SIRD #99
SOCIAL INVESTMENT ROUNDTABLE DISCUSSION

Social Investment Indonesia

# Biodiversity Financing & Environmental Impact:

## Menggalang Investasi Hijau, Menjaga Keseimbangan Ekosistem



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*Vice President* - RARE Indonesia



**Jalal**
*Chairperson of Advisory Board*
Social Investment Indonesia

Host:



**Nur Astri Mufthia S.**
*Associate*
Social Investment Indonesia

**Jumat, 12 Juni 2026**

15.00 - 17.00 WIB

socialinvestment.id

0812-3383-8463

Via zoom @SocialInvestment_Id








PESCANDO PARA LA








# Types of Innovative Finance

Innovative finance refers to financing mechanisms that mobilize capital from sources beyond traditional grants and government budgets, often by linking financial returns or payments to social, environmental, or development outcomes.

1. Payment for Environmental Services: beneficiaries pay those who manage ecosystems
2. Conservation Trust Funds: permanent or long-term financing vehicles
3. Biodiversity Credits: emerging market where conservation outcomes themselves become tradable units
4. Carbon Finance: revenue generated from carbon credits.
5. Debt-for-Nature Swaps: a country's debt is reduced in exchange for conservation commitments
6. Blue Bonds: debt instruments specifically designed to finance ocean-related activities
7. Parametric Insurance: insurance payouts are triggered by predefined parameters rather than assessed losses
8. Outcome Based Financing (OBF): funding is tied to the achievement of predefined outcomes rather than activities; Impact Bonds is a form of OBF
9. Revolving Funds: capital is recycled and reused
10. Blended Finance: combines public, philanthropic, and private capital

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# SSF Impact Bond (OBF): Structure Pilot and Partners

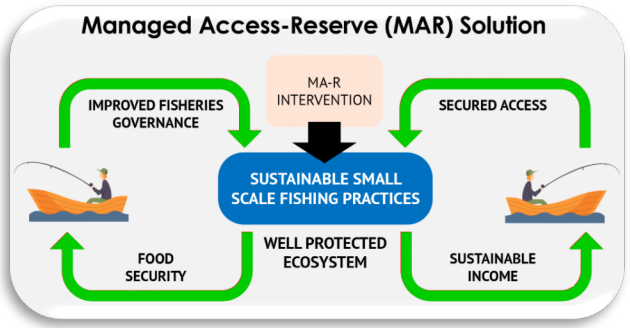
Innovation #1

PERFORMANCE MANAGER

Levoca

Innovation #2

**Fisheries OECM**




IMPLEMENTATION LEAD

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INVESTOR

Mindaroo Foundation
Pershing Square

RESULTS VERIFIER

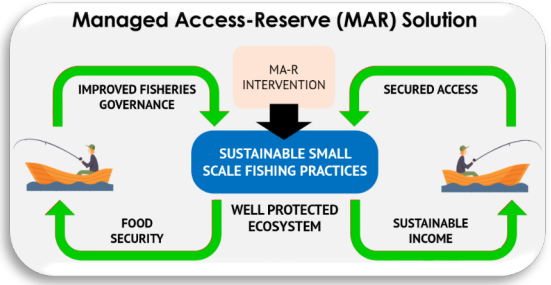
PKSPL - IPB

OUTCOME FUNDERS

Roemah Foundation
Milkywire
ORRAA / DEFRA
Walton Foundation
Builders Initiative

1 2 1 5 3 4 3 3

# Summary Pilot Terms and Design Elements

| TERM | DESCRIPTION |
|---|---|
| **Total project funding** | US$6,003,847 |
| **Duration** | 5 years |
| **Expected start date** | Q4 2024 |
| **Initial investment** | US$2.1 M |
| **Location** | Southeast Sulawesi, Indonesia |
| **Governing Law** | New York |
| **Outcome metrics**<br><br><br>**Fisheries OECM** | • Three (3) new MA+Rs established to protect coastal marine area, with each MA+R having an FMB with a legally established business unit attached to it<br>• Fish biomass stabilized or increased<br>• Benthic coverage (coral and/or seagrass) stabilized or increased<br>• Newly established MA+Rs recognized as 'Other Effective Area-based Conservation Measures (OECMs) or established within a marine protected area (MPA) as part of 30x30 |

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# Primary Outcome Metrics and Payments

| *Type* | *Metric* | *Description* | *Project Year of outcome payment* |
|---|---|---|---|
| 1 | MA+R boundaries defined | Based on the Manta Tow and community/fisheries profiling activities, local village leaders agree on the reserve and managed access areas, creating the first map of the MA+R | 1 |
| 2 | FMB statutes written | The FMB leadership writes the statutes to govern the FMB and how it will administer the MA+R | 2 |
| 3 | FMB legally registered | The FMB is legally registered, allowing its leaders to apply for formal government recognition | 2 |
| 4 | FMP approved | The FMB creates and approves a Fisheries Management Plan (FMP) to govern the fishing and conservation activities within the MA+R | 3 |
| 5 | FMB formalized business unit | The business unit for the FMB's income generating activities is legally registered | 4 |



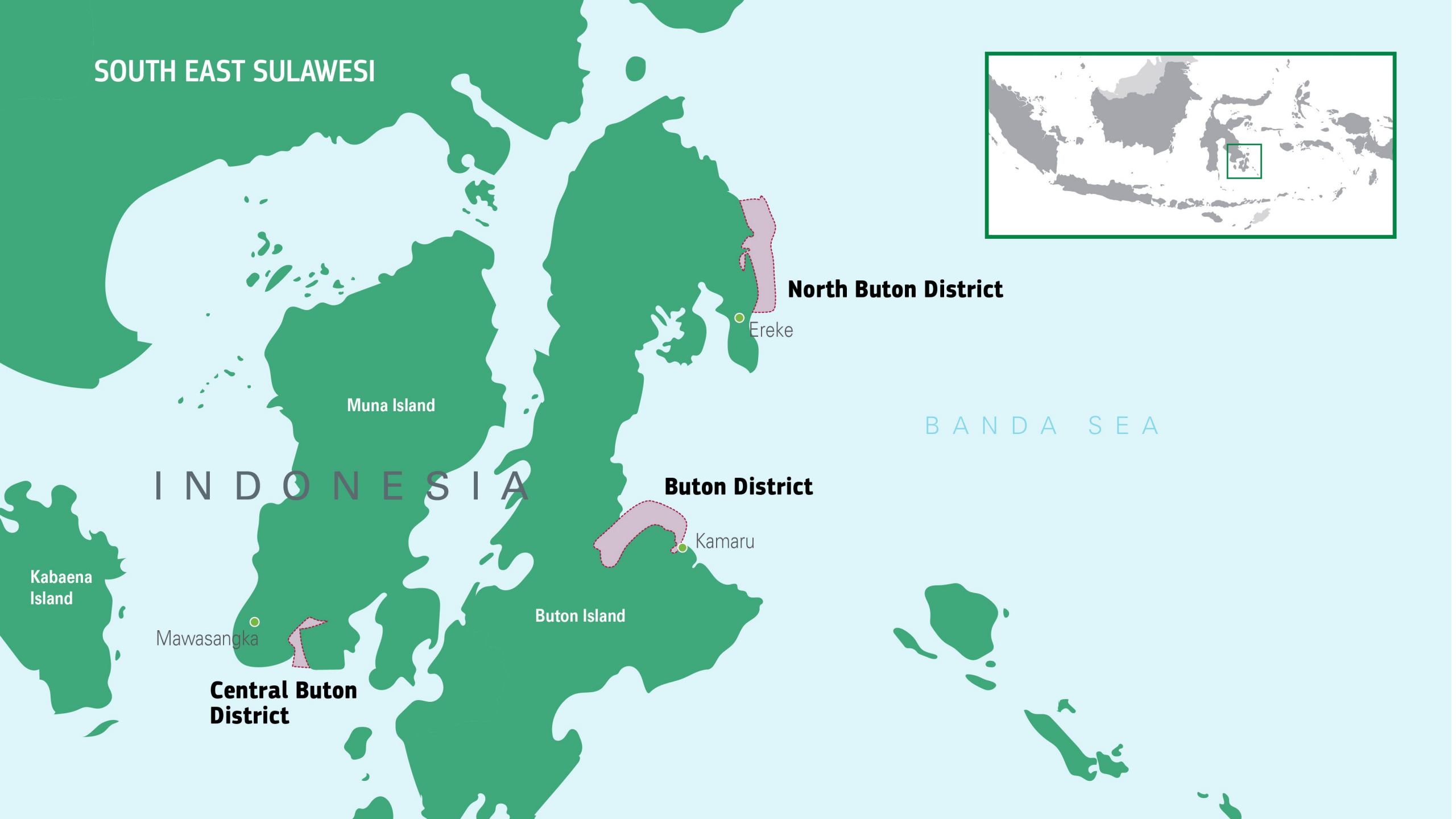

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# Premium Outcome Metrics and Payments

| *Type* | *Metric* | *Description* | *Project Year of outcome payment* |
|---|---|---|---|
| ***Premium*** | Marine area protected & recognized | Number of MA+Rs recognized and developed under standards that permit their recognition as OECMs. | 4 |
| ***Premium*** | Fish biomass | Fish biomass stabilized or increased within MA+R | 3+5 |
| ***Premium*** | Benthic coverage of coral and/or seagrass | Percent of area surveyed covered by hard corals and/or seagrass has stabilized or increased within MA+R | 3+5 |

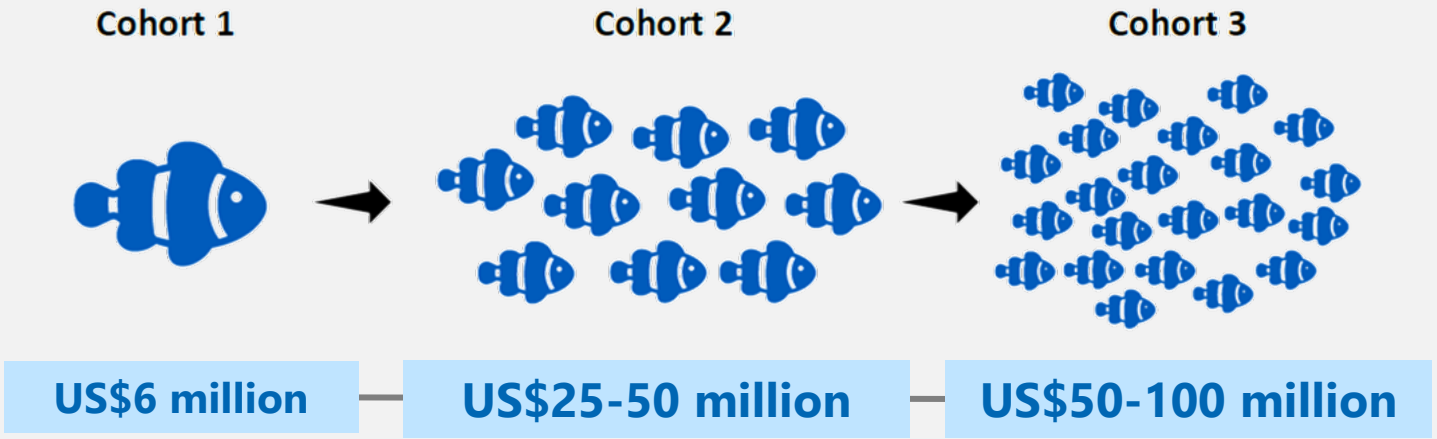


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SOUTH EAST SULAWESI
North Buton District
Ereke
Muna Island
BANDA SEA
INDONESIA
Buton District
Kamaru
Kabaena Island
Buton Island
Mawasangka
Central Buton District

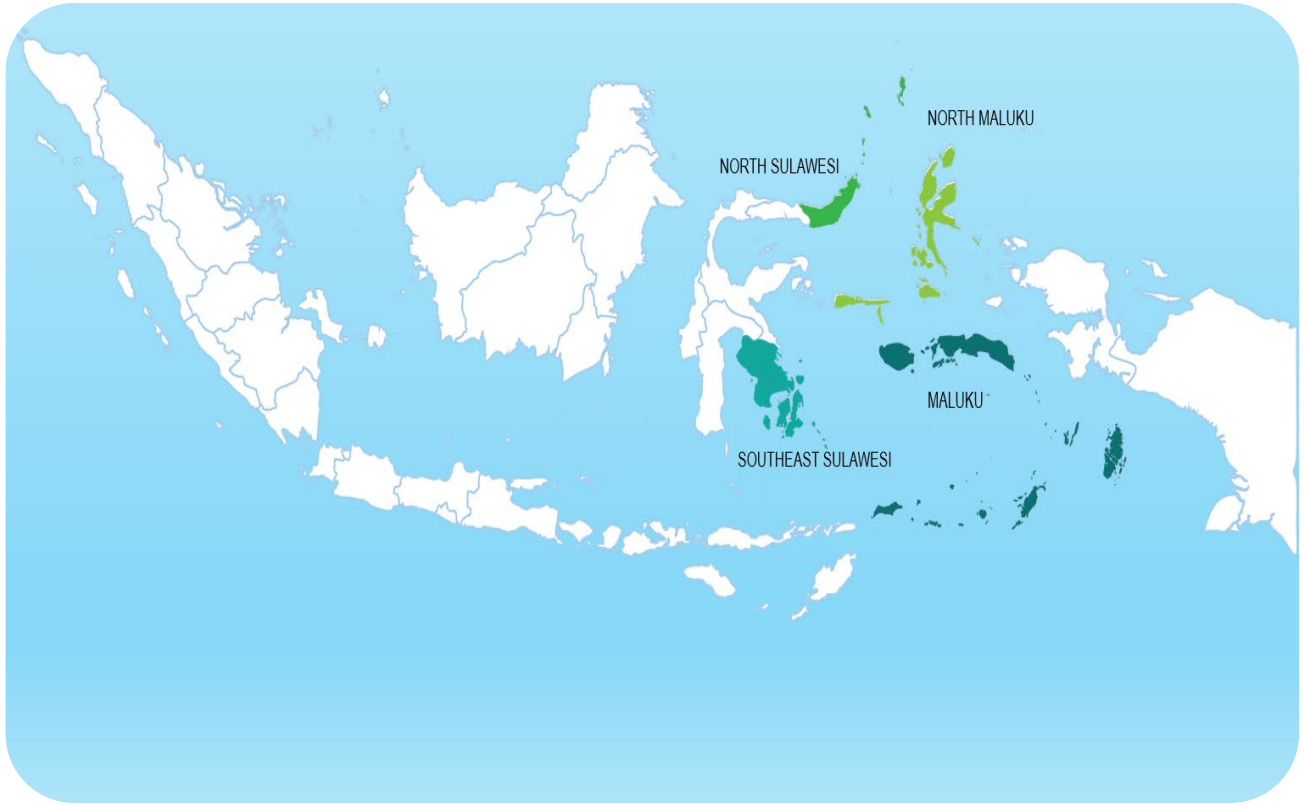
# Small-Scale Fisheries Impact Bond – 2nd phases

Looking ahead, we are actively **exploring the scale of the impact bond in three additional provinces** (North Sulawesi, Maluku, and North Maluku). In this scaled model, we are seeking opportunity for the government to play a part in the structure.




- The successful launch of US$6 million proof-of-concept can **unlock up to US$200 million in investments by 2028**, driving significant impact across multiple villages.
- Ultimately, our goal is **to transition towards an Impact Bond model** where **governments pays for results** once success is achieved (**Social Impact Bond**). This ensures a sustainable and impactful solution for coastal conservation and small-scale fisheries.

# Developing Outcome-Based Financing Pathways




- Partnering with Reed Smith and local counsel to chart pathways for scaling the model to up to $60M in Indonesia, examining investment flows via either a local or Singapore-based SPV and public sector treatment of outcome payments
- Working to develop legal mechanisms in the Philippines that permit us to disburse funds to LGUs and private actors, with a pilot sized between $6M and $10M

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# Scaling Up Impact Bond (OBF)

- Standardized outcomes: a manageable set of outcome metrics with clear definitions, verification rules, and payment triggers → modular outcome menus (coral coverage, biomass, establishment of community group, etc.) not one-off custom metrics every site.
- Shared baselines, monitoring system, and simple verification that doesn't require a different evaluation team or protocol per site. Capacity of implementation lead to produce the same quality of performance/outcome.
- Commitment from all parties in the structure:
  - Government procurement pathways for results-based payments (or a workable workaround).
  - Clear roles for outcome funders, implementers, investors, and verifiers.
- Align the model into national program to gain momentum and strong support from national and sub-national governments, create mechanism that can onboard sub-national governments (provinces and districts) onto the model



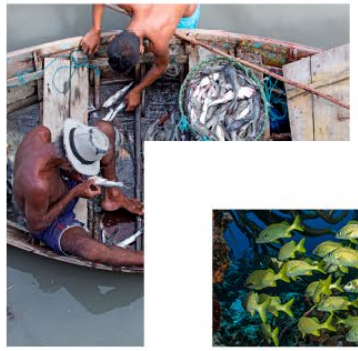































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FISH
FOREVER