How-To Guide for Mangrove-Positive Businesses

Actionable Guidance for Project Developers

Prepared for:

MANGROVE BREAKTHROUGH

By:

MAGNITUDE GLOBAL FINANCE

EXECUTIVE SUMMARY

Coastal development projects worldwide face mounting pressure from climate change, regulatory requirements, and investor demands for sustainability. For developers in coastal areas with mangrove ecosystems, healthy mangroves can be an important risk mitigation and revenue generation opportunity. By ensuring a do-no-harm approach and meaningfully contributing to the conservation and or restoration of nearby mangroves, projects can benefit from physical risk reduction, government and civil society support, and, potentially, access impact-seeking capital. This practical guidance helps developers add a mangrove-positive lens to their projects, benefit from proximity to healthy mangroves, and align with emerging guidance for mangrove-positive lending that could lower their capital costs.

The Business Case for Mangrove-Positive Development

Well-designed mangrove-positive projects offer compelling advantages: reduced exposure to climate risks through natural coastal protection, potential access to concessional financing with compelling terms, enhanced brand reputation, and strengthened community and government relationships. While current examples of dedicated mangrove-positive lending are limited, the market is rapidly evolving as governments integrate blue carbon strategies into national climate plans and financial institutions develop nature-positive lending criteria.

Practical Steps to Implementation

The guide provides a systematic five-step approach, with each step building toward creating a strong loan application that positions the project to access emerging mangrove-positive financing opportunities:

- Assess the project's proximity to mangroves and ensure it meets do-no-harm criteria;
- Engage meaningfully with local communities, government agencies, and civil society organizations;
- Align with relevant sustainability frameworks and sector-specific guidance;
- Establish clear, measurable impact indicators;
- Develop compelling financial and impact narratives that demonstrate both conservation outcomes and business viability.

Looking Forward

As the global financial system increasingly values nature-positive investments, mangrove-positive projects represent a significant opportunity for forward-thinking developers. With the Mangrove Breakthrough aiming to mobilize $4 billion toward protecting and restoring 15 million hectares by 2030, and dozens of countries now including blue carbon in their climate strategies, the enabling environment for mangrove-positive investments continues strengthening.

This guide equips developers with practical tools to navigate this emerging landscape, from the compilation of sector-specific guidance documents to stakeholder engagement strategies, positioning them to capitalize on the growing intersection of coastal development, climate resilience, and sustainable finance.

About the Mangrove Breakthrough

The Mangrove Breakthrough, co-designed with the Global Mangrove Alliance, is a global movement and guiding force for systemic change – redefining how mangroves are valued, financed, and embedded into climate and economic agendas. It brings together governments, investors, civil society, and local communities with the mission of mobilizing $4 billion to secure the future of over 15 million hectares of mangroves by 2030. The Breakthrough was launched at COP27 and advances sector-specific goals:

1. **Halt loss:** reduce net human-driven mangrove loss to zero
2. **Double protection:** ensure long term protection for 80% of remaining mangroves
3. **Restore half:** restore mangroves to cover at least half of all recent loss
4. **Drive sustainable finance** to existing mangrove extent

About This Report

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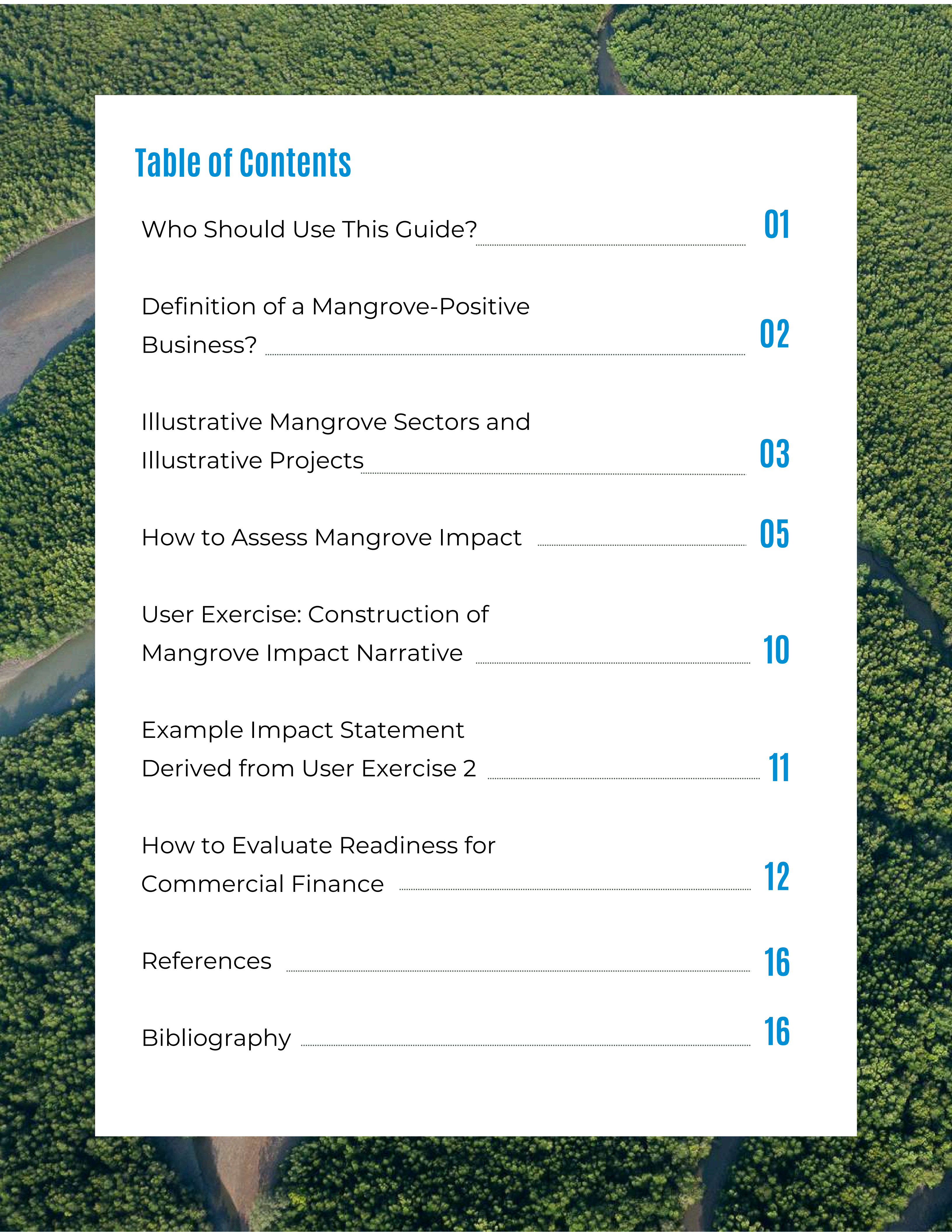

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WHO SHOULD USE THIS GUIDE

This guidance has two parts. First, guidance for commercial project developers seeking finance earmarked for mangrove-positive impact for investments adjacent to mangroves who need guidance understanding the potential impacts of their project on mangroves, or who are interested in understanding the physical risk reduction benefits that mangroves confer.

Second, guidance for mangrove-dependent micro, small and medium enterprises (MSMEs), community-based organizations, and non-governmental organizations (NGOs) supporting mangrove-dependent MSMEs that lack understanding of commercial financing opportunities for mangrove-positive businesses.

There are many actions that project developers in either category can take to become mangrove-positive (see Table 1 on page 4 for illustrative mangrove-positive projects in different sectors). There is no inherent trade-off between mangrove-positivity and financial success — a well-designed mangrove-positive project can bring significant risk reduction and/or revenue generation potential, as well as potentially concessional finance and other types of support, including technical assistance and brand reputational benefits.

Mangroves have faced serious deforestation and ecosystem degradation pressures for decades; the ecosystem services that they provide were not properly understood, or else not considered. Beginning in 2004 with the devastating Indian Ocean tsunami, strong evidence began to emerge that healthy mangroves provide significant risk reduction for vulnerable coastal communities and infrastructure.

It is now well established that mangroves reduce climate and natural hazard risk,[1] and some financial institutions, which face growing climate risk challenges as well as regulatory

burdens, are beginning to view mangroves as an important risk reduction tool for coastal assets. Indeed, mangroves serve as critical coastal barriers, protecting more than 18 million people and preventing $82 billion worth of property damage annually.[2] At the same time, many ways to generate revenue from standing mangroves, mangrove restoration, and sustainable-use of mangrove products are emerging. Best-fit financing arrangements are specific to different investment types and contexts. This how-to-guide, while it aims to provide resources for all types of mangrove-positive finance seekers, is specifically designed to support access to mangrove-positive debt (commercial and/or microfinance).

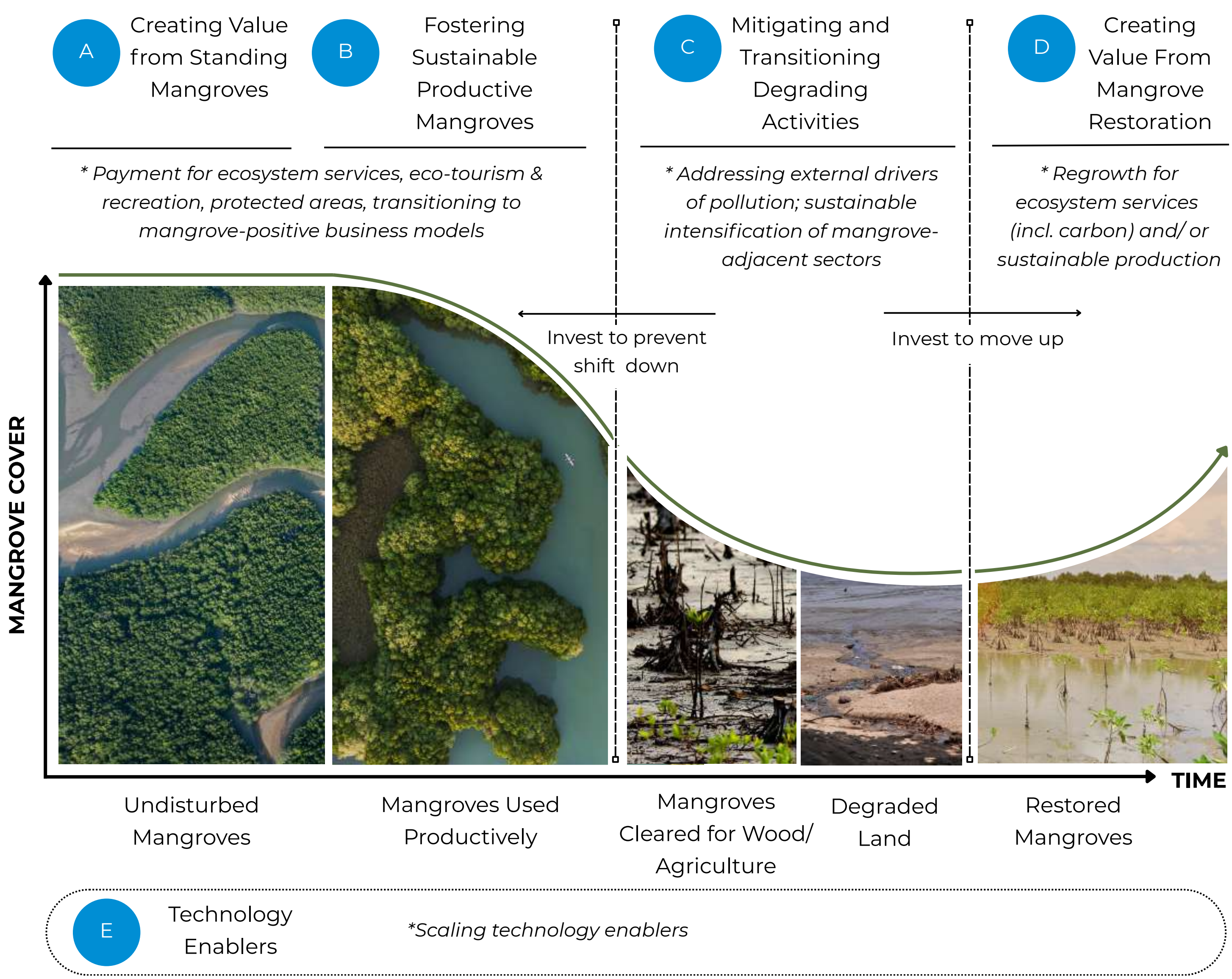
DEFINITION OF A MANGROVE POSITIVE BUSINESS

What is mangrove-positive? Mangrove-positive is a global goal to halt and reverse mangrove loss, measured from a baseline in 2020, by increasing mangrove protection, restoration, sustainable management, and transforming systems to address the underlying drivers of mangrove loss. By 2030, mangrove forests should be visibly and measurably on the path to recovery. By 2050, mangrove ecosystems must be fully restored, delivering meaningful benefits to nature, people, and the economy.

What is a mangrove-positive business contributor? A mangrove-positive business contributor is one that sustainably derives value from, depends on, and/or benefits from mangrove ecosystems, and that channels finance and/or business practices toward their conservation, restoration, and/or address underlying threats to the ecosystem. These businesses include, but are not limited to, those in coastal agriculture and aquaculture, sustainable resource use, blue carbon projects, infrastructure, hospitality and tourism, as well as other downstream corporate actors.

Consequently, for this purpose, we will define mangrove-adjacent businesses as those that may not operate directly within mangrove landscapes, but whose activities influence, depend on, or benefit from mangrove ecosystems. These mangrove-positive business models can be viewed along a spectrum, best illustrated in the Mangrove Transition Curve[4] (Figure 1) below:

Figure 1: The Mangrove Transition Curve



Note: Mangrove Transition Curve. Adapted from "The Mangrove Breakthrough Financial Roadmap", by Jennifer Ring et. al, page 30. Copyright 2003, by Systemiq and the Mangrove Breakthrough. Adapted with permission

Illustrative Mangrove Sectors and Illustrative Projects

Beyond traditional conservation and restoration projects, a wide range of sectors hold the potential to be considered mangrove-positive. The examples below are intended to be illustrative rather than exhaustive.

Table 1. Key Mangrove Sectors and Illustrative Projects

Sector	Illustrative Businesses	Description	Mangrove Impact Transition Curve
Ecosystem Services (provisioning, regulating, cultural & supporting services)	Payment for Ecosystem Services (PES) scheme	Water treatment facility plants mangroves to filter pollutants and improve water quality	Creates value from standing mangroves A
Sustainable Tourism & Hospitality	Eco-lodge near mangrove reserve	Eco-tourism activities that encourage conservation & support restoration	Creates value from standing mangroves A
Non-Timber Forest Products (NTFP)	Nutraceutical products from mangroves	Bioactive compounds like flavonoids & tannins are sustainably harvested reducing impact to standing mangroves	Fosters sustainable products B
Coastal Fisheries & Aquaculture	Sustainable shrimp farm	New models like integrated mangrove-shrimp farming and Integrated Multi-Trophic Aquaculture (IMTA) present sustainable alternatives to conventional shrimp farming that preserve mangroves.	Mitigates degrading activities C
Coastal Infrastructure	Ports & shipping terminals	Ports and shipping terminals sustainably designed to integrate mangrove buffers	Mitigates degrading activities C
Waste Management & Recycling	Coastal plastics recycler	Prevents plastic pollution that degrades mangroves ecosystems	Mitigates degrading activities C
Renewable Energy	Solar mini grids for fishing villages	Renewable energy offers alternative to mangroves as fuel source	Mitigates degrading activities C
Near Coastal Agriculture & Agri-Processing	Coastal rice farm	Farmers plant “mangrove buffers” to protect against saltwater intrusion and reinforce river banks	Creates value from restoring mangroves D
Blue Carbon	Mangrove restoration project	Project developer finances mangrove restoration project generating carbon credits	Creates value from restoring mangroves D
Financial Services	Insurance & risk finance products	Innovative insurance products price health of mangrove ecosystems into policies, incentivizing communities to maintain or protect mangroves to protect against loss from storm surge and rising sea levels	Technology enabler E

HOW TO ASSESS MANGROVE IMPACT

For commercial scale project developers seeking improved financing terms that recognize the risk reduction impact of mangroves, or financing that includes incentives for demonstrable mangrove-positive impact, understanding how to evaluate and present the project as mangrove-positive is key. This section provides practical guidance on determining the kind of impact a project can have relative to mangroves, considerations that financial institutions may make with regards to mangrove impacts, and illustrative key performance indicators (KPIs) that the project could establish to monitor its impact.

Check the project's proximity to mangrove ecosystems. An initial step that financial institutions' often take to determine if an investment could impact a particular protected ecosystem or vulnerable population is to cross-reference the project's location with known areas of concern. Using publicly available tools such as the Global Mangrove Watch's map or similar mapping tools, check if the planned investment is in physical proximity to mangroves (within five kilometers).

Quantify physical risk from storms and coastal flooding. The publicly available Coastal Risk Index tool, developed by the Ocean Risk and Resilience Action Alliance (ORRAA), 'provides a detailed way to assess coastal flooding in the context of climate change, modelling flood hazard and storm surge in current conditions and in possible future climate scenarios.'[3] The Coastal Risk Index provides a downscaled but still generalized estimate of the risk reduction value of mangroves and other coastal ecosystems, in USD terms. Use this tool in combination with the Global Mangrove Watch map to evaluate the role of mangroves in reducing current and future risks to the project site or investment. Precise risk mitigation benefits are highly site-specific.

Mangrove-Positive Screening	
Is your project in close proximity to mangroves, or impacting nearby mangroves	
Do mangroves reduce physical risk to your project?	
Complete do-no-harm screen to determine	
Consult local stakeholders	
Follow sector-specific guidance for mangrove-positive outcomes	
Establish KPIs	

Ensure the project does not harm mangroves or mangrove-dependent communities. The do-no-harm approach employed by most financial institutions involves a preliminary screening to check the loan application against a list of exclusionary criteria. A comprehensive list of sector-specific exclusion criteria recommended by the International Finance Corporation's (IFC) Sustainable Blue Finance Initiative is available online here. Ensure that the investment does not check any of the exclusionary criteria. The project may need to be adjusted to ensure it does not trigger the exclusion criteria.

Consult with local stakeholders. It is crucial to consult with local organizations and communities to understand relevant environmental initiatives, traditional mangrove uses, and location specific threats to and benefits of mangroves. There are multiple benefits to early, transparent, and patient local engagement. Critically, project developers can incorporate community interests into project design, understand and mitigate community concerns, and potentially develop partnerships with local organizations to support conservation, restoration, and sustainable use of mangroves, while avoiding negative community relations.

Align project with sector-specific sustainability guidance. Beyond a simple "do-no-harm" approach, mangrove-positive businesses must actively adopt and align with internationally recognized sustainability standards and sector-specific sustainability guidance. Mangrove-positive businesses can span diverse sectors so it is critical to align with relevant sustainability frameworks for each industry where available.

A good starting place is to determine if the operating geography has a pertinent national or regional sustainable investment taxonomy (e.g., ASEAN Sustainability Taxonomy, Malaysia Sustainability Taxonomy, Mexico Sustainability Taxonomy). These are not likely to provide detailed mangrove-specific guidance, but are important for general sustainability that contributes to a mangrove-positive approach. [4] Next, find out if the target financial institution has its own sustainability taxonomies, as many do. Finally, look for sector-specific guidance provided by international financial institutions and NGOs. As many financial institutions are wary of greenwashing, demonstrating that your project aligns with recognized sustainability guidance will be key in demonstrating to financial institutions and investors that your project is mangrove-positive.

An illustrative list of relevant sector-specific sustainability guidance can be found below:

Table 2. Sector-Specific Sustainability Guidance

Sector	Sustainability Guidance
General Guidance	• Investing in Mangroves: The Corporate Playbook (World Economic Forum) • Increasing Success and Effectiveness of Mangrove Conservation Investments: A Guide for Project Developers, Donors and Investors (International Union for the Conservation of Nature) • Ocean Finance Handbook (World Economic Forum)
Blue Carbon	• High-Quality Blue Carbon Practitioners Guide 2024 (Ocean Risk and Resilience Action Alliance) • Scientific Best Practices Guides for Land-Based Carbon Projects: Blue Carbon (The Nature Conservancy)
Coastal Agriculture	• Technologies for Adaptation: Innovation, Priorities and Needs in Agriculture, Water Resources and Coastal Zones (United Nations Framework Convention on Climate Change)
Coastal Aquaculture & Fisheries	• Guidelines for Sustainable Aquaculture (Marine Stewardship Council)
Coastal Infrastructure	• Practical Guide to Implementing Green-Gray Infrastructure (Conservation International) • Coastal Development: Resilience, Restoration and Infrastructure Requirements (High-Level Panel for a Sustainable Ocean Economy)
Sustainable Tourism & Hospitality	• The Handbook on Sustainable Tourism Management in Conservation, Fragile and Protected Areas (Asia-Pacific Economic Cooperation)
Mangrove Restoration	• Best Practice Guidelines for Mangrove Restoration (Global Mangrove Alliance)
Financial Services	• Sustainable Blue Economy Finance Initiative Resources (United Nations Environment Programme Finance Initiative) • IFC Guidelines for Blue Finance V2 (International Finance Corporation)

Establish KPIs and methods to track progress. Commercial financial institutions require empirical evidence of a project's anticipated impacts. At the same time, and depending on the FI, they may not have the capacity or bandwidth to interpret large amounts of data or verify complex indicator sheets. Understand how your proposed investment is mangrove-positive and select a limited number of key performance indicators that your project seeks to achieve. These indicators should be specific, measurable, achievable, relevant, and time-bound, following the SMART framework.[5] Consider referencing the chosen sector specific guidance in the step above for potential KPIs.

Table 3. Illustrative Key Performance Indicators [6]

What needs to be measured	Indicative KPI	More Information
Extent and change of mangrove ecosystems	• Continuous global mangrove forest cover • Trends in mangrove extent	IUCN Guidance on Mangrove Indicators in the Post 2020 Global Biodiversity Framework
Mangrove ecosystem integrity and connectivity	• Trends in mangrove forest fragmentation	IUCN Guidance on Mangrove Indicators in the Post 2020 Global Biodiversity Framework
Area of mangrove ecosystems under protection, conservation, and zoned for sustainable use	• Percentage of degraded or converted ecosystems that are under restoration	IUCN Guidance on Mangrove Indicators in the Post 2020 Global Biodiversity Framework
Are of degraded or converted mangrove ecosystems under restoration	• National environmental economic accounts of ecosystem services • National green-house gas inventories from land use and land use change	IUCN Guidance on Mangrove Indicators in the Post 2020 Global Biodiversity Framework
Contribution of mangroves to disaster risk reduction	• Continuous global mangrove forest cover • Average mangrove height • Mangrove species diversity	The Nature Conservancy, Mangroves for Coastal Defense
Role of mangroves in regulation of coastal erosion, floodings, and extreme events	• National environmental-economic accounts of regulation of air quality, quality and quantity of water, and protection from hazards and extreme events for all people, from ecosystems	IUCN Guidance on Mangrove Indicators in the Post 2020 Global Biodiversity Framework
Number of people benefiting	• Net increase in jobs linked to sustainable mangrove use • Net increase in jobs linked to mangrove restoration • Net increase in jobs linked to mangrove conservation	IFC Guidelines for Blue Finance V2

To access financing that incentivizes mangrove-positive impacts, strategically position your project by making key decisions about financing structure, understanding local policies, and demonstrating how mangrove impact integrates with financial viability. Success requires time for stakeholder engagement and aligning financial projections with impact commitments.

Leverage the enabling environment. Align with government priorities to access technical services and concessional finance through development banks, tax incentives, and climate programs. Examples include Thailand's mangrove learning centers for technical knowledge, Brazil's ecosystem monitoring systems, and Ecuador's public-private restoration partnerships.

Create a clear impact narrative. Beyond financial planning and required environmental documentation (e.g., ESIAs), articulate your mangrove impact through: baseline conditions, intended impact type, stakeholder involvement, and monitoring plans. Depth varies by sector and scale, but accuracy is critical and requires meaningful stakeholder engagement.

Incorporate mangrove-positive activities into project design. While putting together the loan application, ensure that the conservation, restoration, and/or sustainable use of mangroves is reflected in the financial documentation so that the loan officers can understand the financial and risk-reduction impacts of the proposed mangrove-positive project. The financial and risk documentation must match the impact narrative.

USER EXERCISE: CONSTRUCTION OF MANGROVE IMPACT NARRATIVE

Impact Category	Category Detail	✓	Statement Prompt
Pre-investment baseline	Baseline condition of mangroves		Mangroves currently cover X hectares of our target investment area. In 19(XX) the extent of mangrove was X, representing an increase/reduction of X%. The main drivers of loss are X, Y, and Z.
	Baseline socio-economic conditions around mangroves		The socio-economic condition of local communities is [insert detail]. Communities have traditionally used mangroves for [insert detail].
Type of mangrove impact sought (select all that apply)	Mangrove conservation		Our [insert project] will protect mangroves in [insert location] by [insert activity].
	Mangrove restoration		Our [insert project] will restore mangroves in [insert location] by [insert activity].
	Sustainable use of mangroves		Our [insert project] will promote sustainable use of mangroves in [insert location] by [insert activity].
Stakeholder engagement	Government stakeholders		We will work with [insert government ministry, agency, or program] to [insert activity].
	Civil society stakeholders		We will work with [insert civil society partners] to [insert activity].
	Community stakeholders		We will work with [insert community groups] to [insert activity].
Impact monitoring	Key Performance Indicators (KPIS)		We will monitor our mangrove-positive impacts by collecting data on [insert KPIs] by [insert data collection method].

EXAMPLE IMPACT STATEMENT DERIVED FROM USER EXERCISE 2

Our 50-room eco-resort development will create a model for mangrove-positive tourism in coastal Ecuador. Currently, 247 hectares of mangroves in our investment area represent a 21% decline since 2010, primarily due to shrimp farm expansion and coastal development pressures. Local communities depend heavily on mangrove resources, with 60% of households engaged in small-scale fishing and traditional harvesting.

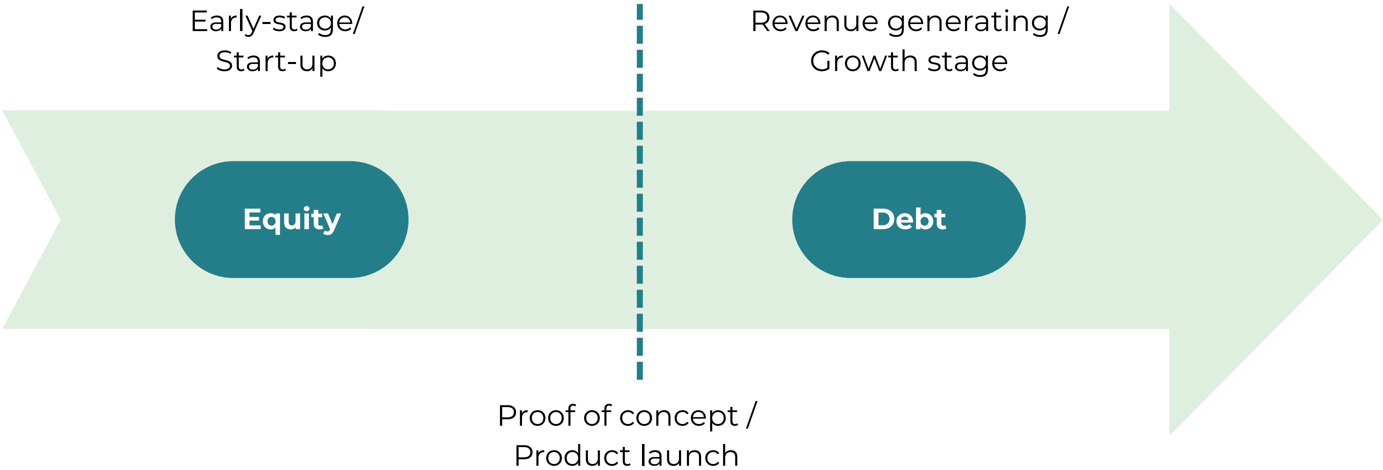
Our project will protect 85 hectares of existing mangroves through a private conservation area with community rangers, while restoring 12 hectares of degraded habitat using native species nurseries. The conservation area will feature a boardwalk, and we will offer nature activities to guests in partnership with the community. The restoration area is strategically located to provide future protection from storm surge and high winds.

Through partnerships with the Ministry of Environment, Regional Mangrove Foundation, and local Village Council, we will hire 40 community members, provide environmental education scholarships, and ensure fishing rights protection. Success will be measured through quarterly monitoring of protected area extent, species population recovery, community income increases, and guest satisfaction with our conservation programs, with targets including 25% community income growth and 15% native species population recovery over five years.

HOW TO EVALUATE READINESS FOR COMMERCIAL FINANCE

Micro- and small-business owners and project developers have many potential needs for funding. This can include starting their business, developing a project, growing the business, hiring staff, investing in equipment, or purchasing essential inputs. MSME funding products primarily include grants, equity, and various forms of debt. The most appropriate type of funding for an MSME business or project is primarily related to the maturity of the business, and the sources of funds for repayment available to the business. In general, businesses that are already selling products or services and generating reliable revenue are best served by commercial finance–loans from banks, microfinance institutions (MFIs) or other lenders. By contrast, new businesses are typically funded either with grants or with equity. Figure 2 below matches the type of capital (debt or equity) to the small and medium enterprise (SME) maturity. Those companies that are more in a "start-up" mode are best served by equity (or grant where available), whereas those companies that are "revenue positive", meaning they are already selling goods or services, are more able to take on debt.

Figure 2: Capital for SME Maturity



USEFUL RESOURCES

Reference these practical guidance documents for MSMEs on accessing finance. The guidance is broadly applicable to any business and should be used in conjunction with the guidance on developing mangrove positive business models:

- The Finance Toolkit (Microsoft's Biz4Afrika Initiative)
- The SME Finance Forum (network of 200+ SME finance providers)
- IFC Guide to Sustainable Finance

Equity Financing. Equity requires selling an ownership stake to investors in exchange for capital. For early-stage companies, the source of this funding is often friends and family, "angel" investors willing to early-stage risk with reasonable return expectations, and venture capital, which typically requires a very high return to compensate for the early-stage risk. Equity can be a good approach for companies that are not yet generating revenue (and therefore are not able to repay debt), as equity is typically only repaid when the company is sold or a new investor is brought in. The critical factor for a business when taking on equity, however, is the valuation of the company. When a company is not yet generating revenue, valuations are typically quite low meaning that investors will want a larger ownership percentage in the company for their investment. documentation.

Debt Financing. Debt involves borrowing funds from an external source, such as a bank or microfinance institution, with the promise to repay the principal loan over time plus interest. In contrast to equity, loans do not involve the sale of an ownership stake in the company or project. For larger, more established companies, debt financing is widely available in various forms such as term loans and credit lines, and can be an attractive option for businesses because the terms are clear and businesses retain full ownership and control over the venture. For MSMEs however, debt funding can be more difficult to come by, due to lack of collateral, lack of credit history, and small loan size relative to the lender cost to complete the transaction. As a result, MSMEs may either be unable to access debt, or it may only be available at a high interest rate. MSMEs can improve their chance of obtaining financing by preparing their supporting documents well in advance prior to applying for a loan. Doing so can not only help borrowers obtain financing, but it can also reduce the risk to the lender and therefore lower the interest rate.

The table below summarizes common financing instruments available in commercial markets, outlining their key characteristics and suitability for different types of mangrove-positive businesses. It can help project developers identify which sources of capital best align with their business model, growth stage, and risk tolerance.

Table X: Illustrative Financing Instruments for Mangrove-Positive Businesses .

Common Financing Instruments	Key Characteristics	Suitability for Mangrove-Positive Business
Term loans	A fixed-term loan provided by banks or other financial institutions; typically requires collateral, credit history, and demonstrated cash flow; interest rates reflect project risk.	Best suited for established coastal enterprises with predictable revenue streams and assets as collateral (e.g. eco-lodges, aquaculture, processing facilities).
Agriculture Value Chain / Supply Chain Finance	Can be fixed-term or a revolving line of credit provided based on trade relationships; typically arranged between a financial institution and an anchor buyer to provide financing for downstream smallholder producers/ suppliers.	Well-suited for enterprises in sustainable fisheries, apiculture, or coastal agricultural value chains linked to anchor buyers. Relies on establishing relationships with an anchor firm.
Receivables finance/ factoring	Term loans or lines of credit provided by banks or export credit agencies where a purchase order (or other buyer commitment) serves as collateral, and the loan is sized based on a discounted value of the contract. Often structured as a single “bullet” repayment at maturity (i.e., shortly after the buyer pays the invoice).	Most appropriate for MSMEs with binding contracts with reputable buyers.
Microfinance/ Cooperative lending	Typically small-ticket loans, shorter repayment periods and higher interest rates; Range of microfinance providers from larger microfinance institutions, to Village Savings Loan Associations.	Ideal for community-based or smallholder initiatives (e.g., apiculture, sustainable oyster farming) with limited or no assets for collateral, but strong social cohesion to demonstrate repayment discipline.
Project Finance	Structured around project cashflows and assets rather than business' balance sheet; typically involves both debt and equity partners.	Appropriate for large-scale, capital-intensive ventures such as ports, renewable energy, or blue carbon restoration with clear repayment sources.

Identify potential financial institutions. Based on the type of financing that is most suitable for their business model, mangrove-positive project developers should identify financial institutions that align with their capital needs and financing timelines. For debt financing, businesses can start by exploring local and regional banks, government lending programs, or microfinance institutions that serve small and medium-sized businesses. Some commercial banks may offer green loan products, such as interest rate incentives or more favorable loan terms for businesses demonstrating measurable environmental benefits. Depending on the location, government programs can also be a valuable source of small business loans, though they may require more documentation and take longer to process. Businesses seeking equity investment should consider connecting with business incubators, accelerators, or investment readiness programs, and participate in sector-specific conferences or forums where sustainable investors and impact funds are active.

Approach financial institutions. When approaching a financial institution, preparation and organization are key. Before applying, ensure your business plan, financial statements, and supporting documentation - such as business registration, licenses, tax records, contracts/invoices, and any environmental or social impact reports - are complete and up to date. Clearly state how much financing you are requesting, what it will be used for, and how you will repay the loan or deliver returns. Most lenders will evaluate your application using the "Five Cs of Credit" Character, Capacity, Capital, Collateral, and Conditions, a traditional framework used to assess borrower reliability, repayment ability, financial strength, available security, and external market factors. Understanding these criteria can help businesses tailor their proposal to address what lenders care about most. Businesses should be transparent, realistic, and ready to answer questions about their business operations, financial projections, and mangrove-positive outcomes (if demonstrating environmental impact). Establishing credibility and demonstrating both financial and environmental responsibility may increase chances of securing favorable financing terms. The checklist below is for those businesses who are ready to take on debt to support or expand their operations.

Commercial Finance Readiness Checklist	✓
Business has a clear business plan and operations will generate steady revenue	
Business keeps accurate financial records and accounting documents (e.g. balance sheet, income statement, cashflow statement)	
Business can demonstrate sound management, transparent governance, and regulatory compliance (e.g. operating agreement)	
Business knows how much capital is needed, what it will be used for, and how it will repay or provide financial returns	
Business understands the difference between debt and equity, and understands which option best fits their business model	
Business has identified potential lenders or investors, and understands which key documents they will require	

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