

# Call for Proposal to develop the Coral Reef Financing Facility and act as Facility Manager

## Description of Project:

Yayasan Konservasi Alam Nusantara (YKAN) through KORALESTARI Program is one of the Global Fund for Coral Reefs (GFCR) convening agents in Indonesia. GFCR is a mobilized action and resources for coral reef protection and restoration by the Prince Albert II of Monaco Foundation and Paul G. Allen Family Foundation—in partnership with the United Nations (UN).

The KORALESTARI Program aims to address the decline of coral reef health in Indonesia, due to unsustainable fishing and aquaculture, uncontrolled coastal development, land and marine pollution, climate change impacts, and invasive species. The program will operate between 2023 and 2029 in three priority areas: Berau in East Kalimantan, Savu Sea in East Nusa Tenggara, and Lingga Island, Riau Island.

The vision of the KORALESTARI Program is a transformation in efforts to protect and restore coral reefs through sustainable financing of Marine Protected Areas (MPA) and encouraging a blue economy that has a positive impact on the sustainability of coral reefs (reef-positive investments), which can increase the income of local communities, encourage inclusiveness, and increase coastal resilience to climate change.

Coral Reef Funding Facility (CRFF) is one of the critical components of KORALESTARI that serves as a vehicle to finance reef-positive investments. CRFF ('the Facility') is planned as a facility that will deploy grant and recoverable grant investments into reef-positive businesses. This facility will help build up reef-positive businesses, and intends to facilitate further follow on financing and maximise leverage of philanthropic capital.

Based on market research over the last 6 months, including engagement with funders and potential investees, we have identified the following as key objectives of the CRFF:

1. **Impact-first:** The core objective of the Facility is to deliver maximum impact relative to a minimum returns bar (qualified as reclamation of repayable grants). Impact is also sought in the localised area particularly related to the relevant reef system.
2. **Driven by problem statements:** The core sets of investments will be driven by a pre-defined (albeit editable) impact thesis to guide targeted search in key sites.
3. **Scalable approach to enabling community-based business:** The blue economy will thrive and remain sustainable only on the foundation of strong community enterprises. The facility seeks to provide targeted and scalable assistance to structure, build and deliver community enterprise solutions on the ground.

## Purpose of this Call for Proposal:

We are seeking to identify the best candidate to manage the Facility. The manager can be a single organisation or a partnership of relevant organisations. We are hence soliciting proposals from candidates keen to collaborate with YKAN to co-develop the Facility and to act as the Facility Manager.

THIS IS NOT AN ORDER. YKAN will decide, having considered compliant responses to this Call for Proposal, whether to enter any contract with any candidate.

## Scope of Work:

The initial suggested design of CRFF is provided in Annex A. We will share this document once you send the signed Non-Disclosure Agreement (NDA).

In seeking the best Facility Manager candidate, we expect to appoint the candidate firstly to conduct a feasibility assessment of the facility. This should include but not be limited to: codeveloping and confirming the Facility structure, consider legal, tax and other relevant considerations towards operationalisation, setting up the Facility

budget and fee structure, and initiate and confirm key MOUs with partners as required. Additionally the candidate will need to diligence the first investment deal and co-develop the structure of said deal. This should include but not be limited to: reviewing and modelling financial feasibility, conduct due diligence on key officers, confirming alignment with impact thesis.

Eventually, the Facility manager will need to conduct activities including but not limited to: i) engaging and enabling investable businesses, ii) conduct day to day operations and fund management, iii) identify pipeline and assess investments, iv) measure and report on impact and v) Identify and realise co-investments or follow-on financing.

#### **Expected output:**

For the pre-launch services, we expect:

- i) a report on the feasibility assessment
- ii) a report on diligence of the first investment including an investment memo for proposed investment structure
- iii) summary documents for the Facility including a pitch deck and detailed description of Facility structure
- iv) If applicable, key registrations to be identified

#### **Qualifications:**

A candidate can be a single organisation or a partnership of relevant organisations. To be considered for award of the contract, the candidate should demonstrate the following requirements:

Qualification	Weightage	“Qualification Requirements”
Ability to deploy capital to community businesses in Indonesia	30%	Demonstration of network across broad Indonesian ecosystem Relevant licenses and regulatory permission in Indonesia; existing track record is a bonus Physical network in relevant areas or ability to build network Understanding in fund management structure, preferably with blended financing experience ideally with proven experience and capability in developing and managing a comparable facility Understanding of sustainable financing in general
Track record of performance against key impact metrics	25%	Relevant track record in implementation of environmental and community-led ocean programs or comparable Relevant track record relating to any or all the metrics stated in Key Facts under Annex A
Ability to engage community and build lasting structures	30%	Relevant track record relating to work with communities and details of such engagements including location, village size, engagement outcomes and business outcomes
Understanding of marine challenges and opportunities	15%	Understanding and knowledge of other market initiatives in the Blue Economy sector, preferably around coral reef ecosystem Relevant track record in addressing key sustainability challenges faced in blue economy and ideally where it relates to reefs

Guideline weightage on assessment criteria is provided.

#### **Submission Requirements:**

We ask that interested candidates submit a proposal that:

1. Demonstrate that the candidate meets the Qualification Requirements, and to demonstrate any other relevant experience in support of the proposal;
2. Describes a proposed structure for the Facility and the management of the Facility, as well as a proposed workplan for pre-launch of the Facility;
3. Meet all the proposal components as set out below.
4. Provide demonstration of qualifications that could include CV and investment portfolio.

**Proposal components:** Please provide a 3-5 page document or 5-10 page slide deck setting out your proposal that includes the following proposal requirements.

**Requirement 1:** CRFF concept proposal

Describe a preliminary proposed structure and manager set-up for CRFF that you can deliver, you may consider and align to our proposed structure or propose alternative set-ups that can also meet our stated objectives. Your proposal should include the following (but not limited to):

1. Description of Facility structure and design choices including target size, fee structure, etc. Please provide the rationale for key design choices
2. Description of governance of the Facility
3. Description of resourcing plan (including team and staffing) and financial costs
4. Description of mix of instrument types and details on how they may be applied
5. Description of approach to catalyse community enterprise solutions on the ground
6. Qualification of manager(s) including but not related to track record, technical capabilities, financial management capacity, business incubation and support capabilities for local communities, impact identification, measurement and reporting capabilities, broader ecosystem development capabilities
7. Confirmation of manager(s) ability, willingness and commitment to carry out Facility management tasks if awarded

You may also propose a structure for the Technical Assistance Facility alongside the Facility. For these tasks, specific examples will be well-regarded.

**Requirement 2:** Facility feasibility and launch workplan.

Describe expected steps to take including (but not limited to):

1. Provide an expected budget for feasibility assessment and estimates for set up and operation of the Facility with breakdown of estimates for each relevant line item. This can be indicative and non-binding and is needed for operationalising the program budget should you be appointed as managers.
2. Provide a timeline of activities leading up to the set-up of the Facility, considering necessary licensing, registrations, or other processes. Please detail the activities at following stages to reach those outcomes:
  - a. Feasibility stage: to achieve a final structure of the Facility including necessary registrations, legal and accounting structuring, and MOUs with important partners in place, as well as final Facility budget and fee structure.
  - b. Launch stage: to achieve staffing in place and evaluations to be commenced.
  - c. Deployment stage: to achieve deployment through the facility including establishing the governance process

**Requirement 3:** Ecosystem engagement plan [Bonus task, not required for consideration]

Describe how you will coordinate with the broader ecosystem to accelerate the outcomes of the Facility.

**Requirement 4:** Pre-launch services

Describe the approach and workplan to meet the CFS outcomes for pre-launch services (feasibility assessment complete, diligence for first investment done), as well as proposed cost.

**Expected timeline:**

## Scope of services covered by Call For Proposal and envisioned timeline



Please submit your detailed proposal by **30 December 2024** to: Fahnia Chairawaty ([f.chairawaty@ykan.or.id](mailto:f.chairawaty@ykan.or.id)) and provide key contact details. A virtual info session will be held on **Friday 29 Nov 2024** and details will be sent when you send your statement of interest by email.

Please note that this award refers to Pre-Launch Services to be awarded with a stated Contract for Services but YKAN will assess candidates based on suitability for the overall Facility design and implementation. Appointment of the Facility Manager will be governed by a separate contract.

Upon acceptance, YKAN will review all submissions received before the deadline to determine proposals to be selected for inclusion in the next phase of the selection process. Engagement directly with the YKAN team should be expected at this stage.

All material submitted in response to this Call for Proposal will become the property of YKAN and may be returned only at the option of YKAN and at the expense of the candidate. Successful and unsuccessful candidates will be notified in writing. YKAN shall not be obligated to detail any of the results of the evaluation of proposals.

A candidate shall not use the names, logos, images or any data or results arising from this Call for Proposal or from any anticipated contract without YKAN’s prior written consent.

### **Candidate’s Commitment and Effect of Proposal**

#### **Confidentiality**

Any data, documentation or other business information furnished by or disclosed to a candidate shall be deemed the property of YKAN and must be returned to YKAN upon request.

#### **Conflict of Interest Disclosure**

1. It is the policy of YKAN to identify actual, potential or perceived conflicts of interest in any situation in which YKAN has a significant business interest. To assist YKAN in complying with this policy, we request that all individuals and/or organizations that will be involved in a proposed transaction with YKAN complete our Conflict of Interest Disclosure Form. This relates to people who will be working, directly or indirectly, to respond to this Call of Proposal, as well as people who may be doing the resultant work if a candidate is awarded the contract.
2. Please complete the attached Conflict Inquiry Form and send with your proposal.

YKAN will keep all information supplied on the Conflict of Interest Disclosure Form confidential. Within YKAN, the information will only be shared on a “need to know” basis among YKAN (or its affiliates) staffs.