



## TERM OF REFERENCE

### PROYEK INVESTING IN THE KOMODO DRAGON AND OTHER GLOBALLY THREATENED SPECIES IN FLORES

## Development of a Sustainability Plan Related to New Sources of Income for Komodo National Park

### I. BACKGROUND

Komodo National Park (KNP) is a globally significant conservation area and the natural habitat of the legendary Komodo dragon (*Varanus komodoensis*), a prehistoric and endemic species found only in Indonesia. In addition to its terrestrial ecosystems, KNP also encompasses coastal and marine areas with high biodiversity, including seagrass beds, mangrove forests, coral reefs, and populations of marine megafauna such as dugongs, dolphins, and sea turtles.

As part of a World Heritage Site, KNP holds exceptional ecological, scientific, cultural, and economic value. The park also serves as a major pillar of nature-based tourism in East Nusa Tenggara Province (NTT), particularly in the Labuan Bajo area, which the Indonesian Government has designated as a national super-priority tourism destination.

However, the conservation management of KNP faces significant challenges, particularly in terms of long-term financing. To date, the majority of funding for the park's operations has come from:

- a. The national government budget (APBN),
- b. Entrance fees and nature tourism services (user fees),
- c. Short-term support from development partners through various projects/programmes.

This heavy reliance on conventional funding sources makes KNP vulnerable to:

- a. Fluctuations in tourist visits, as seen during the COVID-19 pandemic,
- b. Uncertainty in national budget allocations,
- c. A lack of economic incentive mechanisms for local communities to actively participate in area protection,
- d. The suboptimal contribution of the private sector and ecosystem service payments to conservation financing.

The IN-FLORES Project (Investing in the Komodo Dragon and Other Globally Threatened Species in Flores), implemented by UNDP and the Ministry of Environment and Forestry in collaboration with other partners, seeks to address these challenges through an integrated land-seascape conservation approach. One of the project's key areas of focus is strengthening the enabling

conditions necessary to ensure the sustainability of species and ecosystem conservation, including the development of long-term conservation financing strategies.

Therefore, the preparation of a strategic document, referred to as the Sustainability Plan for KNP, is required. This document will:

- a. Assess the current financial and institutional conditions;
- b. Identify potential new income sources aligned with conservation principles;
- c. Design innovative and realistic financing schemes;
- d. Propose an implementation roadmap that can be utilised by park management and partners.

Potential New Income Opportunities for Komodo National Park:

#### 1. Innovative Financial Instruments

- a. Sukuk for Biodiversity Project Financing (Islamic green bonds to support conservation efforts)
- b. Blue Bonds issued by Banks or Local Government
- c. Green Finance, Blue Finance, or Blended Finance Instruments
- d. Green Loans or Credit Lines for Eco-Enterprises
- e. Green Infrastructure Public–Private Partnership (PPP) Loans

#### 2. Fiscal and Budget Mechanisms

- a. Ecological Fiscal Transfer (EFT) (intergovernmental fiscal incentives based on ecological indicators)
- b. Biodiversity Budget Tracking (monitoring and mainstreaming biodiversity within public budgets)
- c. Plastic Levy and Cruise Ship Fee (targeted environmental levies to support park conservation)

#### 3. Payments for Ecosystem and Climate Services

- a. Payment for Ecosystem Services (PES) Schemes
- b. Carbon Credit Scheme (e.g., blue carbon from mangroves and seagrasses)

#### 4. Trust and Endowment-Based Mechanisms

- a. Conservation Trust Fund (endowment and/or sinking fund to support long-term conservation)

#### 5. Community-Based and Private Sector Engagement

- a. Komodo Community Conservation Enterprise Grants
- b. Partnerships with the Private Sector under Corporate Social and Environmental Responsibility (CSR/ESG)
- c. Faith-Based Biodiversity Fund Leveraging

#### 6. Ecotourism and Nature-Based Economy Tools

- a. Licensing for Ecotourism Services (including limited-use nature-based tourism licences and concession permits)

- b. Diversification of User Fees and Non-Extractive Ecosystem Utilisation e.g., wildlife viewing, photography zones, guided walks, etc.)

This Sustainability Plan document is expected to serve as a key reference for the Komodo National Park Authority (BTNK) and other stakeholders in developing conservation financing policies, preparing proposals for follow-up conservation projects, and formulating sustainable partnerships with both the public and private sectors.

## **II. ACTIVITY OBJECTIVES**

### **A. General Objective**

To support the achievement of Outcome 2 of the project “Investing in the Komodo Dragon and Other Globally Threatened Species in Flores (IN-FLORES)”, namely:

“Strengthened enabling conditions at local and landscape level to support the implementation of integrated threatened species conservation strategies and landscape/seascape governance.”

Particularly aligned with:

- Indicator 11: “Regulations/instruments for mobilising and distributing funds have been formulated and reviewed by BPD LH and other stakeholders.”
- Indicator 12: “New income source plans have been detailed in a financial sustainability analysis, and a business plan has been developed for Komodo National Park and the Marine Nature Tourism Park of the Seventeen Islands.”

To develop a comprehensive, evidence-based, and practical Sustainability Plan document to support the long-term conservation financing of Komodo National Park (KNP) through the exploration and development of new income sources aligned with conservation principles, while also strengthening the institutional capacity of park management to implement sustainable financing models.

### **B. Specific Objectives**

#### **1. Assess the Current Status of Conservation Financing in KNP**

- Inventory all existing revenue sources and operational costs, including those from the national budget (APBN), entrance fees, and other sources.
- Analyse the funding gap between ideal conservation needs and actual financial conditions on the ground.
- Review institutional, policy, and regulatory challenges affecting the sustainability of current funding mechanisms.

#### **2. Identify New Conservation-Based Funding Opportunities**

- Develop a list of potential alternative income sources that can be applied within and around KNP (e.g. limited-use nature tourism services, carbon-based conservation, ecotourism business licensing, PES schemes, biodiversity offsets, and private sector CSR).
- Assess the technical, economic, social, and legal feasibility of each financing option.
- Classify the options based on conservation impact, financial potential, and institutional readiness.

### 3. Design a Financing Strategy and Implementation Roadmap

- Formulate an approach to sustainable financing models (e.g. blended finance, public–private partnerships, trust funds, etc.).
- Develop a 2–3 year action roadmap for implementing priority financing schemes.
- Formulate a strategy to strengthen institutional capacity (KNP Authority and partners) in managing new funding sources.

### 4. Develop a Usable Sustainability Plan Document for Advocacy and Planning

- Prepare the main Sustainability Plan document, complete with intervention logic, stakeholder mapping, and implementation strategy.
- Provide supporting documents such as a concept note/brief proposal for pitching to potential partners or donors.
- Produce an executive summary and presentation materials for dissemination to the government, UNDP, the Ministry of Environment and Forestry, KNP Authority, tourism partners, and other stakeholders.

### C. Added Value of This Activity

1. Support the transformation of KNP management from a government budget-dependent model to one based on self-financing and multi-stakeholder partnerships.
2. Reduce pressure on natural resources by internalising the economic value of ecosystem services into the funding system.
3. Enhance the contribution of the tourism sector, private sector, and local communities to conservation through incentive-based models.
4. Provide the foundation for medium- to long-term planning in the development of a Conservation Financing Architecture for KNP.

## III. EXPECTED OUTPUTS

### 1. Output 1: Analysis of Current Conservation Financing in Komodo National Park

#### Deliverables:

- a. A summary document profiling conservation financing in KNP (10–15 pages)
- b. Data tables detailing funding sources, revenue trends, and operational costs
- c. A financing gap analysis chart

d. A matrix of institutional and financial challenges

## 2. Output 2: Identification of Potential New Income Sources for Komodo National Park

Deliverables:

- a. A report listing and analysing new funding opportunities (e.g. ecotourism, PES, licensing, blue carbon, CSR, etc.)
- b. SWOT matrix for each financing scheme
- c. A mapping of relevance between each scheme and national conservation strategies/policies

## 3. Output 3: Conservation Financing Strategy and Implementation Roadmap

Deliverables:

- a. The main Sustainability Plan document (20–30 pages)
- b. Key components: overall strategy, priority interventions, partner mapping, institutional structure, capacity needs, and action timeline
- c. A 2–3 year implementation roadmap

## 4. Output 4: Supporting Documents and Advocacy Tools

Deliverables:

- a. One concept note (proposal) for a key financing scheme (e.g. PES or ecotourism service licensing)
- b. Executive summary for decision-making purposes
- c. Presentation slides for BTNK, the Ministry of Environment and Forestry, UNDP, and potential partners

Format & Submission Requirements

- a. All documents must be produced in both Indonesian and English.
- b. Deliverables should be submitted in digital format: MS Word, Excel, PDF, and PowerPoint.
- c. Use of tables, charts, and visualisations is mandatory to clarify analysis.
- d. Final documents must be submitted in both editable and non-editable formats.

## **IV. SCOPE OF ACTIVITIES**

The development of the Sustainability Plan will include a series of structured and interrelated activities, focusing on assessing the current situation, exploring new financing options, formulating a conservation financing strategy, and preparing a final document that can serve both as an operational guide and an advocacy tool.

The scope includes six main phases:

### 1. Preliminary Study and Document Review

- a. Collect and review relevant planning documents, financial reports, and policies related to Komodo National Park (KNP).
- b. Analyse IN-FLORES project documents, baseline studies, KNP long-term management plans (RPJP), Ministry of Environment and Forestry planning documents, zoning plans, and regulations related to conservation and ecosystem service financing.
- c. Identify existing financial management structures and ongoing financing models.

Partial Output: Table of existing funding sources, financing gaps, and a current conservation financing profile.

## 2. Analysis of the Existing Conservation Financing Situation

- a. Review all current funding sources used by KNP (e.g. non-tax state revenue from ticket sales, tourism service fees, state budget allocations, and grants).
- b. Map revenue and expenditure flows, assess budget efficiency, and evaluate dependency on specific sources.
- c. Estimate the ideal conservation financing needs based on park management functions and workload (e.g. patrols, education, habitat restoration, marine surveillance).

Partial Output: Conservation financing matrix for KNP: sources, amounts, trends, and funding gap.

## 3. Identification and Analysis of New Potential Revenue Sources

- a. Compile a shortlist of relevant and applicable new financing schemes for the KNP context.
- b. Conduct rapid assessments of opportunities such as:
  - Payment for Ecosystem Services (PES) schemes
  - Conservation-based tourism service licensing
  - Carbon credit mechanisms (blue carbon or mangrove-based)
  - Conservation trust funds
  - CSR contributions from tourism and marine sectors
  - Establishment of a local endowment or community revolving fund
- c. Carry out a SWOT analysis and preliminary feasibility assessment for each option.

Partial Output: Matrix of potential financing options and initial recommendations for priority schemes.

## 4. Stakeholder Engagement and Consultation

- a. Conduct FGDs, in-depth interviews, or focused discussions with:
  - Komodo National Park Authority (BTNK)
  - Provincial Environment and Forestry Agency (NTT)
  - Ministry of Environment and Forestry (Directorates of KSDAE and Spatial Planning)
  - Local tourism partners (tour operator associations, guides, diving centres)
  - Private sector/CSR actors
  - Local communities/fishers, where relevant

- b. Verify initial findings and gather stakeholder insights and capacity assessments regarding financing models.

Partial Output: Meeting notes, participant lists, and discussion summaries as part of evidence-based planning.

#### 5. Formulation of Conservation Financing Strategy and Roadmap

- a. Develop a conservation financing strategy for KNP, covering:
  - Priority financing schemes (e.g. PES, CSR, blue finance)
  - Institutional arrangements (government, partners, or hybrid entities)
  - Benefit-sharing mechanisms
  - Required legal and licensing frameworks
  - A staged implementation plan (up to three years)
- b. Design institutional structures, capacity-building needs, and estimated initial investment requirements.

Partial Output: Draft conservation financing strategy and implementation roadmap for KNP.

#### 6. Final Document Preparation and Supporting Tools

- a. Prepare the main Sustainability Plan document (20–30 pages).
- b. Develop one concept note for a priority financing scheme (for advocacy/pitching).
- c. Prepare an executive summary for decision-makers at national and regional levels.
- d. Create a presentation slide deck for use in formal forums (e.g. Ministry of Environment and Forestry, UNDP, or private sector engagements).

Final Output: Complete document package in .docx/.pdf and .pptx formats (both editable and non-editable).

#### Additional Scope (If Recommended by the Project)

- a. Develop a proposal template for community-based conservation enterprises.
- b. Identify result-based financing indicators for measuring success.
- c. Review regulatory frameworks to ensure legal feasibility and support for financing schemes.

## V. METHODOLOGY

The methodology for this activity is designed to ensure that the resulting Sustainability Plan is evidence-based, contextually relevant, participatory, and practically implementable. The approach integrates desk-based research, quantitative and qualitative analysis, and multi-stakeholder consultation, structured into six main steps:

### 1. Desk Review and Literature Study

Objective:

To build an initial understanding of the conservation financing context in KNP and the relevant policy frameworks.

Activities:

- a. Review national and regional policy documents (e.g. RPJM, RPJP, KNP Management Plan, government regulations on non-tax revenue, service fees, PES, etc.)
- b. Examine documents related to the IN-FLORES project, socio-economic and ecological baselines, BTNK's financial audit reports, and tourism management data
- c. Conduct benchmarking of conservation financing in other national parks (e.g. West Bali National Park, Tangkoko, Raja Ampat, or international models such as Costa Rica and Bhutan)

Output:

Summary of the conservation financing context and policy framework, including reference to best practice models for innovative financing.

## 2. Existing Financial Analysis (Current Financing Situation)

Objective:

To identify the actual structure of conservation financing and funding gaps (gap analysis).

Activities:

- a. Inventory and categorise all current revenue sources: non-tax state revenue (PNBP), national budget (APBN), tourism service fees, grants, partner projects
- b. Map financial flows (revenues vs. expenditures)
- c. Analyse efficiency and dependency on key funding sources
- d. Project ideal conservation funding needs (e.g. patrols, MPA management, education, infrastructure)

Tools:

Quantitative analysis using Excel for projections and simulation of funding needs

Output:

Funding flow matrix, projected funding needs, and identification of the KNP conservation financing gap

## 3. Rapid Assessment of New Financing Opportunities

Objective:

To compile and assess the feasibility of various potential new income sources relevant to KNP.

Activities:

- a. Develop a long list and shortlist of potential new financing options, such as:

## 7. Innovative Financial Instruments

- Sukuk for Biodiversity Project Financing (Islamic green bonds to support conservation efforts)
- Blue Bonds issued by Banks or Local Government
- Green Finance, Blue Finance, or Blended Finance Instruments
- Green Loans or Credit Lines for Eco-Enterprises
- Green Infrastructure Public–Private Partnership (PPP) Loans

## 8. Fiscal and Budget Mechanisms

- Ecological Fiscal Transfer (EFT) (intergovernmental fiscal incentives based on ecological indicators)
- Biodiversity Budget Tracking (monitoring and mainstreaming biodiversity within public budgets)
- Plastic Levy and Cruise Ship Fee (targeted environmental levies to support park conservation)

## 9. Payments for Ecosystem and Climate Services

- Payment for Ecosystem Services (PES) Schemes
- Carbon Credit Scheme (e.g., blue carbon from mangroves and seagrasses)

## 10. Trust and Endowment-Based Mechanisms

- Conservation Trust Fund (endowment and/or sinking fund to support long-term conservation)

## 11. Community-Based and Private Sector Engagement

- Komodo Community Conservation Enterprise Grants
- Partnerships with the Private Sector under Corporate Social and Environmental Responsibility (CSR/ESG)
- Faith-Based Biodiversity Fund Leveraging

## 12. Ecotourism and Nature-Based Economy Tools

- Licensing for Ecotourism Services (including limited-use nature-based tourism licences and concession permits)

Diversification of User Fees and Non-Extractive Ecosystem Utilisation e.g., wildlife viewing, photography zones, guided walks, etc.)

b. Conduct SWOT and preliminary feasibility analysis for each scheme

c. Map technical, legal, social, and economic challenges of implementation

Tools:

SWOT matrix, risk scoring tables, and a value filter framework

**Output:**

Comparative table and classification of potential financing schemes

**4. Stakeholder Consultation and Preliminary Validation**

**Objective:**

To strengthen analysis results through feedback from key stakeholders

**Activities:**

a. Conduct Focus Group Discussions (FGDs) and interviews with:

- Komodo National Park Authority (BTNK)
- Ministry of Environment and Forestry (Directorate-General of KSDAE)
- UNDP and IN-FLORES project partners
- Tourism operators, diving centres, CSR actors
- Local government and community representatives
- BPOLBF
- Others as relevant

b. Discuss the locally feasible and socially acceptable financing options

**Output:**

FGD minutes, participant list, and key discussion outcomes for evidence-based planning

**5. Formulation of Financing Strategy and Implementation Roadmap**

**Objective:**

To formulate a legal, sustainable, and implementable conservation financing framework for KNP

**Activities:**

- Develop a short- to medium-term financing strategy
- Create a 2–3 year implementation roadmap based on priorities, institutional readiness, and available resources
- Identify potential partners for each financing scheme (public, private, donor)
- Define governance models, institutional structures, and benefit-sharing mechanisms

**Tools:**

Logical Framework Approach (LFA), Value Chain Finance Mapping

**Output:**

Draft Sustainability Plan document and implementation roadmap

## 6. Finalisation of Document and Advocacy Tools

Objective:

To produce a strategic document and communication tools for decision-makers and partners

Activities:

a. Draft the final Sustainability Plan document (20–30 pages), including:

- Existing conditions
- New opportunities
- Financing strategy
- Implementation roadmap
- Key partners and success indicators

b. Prepare an executive summary (max. 3 pages)

c. Develop a concept note or proposal template for a selected financing scheme

d. Prepare a slide presentation (.pptx) for pitching/advocacy in forums (UNDP, MoEF, BTNK)

Final Output:

Complete document package and policy communication tools

Guiding Principles

- Evidence-Based: Grounded in actual data and field studies
- Participatory: Involving key actors from start to finish
- Feasibility-Oriented: Focused on legally viable and actionable schemes
- Conservation–Economy Linkage: Every financing model must positively impact the protection and management of Komodo National Park

## VI. DURATION AND LOCATION OF ACTIVITIES

a. Duration: 2 months (8 weeks), starting from the date the contract is signed

b. Location: Komodo National Park (BTNK), Labuan Bajo

c. Final report must be submitted in both printed and digital formats to the IN-FLORES Project Management Unit (PMU)

Activity	Wk-1	Wk-2	Wk-3	Wk-4	Wk-5	Wk-6	Wk-7	Wk-8
Coordination and Work Planning	☑							
Regulatory Review and Initial Data		☑	☑					
Assessment of Economic Potential & Schemes			☑	☑				
Stakeholder Consultation and FGDs				☑	☑			
Drafting of Sustainability Plan – Version 1					☑	☑		

Activity	Wk-1	Wk-2	Wk-3	Wk-4	Wk-5	Wk-6	Wk-7	Wk-8
Internal Review and Revisions						✓	✓	
Finalisation of Document							✓	
Final Report Submission and Handover								✓

## VII. QUALIFICATIONS OF THE BUSINESS DEVELOPMENT CONSULTANT

### 1. Education

- a. Minimum of a Bachelor's degree in Economics, Finance, Environmental Studies, Public Policy, Natural Resource Management, or Sustainable Development.
- b. A Master's degree in a relevant field is an advantage, particularly in Environmental Economics, Conservation Finance, or Development Project Management.

### 2. Professional Experience

a. A minimum of 5 years' professional experience in:

- Developing conservation finance planning documents
- Designing conservation-based business models
- Conducting sustainability plans or alternative financing scheme assessments
- Activities involving economic potential mapping in conservation and/or ecotourism sectors

b. Proven experience collaborating with conservation area management units (e.g. UPTs under the Ministry of Environment and Forestry), local governments, donor agencies (such as UNDP, GEF), and other development partners.

c. Experience working in East Nusa Tenggara, particularly in or around Komodo National Park, will be considered an asset.

### 3. Technical Skills

a. Proven ability to develop conservation finance planning documents or sustainability plans using environmental economics and long-term financing strategies.

b. Strong grasp of conservation financing mechanisms, including:

- Payment for Ecosystem Services (PES)
- Visitor/user fee optimisation
- Public-private partnerships (PPPs) for ecotourism
- Conservation grants, trust funds, blended finance, etc.

c. Skilled in conducting regulatory assessments, market analysis, and funding opportunity mapping for the conservation sector.

d. Able to facilitate technical discussions with a range of stakeholders, including local communities and tourism entrepreneurs.

### 4. Personal Competencies

- a. Strong oral and written communication skills in Bahasa Indonesia; proficiency in English is considered an asset.
- b. Proactive, adaptive, and responsive to social dynamics and evolving regulatory contexts.
- c. Strong commitment to the principles of sustainable development and inclusive conservation.
- d. Able to work independently and deliver professional-quality reports within agreed timelines.

#### VIII. BUDGET PLAN (RAB) – ALL-INCLUSIVE

No.	Budget Component	Volume	Unit	Unit Cost (IDR)	Total (IDR)
A	Consultant Honorarium	2	Months	Rp 30,000,000	Rp 60,000,000
B	Field Transport & Accommodation	2	Trips	Rp 15,000,000	Rp 30,000,000
C	Preparation of Printed Documents & Business Plan	1	Package	Rp 7,000,000	Rp 7,000,000
D	Layout, Editing, and Digital Dissemination	1	Package	Rp 3,000,000	Rp 3,000,000
	<b>TOTAL</b>				<b>Rp 100,000,000</b>

No	Deliverables	Submission Time	Payment Term
1	a. Coordination and Work Planning b. Regulatory Review and Initial Data	First Week of August 2025	20%
2	a. Assessment of Economic Potential & Schemes b. Stakeholder Consultation and FGDs c. Drafting of Sustainability Plan – Version 1	Fourth Week of August 2025	40%
3	a. Internal Review and Revisions b. Finalisation of Document c. Final Report Submission and Handover	Fourth Week of September 2025	40%

#### VIII. CLOSING

The preparation of the Sustainability Plan related to new revenue sources for Komodo National Park (KNP) is a vital component of the long-term strategy under the Investing in the Komodo Dragon and Other Globally Threatened Species in Flores (IN-FLORES) project. This effort aims not only to ensure the sustainability of conservation financing for iconic species such as the Komodo dragon (*Varanus komodoensis*), but also to strengthen the overall management system of the protected area—making it more financially autonomous, adaptive to external pressures, and capable of delivering broader socio-economic benefits to surrounding communities.

The challenges of managing conservation areas in Indonesia—including Komodo National Park—go beyond ecological protection and extend to the need for stable, accountable, and sustainable financial resources. As such, this Sustainability Plan is designed to serve as a roadmap for the development of alternative financing mechanisms that are legal, inclusive, and aligned with the principles of ecological and social justice.

By applying a market-based, regulatory, and locally grounded economic approach, this plan is expected to offer concrete and implementable recommendations for the development of new income sources—whether through conservation finance instruments, ecosystem service optimisation, or collaborative innovations between the park authority and development partners.

This Terms of Reference (ToR) lays the foundation for a cross-sectoral initiative, requiring active coordination between the consultant, park management authority, local government, tourism businesses, local communities, and other conservation partners. Commitment and engagement from all stakeholders are key to ensuring that the resulting document is not merely a set of recommendations, but a driver for real policy change and tangible field actions.

As part of the broader intervention under the IN-FLORES project, this Sustainability Plan is expected to strengthen systemic conservation financing for Komodo National Park and contribute directly to the project's core objective: the conservation of threatened species and the integrated, sustainable management of landscapes and seascapes across Flores Island.