REQUEST FOR EXPRESSION OF INTEREST (REOI)

# To participate in a blended finance programme to de-risk lending to Blue Economy MSMEs (Financial Institutions and Principal Advisors)

## Background

In 2024, the Capital Market Development Authority (CMDA) and UNDP, with support from the Government of UK, partnered to build the groundwork for an innovative multi-stakeholder coordination mechanism to blend finance, build capacities and drive evidence-based decision making to form and revitalize the blue economy in Maldives. The industry, driven largely by small holder businesses like the fisheries industry, have struggled to keep pace with the country’s expansionary growth fueled by rapid industrialization, the expansion of tourism and infrastructure development, exerting significant pressure on the country’s natural capital, threatening the health of its critical ecosystems, multiplicatively damaging its prospects. This partnership will address the need for sustainable resource management through a Blue Economy approach.

Lending to the fisheries sector remained at a healthy 6.7% of total bank lending in 2024 though most lending was concentrated for the service of vessels. A history of diminished lending to MSMEs and value-added businesses (only 1.1% of financing in 2024), has caused the fisheries sector to lose ground in economic relevance. Challenges to value addition have also been identified as a core concern by industry groups. Hence, perceptions from the financial sector towards the Blue Economy remain cautious, citing bankability as a core concern. The recent Tuna Think Tank Workshop identified entrepreneurial capacity and financial risk as key risk drivers. It also identified sustainability as a core opportunity to be further explored. This partnership will focus on the core issues identified for bankability; financing and derisking lending for banks and supporting capacity development.

To ameliorate these challenges, CMDA and UNDP are establishing a Joint Financing Facility (JFF) for the Blue Economy, a risk financing mechanism to bridge the lending gap. The facility will partner with Financial Institutions and Principal Advisors to derisk lending and leverage additional capital for sustainable Blue Economy MSMEs. In this regard, The Capital Market Development Authority (CMDA), in collaboration with UNDP, invites interested financial institutions and principal advisors to express your interest in partnering with the facility.

# DescriptionThis scheme aims to leverage additional financing for sustainable ventures in the Maldives through a derisking facility. Participating financial intermediaries will be eligible to request risk financing for eligible projects as per the limits and conditions:

* Financial Institutions (Loan Track): up to MVR 300,000
* Principal Advisors (Capital Market Track): up to MVR 500,000 – negotiable based on leverage requirement

## Track A: Financial Market Track – EOIs from Financial Institutions

### Overview of Process

Against this REOI interested intermediaries are required to propose the leverage requirements and concessions allowed against the risk exposure of the facility. Intermediaries that propose competitive allowances will be invited to formalize their engagement with the facility through an MOU. Partner institutions will be invited to submit a pipeline of Blue Economy opportunities that can be reasonably qualified as per the sustainability requirements of the JFF. The JFF will then qualify proposed projects based on a sustainability criteria checking for relevance with its investment mandate. On approval, risk financing support will be disbursed to the financial institution.

The facility will fully entrust financial and credit due diligence to the established processes of financial intermediaries. Where passed, or can be passed with risk financing support, participating intermediaries may request support from the JFF as resources remain available.

Note: Loan terms, including collateral requirements, are fully at the discretion of the financial institution.

### Roles of Financial Institutions

* Submit proposals to the JFF recommending a concessional loan product with adjusted conditions (e.g., reduced equity, lower interest, grace period, or tenure extension).
* Conduct financial and credit due diligence.
* Request de-risking assistance only for eligible, approved projects.
* Submit required documentation to CMDA/SFF for approval.

### Project Eligibility Criteria

* Be legally registered business in the Maldives and have had verifiable active operations for at least 2 years in Maldives. Operations may be verified through the partnered bank, audited financials, or management accounts.
* Demonstrate a clear revenue model and recurring income.
* Operate in an eligible blue economy sector, or have substantial qualifiable expenditure in their business plan - as per attached Annex A.
	+ Businesses in the fisheries sector, blue economy, tourism and other sectors that propose investment in efficiency and resilience will be considered strongly.

## Track B: Capital Market Track – EOIs from Principal Advisors

### Overview of Process

This line of support is intended for medium sized projects that intend to raise finance through the capital market. Principal Advisors are invited to identify and recommend projects (interested private parties) for the facility.

1. The Principal Advisor identifies and conducts due diligence on a project sponsor intending to list on the Viyana Platform.
2. The PA submits a request for Project Preparatory Grant support from the JFF.
3. JFF assesses the sustainability and capital market readiness of the project.
4. Upon approval, the sponsor receives up to MVR 500,000 to support prospectus development and listing.

### Roles of Principal Advisors

* Identify ESG-aligned sponsors with viable financial projects that align with the investment mandate of the JFF.
* Ensure the project meets capital market readiness and disclosure standards.
* Support the sponsor toward successful listing on Viyana.
* Submit complete documentation to JFF for review.

### Sponsor Eligibility Criteria

Sponsors must:

* Be legally registered business in the Maldives and have had verifiable active operations for at least 2 years in Maldives. Operations may be verified through the partnered bank, audited financials, or management accounts.
* Demonstrate a clear revenue model and recurring income.
* Operate in an eligible blue economy sector, or have substantial qualifiable expenditure in their business plan - as per attached Annex A.
	+ Businesses in the fisheries sector, blue economy, tourism and other sectors that propose investment in efficiency and resilience will be considered strongly.

## Submission Requirements

Interested Financial Intermediaries are invited to complete the proposal submission form for financial intermediaries (Annex A).

Interested Principal Advisors are invited to complete the proposal submission for Principal Advisors (Annex B) with a concept note or business plan of the sponsor.

**Deadline for Submission**

Interested parties are requested to submit their completed proposal submission forms to mdd@cmda.gov.mv by 12:00pm of 27th August 2025.