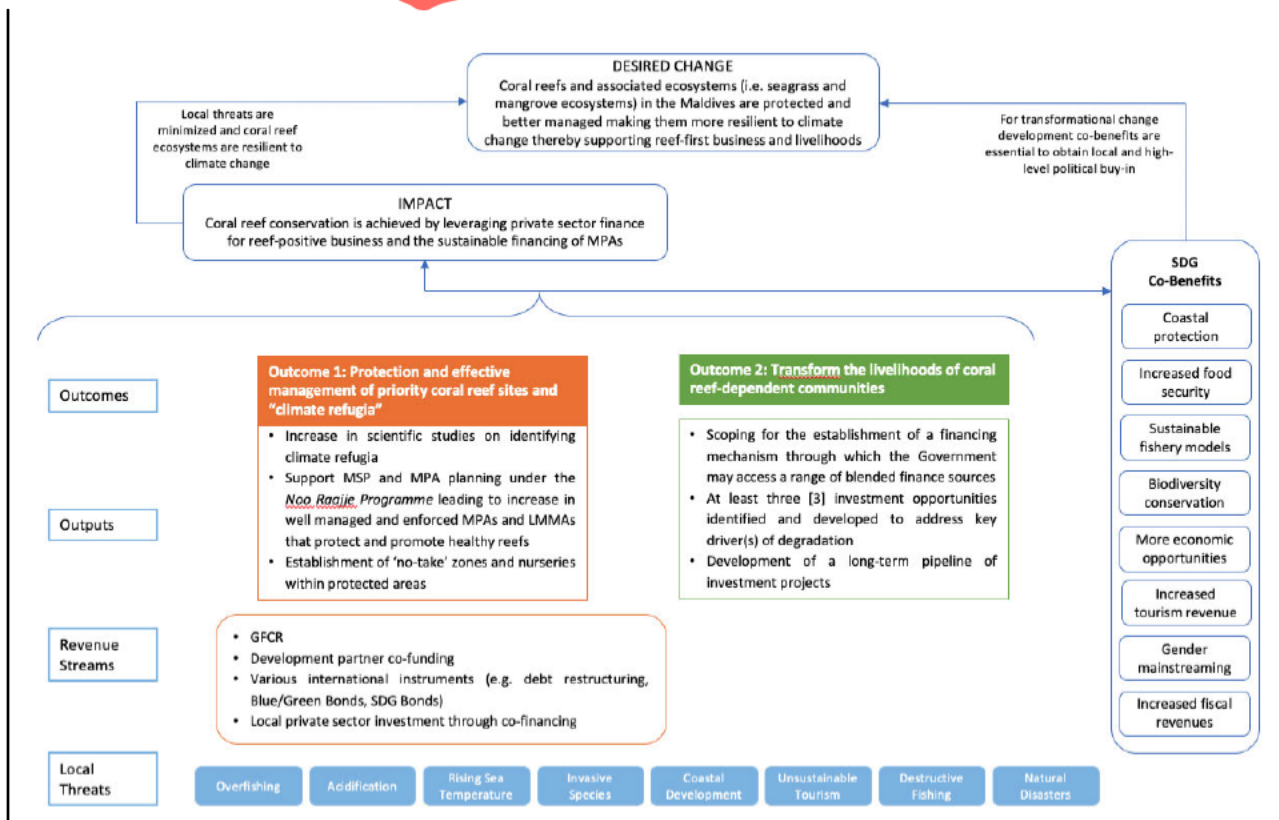
Through these interventions and support for the design and implementation of a comprehensive spatial planning framework, the proposed joint programme will better position the Government to effectively manage Maldives' marine space, to address the drivers of coral reef degradation and to manage the most climate resilient areas of coral reef, thereby improving resilience in the face of accelerating climate change through improved survivability and recruitment to other reef areas.

In particular, through the *Noo Raajje Programme* the Government aims to safeguard ocean resources and restore coral ecosystem health, sustainably grow ocean industries, strengthen Maldives' position in managing shared tuna stocks and legally protect at least 20% of Maldives' waters. GFCR funding would support this by bolstering Government capacity for MSP development and implementation, specifically focusing on corals.

If coral reef degradation drivers are addressed, and those areas of coral reef that are considered to be more climate resilient are protected, THEN coral reef ecosystems and the people who rely on them will be healthier and more resilient to the impacts of climate change.



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5. What are the specific intervention(s) of the proposed Programme?

The project preparation phase is structured with the following interventions:

MANAGEMENT

1- Establish PPG Project Management – Recruitment of a team of specialists to formulate the project document

- Development of TORs
- Recruitment of International PPG Lead (entire duration)
- Recruitment of National PPG Lead (conservation + financing background) (entire duration)
- Recruitment of Financing specialist (local / limited days)
- Recruitment of Legal Specialist (local / limited days)

2- BASELINE

Establishing baseline data for coral health and conservation needs

- Leverage BPC's ongoing assessment – bring in GFCR grant investment for coral specific data collection
- Establish localized drivers of degradation and the sectors driving the stress
- Coral Reef mapping and identification of candidate resilient reefs/climate refugia inclusive of MMRI local data verification and update of data

3- OPERATIONAL

Scoping for the most appropriate financing mechanism for Maldives

- Stakeholder consultations and needs assessment



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- Exploration/conceptualization of fund management vehicle/financing facility (multi purpose to address needs of GFCR, DNS, Blue Economy).
- Building FF and capitalization

4- CONSERVATION

Undertake detailed partnership and stakeholder consultations

- Partnership consultation for joint programming – UNEP, UNCDF
- Consultations with key government institutions. MoFMRA, ME, MMRI, Finance
- Consultations with CSO/NGO
- Consultations with development partners – bilateral, multilateral, IFI (World Bank, Asian Development Bank), VF
- SME banks / Business Center Corporation (BCC)
- Conservation partners, BPC, IUCN

5- INVESTMENTS

Identification of Key priority areas for blended financing solutions

- Identification of priority investment sectors – focus on integrated solutions across sectors that have the largest impact – on reef/off reef
- EOI for possible investment proposals from partners in Maldives.
- Identification of quick win investments (short term)
- Development of pipeline of investments (long term)

Identify a suitable financing mechanism/national finance provider

Deployment of grant and investment finance from GFCR will provide resources to address the drivers of coral reef degradation within Maldives and the implementation of effective spatial management measures for coral reef protection and restoration as well as supporting the establishment of potential legal and institutional structures for future conservation activities in Maldives.

Sustainable financing for coral reef conservation and addressing drivers of degradation

Grant funding provided through the GFCR will provide funding for the development of ongoing MSP activities, conservation capacity building and setting-up of legal and institutional structures to govern future conservation and green and blue livelihoods activities in Maldives.

The initial funding request for \$100,000 will be used to develop the full-scale project document which would ultimately establish the envisioned financing mechanism. Scoping of a financing mechanism to deploy potential GFCR proceeds would be determined based on a legal and financial scoping of the business environment in the Maldives.

Furthermore, through the deployment of funding from the financing vehicle the Government of Maldives will have a sustainable source of funding with which to manage and better protect MPAs (20% commitment) throughout the Maldives EEZ.

Develop and deploy capital for a pipeline of bankable coral-positive projects

The longer-term ambition is to seek additional GFCR resources to leverage significant private sector resources to benefit coral reef ecosystems and dependent local Maldives communities through the Grant and Investment Windows. Through the mobilization and deployment of additional funds, through the financing vehicle, Maldives will have less dependency on concessional funds and will therefore show more resilience and make faster progress towards SDGs. Moreover, by crowding-in private finance the bankability of blue economy projects will be improving by funding appropriate de-risking instruments.

In this way local actors will have the resources and skills to develop reef-positive businesses, that both address coral reef degradation drivers and provide economic opportunities for local communities.

In order to determine an initial pipeline of investment projects, UNDP will carry out a Request for Expressions of Interest for national and international investors as part of the project preparation phase for the joint programme. This process will be used to identify and develop at least three large-scale pipeline projects to address key driver(s) of coral reef degradation.

6. What are the expected results of the proposed Programme?

The project preparation phase is intended to lay the foundation for a full-scale project that would detail out clear pathways to address drivers of coral reef degradation.

Outcome 1: Protection and effective management of priority coral reef sites and climate change-affected refugia are sustainably financed

Output 1.1: Increase in well managed and enforced MPAs and LMMAs that protect and promote healthy reefs

Short-term results:

- Increasing government capacity to expand scientific studies on identifying climate refugia.
- Direct support and capacity building for the development and implementation of the MSP and MPA planning activities under the *Noo Raajje Programme*;
- Government capacity building for the preparation of an EEZ-wide multi-use MSP planning framework;
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These results will directly contribute to realizing the SAP/BAPS goals for coral recovery while also increasing data on the overall health of coral ecosystems across the country. Furthermore, the government will be better equipped to develop and implement the MSP in a way that places strong emphasis on coral health.

Outcome 2: Transforming the livelihoods of coral reef-dependent communities

Output 2.1: Scoping for the financing vehicle

Short-term results:

- The design and operation of a Financing mechanism that would enable the Government to access a range of blended finance sources. And additionally, the following could be identified under this proposal;
 1. local-international appetite for co-financing for investments
 2. incentives required to onboard mainstream investors
 3. Scoping and developing the legislative framework required for the effective functioning of the conservation financing vehicles

Output 2.2: Investment pipeline development

Short-term results:

1. Identification of investment areas aligned with the ToC of GFCR can be further investigated.
2. Specific data to build a pipeline of projects



3. The development of large scale pipeline projects identified and developed to address key driver(s) of degradation

7. Describe the innovative nature of the Programme

Although a number of trust mechanisms currently exist (e.g. the Maldives Green Fund, Baa Atoll Biosphere Reserve),⁴ these instruments suffer from several constraints:

- 1) They are not legal entities and cannot hold assets under their own name;
- 2) They are mostly tax-funded and subject to parliament scrutiny;
- 3) They are not independent and can be readily changed by government.

They therefore lack the complexity needed to run complex investment regimes such as; running a loan windows, owning private equity investments or professionally managing assets such as endowment funds which are earmarked for conservation activities.

The innovative nature of having a specific conservation financing mechanism will provide the ability to run complex multiple investment windows,. Crucially, the establishment of the financing mechanism will be the first blended financing mechanism in Maldives with a specific focus on marine conservation and the blue economy.

The Government of Maldives commitments to the Blue Economy and to strengthen protection and management of maritime waters indicates the political will to will create a strong enabling environment, which should be viewed favorably by investors as they seek sustainable marine-based investments where the risks are effectively managed. The future deployment of blended finance through the financing mechanism will contribute to this de-risking thereby strengthening the investment potential of Maldives' Blue Economy.

Given the focus of the *Noo Raajje Programme*, the proposed GFCR support is considered timely as it will leverage and complement the resources provided by BPC, accelerating initial actions to establish the financing mechanism and the design and implementation of a comprehensive MSP framework, accelerating the rate of progress towards more sustainable management of Maldives' marine and coastal ecosystems.

The deployment of GFCR resources, both directly and through the financing mechanism, will support mobilization of commercial finance towards sectors that would traditionally not be considered commercially attractive. In the longer term, the future aspiration is to secure additional GFCR resources to contribute to a pipeline of investable projects focused on protection and enhancement of marine and coastal natural capital in the Maldives, playing a critical role in contributing to the SDGs; and will accelerate flows of impact investment into such projects.

8. Expected added value of partners and the GFCR

The primary partners under the proposed Programme are UNDP and the Maldives Ministry of Fisheries, Marine Resources and Agriculture (MoFMRA). The Programme will further leverage the capacity and resources of BPC, supporting the Government of the Maldives in the implementation of its *Noo Raajje programme* and a range of marine conservation initiatives that will benefit from the funding dispersed through this Program.

UNDP is a long-standing development partner in the environment sector. It has over four decades of experience providing technical support at a national and sub-national level on biodiversity conservation, climate change mitigation and adaptation, renewable energy, fisheries management and sustainable livelihoods. It has unparalleled knowledge and experience in the environmental space and is a trusted partner of governments, civil society, academia and other key actors. As a trusted partner that enables

⁴ These instrument are created under the Maldives Public Finance Act (2006).

integrated solutions for SDG achievement, UNDP has a long history supporting the Government of Maldives.

Through the Office of the President and the MoFRMA, the Government of Maldives has partnered with BPC to prepare and implement a comprehensive multi-use EEZ-wide MSP framework including the establishment of fully protected MPAs extended to 20% of the Maldives EEZ.

Development finance is a scarce and precious resource, so the mobilization of additional funds from commercial investors into marine conservation is indispensable for meeting the financing needs of the 2030 Agenda. While this proposal is specifically for grant funding, the longer-term intention of this partnership is to seek further additional funding from the GFCR that will allow the project partners to leverage the significant grant funding and investment funding through GFCR to bring private and investment capital.

In this way, the current Programme funding should be seen as catalytic finance for a much more ambitious investment programme to support investment in the conservation, protection and restoration of Maldives coral ecosystems and the livelihoods that they support.

9. Leadership and implementation of the Programme

The project preparation phase will be carried out through Project Initiation Plan established under the UNDP. UNDP will function as a direct implementer in partnership with the MoFMRA, MOF and MED as well as other partners working on innovative financing schemes currently under discussion. It will be responsible for providing a project framework through its programming instruments available under UNDP's Programme and Operations Policies and Procedures.

Once formalized, UNDP Resident Representative (RR) and the Resilience and Climate Change Unit of UNDP Maldives will execute the project under the RR's discretion. UNDP will therefore administer the day-to-day project management, financial accountability, M&E and risk management functions. All funds under the project are subject to UNDP's standards for financial management and accountability, audit and legal frameworks.

10. Expected period of implementation

The proposed programme will operate for a period of approximately 3 months.

11. Cost, co-financing and leverage potential of the Programme

Not applicable.

12. Country conservation ambition

To reduce the impacts on coral reef ecosystems, the Government has designated protected areas at 42 sites covering an area of over 242 sq.km under protection. Of those sites, however, only one area has an effective management plan. The remaining 41 sites have no effective conservation management regulation.

The most notable achievement for biodiversity conservation is the 2011 declaration of Baa Atoll as a UNESCO Biosphere Reserve. Subsequently a Conservation Fund was established to promote sustainable livelihood, conservation, education, and research in Baa Atoll. The fund has already awarded seven grant projects for the atoll. As a result of the success of this project, the government of Maldives has pledged to make the entire Maldives a Biosphere Reserve.

The Government's commitment to conservation of its marine ecosystems is demonstrated in pledges made in a number of national policy documents.



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The Governments **Strategic Action Plan (2019-2023)** specifically identifies the Blue Economy as one of the strategic pillars for future socio-economic development for the Maldives. The SAP prioritizes the protection and health of the marine environment (Policy 2) and identifies a number of Strategies including to expand reef health assessment, rehabilitation and restoration (Strategy 2.1).

Under the SAP, the government has pledged that by 2023, at least 7 of the 15 designated National Coral Reef Monitoring sites are monitored and status of coral reef ecosystems are published annually as well as undertaking at least 1 pilot coral reef rehabilitation programme at a selected site.

Similarly, through the **National Biodiversity Strategy and Action Plan (2016-2025)** the Government has committed by 2025 to, *inter alia*:

- Minimize pressures on coral reefs and other vulnerable ecosystems due to anthropogenic activities and climate change;
- Protect at least 10% of coral reef area, 20% of wetlands and mangroves;
- Establish innovative financing mechanisms for biodiversity conservation.

Through the *Noo Raajje Programe* the Government has committed to designate at least 20% of the Maldives EEZ through fully-protected MPAs, along with the necessary regulatory framework.

13. Risk assessment

Covid-19 continues to impact the Maldives. The pace of the roll-out of this programme will also be subject to the prevailing restrictions enforced locally at any given time.

Open data sources related to conservation are limited in Maldives to build a strong investment pipeline. Therefore, there may be constraints in collecting business-level data from multiple fragmented sources. Verifying and analyzing such fragmented data will also be time and labor intensive.

Sourcing the required expertise for the scoping exercises under this programme may take time given the lack of subject matter expertise available in-country.



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OVERVIEW OF FUNDING REQUESTED/WORK PLAN

Category	Amount Requested (USD)	Description	Timeframe (Weeks)	Responsibility
MANAGEMENT	15,000	Establish PPG project management <ul style="list-style-type: none"> Development of TORs Recruitment of International PPG Lead (entire duration) Recruitment of National PPG Lead (conservation + financing background) (entire duration) Recruitment of Financing specialist (local / limited days) Recruitment of Legal Specialist (local / limited days) 	2-3	UNDP CO GOM
BASELINE	10,000	Preparation of baseline assessments <ul style="list-style-type: none"> Leverage BPC's ongoing assessment – bring in GFCR grant investment for coral specific data collection Establish localized drivers of degradation and the sectors driving the stress Coral Reef mapping and identification of candidate resilient reefs/climate refugia inclusive of MMRI local data verification and update of data 	6	International PPG Lead National PPG Lead
OPERATIONAL	25,000	Financing Mechanism for Maldives <ul style="list-style-type: none"> Stakeholder consultations and needs assessment Exploration/conceptualization of fund management vehicle/financing facility (multi purpose to address needs of GFCR, DNS, Blue Economy). Building FF and capitalization 	6	International PPG Lead National PPG Lead Finance Specialist Legal Expert
CONSERVATION	25,000	Partnership and stakeholder consultations <ul style="list-style-type: none"> Partnership consultation for joint programming – UNEP, UNCDF Consultations with key government institutions. MoFMRA, ME, MMRI, Finance Consultations with CSO/NGO Consultations with development partners – bilateral, multilateral, IFI (World Bank, Asian Development Bank), VF SME banks / Business Center Corporation (BCC) Conservation partners, BPC, IUCN 	8	International PPG Lead National PPG Lead
INVESTMENTS	25,000	Identification of Key priority areas for blended financing solutions <ul style="list-style-type: none"> Identification of priority investment sectors – focus on integrated solutions across sectors that have the largest impact – on reef/off reef EOI for possible investment proposals from partners in Maldives. 	8	International PPG Lead National PPG Lead Finance Specialist



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		<ul style="list-style-type: none"> • Identification of quick win investments (short term) • Development of pipeline of investments (long term) 		
TOTAL	100,000			
Expected Programme leverage ratio of grants to investment capital	N/A			

Budget by UNDG Category

UNDG BUDGET CATEGORIES	Amount (US\$)
1. Staff and other personnel	-
2. Supplies, Commodities, Materials	500.00
3. Equipment, Vehicles, and Furniture (including Depreciation)	-
4. Contractual services	88,458.00
5. Travel	2,500.00
6. Transfers and Grants to Counterparts	-
7. General Operating and other Direct Costs	2,000.00
Total Direct Costs	93 458
8. Indirect Support Costs (Max. 7%)	6,542.00
TOTAL Budget	100,000.00



GLOBAL FUND FOR CORAL REEFS

	Work Plan Activities	FEBRUARY				MARCH				APRIL				MAY				
		1	8	15	22	1	8	15	22	5	12	19	26	3	10	17	24	31
1.0	MANAGEMENT																	
1.1	Development of ToR																	
1.2	Recruitment of Experts																	
2.0	BASELINE																	
2.1	Baseline Analysis																	
2.1.1	Research and collate relevant background material																	
2.1.2	Analysis of background material																	
2.1.3	Engagement and discussions with relevant stakeholders																	
2.2	Establish Localized Drivers of Degradation																	
2.2.1	Research and collate relevant background material																	
2.2.2	Analysis of background material																	
2.2.3	Engagement and discussions with relevant stakeholders																	
2.3	Coral Reef Mapping and Site Identification																	
2.3.1	Engagement with researchers and conservation partners																	
2.3.2	Review existing data and identify possible data gaps																	
2.3.3	Identify candidate sites for investment																	
2.4	Identification of Potential Partners and Stakeholder Engagement																	
2.4.1	Stakeholder mapping and analysis																	
2.4.2	Engagement and discussions with relevant stakeholders and partners																	
3.0	OPERATIONAL																	
3.1	Finance Mechanism Evaluation, Selection and Design																	
3.1.1	Stakeholder consultation																	
3.1.2	Develop needs assessment																	
3.1.3	Review existing and possible new mechanism																	
3.1.4	Conceptual design																	
4.0	CONSERVATION																	
4.1	Identify specific resilient reefs/refugia for investment																	
4.1.1	Consultations with key government institutions and conservation partners																	
4.1.2	Identification of candidate resilient reefs/climate refugia and management/protection needs																	
4.2	Determine future data/capacity/research needs																	
4.2.1	Consultations with key government institutions and conservation partners																	
4.2.2	Determine future data/capacity/research needs																	
5.0	INVESTMENTS																	
5.1	Identify Priority Investment Sectors																	
5.1.1	Consultations with key government institutions, communities and business																	
5.1.2	Select 2-3 priority Blue Economy sectors for investment																	
5.2	Develop a Pipeline of Bankable Investment Projects																	
5.2.1	Carry out a Request for Expressions of Interest																	
5.2.2	Identify short-term investment																	
5.2.3	Identify long-term project pipeline and finance needs																	
6.0	PRO-DOC PREPARATION & SUBMISSION																	
6.1	Draft Pro-Doc																	
6.1.1	Develop ToC concept																	
6.1.2	Develop Results Framework																	
6.1.3	Document preparation																	
6.1.4	Document review and revision																	
6.2	Submit Pro-Doc for Executive Council Review																	

Annex I: Provisions Related to the Prevention of and Response to Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) involving Implementing Partners (IPs)

1. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

a. In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

b. Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

2. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties have been informed or have otherwise become aware, and status thereof;

iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

2. b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.