

**Terms of Reference (TOR)**  
**Development of a Business Model for Impact Investment in Managing Marine Protected Areas**

**A. Project Title:** Business Modelling Towards Effective Management and Sustainable Financing of Marine Protected Area in the Philippines

**B. Background Information and Rationale, Project Description, Objective**

The “Strengthening the Marine Protected Areas to Conserve Marine Key Biodiversity Areas in the Philippines” or SMARTSeas PH Project is supported by UNDP and GEF and implemented by the Biodiversity Management Bureau of the Department of Environment and Natural Resources. The Project encompasses five (5) demonstration sites, each with one local responsible partner. It seeks to accelerate the establishment of marine protected areas (MPAs) and marine protected area networks (MPANs) to include and protect more key marine biodiversity areas and improve the management effectiveness of MPA/MPAN primarily to reduce the rapid degradation of marine and coastal habitats and stem the alarming biodiversity loss.

The project focuses on three outcomes: 1) Improved management effectiveness of marine protected areas (MPA) and MPA network; 2) Improved financial sustainability of management of MPA and MPA network; and 3) Establish enabling policy framework for marine biodiversity conservation.

In support to its Outcome 2, which leans toward provision of sustainable alternative livelihood to coastal communities, initiatives at the national and local government levels are undertaken. On national level, the Project supports dialogues towards institutionalization of other financial generating mechanisms (e.g. auxiliary tickets, rents, user fees, etc). While on local level, focus is given on the promotion of cost efficiencies and cost effectiveness in MPA and MPAN management as well as the improvement and diversification of funding sources, enhancement of capacities for financial and business planning including sound decision-making pertaining to resource allocation, and transparent processes for fund management.

The project also formulated four major outputs to achieve its Outcome 2, namely: 2.1) Benchmark management costs established for MPAs of varying size and potential cost savings or cost efficiencies on average per site identified through consolidation of management functions in MPANs; 2.2) At least two MPANs (Verde Island Passage and Davao Gulf) implementing financing and business plan targeting increases in revenue generation from the tourism and fisheries sectors; 2.3) At least five (5) of locally managed MPA in each of five (5) sites have revenue generation schemes in operation, including market-based visitor and service fees for tourism operators, pilot ecological service payments from the fisheries sector and local taxes for conservation and management of key tourism draws; and 2.4) MPA financing plans developed and piloted in at least 30% of MPAs in each of five sites, incorporating governance mechanisms to ensure participatory management of revenues and resources involving local communities, local government and national government agencies as appropriate.

Relative to Output 2.3 and the result of the project’s Mid-Term Review which recognizes the lacking element, citing that business plans will never be implemented if the lacking financial assistance will

not be satisfied, a contractor that will provide technical assistance on formulation and establishment of a viable business model is highly recommended.

### **C. Scope of Work**

Under the overall guidance of the Programme Manager of the Inclusive and Sustainable Development Unit (ISD) and the direct supervision of the Programme Analyst and SMARTSeas PH Program Manager, the contractor will be responsible to fulfill the following functions:

- i Conduct an assessment and select one out of the five SMARTSeas partner sites in consideration and determine the viability of a sustainable financing and existence of adequate context;
- ii Provide technical assistance to the selected SMARTSeas partner site in development of a business model for long term management and sustainable financing of a marine protected area (MPA) through;
  - a. Formulation and finalization of an optimal business management scheme in accordance with the site's existing potential and local guidelines;
  - b. Provision of technical guidance on identification of financial strategy that ensures multi-stakeholder inclusion and participation;
  - c. Provision of legal assistance towards establishment of an apt business and financial management scheme;
  - d. Identification of potential investors for impact investment scheme , that will match the site's draft business model and management scheme;
  - e. Presentation to potential investors of the business model for funding approval;
  - f. Facilitate formalization of partnership of potential investor and representative of the selected SMARTSeas PH site.
- iii Conduct regular monitoring and evaluation through:
  - a. Submission of periodic work and financial plan, reviewed and endorsed by the SMARTSeas PMU to UNDP CO for clearance
  - b. Submission of periodic work progress report that is aligned with the approved WFP and additional agreements, if any;
  - c. Conduct consultations and focus group discussions involving all relevant stakeholders such as but not limited to NGOs, private stakeholders, etc;
- iv Ensure buy in of all relevant stakeholders through conducting inception meetings prior to project implementation, and debriefing session prior to project transition;
- v Coordinate closely with UNDP and SMARTSeas PMU regarding conduct of site-level activities

**D. Deliverables and Expected Outputs**

<b>Deliverables/ Outputs</b>	<b>Estimated Duration to Complete</b>	<b>Target Due Dates</b>	<b>Review and Approvals Required</b>
1. Project inception report, site assessment, and proposed work and financial plan	2 months	28 February 2019	Review by ISD Programme Analyst and SMARTSeas Project Manager  Approval by ISD Programme Manager
2. First progress report, including the draft business model	4 months	15 April 2019	
3. Second and third progress reports	3 months	15 August 2019	
4. Fourth/last progress report, and project completion report which summarizes the project highlights, learning, innovations, and recommendations	3 months	30 November 2019	

**E. Key Performance Indicators and Service Level**

Key services required, includes but are not limited to:

- Conduct 1 site assessment which will inform the site selection process;
- Provide technical assistance on financial, legal and business planning all throughout the project duration until the site is able to adopt its business plan;
- Conduct quarterly on and off-site monitoring and evaluation;
- Coordinate and update the local government units and POs on the project progress;
- Write and submit progress report every end of trimester.

In cases where the required service level is not met by the contractor, the Programme Analyst will inform the contractor and certain instructions to successfully and appropriately accomplish the deliverables. Payment processing will also depend on the acceptance of deliverables.

## **F. Governance and Accountability**

The contractor will work under overall guidance of the UNDP Inclusive and Sustainable Development Programme Manager and direct supervision of the Program Analyst and SMARTSeas Project Program Manager.

The contractor is required to submit progress report every end of trimester with appropriate requirements.

It shall closely coordinate with the provincial and local government units, community of the chosen site, LRP, PMU, UNDP, and others as identified by the PMU. The provincial and local government units shall confer with the proposed plan, while the community of the chosen site will mostly participate, decide, contribute and concur in the designing process. The LRP and PMU will assist the contractor in coordinating with the chosen site. Lastly, UNDP with the PMU's support will provide direction to the project, and review and accept the deliverables.

## **H. Facilities to be provided by UNDP**

UNDP will not provide any facility during the project duration. It will however provide support in logistics arrangement, through the PMU, especially at the onset of the project.

## **I. Expected duration of the contract/ assignment**

The contract will cover one year from 20 December 2018 until 19 December 2019.

## **J. Duty Station**

UNDP CO Manila, Philippines

## **K. Professional Qualifications of the Successful Contractor and its key personnel**

Experience of Firm:	<ul style="list-style-type: none"><li>• Ten years of relevant experience in providing technical assistance on formulating business models in marine protected area level;</li><li>• Proven expertise in coastal management, marine ecology, conservation finance, investor relations and business development;</li><li>• Has at least three (3) existing and/or past projects on designing and implementation of investment mechanisms of coastal and marine areas;</li><li>• Has proven established and stable partnership with global institutions and private sector;</li><li>• Experience working and partnering with various stakeholders such as governments, non-governmental organizations, local communities (eg protected area management bodies);</li><li>• Experience working within the UN system, preferably in an operational UN Agency.</li></ul>
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Experience of Personnel:		
Business Expert		<ul style="list-style-type: none"> <li>• At least 7 years working experience as a business development expert;</li> <li>• A proven track record in business development, planning and implementation;</li> <li>• Familiarity with coral reef ecosystem services, and experience in technical report writing on ecosystem services;</li> <li>• Excellent organizational and time management skills;</li> <li>• Outstanding communication, interpersonal and leadership skills.</li> <li>•</li> </ul>
Community Development Expert		<ul style="list-style-type: none"> <li>• Confirmed experience in community development activities, preferably in implementing income generating activities and strategies, micro-finance and eco-tourism;</li> <li>• At least 5 years experience working with, and confirmed knowledge of, community-based organizations, NGOs and other civil society organizations operating at the local level;</li> <li>• Familiarity with socio-economic conditions in marine and coastal areas;</li> <li>• Experience in conducting risk analysis, impact assessments and business models;</li> <li>• Fluency in Filipino is an advantage.</li> </ul>
Private-Public Partnership Expert		<ul style="list-style-type: none"> <li>• At least 5 years experience in leading development and financing conservation enterprise and private-public partnerships (PPPs) for marine protected areas;</li> <li>• Demonstrated ability to understand, negotiate, and/or oversee the development of public-private alliances and partnerships related to impact investment in marine protected areas;</li> <li>• Has knowledge on governance systems and local laws;</li> <li>• Experience working in development off PPPs internationally is desired.</li> <li>•</li> </ul>
Marine Protected Area Practitioner		<ul style="list-style-type: none"> <li>• At least 3 years experience in protected area system, with special attention to institutional management;</li> <li>• Demonstrated experience in training and capacity building of national stakeholders and institutions related to marine protected areas;</li> <li>• Experience in conducting PA management effectiveness assessments;</li> <li>• Familiarity with management of protected areas in the Philippines, MPA management and planning, eco-tourism related policies;</li> <li>• Demonstrated leadership and technical abilities to communicate complex ideas verbally and in writing.</li> </ul>

<p>Visitor Center Design/ Tourist Center Officer</p> <p>Coral Reef Science/ Ecology Expert</p> <p>Coastal and Marine Governance Expert</p>	<ul style="list-style-type: none"> <li>• At least 3 years experience in the design and production of interactive tools that towards engagement of audience;</li> <li>• Demonstrated ability to craft strategies on exhibition, planning and design, audience engagement, and other visitor attractions;</li> <li>• Experience in content development, design and production of exhibits and audiovisual installations employing cutting-edge interactive media technology.</li> <li>• Knowledge of including environmental investments and market-based instruments;</li> <li>• Knowledge of trends and markets related to information products and services;</li> <li>• Excellent communication analytical skills.</li> <li>•</li> <li>• At least 5 years experience in conducting studies on coral, fish and fishery science</li> <li>• Specialized knowledge in reef ecosystems and services including: marine biology, monitoring &amp; data interpretation, socio-economic elements and reef management (including sustainable financing);</li> <li>• Specific knowledge of the Environmental and Social Parameters required for responsible Impact Investment.</li> <li>• Further experience of coastal and marine governance, specifically Integrated Coastal Zone Management and Marine Spatial Planning</li> <li>• Demonstrated expertise in Integrated Coastal Zone Management and Marine spatial planning;</li> <li>• Has a postgraduate degree in marine affairs, environment, economics or relevant field;</li> <li>• Experience applying SMART indicators and reconstructing or validating baseline scenarios;</li> <li>• Experience working in and has knowledge of the East Asian region, with experience in the development and implementation of technical assistance programs in support of human resources development and institutional capacity-building in various aspects of sustainable coastal and ocean development, including in area of biodiversity, fisheries, land-based and marine pollution management, water use management, natural and man-made hazards, and relevant issues;</li> <li>• Previous experience working with the GEF or GEF-evaluations is a plus.</li> </ul>
<p>Other Skills:</p>	<p>Qualifications and / or industry certification and /or demonstrable experience in the following applications: Microsoft Office (advanced user certification of MS Access, MS Excel and MS Word desirable) and Lotus Notes are desirable.</p>

## L. Price and Schedule of Payments

% of Payment	Deliverables/ Outputs	Review and Approvals
15%	Completely signed contract and financial proposal 31 January 2019	Review by ISD Programme Analyst and SMARTSeas Project Manager
25%	Submission and acceptance of first and second progress report, including the draft business model, project inception report, site assessment, and updated work and financial plan 31 March 2019	
25%	Submission and acceptance of third progress report 30 June 2019	
35%	Submission and acceptance of fourth/last progress report, and project completion report which summarizes the project highlights, learning, innovations, and recommendations 15 December 2019	Approval by ISD Programme Manager

## M. Criteria for Selection of the Best Offer

Company profile (relevant experience and qualifications) – 70%  
Financial Proposal – 30%

Technical Proposal Evaluation Forms		Points Obtainable
1.	Bidder's qualification, capacity and experience / Expertise of the Firm	200
2.	Proposed Methodology, Approach and Implementation Plan	400
3.	Management Structure and Key Personnel	400
<b>Total</b>		<b>1000</b>

Below is the sub-criteria for each major criteria in order to clearly summarize the above details:

Section 1. Bidder's qualification, capacity and experience		Points obtainable
1.1	Reputation of Organization and Staff Credibility / Reliability / Industry Standing	30

1.2	General Organizational Capability which is likely to affect implementation: management structure, financial stability and project financing capacity, project management controls, extent to which any work would be subcontracted	90
1.3	Relevance of specialized knowledge and experience on similar engagements done in the region/country	50
1.4	Quality assurance procedures and risk mitigation measures	30
<b>Total Section 1</b>		<b>200</b>

<b>Section 2. Proposed Methodology, Approach and Implementation Plan</b>		<b>Points obtainable</b>
2.1	Understanding of the requirement: Have the important aspects of the task been addressed in sufficient detail? Are the different components of the project adequately weighted relative to one another?	80
2.2	Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference	100
2.3	Details on how the different service elements shall be organized, controlled and delivered	50
2.4	Description of available performance monitoring and evaluation mechanisms and tools; how they shall be adopted and used for a specific requirement	50
2.5	Assessment of the implementation plan proposed including whether the activities are properly sequenced and if these are logical and realistic	70
2.6	Demonstration of ability to plan, integrate and effectively implement sustainability measures in the execution of the contract	50
<b>Total Section 2</b>		<b>400</b>

<b>Section 3. Management Structure and Key Personnel</b>			<b>Points obtainable</b>
3.1	Composition and structure of the team proposed. Are the proposed roles of the management and the team of key personnel suitable for the provision of the necessary services?		70
3.2	Qualifications of key personnel proposed		
3.2 a	Business Expert		60
	- General Experience	15	
	- Specific Experience relevant to the assignment	25	
	- Regional/International experience	15	
	- Corporate Qualifications	5	



3.2 b	Community Development Expert		40
	- General Experience	10	
	- Specific Experience relevant to the assignment	15	
	- Regional/International experience	10	
	- Language Qualifications	5	
3.2 c	Private-Public Partnership Expert		50
	- General Experience	15	
	- Specific Experience relevant to the assignment	20	
	- Regional/International experience	15	
3.2 d	Marine Protected Area Practitioner		50
	- General Experience	15	
	- Specific Experience relevant to the assignment	20	
	- Regional/International experience	15	
3.2 e	Visitor Center Design/ Tourist Center Officer		40
	- General Experience	10	
	- Specific Experience relevant to the assignment	20	
	- Regional/International experience	5	
	- Language Qualifications	5	
3.2 f	Coral Reef Science/ Ecology Expert		45
	- General Experience	5	
	- Specific Experience relevant to the assignment	30	
	- Regional/International experience	10	
3.2 g	Coastal and Marine Expert		45
	- General Experience	5	
	- Specific Experience relevant to the assignment	30	
	- Regional/International experience	10	
<b>Total Section 3</b>			<b>400</b>

#### P. Additional Reference or Resources

- Company profile
- Financial proposal