

DESIGN, LAUNCH AND OPERATION OF MAR+INVEST, THE BUSINESS
DEVELOPMENT AND FINANCE FACILITY OF THE MESOAMERICAN REEF

MEMORANDUM OF UNDERSTANDING

Between

Mesoamerican Reef Fund (MAR Fund)

New Ventures Group (NV)

Fondo Mexicano para la Conservación de la Naturaleza, A.C (FMCN)

Healthy Reefs for Healthy People Initiative (HRI)

MEMORANDUM OF UNDERSTANDING

DESIGN, LAUNCH AND OPERATION OF MAR+INVEST, THE BUSINESS DEVELOPMENT AND FINANCE FACILITY OF THE MESOAMERICAN REEF

BETWEEN:

The Mesoamerican Reef Fund:

22 Avenida 0-59, Zona 15 Vista Hermosa II Guatemala, C.A. 01015, and

New Ventures Group:

Corina 59, Mexico City, Mexico

Fondo Mexicano para la Conservación de la Naturaleza, A.C.:

Damas 49, San José Insurgentes, Benito Juárez, Ciudad de México 03900

Healthy Reefs for Healthy People Initiative:

1525 SW 5th St, Ft Lauderdale FL 33312

I. BACKGROUND

The Mesoamerican Reef Fund (MAR Fund) is an environmental fund whose primary goal is to contribute to the protection of the Mesoamerican Reef (MAR) ecoregion shared by Belize, Guatemala, Honduras, and Mexico. Its mission is to drive regional funding and partnerships for the conservation, restoration and sustainable use of the Mesoamerican Reef. The founding environmental funds comprise the MAR Fund's Board of Directors, in addition to a representative of the regional Central American Commission on Environment and Development (CCAD), notable conservation experts from each participating country, collaborators and international donors.

New Ventures Group is a hybrid organization with more than 19-years catalyzing social and environmental disruptors in LATAM, through acceleration, finance innovation, and ecosystem building. New Ventures has designed and launched different initiatives along the region, specifically in Colombia, Guatemala, Argentina, Chile, Perú, and Bolivia, among others.

Fondo Mexicano para la Conservación de la Naturaleza, A.C. (FMCN) is a private, non-profit organization that allocates financial resources for nature conservation, connecting the various actors that have a role to play in protecting Mexico's vast biodiversity. It was established in 1994. It has more than 27 years of experience in financing biodiversity conservation, climate change adaptation and mitigation actions in Mexico by catalyzing resource mobilization, building partnerships to engage various actors and sectors, and searching for innovative conservation mechanisms. FMCN is one of the largest and most influential environmental funds in Latin America. It works closely with civil society, government agencies, and the private sector, and is a Direct Access Entity of the Green Climate Fund (GCF). The MAR Leadership Program (MAR-L) is a project co-designed and hosted by FMCN since 2010. It is the first regional effort focused on building the capacities and leadership skills of young environmentalists from different sectors and disciplines living in Mexico, Belize, Guatemala, and Honduras, who are working to preserve the

magnificent, but threatened, Mesoamerican Reef. Since its inception, MAR-L has trained 125 leaders and incubated more than 70 high-impact marine and coastal projects. MAR-L is a capacity building program for knowledge sharing, project design and implementation, and fostering synergies for the conservation leaders of today and tomorrow. Fellows, with their immense potential for professional growth and their commitment to a productive and resilient reef ecosystem, are the human capital “engines” driving conservation efforts across the MAR region.

The Healthy Reefs for Healthy People Initiative (also called Healthy Reefs Initiative, HRI) is a globally unique international collaboration of 73 coral reef-focused research, management and conservation organizations dedicated to safeguarding the Mesoamerican Reef in Mexico, Belize, Guatemala and Honduras. HRI’s practical approach to science-based adaptive management is grounded within the objectives of its 73 partners and includes developing the first reef health evaluation framework based on the 2007 Guide to Indicators of Reef Health and Social Well-being. They have produced six informative and succinct Reef-health Report Cards over the last 13 years. HRI also develops targeted Eco-Audits that evaluate the implementation of reef management recommendations, and have conducted four audits over the last decade that track progress at the country-level. Finally, HRI is also testing novel science-based reef ecosystem restoration interventions.

The Global Fund for Coral Reefs -GFCR- is a blended finance instrument created to mobilize action and resources to protect and restore coral reefs ecosystems globally. It is a 10-year, \$625 million vehicle established through a coalition between United Nations agencies, financial institutions, and private philanthropy sources. The GFCR operates under the United Nations Development Programme (UNDP). It supports business models that can sustainably finance key conservation and development goals for coral reefs via two windows. Technical assistance, capacity development, monitoring, and evaluation are provided via the grant window, while the investment window provides de-risked investment capital to maximize the impact of projects incubated by the grant window.

In September 2020, the MAR Fund responded to the surveys launched by the Conservation Finance Alliance (CFA), the entity that developed the investment plan for the GFCR. Subsequently, the MAR Fund provided initial potential business opportunities that may generate positive environmental and socio-economic impact on the coral reefs in the region. In April 2021, the MAR Fund was invited by the GFCR to act as a convening agent and submit a concept note for a blended finance mechanism to secure \$30 million in commercial investments and \$10 million in concessional and grant capital to be deployed in a 10-year period in the MAR region.

The MAR Fund invited the Healthy Reefs Initiative, FMCN and New Ventures Group to be partners of the mechanism.

The MAR+Invest concept note was submitted to the GFCR in June 2021, and was awarded a design grant of \$100,000 to complete the full program proposal.

II. DEFINITIONS

- Business Development: Generation of long-term value for a business and/or organization developing a market-based solution for a conservation challenge in the MAR.

- Capacity building: Transfer of knowledge in the forms of training, advice, mentoring and management consulting.
- Calls for Proposals: Solicitation of project proposals that via market-based solutions have a positive impact on coral ecosystems.
- Financing solutions: Financial products that serve the financing needs of profit-generating solutions to the problems threatening the health of the MAR.
- Impact evaluation: Evaluation that generates information about the positive or negative environmental, social and economic impacts produced by an intervention, whether intended or unintended, direct or indirect.
- Impact monitoring: Systematic assessment of the impact of an intervention.
- Impact thesis: A thesis that connects strategy and operational mechanisms with the desired outcomes of MAR+Invest.
- Impact Policy: Set of values, principles and impacts to guide decision-making in order to achieve desired outputs and outcomes of MAR+Invest.
- Investment Portfolio: Projects that contribute to the desired outputs and outcomes of MAR+Invest that are at an advanced stage of development. A project in the portfolio is an object of commercial financing.
- MAR+Invest: A business development and financing mechanism that supports conservation, protection and restoration of coral reefs and associated ecosystems (mangroves and seagrasses) –the natural capital of the MAR region– through the development and financing of commercially viable projects that deliver on coral reef positive outcomes.

MAR+Invest will develop reef positive businesses that **a.** support the financial sustainability of marine protected areas and livelihoods of communities living in and around protected areas, **b.** promote climate resilience of coral-dependent communities while decreasing the pressure and threats on the MAR, and **c.** strengthen the emergency response to major shocks threatening the MAR. These businesses will capture equity investment and/or loans, closing the financial gap of private sector investment in the conservation of the MAR. The effect will be a net change from a reef negative to a reef positive scenario where the aggregation of fully developed and financed solutions will contribute to protect, conserve and restore the natural capital of the MAR while improving livelihoods.

- Mesoamerican Reef Technical Assistance Facility -MARTAF: Attracting private capital to the eco region demands macro and micro market interventions oriented to the generation of investable models and the reduction of financing gaps of investment in conservation. MARTAF will lead the generation of macro interventions to **a.** gain better access to markets for the blue economy products originated in the MAR, **b.** design, plan, launch and/or accelerate interventions that are critical for the reduction of local threats to the reef and which demand

the participation of diverse sectors and a range of stakeholders, and c. identify, design, plan, launch and develop initiatives with the potential to secure development and financing resources for blue economy initiatives in the MAR ecoregion. MARTAF will be housed in MAR Fund.

At the micro level, MARTAF will provide technical assistance to a range of projects led by private actors, civil society organizations, organized communities and/or coalitions and that deliver outputs for any of the three outcomes sought by MAR+Invest.

- Project Selection and Investment committee: A governance body integrated by the MAR+Invest partners and five additional members. It evaluates and selects projects submitted for the calls for proposals, based on criteria to be developed. It also ensures that the investments of the programme comply with the investment policy and are strategically advancing the outcomes targeted by MAR+Invest, including the projects selected in each call.
- Pipeline: Projects with the potential to be part of the portfolio of MAR+Invest. These projects are eligible for technical assistance support from MARTAF in order to close the necessary gaps that will make it the object of a credit or investment via MAR+Invest.
- Resilient Reefs: Reefs (and associated) ecosystems that have the structural and functional health attributes required to survive, adapt and/or recover from the stresses and shocks that they experience.
- Steering Committee: A committee that provides strategic guidance, management oversight and support for MAR+Invest. It is integrated by the partners and a GFCR representative.
- Sexual Harassment -SA-: “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”¹.
- Technical Assistance: Non-financial assistance provided by specialists. It can take the form of sharing information and expertise, instruction, skills, capacity building, transfer of technical data, business development advice and support with market and supply chain development and ecosystem building and transfer of working knowledge, as well as hiring consulting services.

III. PURPOSE

This MoU formalizes the partnership between the MAR Fund, New Ventures Group, FMCN and the HRI with the following purposes:

- A. To complete a MAR+Invest program proposal to be submitted to GFCR in February 2022 that includes:

¹ According to Project Template. Global Fund for Coral Reefs. ANNEX XII.

1. Design of MAR+Invest: Designing the fundamentals for the facility and a set-up plan in order to be operational in the first semester of 2022. (Annex 1. Outline).
2. Design of MARTAF: Designing the fundamentals for the technical assistance facility and an inception plan aligned to the MAR+Invest timeline and be operational in the second semester of 2022. (See Annex 1. Outline)
3. Legal analysis to enable New Ventures Group for financial transactions and/or financial intermediation in Belize, Guatemala, Honduras and Mexico.
4. Structure business opportunities and financing solutions for the projects that are more mature to access commercial financing. This includes research for additional co-financing sources to grow the impact of MAR+Invest as a mechanism that unlocks capital for the MAR ecoregion.
5. Build and Connect plan for MAR+Invest: A capacity building and training program that enables better conditions for the advancement of coral positive solutions in the MAR ecoregion. This includes promoting innovation and increasing knowledge of government officials and policy makers, business accelerators and local investors, and Marine Protected Area managers and co-managers, about the coral positive business opportunities and innovations to improve financial sustainability in the MAR region.
6. Monitoring and Evaluation Plan for the impact generated by the investments and interventions made by MAR+Invest: Development of impact indicators for MAR+Invest. Development of a Monitoring and Evaluation Plan for ventures in the MAR+Invest portfolio, with a focus on reporting and evaluating the impacts of the interventions on the health of the reef.
7. Report of resilient reefs in the MAR: Narrative report on resilient reefs in the MAR ecoregion with references.

B. To launch MAR+Invest.²

Set up and launch of MAR+Invest includes:

Governance:

1. Definition of roles and responsibilities of partners and identification of additional skills to be acquired. Although responsibilities and scope of work are outlined in the MAR+Invest project document, once the mechanisms are activated by the GFCR, the leadership from all partner organizations will convene to advance the managerial decisions to make the launch effective.
2. Regulatory and management frameworks.
3. Identification, selection and appointment of members to both MAR+Invest committees: 1) steering and 2) project selection and investment. Development of operational mechanisms and mandates.

Legal:

1. Complete legal processes and registrations, if required. This will apply in the event that MAR+Invest requires an independent legal entity that may work under any of the partners instructions and oversight.

² MAR+Invest will be launched in the second semester of 2022, or when funds from the GFCR are available for set-up and other launch-related developments.

Management and Operations:

1. Acquire, set up, administrate and operate a Client Relationship Management Software -CRM- to account for the relationships of MAR+Invest, its interactions and other relevant information. Accounts will be established for portfolio, pipeline, stakeholders, donors, co-investors, Build and Connect participants.
2. Establish accounting and management systems.
3. As per GFCR requirements, “each partner will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it and by the convening agent of MAR+Invest. Each account will be administered by each partner in accordance with its own regulation, rules policies and procedures, including those related to interest”.³
4. Reporting will follow the guidelines, project and annual calendar provided by GFCR in Annex XI of Program Document Template (First template): Project Administrative Arrangement for Recipient Organizations (Annex II of MoU).

Staffing:

1. Co-design an organizational structure with positions, roles and responsibilities for MAR+Invest.
2. Periodically review and adapt the organizational structure of MAR+Invest to effectively respond to the needs that will emerge with its development.
3. If necessary, each partner organization will acquire new skills and capacity in order to fulfill the new demands of MAR+Invest. New hires will be managed by the hiring partner.
4. If necessary, MAR+Invest will acquire personnel. In such event, the search, selection and negotiation process, will be planned and executed by MAR+Invest partners.

Planning:

1. Co-develop, approve and monitor a general operational plan and workplans for the different stages of MAR+Invest.

Knowledge Management:

1. Establish knowledge management processes and systems to secure proper documentation, management and distribution of knowledge.

Reporting:

1. Establish reporting guidelines and processes for MAR+Invest partners that align with the GFCR guidelines.

³ Programme Document Template -Global Fund for Coral Reefs- Annex XI. Project Administrative Arrangement for Recipient Organizations – Accountability, transparency and reporting of Recipient Organization.

- C. To support the identification and pursuit of growth opportunities for MAR+Invest via available sources of project funding for:
 1. The advancement of market-based solutions for coral positive impacts in the MAR.
 2. The generation of partnerships to attract different sources of capital to the MAR ecoregion.
 3. The generation and funding of solutions for the advancement of the blue economy in the ecoregion.

IV. DURATION

At a minimum, the duration is for the design of the initiative, from signature to March 2022. If approved by GFCR, the partners agree that the duration of this MOU is for 8 years, which is the initially foreseen MAR+Invest project period.

1. This MoU shall enter into force upon signing by all partners.
2. Any Party may retire from the MAR+Invest project and this MoU by giving the other Parties six (6) months advance written notice of termination.
3. If a party retires from this MoU, steps shall be taken to ensure that the termination does not affect any prior obligation, project or activity already in progress in MAR+Invest and a new equivalent partner will be searched for and invited to participate.

V. RESPONSIBILITIES

The roles and responsibilities of the partners of this MOU are as follows:

1. MAR Fund responsibilities include:
 1. As convening organization for MAR+Invest and following GFCR's program preparation guidelines, MAR Fund will be accountable for coordination of programmatic activities and narrative reports.
 2. Serve as Co-chair of the MAR+Invest Steering Committee, responsible for strategic guidance, management oversight and coordination.
 3. Facilitate collaboration between recipient organizations, governments and local partners for implementation of MAR+Invest.
 4. Host the Management Unit responsible for operation and programmatic coordination of MAR+Invest that coordinates all MAR+Invest partners, coordinates annual work plans and narrative reports, coordinates monitoring of annual targets, calls and reports on Steering Committee meetings, facilitates audits and evaluation, and reports back to the Steering Committee.

5. Facilitate MAR+Invest external audits.

In addition to the responsibilities dictated by the GFCR, other MAR Fund responsibilities include:

6. Support the design of MAR+Invest with intelligence in conservation, climate and natural capital finance.
7. Coordinate partner activities in fundraising and operation of MAR+Invest.
8. Coordinate communications and activities between MAR+Invest partners.
9. Coordinate communications and the overall relationship with GFCR.
10. Manage key donor relationships for MAR Fund (MARTAF) and MAR+Invest, during the stages of design, set up, launch and proof of concept.
11. Manage the account(s) for MAR+Invest, as per MAR Fund approved policies and procedures.
12. Manage grants to MAR+Invest partners and to organizations developing projects as part of the portfolio or the pipeline of MAR+Invest.
13. Coordinate programmatic and logistic needs for required meetings among partners.
14. Identify and pursue opportunities for growth and development of MAR+Invest in spaces of finance for conservation, climate and natural capital.
15. Ensure that MARTAF's design is aligned with MAR Fund objectives, strategic plans and fundraising processes.
16. Structure MARTAF as a MAR Fund program.
17. Coordinate communications and marketing for MAR+Invest and each one of the programs, products and services offered.
18. Participate in problem solving and conflict resolution in the event of differences with stakeholders, portfolio and pipeline ventures and/or projects.
19. Support the GFCR knowledge-sharing platform.
20. Support the preparation of MAR+Invest narrative and financial reports to be submitted to the GFCR in the terms and conditions described in Annex XI of Program Template (first template): Project Administrative Arrangement for Recipient Organizations.
21. Identify and engage with members of the project selection and investment committee.
22. Participate in all partner meetings.

2. New Ventures Group responsibilities include:

1. Support the design of MAR+Invest with investment and business development intelligence.
2. Provide information, analysis, guidance and advice for the design of MAR+Invest, its launch and initial growth.
3. In coordination with MAR Fund, manage investor relations with commercial capital providers.
4. In coordination with all partners, design and implement six calls for proposals to identify coral positive market innovations/solutions.

5. Provide business acceleration for the solutions identified in the calls for proposals with the ultimate objective of turning them into investment-ready or credit-ready solutions.
6. Conduct investment banking for the portfolio of MAR+Invest.
7. Generate blended finance solutions for the ventures in the MAR+Invest portfolio.
8. Manage financing solutions for the MAR+Invest portfolio when such solutions include a role for New Ventures Group.
9. Deploy and manage the necessary resources to operate in the markets of Belize, Guatemala, Honduras and Mexico.
10. Support the financial negotiations with potential partners of the financing mechanisms to be generated by MAR+Invest (e.g blue carbon and others that may emerge as MAR+Invest evolves).
11. Support -with information and connections- the attraction of private capital for MAR+Invest.
12. Dedicate a full time Manager for the program. The Business Developer Manager role and responsibilities will be designed in coordination with MARTAF.
13. Support Build & Connect capacity building programs with participation as speaker and/or trainer, when required.
14. Participate in problem solving and conflict resolution in the event of differences with stakeholders, portfolio and pipeline ventures and/or projects.
15. Support the preparation of project proposals for the growth of MAR+Invest with information and co-creation.
16. Support the preparation of MAR+Invest narrative and financial reports to be submitted to the GFCR in the terms and conditions described in Annex XI of Program Template (first template): Project Administrative Arrangement for Recipient Organizations with information and insight.
17. Support the GFCR knowledge-sharing platform with specific requirements of information and intelligence related to New Ventures Group role in MAR+Invest.
18. Identify and engage with members of the project selection and investment committee.
19. Participate in the MAR+Invest steering committee.
20. Participate in all partners meetings.

3. Healthy Reefs Initiative responsibilities include:

1. Support the design of MAR+Invest with scientific intelligence applied to impact on coral reef ecosystems across the portfolio.
2. Provide information, analysis, guidance and advice for the design of MAR+Invest, its launch and initial growth.
3. Support the selection of MAR+Invest portfolio, leading coral first due diligence of potential interventions.
4. Support identification of potential interventions for MAR+Invest. Given HRI's strategic position and linkages with 70+ organizations in the region, it is in contact with innovations emerging in the field. HRI can easily identify coral first game-changing interventions and ventures for growth and development of MAR+Invest portfolio.
5. Develop, test and continuously improve tools to monitor and evaluate each venture and mechanism in the portfolio of MAR+Invest.

6. Support in closing data gaps that are necessary to establish impact baselines and evaluation of “coral first” value creation for each venture in the portfolio.
7. Generate the plan for monitoring and evaluation of the impact of MAR+Invest and each one of the interventions in its portfolio.
8. Adapt the monitoring and evaluation plan to reflect the evolution of the pipeline and portfolio in stages of business development, new portfolio additions and exits.
9. Work with the GFCR partner UNEP to ensure that the GFCR core indicators are captured and reported on for the interventions in the portfolio.
10. Participate in problem solving and conflict resolution in the event of differences with stakeholders, portfolio and pipeline ventures and/or projects.
11. Support the preparation of project proposals for the growth of MAR+Invest with information and co-creation.
12. Support the preparation of MAR+Invest narrative and financial reports to be submitted to the GFCR in the terms and conditions described in Annex XI of Program Template (first template): Project Administrative Arrangement for Recipient Organizations with information and insight.
13. Support the GFCR knowledge-sharing platform with specific requirements of information and intelligence related to HRI role in MAR+Invest.
14. Identify and engage with members of the project selection and investment committee.
15. Participate in the MAR+Invest steering committee.
16. Participate in all partners meetings.

4. FMCN responsibilities include:

1. Design Build & Connect, a capacity building program to generate enabling conditions for the emergence of the innovations advancing coral positive solutions in the MAR region
2. Manage Build & Connect with the same standards that have guided the MAR Leadership program during the 11 years of delivering training and capacity building for social and environmental leaders in the region.
3. Engage all MAR+Invest partners in the process of cohort selection.
4. Design performance indicators and collaborate with HRI in the development of tools to evaluate the impact of Build & Connect.
5. Generate and adapt, together with the communications team at MAR Fund, a marketing and communications strategy to engage fellows of the different cohorts of Build & Connect.
6. Strategically network in the ecosystems of impact investing and conservation to find potential speakers, case studies, fellows, donors and sponsors.
7. To provide grants and/or hire services as required for successfully launching Build & Connect.
8. Support the preparation of MAR+Invest narrative and financial reports to be submitted to the GFCR in the terms and conditions described in Annex XI of Program Template (first template): Project Administrative Arrangement for Recipient Organizations with information and insight.
9. Support the GFCR knowledge-sharing platform with specific requirements of information and intelligence related to FMCN role in MAR+Invest.

10. Identify and engage with members of the project selection and investment committee.
11. Participate in the MAR+Invest steering committee.
12. Participate in all partners meetings.

VI. PROVISIONS RELATED TO THE PREVENTION OF AND RESPONSE TO SEXUAL HARASSMENT (SH) AND SEXUAL EXPLOITATION AND ABUSE (SEA)

In compliance with the GFCR mandate, all MAR+Invest partners will follow the provisions related to the prevention of and response to sexual harassment (SH) and sexual exploitation and abuse (SEA), detailed in Annex XII of the GFCR Program Document Template.

MAR+Invest partners will 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").

Without limitation to the application of other regulations, rules, policies and procedures all MAR+Invest partners shall not engage in any form of sexual harassment ("SH"). The partners specifically:

1. In the performance of the activities under MAR+Invest, the Partners shall (with respect to their own activities) require from their 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 Partners will and will require that such sub-parties will take all appropriate measures to:
 - a. Prevent their employees, agents or any other persons engaged to perform any services under MAR+Invest, from engaging in SH or SEA;
 - b. Offer employees and associated personnel training on prevention and response to SH and SEA. Where the Partners and their sub-parties have not put in place their own training regarding the prevention of SH and SEA, the Partners and their sub-parties may use the training material available at UNDP;
 - c. 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 the status thereof;
 - d. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
 - e. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. MAR+Invest Partners shall advise UNDP of any such allegations received and investigations being conducted by themselves or any of their sub-parties referred to with respect to their activities under MAR+Invest, and shall keep UNDP informed during the investigation by them 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 Partners shall advise UNDP of any actions taken by them or any of the other entities further to the investigation.

2. All MAR+Invest Partners shall establish that they have 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 MAR+Invest Partners, and each of their sub-parties, to comply with the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

VII. CONFIDENTIALITY

1. Each party will identify the information classified as confidential and inform the other parties upon sharing this information.
2. The parties will respect the confidentiality of all shared information and will avoid any unauthorized disclosure of materials and knowledge related to, among others, fundraising or operation of the MAR+Invest classified as confidential.
3. Each Party warrants to the other Parties that it will not proceed into a funding opportunity, conversation or arrangement for the MAR+Invest without prior agreement with the other parties.
4. Each Party may disclose the existence of this MoU to the public and may use the name of each other.
5. All Parties will take reasonable efforts to agree on joint outreach campaigns including joint events at international meetings and conferences.

VIII. CONFLICT OF INTEREST

1. The parties agree to bring any existing or potential conflicts of interest to the attention of the other parties.

IX. DESIGNATION OF REPRESENTATIVES

1. Each party will designate at least one representative to conduct the objectives of this MoU that will be a member of the steering committee.

X. OTHER PROVISIONS

1. Amendment clause: This MoU may be modified or amended by written agreement between the Parties. The corresponding revised versions of this MoU will be added to the progress reports to be presented to the GFCR.

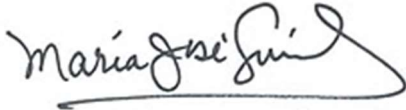
2. All products (research, models, tools) resulting from projects financed by MAR+Invest and its partners, are to be for public distribution and use. Confidential information regarding strategy, finances and other critical elements for the project's success shall remain confidential.
3. This MoU is a non-binding statement of the Parties' mutual understanding of their proposed collaboration framework. Therefore, except for the obligations set forth under Confidentiality above, this MoU is not intended to create, and does not create, any legally enforceable rights or obligations in respect of the other Parties.
4. Conflict resolution: Since this Memorandum of Understanding does not create binding financial obligations for either party, formal means of dispute settlement like arbitration are to be avoided. In the event of a dispute, controversy or claim arising out of or relating to this MoU, or the breach, termination or invalidity thereof (a "dispute"), the Parties will use their best efforts to settle promptly such dispute through direct negotiation. Any dispute that is not settled within sixty (60) days from the date a Party has notified the other Parties of the nature of the dispute, and of the measures that should be taken to rectify it, will be resolved through consultation between the legal representative of each organization or their duly authorized representatives. Each Party will give full and sympathetic consideration to any proposal advanced by the other Parties to settle amicably any matter for which no provision has been made.

SIGNATURES:

For MAR Fund.

Name: María José González

Signature:



Title: Executive Director

Date: February 03, 2022

Place: Bogotá, Colombia

For New Ventures Group.

Name: Armando Laborde de la Peña



Signature:

Title: Managing partner

Date: January 28th, 2022

Place: Mexico City

For FMCN.

Name: Renée González Montagut

Signature:

A handwritten signature in black ink on a light yellow background. The signature reads "Renée González M." and is underlined with a single horizontal stroke.

Title: General Director

Date:

Place: Mexico City

For Healthy Reefs Initiative.

Name: Melanie McField

A handwritten signature in black ink. The signature reads "Melanie Mcfield" in a cursive style.

Signature:

Title: Director

Date: 2/1/2022

Place: Fort Lauderdale, Florida

ANNEX 1.
MAR+INVEST – FOUNDATIONAL DOCUMENT

OUTLINE

- Executive Summary
- Purpose
- Objectives
- Investment thesis
- Eligibility Criteria
- Structure – (Capital structure, Operational)
- Governance
- Identification and selection of solutions. (Calls for proposals)
- Sources of Capital: Philanthropic, Commercial, ODA, Project Financing.
- Impact Monitoring

Business Development Solutions:

- MARTAF Investment Criteria (Eligibility Criteria)
- MARTAF Investment Thesis
- Portfolio Approach – De-risking approach
- Pipeline Development
- Risk Approach (De-risking approach)

ANNEX 2.
PROJECT ADMINISTRATIVE ARRANGEMENT FOR RECIPIENT
ORGANIZATIONS (Annex XI in Program Document Template GFCR)

Annex XI: Project Administrative Arrangement for Recipient Organizations

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the GFCR will:

- Disburse funds to each of the Recipient Organizations in accordance with instructions from the GFCR Global Team. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the GFCR Global Team along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by Recipient Organizations and provide the GFCR annual consolidated progress reports to the donors and the GFCR Global Team;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is achieved by the Recipient Organizations. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations’ headquarters needs to have been submitted);
- Disburse funds to any RO for any costs extension that the GFCR Global Team may decide in accordance with the GFCR rules & regulations.

Accountability, transparency and reporting of the Recipient Organization:

Each Recipient Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Recipient Organization in accordance with its own regulations, rules, policies and procedures, including those relating to interest

The Recipient Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by the Executive Board, the cost of such activity should be included in the project budget;

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.

Reporting:

Each Receipt Organization will provide the Administrative Agent and the Fund Secretariat with:

Type of report	Due when	Submitted by
Bi-annual project progress report	15 June	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
Annual project progress report	15 November	Convening Agent on behalf of all implementing and recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team, where they exist
Annual progress report, which may contain a request for additional GFCR allocation if the context requires it	15 December	Convening Agent on behalf of all implementing or recipient organizations and in consultation with/ quality assurance by the GFCR Global Team

For the preparatory grant financing, the full programme document will be considered as the annual reports. The GFCR Global team might request a summary of the preparatory activities.

Financial Reports and timeline

The financial reporting requirements for the below follow the 8 UNDG budget categories.

Timeline	Event
28 February	Annual reporting – Report Q4 expenses (Jan. to Dec. of previous year)
30 April	Report Q1 expenses (January to March)
31 July	Report Q2 expenses (March to June)
31 October	Report Q3 expenses (January to September)
<i>Certified final financial report to be provided at the quarter following the project financial closure</i>	

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

Ownership of Equipment, Supplies and Other Property

Matters relating to the transfer of ownership by the Recipient Organization will be determined in accordance with applicable policies and procedures defined by the Fund.

Public Disclosure

The Fund Secretariat and Administrative Agent will ensure that operations of the GFCR are publicly disclosed on the GFCR website (<https://globalfundcoralreefs.org>) and the Administrative Agent website (<http://www.mptf.undp.org>)

Final Project Audit for recipient organization projects (Not Applicable to Preparatory Grant)

An independent project audit will be requested by the end of the project (For multi-year projects the GFCR Executive Board might request add. audit reports). The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

Special Provisions regarding Financing of Terrorism

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of Fund Secretariat, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.