

TERMS OF REFERENCE

DRAFT PREPARED FOR BLUE ACTION PROPOSAL "MAKING NETWORKS WORK"

DATE: 21.08.2024

Research and Development of Sustainable Financing Mechanisms for Marine Protected Areas (MPAs) in the Tanon Strait Protected Seascape (TSPS)

PURPOSE OF CONTRACT: To hire a consultant to deliver the specified deliverables related to the development of sustainable financing solutions for the conservation of MPAs within TSPS.

PROJECT: Making Networks Work: Empowering fisher communities for effective stewardship of the Philippines' largest Marine Protected Area.

1. PROJECT BACKGROUND

Following its submission of a concept note to the Blue Action Fund under the [Asia-Pacific Region](#) (2023), Rare, in partnership with the Negros Women for Tomorrow Foundation (NWTF), anticipates receiving a preparation grant to support the development of a full proposal and appropriate Environmental and Social Assessments (ESA). In the project "Making Networks Work: Empowering fisher communities for effective stewardship of the Philippines' largest Marine Protected Area"

To main objective of the proposed project is to enhance management effectiveness of TSPS, covering 5,000 km² of globally significant, inter-connected, and climate-resilient coastal ecosystems. At the seascape level, the DENR Protected Area Management Office (PAMO) will possess the technical capacities required for seamless collaboration in managing, monitoring, and enforcing sustainable fisheries management within the seascape, thereby improving the overall management effectiveness of TSPS. At the provincial level, the TSPS Site Management Units¹, provincial governments, and inter-LGU² alliances will have the capacity to effectively implement harmonized policies and programs, ensuring more systematic and inclusive conservation and surveillance efforts aligned with the TSPS General Management Plan that is to be renewed in 2025. At the municipal level, the livelihoods of especially vulnerable coastal communities will be improved through enhanced ecosystem services, financial inclusion, and gender-sensitive diversified livelihood investments. Further, the lessons learned, and best practices will be shared with national government partners such as the Department of Environment and Natural Resources (DENR) and the Department of Agriculture's Bureau of Fisheries and Aquatic Resources (DA-BFAR), as well as other municipal governments through the global Coastal 500 network.

2. GENERAL RESPONSIBILITIES

The consultancy aims to identify and prioritize sustainable financing mechanisms for the long-term conservation of the TSPS MPA. This includes researching existing funding sources, evaluating potential revenue-generating activities, and recommending financing models tailored to the TSPS context. The consultant will also propose a management entity structure and conduct a regulatory analysis to assess the feasibility and sustainability of the proposed models.

The consultant will be responsible for:

¹ SMU - multi-stakeholder representation in a specific geographic region within a Protected Area. Members of the SMUs are municipal mayors and barangay (smallest administrative unit in the Philippines) representatives, DENR Region Offices, and private sector

² LGU – Local Government Unit (municipal-level government authority). Inter-LGU Alliance – formal collective of collaborating LGUs (see also 1.B.)

- Identifying and evaluating existing financing mechanisms available to local government units (LGUs) and/or inter-LGU alliances to support the long-term conservation of MPAs within TSPS.
- Exploring and assessing potential revenue-generating activities that could provide sustainable funding for MPA management, tailored to the specific context of TSPS.
- Conducting analysis to identify and assess financial and insurance structures and vehicles to drive capital towards the sustainable management of TSPS.

3. SCOPE OF WORK

Contract Duration: September – December 2024

Type of Contract: Organizational Consultancy or Individual contractor.

Consultancy Modality: The consultant will perform a combination of on-site visits and remote work as required by the project's needs.

Task 1: Inception and Workplan Development:

Initiate the project with an inception phase to ensure a clear understanding of the objectives, scope, and expected outcomes. This will involve:

- Conducting an onboarding session with key stakeholders, including representatives from LGUs, inter-LGU alliances, and relevant agencies, to align on goals and expectations.
- Developing a detailed workplan outlining the timelines, key milestones, and deliverables for each phase of the project.

Task 2: Researching Existing Financing Mechanisms:

Conduct in-depth research on existing financing mechanisms accessible to LGUs for the long-term conservation of MPAs within TSPS. This includes:

- Identifying relevant funding sources, such as national government programs (e.g., DENR-IPAF), NGOs, international grants, and private investors.
- Understanding the requirements, eligibility criteria, and processes for accessing these funds.
- Evaluating the applicability and potential of these mechanisms for supporting sustainable MPA management in the TSPS.

Task 3: Identifying and Evaluating Revenue-Generating Activities:

Explore and assess potential revenue-generating activities or models that could sustainably finance MPA and fisheries management in TSPS. This will involve:

- Investigating options such as eco-tourism, cold storage or ice-making facilities, gear shops, blue carbon projects, conservation-related enterprises, and other revenue sources like user fees, environmental permits, and penalties for non-compliance.

- Evaluating the feasibility and suitability of these activities within the local context, including their environmental, social, and economic impacts.
- Analyzing how these activities and revenue streams can contribute directly to the long-term conservation and sustainable management of MPAs and fisheries in TSPS.

Task 4: Recommended List of Financing Structures or Insurance Vehicles:

Develop prioritized list of financial structures or insurance vehicles that could be newly created or adapted to fit the specific context of the TSPS. This includes:

- Develop a prioritized list of financial structures and/or insurance vehicles that would be most suitable to support a sustainable financing for TSPS
- For the top two identified structures/vehicles, propose a managing structure, examples may include a Special Purpose Vehicle (SPV) or business units attached to the MPA management body.
- Conducting a comprehensive regulatory analysis to assess the feasibility of the proposed entity's structure, considering legal, financial, and operational aspects.
- Develop a simple concept note for the top two identified structures and/or vehicles. Content should include potential size, strategies for initial capitalization, management, and methods for sustaining the entity until the revenue streams become fully operational.

4. EXPECTED OUTPUTS

- **Inception Report and Workplan:** A comprehensive report summarizing project objectives, scope, expected outcomes, and stakeholder alignment, along with a detailed workplan outlining timelines, key milestones, deliverables, and roles for each phase of the project.
- **Financing Mechanisms Assessment Report:** A report identifying and evaluating existing financing mechanisms, including a guide on accessing these funds, with an evaluation of their applicability for sustainable MPA management in TSPS.
- **Revenue-Generating Activities Analysis:** An analysis of potential revenue-generating activities, such as eco-tourism, cold storage facilities, and user fees, assessing their relevance within the local context, and their contribution to long-term MPA and fisheries management.
- **Financial Structures and Insurance Vehicles Proposal:** A prioritized list of suitable financial structures and insurance vehicles for TSPS, including proposed management structures and a regulatory analysis, along with concept notes on capitalization strategies and sustainability.
- **Final Report:** A comprehensive final report consolidating all findings, assessments, and proposals, with actionable recommendations for the sustainable management and financing of MPAs and fisheries in TSPS.

5. TIMELINE & DELIVERABLES

The consultancy will take place as part of the proposal development phase, with field work and initial drafts to be delivered by the end of 2024.

The provided timeline below is preferential and meant as a guidance to applicants.

| TASKS | DELIVERABLE | TENTATIVE TIMING | ESTIMATED PERIOD |
|--|--|------------------|-----------------------------------|
| Inception and Workplan Development | Inception Report and Detailed Workplan | 10 days | September 16 - September 27, 2024 |
| Researching Existing Financing Mechanisms | Financing Mechanisms Assessment Report, including directory and funding access guide | 10 days | September 30 - October 11, 2024 |
| Identifying and Evaluating Revenue-Generating Activities | Revenue-Generating Activities Analysis Report, including an assessment of their relevance and contribution to long-term MPA and fisheries management | 15 days | October 14 - November 1, 2024 |
| Developing Financial Structures or Insurance Vehicles Proposal | Financial Structures and Insurance Vehicles Proposal, including concept notes and regulatory analysis | 20 days | November 4 - November 29, 2024 |
| Final Report Preparation | Comprehensive Final Report consolidating all findings, assessments, and proposals with actionable recommendations | 10 days | December 2 - December 13, 2024 |
| Revision of the final report. FAQs and approval | | 5 days | December 16 - December 20, 2024 |
| Total number of estimated days | | days | |

6. TECHNICAL REQUIREMENTS

- Advanced degree in Environmental Economics, Finance, or related field.
- Proven experience in sustainable financing mechanisms, particularly in environmental sectors.
- Strong knowledge of local government financing and regulatory frameworks in the Philippines.
- Experience in conducting feasibility studies and regulatory analyses.
- Strong analytical and communication skills.

7. OTHER ESSENTIAL REQUIREMENTS

- Ability to work independently and deliver high-quality outputs within deadlines.
- Familiarity with the Philippine marine conservation context and the Tanon Strait Protected Seascape specifically.
- Demonstrated experience in developing financing models and structuring managing entities.

8. PROJECT BUDGET & PAYMENT SCHEDULE

Payments shall be received within 45 days of submission of invoice. The overall amount will be based on a competitive tender. Financial proposals shall exclude anticipated travel costs, which will be determined in coordination with Rare, but must be inclusive of all applicable taxes, which are the sole responsibility of the selected contractor.

Payments will be made as follows:

- **First Payment:** 20% upon submission and approval of the Inception Report and Detailed Workplan.
- **Second Payment:** 20% upon submission and approval of the following deliverables:
 - Financing Mechanisms Assessment Report, including directory and funding access guide.
 - Revenue-Generating Activities Analysis Report, including an assessment of their relevance and contribution to long-term MPA and fisheries management.
- **Third Payment:** 30% upon submission and approval of the Financial Structures and Insurance Vehicles Proposal, including concept notes and regulatory analysis.
- **Final Payment:** 30% upon submission and approval of the Comprehensive Final Report, consolidating all findings, assessments, and proposals with actionable recommendations, including final revisions, development of FAQs, and securing final approval.

9. GENERAL DATA PROTECTION REGULATION

All documents collected and data collected are to be treated confidentially and, in the case of personal data, in accordance with the provisions of relevant data protection laws (in particular the EU General Data Protection Regulation, the Federal Data Protection Act, and privacy protections enshrined in the Philippine Civil Code) and are to be used exclusively for the evaluation. Interviews are always anonymized. No later than one year after the completion of an evaluation, the contractor shall destroy the data and documents permanently and in accordance with data protection law.

10. APPLICATION

Should the consultant be interested in submitting a proposal for work, please send it to Kristine Ramirez (kramirez@rare.org) under the subject: Consultancy: Rare – TSPS Sustainable Finance.

Applications should include:

- Explanation on how the consultant's experience is relevant to this project, describing track record of similar undertakings (max. 0.5-1 page)
- A financial proposal using Annex D
- Proposed timeline building on table provided in section 5
- Full CV

Proposals shall be accepted until September 20, 2024.