

Catalyzing Reef-Positive Investment in the Mesoamerican Reef (MAR)

Supporting market solutions today, for a resilient Mesoamerican Reef tomorrow.

Introduction

MAR+Invest is a regional blended finance initiative designed to channel capital into “reef-positive” businesses that contribute to the health and resilience of the Mesoamerican Reef (MAR) through its protection, restoration, or reduction of threats. Through a combination of grants, concessional capital, and a guarantee fund, it de-risks reef-positive ventures to attract new sources of private capital.

[MAR+Invest](#), with the support of the [Global Fund for Coral Reefs](#) (GFCR), provides tailored technical assistance, mentorship, business development services, and access to financing. It targets key sectors such as coastal and marine protected areas, wastewater treatment, sustainable fisheries, aquaculture, and ecotourism. Impact is measured through a science-based framework with environmental and social indicators.

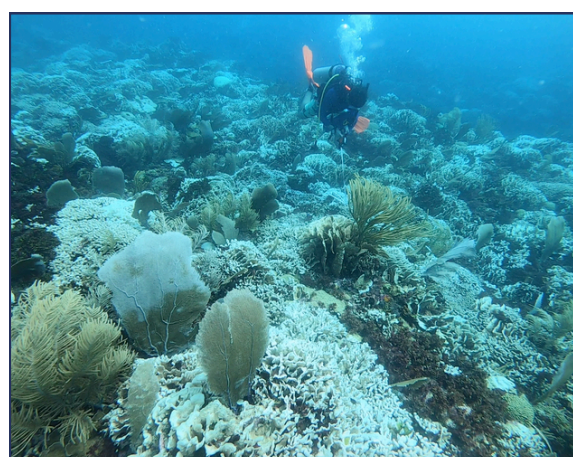
The importance of the MAR

The MAR, which includes the largest barrier reef in the Western Hemisphere, spans over Mexico, Belize, Guatemala and Honduras, and is a critical ecosystem for biodiversity, climate resilience, and the livelihoods of approximately five million people that live within 50 km of the coast. It provides food, coastal protection, and income from tourism and fisheries.

It is biologically rich, home to endangered and charismatic species such as manatees, whale sharks, and *Acropora sp* coral species. It is also ecologically connected to Florida, Cuba, and the Bahamas, underscoring its regional significance.

The MAR region is culturally diverse, inhabited by several Indigenous peoples including the Q’eqchi’, Mopan, Yucatec Maya, Garífuna, and Miskito.

However, like reefs around the world, the MAR faces mounting threats—primarily climate change—through bleaching, more frequent and intense storms, and acidification—, overfishing, and untreated wastewater. Rapid coastal development further strains natural resources and increases pollution. In consequence, reef health and resilience are impacted, and may be more vulnerable to disease such as [Stony Coral Tissue Loss Disease](#), which has affected 25 Caribbean countries.



Credits: HRHP | coral bleaching

A 2021 study supported by the Inter-American Development Bank estimated the annual value of the MAR at US\$4.5 B, based on the contribution of coral reefs to tourism, fishing, and coastal protection. However, if the health of the MAR continues to deteriorate, the annual value of the region could decline by US\$3.1 B by 2030¹. In contrast, effective conservation of the MAR could unlock an additional US\$2.5 B annually.

¹UN Environment, ISU, ICRI y Trucost 2018. [La economía de los arrecifes de coral: el caso comercial para invertir en la protección, preservación y mejora de la salud de los arrecifes de coral](#). 36pp

The need for private capital

Conservation efforts in the MAR have traditionally relied on philanthropic or donor funding. While essential, these sources are often short-term and limited in scale. To achieve long-lasting impact, there is a growing need to support scalable business models that deliver both environmental benefits and economic returns.

One approach to unlocking such models is through blended finance, which brings together philanthropic, public, and private capital. Grants or concessional funding are used strategically to reduce risk or offer incentives, making investments in complex areas like ocean conservation more viable and attractive to commercial partners.

This mechanism can accelerate the growth of sustainable enterprises while delivering measurable impact for people and reefs.



Credits: Fundación Albatros | coral biodiversity

Strategic priorities of the initiative

- 🌀 Mobilize private capital for nature-positive ventures: US\$45 M by 2030.
- 🌀 Support women-led and locally owned enterprises to promote inclusive and sustainable development.
- 🌀 Strengthen economic resilience in coastal communities, including indigenous people.

The integrated impact finance model for the region has three key components:

Pipeline development

Developing the pipeline in the MAR is essential due to the limited number of reef-positive businesses and their early-stage nature, which require targeted support to grow and attract investment.

Mesoamerican Technical Assistance Facility – MARTAF:

Grants for studies and feasibility of key projects and areas that can have a positive impact in the MAR, as well as Research & Development.

Enabling conditions and mentoring through the Build & Connect program:

Capacity building for change agents to address systemic barriers in the MAR region, such as limited business acumen and lack of public policies that enable the blue economy.

Acceleration Program:

Business and finance mentoring for early-stage ventures and NGOs with business arms.

Transactional Services

Financial advisory services and fund mobilization support.

Monitoring and Evaluation:

Impact is assessed for all projects and businesses in the pipeline.

Environmental and social indicators are defined and monitored over time to measure positive impact.

Blended finance:

Deployment of concessional and private capital into reef-positive businesses, incorporating de-risking mechanisms such as a guarantee fund and parametric insurance.

Direct Flexible Loans for established SMEs and early-stage companies, including revenue-based, impact linked loans and fixed payment loans.

Ticket size: from US\$10 K to US\$1 M.

Available MAR+Invest funds: US\$5 M.

Initial results

14 nature-based projects:

- Received capacity building in business, finance, leadership (one cohort in 2023).

15 accelerated ventures:

- Two cohorts of 6-month mentoring have taken place to date. Program components include group mentoring on: theory of change, business models, and storytelling, as well as, access to a personal mentor to provide tailored support to address their specific needs.
- Five of the fifteen are coastal and marine protected areas that are developing a business arm to support sustainable financing of their operations.

Sectors:

- Coastal and marine protected areas, sargassum upcycling, wastewater treatment, circular economy, sustainable fisheries, ecotourism.
- Three companies of the Acceleration Program have successfully raised funding for a total of US\$755 K in sargassum upcycling and wastewater treatment

Capital mobilization:

- US\$5.4 M of third-party private capital deployed or leveraged across five companies.

Blended Finance Transactions:

- Three debt transactions structured with a blend of concessional capital, private financing, and the MAR+Invest guarantee: [Terminator Water Solutions](#), [Maritime Procurement Services](#), and [Hotel Chiringuito Tulum](#).



De-risking mechanisms:

- A US\$500 K guarantee fund to de-risk investments into the regional reef-positive portfolio.
- Exploring parametric insurance to cover small-scale fisher losses due to sustained extreme weather in Honduras, to reduce the risk of the sector.

Some initiatives under development

Scaling solutions for sustainable small-scale fisheries

Overfishing, often driven by the economic vulnerability of fishers, remains a critical challenge. In the Caribbean coast of Honduras, MAR+Invest, with the support of the [BRIDGE Project](#), is developing tailored financial tools to support small-scale fishers, like small loans and parametric insurance to cover income loss from extreme weather events, tied to conservation agreements. The objective is to incentivize fishers to adopt sustainable practices, including respecting seasonal closures and no-take zones, in accordance with national laws. Although these tools are still under design, they offer a promising model to align financial support with long-term conservation goals.

Focusing on wastewater treatment

The MAR region faces a critical lack of adequate wastewater treatment, posing a threat to marine ecosystems and communities. MAR+Invest is prioritizing investments that address this gap, supporting sustainable solutions to reduce contamination. Our efforts aim to protect the reef while improving regional water quality and resilience.

[See Annex 1 for more information.](#)







What's next:

As conservation financing evolves, MAR+Invest demonstrates how innovative financial mechanisms can catalyze ecosystem protection. By supporting businesses that combine sustainability with profitability, the initiative redefines conservation as an investable opportunity, moving beyond grants to build resilience through sustainable enterprises.

Upcoming priorities include:



Credits: Cristina Ochoa | Fundación Albatros

-  Scale the investment facility across the MAR region by growing the guarantee fund to attract additional funding.
-  Deepen policy engagement to reduce systemic barriers.
-  Launch the next Acceleration Program cohort (2025).
-  Explore risk-sharing and insurance models.
-  Strengthen monitoring and impact evaluation.
-  Raising capital for the Clean Water Fund

ABOUT THE MEMBERS OF THE ALLIANCE



[Mesoamerican Reef Fund \(MAR Fund\)](#)

MAR Fund is a private regional environmental fund created to support the conservation and sustainable use of the natural resources of the four countries in the MAR: Mexico, Belize, Guatemala and Honduras. Its mission is to seek, secure, and facilitate regional funding, foster partnerships, and drive capacity building. It coordinates the initiative and the Technical Assistance Facility.



[Mexican Fund for Nature Conservation \(FMCN\)](#)

FMCN is one of the largest and most influential environmental funds in Latin America. With over 30 years of experience working closely with civil society, government agencies, and the private sector, it is also a Direct Access Entity of the Green Climate Fund (GCF). It supports SS in operating the Build & Connect MAR-Leadership Program (MAR-L) component.



[Sureste Sostenible \(SS\)](#)

Sureste Sostenible

Sureste Sostenible finances and promotes impactful social and environmental initiatives. As part of its collaboration with MAR Fund, Sureste Sostenible leads the Build & Connect MAR-Leadership Program (MAR-L), a project designed by FMCN in 2010 and the first regional effort focused on building the capacities and leadership of young environmentalists from various sectors and disciplines who are working to preserve the MAR.



[Healthy Reefs for Healthy People \(HRHP\)](#)

HRHP develops analysis and reporting tools such as performance indices for each project in the portfolio and report cards every two years for the reef. They also analyze the environmental and social impact that each project may generate in the MAR, from due diligence to project closure. It defines impact indicators and tracks them through a Monitoring and Evaluation (M&E) system for MAR+Invest.



[New Ventures \(NV\)](#)

NV empowers and catalyzes social and environmental entrepreneurship that seeks to provide solutions through innovative business models. They lead the Acceleration Program and Transactional Services for MAR+Invest, strengthening and scaling enterprises with a positive impact in the MAR.



[Viwala](#)

Viwala is a debt platform that supports SMEs with a social or environmental impact or those seeking more sustainable and inclusive business practices. It offers flexible, impact-linked loans to a diversity of areas, such as Diversity, Equity & Inclusion (DEI) and Opportunity Youth (OY). It designs tailored financial instruments within the MAR+Invest portfolio and supports the growth for positive impact in the MAR region.



MAR+Invest

CLEAN WATER FUND

Impact-Linked Financing to Promote Sustainable Use of Water Treatment Technologies in the Hospitality and Construction Industries in the MAR Region

BACKGROUND: THE URGENT NEED FOR WASTEWATER TREATMENT IN THE MAR

The Mesoamerican Reef (MAR) region is one of the most biodiverse marine ecosystems in the world, stretching over 1000 km along the coasts of Mexico, Belize, Guatemala, and Honduras. This biodiverse ecosystem is not only a global ecological treasure, vital for marine life and coastal protection, but also a cornerstone of the region's economy, supporting tourism, fisheries, and local livelihoods. However, the MAR faces severe threats, with untreated and poorly managed wastewater emerging as one of the most significant contributors to its degradation. Pollution from land-based sources leads to coral disease, algal blooms, and reduced marine biodiversity, threatening the ecosystem's resilience, the economic activities it sustains as well as human health.

In coastal zones, the rapid, often unplanned, development, particularly for tourism and real estate, exacerbates this problem. Many hotels and construction enterprises, driven by short-term gains, operate with inadequate wastewater management systems or fail to consistently adhere to environmental regulations. Their cumulative discharge of untreated or partially treated water, laden with nutrients and pollutants, flows directly into coastal waters, directly impacting the delicate reef ecosystem, leading to the degradation of coral reefs, loss of marine species, and increased risks to public health. Addressing water contamination is not only an urgent environmental issue but also a strategic economic concern for the communities that depend on a healthy reef system for tourism, fisheries, and resilience against climate change.

Hotels and construction companies are industries that operate at a large scale and generate substantial volumes of greywater and blackwater, often without sufficient treatment infrastructure. However, they are also highly sensitive to reputational risk, sustainability trends, and regulatory changes. This makes them ideal partners for piloting innovative financing mechanisms that promote the adoption of environmentally responsible practices.

In response to this situation, we propose an innovative financing solution, to be operated by Viwala, to combat water pollution in the critical MAR region and engage key productive sectors operating in the area as allies. By offering impact-linked loans to hotels and construction companies, we aim to incentivize the adoption of advanced water treatment technologies and best operational practices. This unique model leverages financial incentives to drive measurable environmental impact, promoting sustainable development across Mexico, Belize, Guatemala, and Honduras, and laying the groundwork for scalable and replicable solutions.



SOLUTION: IMPACT-LINKED LOANS FOR WATER TREATMENT TECHNOLOGY ADOPTION

The innovative financial product, impact-linked loans, is specifically designed to incentivize hotels and construction companies in the MAR region to install and properly operate water treatment technologies. These technologies must be pre-approved by the MAR+Invest team and aligned with environmental performance standards. To ensure the long-term success of these investments, borrowers will also commit to implementing best practices for the ongoing effective operation and periodic maintenance of the technologies. By linking financial benefits directly to verifiable environmental outcomes, this solution provides a compelling business case for companies to invest in and uphold responsible water stewardship.

HOW THE FINANCIAL PRODUCT WORKS

What is an Impact-Linked Loan?

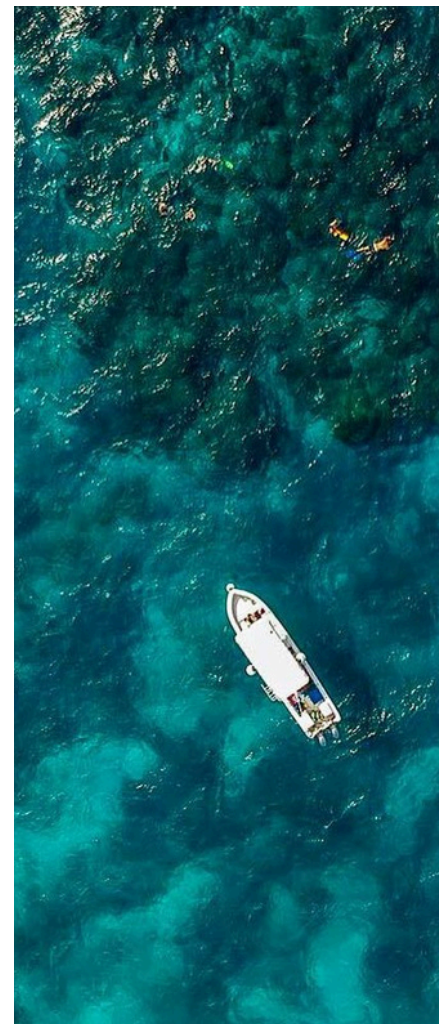
Impact-linked loans are a results-based financing tool where interest rates or repayment terms are partially tied to the borrower's achievement of verified impact outcomes. Borrowers receive fixed-payment loans at an initial interest rate. Upon demonstrating verifiable achievement of pre-agreed environmental Key Performance Indicators (KPIs), they become eligible for discounts on their interest rate or outstanding principal. In this case, the verified outcome is the proper treatment and discharge of water, measured via periodic water quality testing. This approach rewards companies for positive environmental behavior and reduces the financial risk of sustainability investments.

The operational flow is as follows:

- **Establishing the fund:**

Viwala will employ a blended finance strategy to establish the fund that provides impact-linked loans. This fund may bring together five types of investors:

- **Impact Investors:** Private investors seeking to generate measurable impact while earning a financial return of 4%–7%.
 - **Concessional Investors:** Private or institutional investors focused primarily on impact generation and willing to recover only their principal returns, with no financial return.
 - **Guarantors:** Stakeholders interested in acting as guarantors to facilitate the participation of private investors in operations linked to the conservation of the Mesoamerican Reef.
 - **Donors:** grants for technical assistance. Companies participating in the fund will receive capacity building to accompany their transition to sustainable practices and better measure impact.
- **Partnership & Outreach:**
 - Viwala's commercial team actively forges alliances and agreements with regional hotel associations, construction industry bodies and other relevant actors within the MAR region. This ensures the product is effectively communicated and offered to target businesses.
- **Loan Application & Due Diligence:**
 - Interested hotels and construction companies apply directly to Viwala. Viwala's robust internal process includes a comprehensive financial, legal, and payment behavior analysis to determine credit worthiness and eligibility for the loan.



Credits: Roxana Chávez | MAR+Invest



- **Impact Monitoring & Verification:**

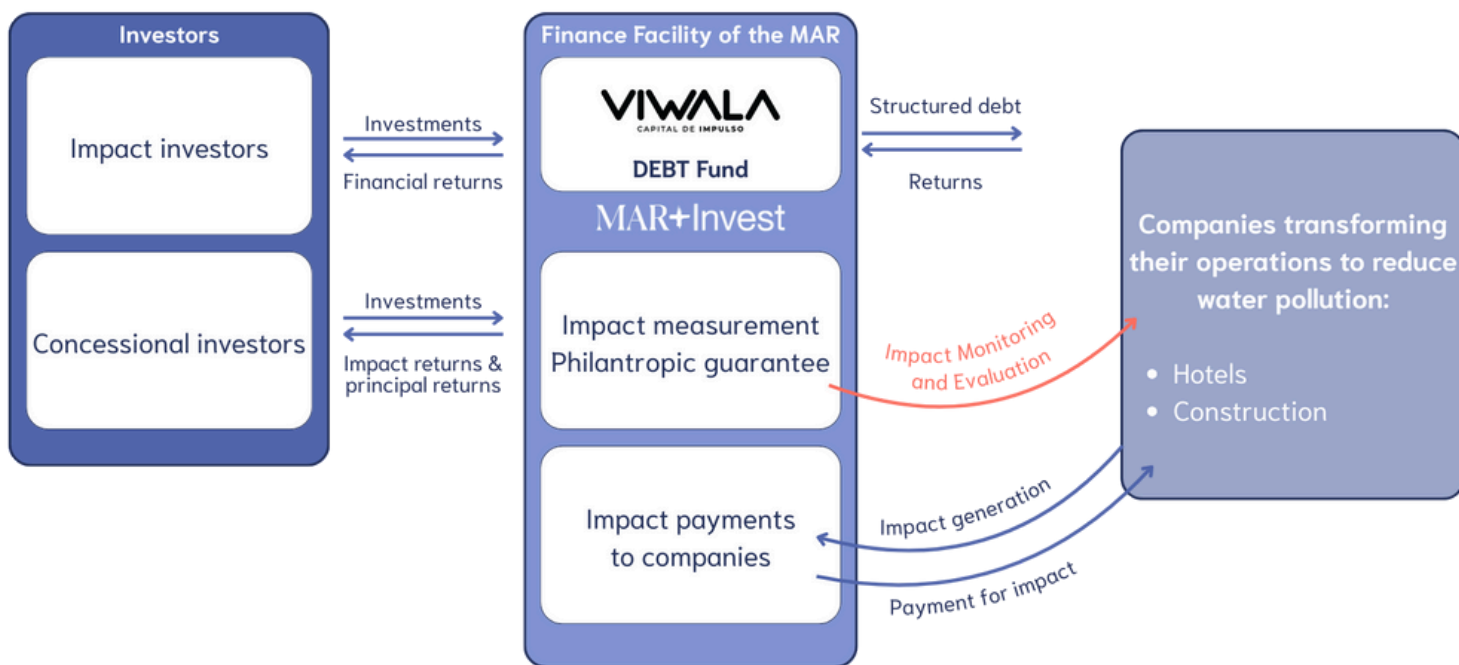
The MAR+Invest team develops a tailored Environmental and Social Action Plan (ESAP) with the client and a Monitoring & Evaluation (M&E) plan for each borrower. This plan includes at least:

- Water quality samples: Companies submit samples for independent lab analysis.
- Unannounced spot checks: The MAR+Invest team conducts surprise visits to verify the operational integrity and compliance of the water treatment systems.

- **Performance-Based Discount:**

Upon verified KPIs, the borrower receives a pre-agreed discount on the interest rate or principal balance, reducing their overall cost of financing. If targets are not met, full repayment terms apply.

MAR+Invest’s Impact Linked Loan Operation



CURRENT STATUS & NEXT STEPS

MAR+Invest is actively building the foundation for this initiative with the plan to launch a dedicated debt fund aimed at financing the transition of the hotel and construction sectors in the MAR region toward sustainable water management and clean water standards.

The development of the debt fund is structured in two phases:

Phase 1

It focuses on building market understanding, mapping and approving available technologies in the region for financing, piloting and refining the financial product, and designing the impact program along with its KPIs. To achieve this, we are currently advancing on the following fronts:



- **Market Intelligence:** MAR+Invest has engaged a consultant who is currently conducting in-depth interviews with hoteliers and construction companies operating in the MAR region to identify key business drivers and barriers to adopting advanced water treatment technologies. In addition, the consultant is assessing the size of the potential market that could be addressed through this innovative financial product.
- **Technology Mapping:** The team is undertaking a comprehensive mapping of available water treatment technologies to identify solutions that not only meet environmental and technical standards for the region –including water treatment in karstic substrate– but also demonstrate strong, measurable environmental impact.
- **Pilot Transactions & Scaling:** MAR+Invest, through Viwala, has already begun issuing the first loans under this model, with the strategic objective of building a demonstrable track record and optimizing both the financial product and the impact program. These early-stage transactions will be essential in paving the way toward the scaling and replication of the program across all countries in the broader Mesoamerican Reef region.

To execute the initial loans under Phase 1, we currently have US\$1.5 M of concessional funding available from the Global Fund for Coral Reefs, which will allow us to finance approximately 10 to 15 pilot transactions.

Phase 2

We will scale the financial product across all four MAR countries through the creation of a US\$25M debt fund. This phase will involve structuring the appropriate investment vehicle to operate across the region, and conducting the capital raise needed to fully deploy the product. Based on preliminary analysis, our blended finance strategy for the fund includes the following components:

-  **Private Investment:** We are preparing a private capital raise to finance US\$15 M in loans, offering investors a return of 5%–7% in USD over a 10+2-year term.
-  **Concessional Investment:** We are seeking concessional investors to fund one-third of the total fund, specifically those focused on promoting impact investment strategies in the MAR region. These investors would recover their principal after 10+2 years.
Target Concessional Capital: US\$10M
-  **Guarantees:** We aim to grow the current first-loss guarantee mechanism to de-risk and attract investment from commercial and impact-focused investors. This guarantee is critical to mobilizing the private capital required to reach our US\$15 M fund target and to drive the large-scale adoption of sustainable water practices.
Target Guarantee Amount: US\$5 M (of which US\$500K has been granted by the Global Fund for Coral Reef).
-  **Grants:** Raise funding to provide technical assistance to companies participating in the fund.
Target: to be defined based on market study currently underway.

Viwala believes this initiative represents a replicable and impactful model for aligning private-sector financing with environmental outcomes. We welcome partners and funders interested in joining us at this critical early stage.



JOIN US IN PROTECTING THE MESOAMERICAN REEF!

Contact and further engagement

MAR+Invest is actively seeking investors, committed partners, and technical experts to help scale reef-positive solutions across the region. Together, we can build resilient coastal communities and safeguard the MAR for the next generations to come.

Contact details:

info@mar-invest.org | mar-invest.org



Photo: Healthy Reefs for Healthy People

