

TERMS OF REFERENCE CONSULTANCY

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

PURPOSE OF CONTRACT

We are seeking to hire a consultant **based in the Philippines** 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. This will facilitate peer-to-peer learning and benefit other nationally protected areas in the Philippines, positioning TSPS as a model for implementing the Philippines' Global Biodiversity Plan 30x30 spatial coverage.

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.)

2. GENERAL RESPONSIBILITIES

The consultancy aims to identify and prioritize sustainable financing mechanisms for the long-term conservation of the TSPS MPA. The consultancy aims to identify and assess potential revenue-generating projects and design financing mechanisms that ensure long-term financial sustainability for the management of Tanon Strait Protected Seascape (TSPS). This includes supporting Rare in the development of SMART Outcome and Output-level indicators as well as description of relevant activities for the mobilization for the sustainable financing component of the proposed project.

The consultant will be responsible for:

- Identifying and assessing potential revenue-generating projects that support the sustainable management of TSPS.
- Designing financing mechanisms that ensure long-term financial sustainability for MPA management by leveraging diverse funding sources.
- Support Rare in the design of SMART indicators and activities to implement suitable financing mechanisms

3. SCOPE OF WORK

Contract Duration: ASAP – April 2025

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.

3.1. Activities to be Developed:

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:

- Developing a detailed workplan, and deliverables for each phase of the project. Onboarding with the Rare team

Task 2: Identification and pre-feasibility assessment of revenue-generating projects:

Identify existing/ potential revenue-generating projects that could sustainably finance MPA management in TSPS.

- Projects may either be private sector-led, or a collaboration between local governments and local communities/private entities
- Projects should be related to:
 - **Sustainable tourism:** Focus on promoting tourism activities that are environmentally and socially sustainable.
 - **Fisheries tied to small-scale fishing:** Include direct fisheries activities (e.g., multi-species reef fisheries or blue swimming crabs) as well as projects that support the fisheries value chain (e.g., cold storage or ice-making facilities, gear shops).

- From the projects identified, conduct a pre-feasibility assessment of at least three (3) proposed projects. The assessment includes:
 - Defining the projects' investment readiness potential, focusing on market opportunity, basic technical requirements, cost estimates, revenue models and funding strategy

Task 3: Recommended Financing Structures for MPA Management

- Explore and propose financing models that enable secure and sustainable funding flows for MPA management. These may include structures such as Special Purpose Vehicles (SPVs), trust funds, or other relevant financial mechanisms. The goal is to ensure that funds from various sources—such as tourism fees, fisheries revenues, and grants—can effectively reach MPA management bodies.
- From the models identified, develop a separate concept note for each of the top two financing structures, detailing how they will be capitalized, managed, and sustained. Each concept note will include a preliminary regulatory analysis covering the basic legal framework, major regulatory risks, tax implications, and how funds will be managed and distributed in compliance with local regulations.

Task 4: Support for Sustainable Financing Component of Proposal

- Provide input and support for the development of the **sustainable financing component** in the broader proposal (incl. support in development of SMART Outcome, Output indicators and activities, as well as short background sections based on task 2 & 3)

4. EXPECTED OUTPUTS:

- **Revenue-Generating Projects and Pre-Feasibility Report**

A report providing an overview of the existing or potential revenue-generating projects identified, along with a pre-feasibility assessment for at least three (3) proposed revenue-generating projects.

- **Financing Structures and Concept Notes Report**

A report providing an overview of the financing structures identified, accompanied by concept notes for at least two (2) financing structures.

- **Inputs to the Sustainable Financing Component of the Proposal**

Based on the tasks above, the consultant will be asked to provide input to the full proposal, using a basic template provided by Rare (~1 page).

5. TIMELINE & DELIVERABLES

| TASKS | DELIVERABLE | ESTIMATED PERIOD |
|-------------------------|--|---|
| Task 1 | Detailed Workplan | ASAP – 8 th of November 2024 |
| Task 2-3 (draft) | High-level description of revenue-generating projects and pre-feasibility report; financing structures and concept notes report | ASAP – 31 st of January, 2025 |
| Task 4 (draft) | Input to SMART Outcome & Output indicators as well as input to proposal (based on task 2-3 reports) | 31 st of January, 2025 – 28 th of February, 2025 |
| Task 2-3 (final) | Detailed description of revenue-generating projects and pre-feasibility report; financing structures and concept notes report. List of potential businesses and stakeholders | 28 th of February, 2025 – 30 th of April 2025 |
| Task 4 (final) | Support to Rare in responding to relevant queries and request of revisions | 28 th of February, 2025 – 30 th of April 2025 |

6. Technical Requirements

- Advanced degree in Environmental Economics, Finance, or related field.
- Familiarity with the Philippine marine conservation context.
- Strong knowledge of local government financing and regulatory frameworks in the Philippines.
- Experience in conducting feasibility studies and regulatory analyses.
- Demonstrated experience in developing financing models and structuring managing entities.
- Proven experience in sustainable financing mechanisms, particularly in environmental sectors.

7. Other Essential Requirements

- Must be **based in the Philippines**
- Ability to work independently and deliver high-quality outputs within deadlines.
- Strong analytical and communication skills.

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:** 30% upon submission and approval of the following deliverables: Draft Revenue-Generating Projects and Pre-Feasibility Report; Draft Financing Structures and Concept Notes Report
- **Third Payment:** 30% upon submission and approval of inputs to the full proposal.
- **Final Payment:** 20% upon submission and approval of the following deliverables: Final Versions of Revenue-Generating Projects and Pre-Feasibility Report; : Final Versions Financing Structures and Concept Notes Report

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 Diane Figueroa (dfigueroa@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 1, or simplified template of your choice
- Proposed timeline building on table provided in section 5
- Full CV

Proposals shall be accepted until September 20th of October, 2024.

ANNEX 1 – Contractor Budget Template

Proposed budgets shall exclude costs for travel, which will be determined in coordination with Rare, and include all applicable taxes. Please note, all labels and descriptors are examples and can be edited

| <u>Tasks / Activities</u> | Included | Amount (eur) |
|--|---|--------------|
| TASK 1: XX | | |
| <u>Activity 1.1: [e.g. Kick-off meeting and establish a deliverables timeline]</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| TASK 2: XX | | |
| <u>Activity 2.1: XX</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| <u>Activity 2.2: XX</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| <u>Activity 2.3: XX</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| TASK 3: XX | | |
| <u>Activity 3.1: XX</u> | | |
| Project area visit | Lump sum (fees + other expenses (travel, accommodation, etc) | Eur |
| Field work | Lump sum (fees + expenses) | Eur |
| <u>Activity 3.2: XX</u> | | |
| Desktop work | Lump sum (fees) | Eur |
| TASK 4: XX | | |
| <u>Activity 4.1: XX</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| <u>Activity 4.2: XX</u> | | |
| Desktop work, online meetings | Lump sum (fees) | Eur |
| TOTAL | | EUR |