

TERMS OF REFERENCE N° 2018.0511.00009-3

**Ref: RedLAC – CAFÉ Knowledge for Action Project – Project K – Specialist consultant to develop a financial strategy for RedLAC and CAFÉ long-term sustainability**

**Deadline for applications: May 25<sup>th</sup>, 2018**

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Rio de Janeiro, May 11<sup>th</sup>, 2018

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## 1. Context

National and international agreements on biodiversity conservation and climate change have ambitious and relevant targets, but the gap in funding at the global scale still prevents them from being achieved. Debate at the international forums, such as the IUCN World Parks Congress, the COP of the United Nations Framework Convention on Climate Change, and the Convention on Biological Diversity (CBD), highlights the huge challenges in terms of scaling up and diversifying funding for conservation and climate change mitigation.

In this context, Environmental Funds (EFs) provide short to long-term financing derived from a variety of sources. Most EFs are legally independent private institutions and have become efficient conservation supporters, providing resources mobilization mechanisms, funds management and grant making mechanisms. EFs deploy several types of financing mechanisms and provide funding for a variety of activities, including biodiversity conservation, climate change mitigation and adaptation, sustainable production, community development, etc..

To improve their performances, 40 EFs have joined forces in two networks: RedLAC (a network of EFs from Latin America and the Caribbean) founded in 1999, and the more recently created CAFÉ (the Consortium of African Funds for the Environment), in 2011. The objective of the two networks is to strengthen EFs operation, by helping them to achieve excellence in their operations and practices, promoting innovative financing mechanisms and impact monitoring. Like other networks, they focus on capacity building, exchanging lessons learned, information sharing, knowledge development and innovation. The two networks and their members have matured to different extents and their synergies and exchanges are rewarding.

With the support of RedLAC and CAFÉ, the CFA (Conservation Finance Alliance) has drawn up Practice Standards for EFs after almost a year of discussions with several EFs donors. The Practice Standards for EFs will be a reference for the present project and will be used as a common ground for EFs to assess their specific strengths and challenges.

Today the key challenges faced by EFs are: 1) Innovate and improve performances, 2) strengthen institutional integration, 3) focus on quality and effectively introduce best practices through collaboration and partnership and 4) continue to exchange information among EFs and strengthen capacities while promoting synergies between biodiversity conservation financing and climate change mitigation and adaptation.

The “Knowledge for Action project – Project K” grew from the lessons learned after the final evaluation of the previous project, “RedLAC Capacity Building for EFs”, which was implemented with success by Funbio (the Brazilian Biodiversity Fund) on behalf of RedLAC, from 2010 to 2014, in close collaboration with the RedLAC Secretariat. This previous project revolved around the same principles for stimulating innovation, exchanging experience and learning by means of participative workshops involving the EFs belonging to both RedLAC and CAFÉ. Project K is co-financed by the French Facility for Global Environment (FFEM), Mava Foundation and the Global Environment Facility (GEF through UNEP).

Project K aims at enlarging the EFs' portfolios of innovative financial mechanisms that take up the challenges of biodiversity conservation and climate change. In addition, it aims at strengthening capacities by providing support for EFs to adopt standards of excellence. The project is designed to provide the 40 RedLAC and CAFÉ EFs with an opportunity to test new financial mechanisms that they would otherwise be unable to test due to a lack of both resources and support for their ventures. In parallel, it is an opportunity to exchange and learn from the experience of other EFs and to document and disseminate their solutions.

The project comprises four components:

- **Component 1: Innovation Seed Fund to support new EF financing mechanisms** - The fund is specially designed to support new ways of increasing and diversifying conservation programme finance streams (park bonds, PES, REDD+, taxes, etc.). The Seed Fund will finance at least ten pre-viability studies of innovative financing mechanisms and five of them will be selected for implementation. .
- **Component 2: Capacity-building, peer-to-peer mentoring and exchange knowledge mechanism** - an interactive peer-to-peer learning programme for EFs will be developed based on their individual needs, best practices and volunteering mentor-EFs identified by means of a survey based on CFA Standards of Practice (CFA categories and standards). The mechanism is to be secured thanks to a monitoring system and terms of reference. Tools will then be shared and used across the networks. The workgroup on the impacts of EFs on biodiversity will be continued. Thematic training workshops will be included in the overall capacity building strategy in conjunction with e-learning activities.
- **Component 3: Communication and databases** - strengthening the networks and transfer of best practices: A simple database will allow development of the following: "EF Solutions from A to Z and e-learning" database, "Experts" database for network expertise and "EF Typology / Activity & Project Indicators" database to document project monitoring indicators and the effects of component 4 on the Baseline situation. The idea is to produce a full compilation of EF experiences in a format that can be widely reproduced, disseminated and communicated over the web.
- **Component 4: Institutional capacity-building for the RedLAC and CAFÉ networks and their enhanced sustainability** - at least 10 EFs from each network (RedLAC and CAFÉ) will receive financial support so that they can attend the General Assemblies of the other network and exchange knowledge. Questionnaires filled in by the EFs during years 1 and 3 will lead to the establishment of a reference situation describing the activities of the networks and their evolution (activities, volumes of financing per activity...). Qualitative and quantitative

performance indicators will also be used to monitor the evolution and impacts of the project. The CAFÉ network will receive operational support and both networks will draw up new long-term strategies including their strategic plans. Two innovative financial mechanisms promoted by EFs will be tested in order to secure sustainable financing for recurrent network activities over the short and the long term.

Funbio – The Brazilian Biodiversity Fund – who coordinated the RedLAC Capacity Building Project is also the manager of the Project K.

## 2. Objectives of the Consultancy

This consultancy aims at developing a common financial strategy for both the RedLAC and CAFÉ networks as a way to ensure their long-term sustainability by strengthening the network members' financing skills.

RedLAC and CAFÉ are networks that enhance EF's management and operational procedures and tools by providing different types of support through a shared decision-making process that allows a participative alignment between Project K, its donors and EFs. Even though there is no doubt about the key role performed by both networks, it is good to point out that they face the same challenge as other environmental initiatives, that being the financial maintenance of their own activities over a long-term perspective. Because of that, one of Project K's major objectives is to ensure the financial sustainability of RedLAC and CAFÉ by building up their core values without instigating competition within EF members for funds. To accomplish this target, a Financial Sustainability Working Group will be established that integrates members from both networks to give the necessary guidance to the consultant that will be hired through this ToR. The thinking that will guide the financial strategy must not be dominated by the consultant but rather his/her facilitation should enable the working group to determine the path for the long-term sustainability of both RedLAC and CAFÉ.

As a result, it is imperative to develop traditional financing methodologies but also think out of the box to develop innovative ways to strengthen each network utilizing skills to access both traditional and new types of financing sources. Fund-raising mechanisms are only the last piece of a complex financial study that will guide the best financing options for RedLAC and CAFÉ current and potential activities. The design of a financial strategy should be based on at least two major steps. The first involves the dimensioning of the long-term demand for financial resources by calculating the funding-amount necessary for the activities to be developed by the networks. This projection allows the second stage, which is the identification of financing opportunities that will cater for the mapped set of activities.

A rigorous understanding of the comprehensive costs of the management and operation of both networks is crucial so as to accurately determine the costs of possible actions that have not been addressed so far. Establishing the priority needs of these networks over the long-term view is a key step from this consultancy and because of that, understanding the strategic planning of both shall help this accomplishment. Therefore, the main activities performed by both networks range from providing resources for EF's capacity building activities; for innovative designs in financial mechanisms; for documentation, communication and sharing of experience/knowledge between EFs; and for the annual organization of each network's assembly. In this sense, the financing strategy should detail a matrix of finance sources so that all potential options of fund-raising can comprehensively accommodate the diversity of deliverables expected from RedLAC and CAFÉ.

To establish a financing strategy there is usually a need to follow the steps below. However, alternative methodologies may be considered at the time of hiring the consultant once selected and approved by Project K team and RedLAC and CAFÉ.

### 3. Activities:

The consultant will have the responsibility to engage, advise and facilitate the RedLAC-CAFÉ Financial Sustainability Working Group in order to accomplish all the technical activities pointed out below as this group is the one responsible for providing the working inputs and also to validate the results made by this consultancy.

Once the products are established, the consultant will have to engage the RedLAC and CAFÉ networks, possibly some EF members and lastly the Project K donors. The interaction will be done by e-mails and direct interviews, via conference calls, with both RedLAC and CAFÉ networks and their EF members. The proper introduction and contacts will be provided by the Project K team. Online periodic meetings with the financial sustainability working group (managing the inputs, validations and next steps) is a requirement of this consultancy. Project K's team will support the consultant with information and materials from both networks, but the consultant is fully responsible to source additional studies and secondary data available. All the content needs to be validated by RedLAC and CAFÉ.

All documents/products must be delivered by e-mail to Project K's manager in an open format (Word, Excel and PowerPoint). All integrating excel files should be delivered with a step-by-step guidance and its logic when necessary.

The following products and activities are included in this consultancy:

Product 1: Detailed work plan	A detailed work plan has to be developed considering the objectives from the previous section, the set of products and the deadline limitation for completion of the service. A virtual meeting with Project K manager can be held in order to better clarify the scope of the service.
Product 2: Diagnostic	<ul style="list-style-type: none"> <li>• Systematization of activities carried by RedLAC and CAFÉ, their associated costs and financing sources</li> <li>• Identification of potential activities to be carried by RedLAC and CAFÉ in the future and their estimated costs through consultation to EFs members</li> </ul> <p>In order to develop the listed products, it will be necessary mapping the essential information with EFs members from RedLAC and CAFÉ (online meetings, survey, among others) and considering current and past strategic partners of both networks.</p>

<p><b>Product 3:</b> Development of financial studies</p>	<ul style="list-style-type: none"> <li>• Identification of financial gap that need to be addressed:             <ul style="list-style-type: none"> <li>(i) for existent status (without potential activities);</li> <li>(ii) for desirable status (with potential activities);</li> </ul> </li> <li>• Mapping of current and potential financing sources to cover:             <ul style="list-style-type: none"> <li>(i) existent status (without potential activities);</li> <li>(ii) desirable status (with potential activities)</li> </ul> </li> <li>• Prioritization of financing sources in regards of:             <ul style="list-style-type: none"> <li>(i) Volume; challenges of access; flexibility of use (including thematic/geographic filters); governance; among others;</li> <li>(ii) Level of maturity from financing sources (perspective of use in short, medium and long-term);</li> <li>(iii) Matrix of demand x supply: Best allocation of financing sources for each prioritized activity established by EFs;</li> </ul> </li> <li>• Development of different scenarios of investment and fund-raising considering what was prioritized by EFs.</li> </ul> <p>In order to develop the listed products, it will be necessary working with the EFs to make a priority scale of crucial activities (current and potential) for a long-term planning (different stages/phases) from RedLAC and CAFÉ</p>
<p><b>Product 4:</b> Development of a financial management strategy</p>	<ul style="list-style-type: none"> <li>• Development of a financial model for short and long-term management of “to be raised” funds. This modeling includes the design and justification for:             <ul style="list-style-type: none"> <li>(i) Financial strategy (sinking, revolving, endowment, matching, others) - including the possibility of combined strategies (justify choices)</li> <li>(ii) Scenarios of development according to offer and demand (priorities of the funds)</li> <li>(iii) Asset management strategy associated with the previous choice (justify choices)</li> <li>(iv) Governance arrangement</li> </ul> </li> </ul> <p>Proposals should embrace, at least, the following aspects:</p> <ul style="list-style-type: none"> <li>(i) Volume of resources demanded in the time (according to current and desired demand established in the previous products) in line with Strategic Planning</li> <li>(ii) Short and long-term fundraising potential</li> <li>(iii) Country / financial institution where resources will be invested</li> <li>(iv) Incubator institution</li> <li>(v) Donor Expectations</li> </ul>

<p>Product 5: Development of a marketing plan for financial sustainability of the networks</p>	<ul style="list-style-type: none"> <li>• Development of a marketing plan that should be shaped as document for financing, pointing out:             <ul style="list-style-type: none"> <li>(i) Value proposal for RedLAC and CAFÉ considering: its core differential based on its products and services and in what is being delivered by possible competitors; intersection of interests and expectation of the funds (RedLAC and CAFÉ) and funders; target public/funders (segmentation); its strengths, weaknesses, opportunities and threats (SWOT); among others</li> <li>(ii) The best scenario of investment (“heat list”: mapping of potential financiers; strategy to reach them – who, how and when)</li> <li>(iii) Fundraising strategy (communication channels, communication tools and action plan – who, when and how). Indication of which communication products (content and language) should be elaborated for fund-raising roads</li> </ul> </li> </ul>
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The consultant shall present the results from each product virtually or in-person in a specific event of the Financial Sustainability Working Group which will be organized according to the progress made by the consultant and the group. For that, the consultant will need to elaborate a presentation (ppt file or similar format) with the most relevant points of this work, which will count on with Project K team’s review.

The presence of the consultant at road shows and assemblies (listed below) may also be required (in common agreement between the consultant and Project K’s management) as part of this work.

In both cases, travel costs will be covered by Project K.

Events	Date
CAFÉ8 Botswana	September (3-7)
RedLAC20 Bolivia	October (27) - November (01)

#### 4. Expected Products and timeline

As results of the above described activities, the following products should be delivered following the dates indicated:

Products	Delivery Week After the Contract Signature
Product 1 Detailed workplan	Week 1
Product 2 Diagnostic	Week 6
Product 3 Development of financial studies	Week 10
Product 4 Development of a financial management strategy	Week 14
Product 5 Development of a marketing plan for financial sustainability of the networks	Week 19

## 5. Coordination and required profile

This consultancy shall be carried out by one consultant with a balanced knowledge and experience regarding the development of financing and marketing strategies for EFs (or environmental organizations, biodiversity conservation initiatives), so that all requirements below can be fulfilled:

- Practical experience on the conservation finance sector, preferably with focus on projects of mapping, analyzing and prioritizing financing sources for EFs and/or biodiversity conservation or its sustainable use;
- Practical experience on financial/financing strategies, including demand supply scaling and design of matrices regarding demand x supply relation, governance arrangement;
- Practical experience with marketing plan development;
- Proven work experience in Latin America & the Caribbean and/or Africa (with a focus on EFs, biodiversity conservation, among other related fields);
- Proven communication skills, especially with facilitation, moderation and organization;
- Fluency in English (spoken and written);
- Desirable (differential) knowledge in Spanish and/or French (spoken and written);
- Availability to travel to take part in meetings (great possibility of international meetings) and present results accomplished.

The specialist will be hired by Funbio, on behalf of RedLAC and CAFÉ, and will rely on the Project K team in Funbio to coordinate all activities of this TOR.

## 6. Payment Conditions

Payments will be made according to the following schedule, always after product approval:

Product 1	10%
Product 2	25%
Product 3	20%
Product 4	20%
Product 5	25%

## 7. Application process

Consultants interested in this call are asked to send the resume (CV) and a cover letter showing previous similar professional experiences related to the activities, products and required competences. The cover letter should have a maximum of 2 pages. All resumes shall be sent to [projectk@funbio.org.br](mailto:projectk@funbio.org.br) by **May 27<sup>th</sup>, 2018**.

The selection process of the CVs will be carried out between May 27<sup>th</sup> and June 3<sup>rd</sup> and the selected consultant will be asked to develop a technical and financial proposal in the following week (as part of the selection process). The final result will be communicated by June, 19<sup>th</sup>.





Travel costs will be covered by Funbio separately from this proposal. The consultant is responsible for necessary visas to be able to take part in the meetings.



## Annex 1 – List of RedLAC and CAFÉ members

<b>CAFÉ Members</b>	<b>Countries</b>
1. Fondation des Savanes Ouest Africaines	Bénin
2. Botswana Forest Conservation Fund	Botswana
3. Fondation pour l'Environnement et le Developpement au Cameroun (FEDEC)	Cameroon
4. Fondation Tri National de la Sangha	Cameroon
5. BioGuinee	Guinee Bissau
6. Foundation for National Parks and Reserves of Côte d'Ivoire	Ivory Cost
7. Fondation pour les Aires Protégées et la Biodiversité de Madagascar – Madagascar Biodiversity Fund	Madagascar
8. Tany Meva Environmental Foundation	Madagascar
9. Malawi Environmental Endowment Trust	Malawi
10. Mulanje Mountain Conservation Trust	Malawi
11. Banc d'Arguin, and Coastal and Marine Biodiversity Trust Fund Limited	Mauritania
12. Biofund Mozambique	Mozambique
13. Eastern Arc Mountains Conservation Endowment Fund	Tanzania
14. Tanzania Forest Fund	Tanzania
15. Bwindi Mgahinga Conservation Trust	Uganda
16. Uganda Biodiversity Fund	Uganda

<b>RedLAC Members</b>	<b>Countries</b>
1. PACT Belize	Belize
2. Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas - FUNDESNAP	Bolivia
3. Fundo Amazonia	Brazil
4. Fundo para a Biodiversidade - FUNBIO	Brazil
5. Fondo para la Acción Ambiental y la Niñez	Colombia
6. Fondo Patrimonio Natural	Colombia
7. Asociación Costa Rica por Siempre	Costa Rica
8. Fondo Nacional de Financiamiento Forestal - FONAFIFO	Costa Rica
9. Fundación Sur Futuro	Dominican Republic
10. Fondo Ambiental Nacional - FAN	Ecuador
11. Fondo de la Iniciativa de las Américas - FIAES	El Salvador
12. Fondo para el Manejo de Areas Protegidas y Vida Silvestre - FAPVS	Honduras
13. Environmental Foundation of Jamaica	Jamaica
14. Fondo Mexicano para la Conservación de la Naturalez - FMCN	México
15. Fundación Natura para la Conservación de los Recursos Naturales	Panama
16. Fondo de Conservación de Bosques Tropicales de Paraguay	Paraguay



17. Fondo de las Américas - FONDAM	Peru
18. Fondo de Promoción de las Áreas Naturales Protegidas del Perú - PROFONANPE	Peru
19. Fondo para el Sistema Arrecifal Mesoamericano - MARFUND	Regional
20. Caribbean Biodiversity Fund	Regional, Caribbean
21. Suriname Conservation Foundation	Surinam