Attachment 01 Specification of Requirements / Terms of Reference

1. SUMMARY OF THE REQUIREMENT

IUCN invites eligible experts and entities to submit a proposal for innovative financing mechanisms for coral conservation in Sri Lanka

2. THE REQUIREMENT

2.1 BACKGROUND

Sri Lanka's coral reefs are among the country's most valuable natural assets, providing coastal protection, biodiversity, and livelihoods through fisheries and tourism. Yet these ecosystems are increasingly threatened by climate change, pollution, overfishing, and underinvestment in their long-term protection.

The Sri Lanka Coral Reef Initiative (SLCRI) seeks to reverse this trajectory by strengthening the protection of coral-associated priority seascapes—Bar Reef, Pigeon Island, and Kayankerni—through a blend of conservation, community engagement, and innovative finance.

A central pillar of SLCRI is the development of a blended finance structure that combines public and philanthropic funding with private capital to unlock scalable investment in coral reef restoration and coastal community resilience. Within this structure, innovative financing mechanisms such as blue bonds, biodiversity credits, and debt-for-nature swaps are being explored as tools to catalyse sustainable, long-term conservation finance.

This assignment supports Output 1.3 of the SLCRI: *Macro and replicable site-level innovative financing mechanisms explored and piloted for coral reefs and community resilience in three priority seascapes in Sri Lanka.*

2.2 OBJECTIVE

The primary objective of this feasibility study is to identify and assess the most promising innovative financing mechanisms that can be applied in the Sri Lankan context to fund coral reef restoration and enhance community resilience. This includes evaluating their potential role within the SLCRI's blended finance framework and recommending pilot opportunities aligned with Phase II implementation.

2.3 SCOPE

The selected implementer will:

- Conduct a desk review of global (including Sri Lankan, if any) best practices in nature-based financing, with emphasis on coastal and coral-related initiatives.
- Identify legal, financial, policy, and institutional conditions needed to implement mechanisms in Sri Lanka.
- Engage site level - Bar Reef (Puttalam District), Pigeon Island (Trincomalee District) and Kayankerny (Batticaloa District) key stakeholders, including the government, the private sector, impact investors, philanthropes, communities, and donors.
- Assess feasibility (risks, opportunities, transaction costs, timelines) for:
  - Blended finance models (including public-private partnerships, philanthropic leverage, etc.)
  - Impact investment and circular economic models that can be used for coral and coastal conservation.
  - Blue bonds
  - Debt-for-nature swaps
  - Any other relevant mechanisms (e.g., carbon-linked instruments, green loans,

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results-based financing)

- Propose relevant mechanisms, including stakeholders mapping, per seascape with clear justifications.
- Recommend two pilot projects for each site and investment-readiness actions for Phase II.

2.4 DELIVERABLES

The implementer will be responsible for producing the following outputs:

No	Deliverable	Timeline
01	Pre-feasibility Report (including detailed methodology)	2 weeks from the contract start
02	Draft Feasibility Report (including preliminary findings and assessments/ summary of financing options and their viability)	2 months from the contract start
03	Participation in the validation workshop* (including presentation of finding to stakeholders and refinement of recommendations)	2.5 months from the contract start
04	Submission of final report	3 months from the contract start

*IUCN will organize validation workshop

2.5 DURATION

The assignment will be completed over a period of 3 months. Key activities will include planning, stakeholder engagement, fieldwork, analysis, reporting, and validation.

2.6 Budget

Applicants are required to submit a detailed, activity-based budget covering all expected costs related to implementation. Please note that transportation to and from the field sites during the pre-feasibility in Bar Reef (Kalpitiya), Kayankerni (Batticaloa) and Pigeon Island (Trincomalee), as well as local travel during fieldwork, will be arranged and funded by IUCN. These should not be included in the proposal budget

2.7 Qualifications and Requirements

Eligible applicants should demonstrate the following:

- Proven experience in sustainable finance, especially nature-based financing.
- Familiarity with Sri Lanka's financial, legal, and conservation contexts.
- Strong networks across public, private, and civil society sectors.
- Experience conducting participatory, policy-linked feasibility studies

2.8 Application Process

Interested organisations should submit the following documents:

- A technical proposal (maximum five pages) outlining the approach, methods, and timeline
- A financial proposal, including a detailed budget breakdown
- CVs of key personnel involved in the implementation
- Examples or references from relevant past assignments

Applications should be submitted to **martijn.piek@iucn.org** by [**XX-XX-XXXX**] will be evaluated based on relevance, methodological soundness, demonstrated experience, team qualifications, and cost-effectivenessv

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