

Investment Readiness for Blue Economy Programme

Reference



GLOBAL FUND FOR
CORAL REEFS

Partner	Global Fund for Coral Reefs; Joint SDG Fund	Year	2021 – 2023
Practice	Food	Geography	Fiji

THE OPPORTUNITY

Fiji's National Coral Reefs Policy 2020 identifies coral reefs as critically threatened ecosystems that must be protected to enhance its own resilience to climate change. Restoring Fiji's Great Sea Reef is therefore a key effort in Fiji's climate adaptation strategy, as 40% of its population depends on it for food, income and protection from natural disasters. The Blue Economy Programme, launched by Global Fund for Coral Reefs and Joint SDG Fund, aims to leverage philanthropic and development finance to mobilise commercial investments for reef positive ventures. For the first round of funding in Fiji, principal transactions included the set up of a Technical Assistance Facility to incubate a pipeline of reef-positive businesses, and to deploy initial investments into several businesses including a sustainable agri-fertiliser spinoff venture.

OUR SOLUTION

Local partner to the Blue Economy Programme, Matanataki, reached out to Ennovent to assist in the catalysation of these investments for the pilot funding round. Ennovent and Matanataki prepared the operational and pipeline development strategies for the locally managed Technical Assistance Facility in Fiji. On the investment front, the partners supported the investment readiness of The Fertile Factory & Co – a spin off venture founded by Waste Clear Fiji that aims to eliminate the import and use of all synthetic fertilisers in Fiji. The partners supported The Fertile Factory & Co with fundraising, business planning, financial modelling and pilot preparation efforts. The catalysation support enabled the spinoff to validate its business model, prepare a financial model with a ten-year projection horizon, fine tune its business development approach in the market, and ultimately deliver a convincing pitch to the investors.

THE BENEFITS

Through this support, the Global Fund for Coral Reefs and Joint SDG Fund were able to identify a vetted deal flow pipeline of 30 potential transactions and deploy investment readiness grants into two deals, including with The Fertile Factory & Co. The latter was able present its business to the investors and is in the final stages of deal structuring. It will benefit from a combination of equity and debt to finance a factory that processes a nonsynthetic fertiliser for sugar cane production and pilot its products in the Fijian market. The company seeks US\$ 2.5 million with an estimated 8% IRR.

"Blended finance is not just about pooling funds to catalyse private investment, it's about the power of governmental, inter-governmental, philanthropic, private sector and non-governmental organizations working together to achieve impact in a way that wouldn't be possible on our own. This first round of Global Fund investments demonstrates the types of projects we believe can change the trajectory of the coral reef crisis." – Chuck Cooper (Chair, Executive Board, Global Fund for Coral Reefs)