

Terms of Reference

Consultancy: A Financial Strategy for Reconnecting Borneo

F4RB

1. Background

Borneo, one of Earth's oldest and most biodiverse rainforests, is central to WWF's Tropical Forest Conservation Priorities. Yet only 63% of its forest cover remains, and just half is intact (Gaveau et al., 2023). Decades of deforestation, forest degradation, resource extraction, infrastructure expansion, and governance gaps have fragmented ecosystems, threatening wildlife, ecosystem services, and local livelihoods. The Reconnect Borneo Initiative aims to restore landscape-scale ecological connectivity and strengthen transboundary collaboration to secure biodiversity, climate resilience, and sustainable livelihoods across Indonesia and Malaysia.

Although the island covers less than 1% of Earth's land, it supports 6% of global biodiversity and stores over 21 billion tons of carbon (Sloan et al., 2023). Borneo's forests sustain over 20 million people through food, water, livelihoods, and cultural identity. Home to Indigenous Peoples such as the Dayak, Iban, Kenyah, Penan, and Kadazan-Dusun, Borneo's landscapes are managed through customary laws and agroforestry practices that have long maintained ecological balance. Yet unsustainable economic growth, along with expanding infrastructure, plantations, and mining, continues to encroach on these territories despite their conservation value. Integrating Indigenous knowledge, customary governance, and equitable rights into spatial planning and OECM frameworks is critical for sustaining biodiversity.

Problem Statement – Why Reconnect Borneo

There have been diligent efforts by a range of public and private groups to conserve forests and support local communities in Borneo. *Heart of Borneo*, an initiative led by the Governments of Brunei Darussalam, Indonesia and Malaysia to conserve a 22 million-hectare transboundary rainforest region in the island's interior, was one of the most prominent initiatives back in 2007. However, despite the above efforts, Borneo's ecological networks—vital for wildlife movement, climate regulation, and livelihoods—are rapidly degrading. The island has lost **over 18 million ha** of forest since 1973 (Gaveau et al., 2023), and habitats for 245 bird and mammal species have shrunk by **28%** with **35%** loss in functional connectivity (Struebig et al., 2020). Planned projects like the Pan-Borneo Highway and major dams could remove **up to 40%** of accessible wildlife habitat (Alamgir et al., 2019). Fragmentation disrupts species migration, carbon storage, and water regulation. Without coordinated, cross-border action that integrates spatial planning, governance reform, and sustainable finance, Borneo risks losing its ecological and economic resilience.

The **Reconnect Borneo Vision** seeks to build on the lessons of the Heart of Borneo initiative by expanding conservation efforts across a much broader geographic scale through the connectivity of mega-corridors. This vision aims to integrate conservation and sustainable finance, creating innovative nature financing mechanisms capable of unlocking the millions—and ultimately billions—needed to secure a thriving Borneo. In this future, species, local communities, Indigenous Peoples, and human economic activity do not compete with biodiversity but actively contribute to its conservation and flourishing.

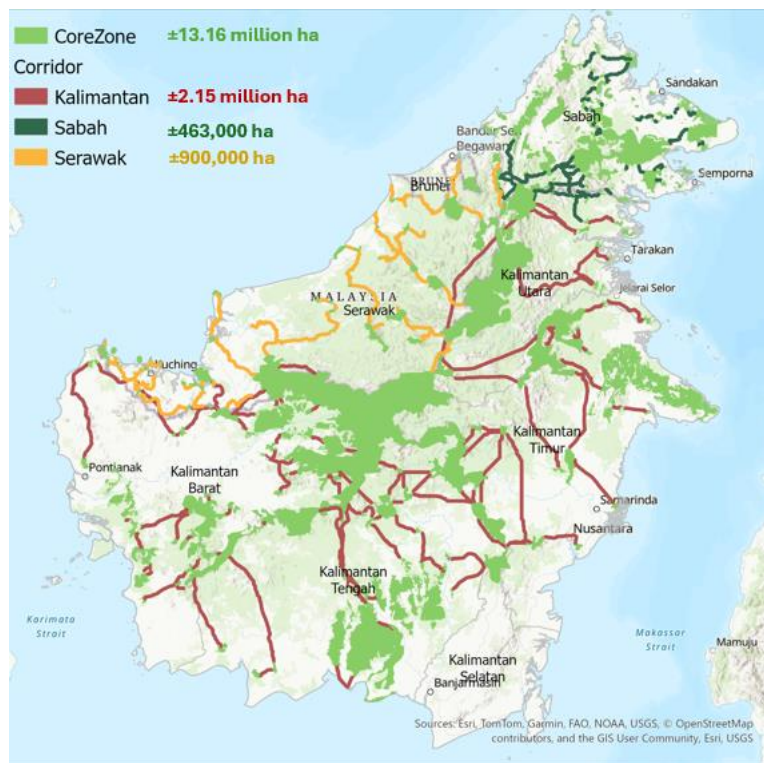
Priority Corridors

Core high-value ecosystems¹ cover **35.4 million hectares**, requiring **13.1 million hectares** of corridors to maintain connectivity.² Out of Borneo's **35.4** million hectares of core high-value ecosystems, approximately **6.75** million hectares are currently under some form of legal protection (national parks, reserves, or conservation areas). This means just under half of these critical ecosystems are safeguarded, while the remainder

¹ High-value ecosystems are landscapes that contain High Conservation Values (HCVs), including globally or nationally significant biodiversity, rare or threatened ecosystems, critical ecosystem services, and areas essential for local community needs and cultural identity. These ecosystems are prioritized for conservation and sustainable finance interventions to ensure long-term ecological resilience and equitable benefits.

² The hectareage of high-value ecosystems and corridor are derived from internal WWF analysis of resource use throughout Borneo.

remains vulnerable to deforestation, degradation, and unsustainable land use. WWF technical feasibility work, including habitat suitability modelling, identified 97 core zones and 135 corridors across Borneo (88 in Kalimantan, 27 in Sabah, 20 in Sarawak), later refined to about 155 covering over 13 million hectares with potential to reconnect habitats for orangutans, elephants, and rhinos. In Kalimantan alone, **2 million ha** of corridors—60% still under natural forest—store **192 million tonnes of carbon**. Restoring **180,000 ha** of priority corridors could increase carbon stocks by **2 million tonnes** over five years. Only 8% of these corridors lie in protected areas; most overlap with forestry or plantation concessions, underscoring the need for cross-sectoral collaboration.



Picture 1. Preliminary results of the ecological network of Borneo (Reconnect Borneo)

The Opportunity: Nature and Climate Finance

Today, unprecedented levels of public and private capital are available for carbon, nature, and forest finance. Mechanisms such as the Tropical Forest Finance Facility (TFFF) and other blended finance models can be secured, combined, and sequenced to unlock

transformative investment. Multilateral development banks, global investors, and companies are increasingly motivated by regulatory drivers such as the EU Deforestation Regulation (EUDR) and corporate net-zero commitments. This convergence of finance and policy interest creates a unique window to bend the curve on deforestation, restoring, protecting, and improving the management of Borneo's forests while advancing sustainable livelihoods for local communities and Indigenous Peoples.

Vision and Theory of Change

Vision:

By 2030, Borneo's forests and landscapes are ecologically connected across borders, sustaining biodiversity, ecosystem services, and resilient livelihoods for Indigenous and local communities.

Theory of Change: the urgency of Now

If we prioritize decisive action today, securing ecological corridors, embedding inclusive governance, and mobilizing sustainable finance through approaches such as WWF's Landscape Finance model, we can achieve outcomes by 2030 that have never before been realized in Borneo.

- **Governments** align policies and spatial plans to ensure connectivity across borders and landscapes.
- **Communities** gain secured tenure and equitable benefits, strengthening their role as forest stewards.
- **Private and financial sectors** adopt deforestation-free, mature positive agriculture models that channel capital into restoration, leveraging blended finance and landscape-level investment strategies.

Together, this integrated system enhances biodiversity, safeguards carbon storage, and advances local prosperity, while reinforcing accountability through transboundary cooperation. By embedding sustainable finance and applying the WWF Landscape Finance Approach, we ensure that capital flows are structured to deliver long-term ecological resilience and equitable livelihoods, making these outcomes not just aspirational, but achievable within this decade.

The Need for a Sustainable Financial Vision

Through the WWF Landscape Finance Approach—a place-based framework that integrates ecological resilience, social development, and financial performance—the Reconnect Borneo vision seeks to scale up these efforts. The initiative highlights the importance of innovative financing and policy mechanisms (financing green solutions and greening the finance interventions). These include blended finance models that integrate public, philanthropic, and private sector resources, as well as market-based instruments such as carbon credits, biodiversity credits and green bonds, among others.

The Landscape Finance Approach is a four-step pathway: understanding nature risks and opportunities, matching opportunities to finance interventions, implementing finance interventions holistically, and scaling to additional landscapes. The landscapes' complex land governance—spanning protected areas, forestry concessions, oil palm plantations, across different political and administrative systems and various land-uses both formal and informal (including illegal activities)—requires integrated, cross-sectoral strategies. Supply chain mapping within and around corridor areas is essential to identify key actors (including domestic, regional and global buyers and investors), leverage points, and opportunities for market-based interventions and sustainable finance, exploring financing pathways to support large-scale ecological restoration and connectivity across Borneo.

Phase I of this initiative aims to identify and prioritize high-impact nature and climate finance mechanisms that can unlock those opportunities. **Phase II** will entail co-development of the mechanisms with strategic partners and stakeholders to advance WWF's Reconnect Borneo vision.

WWF envisions a comprehensive Reconnect Borneo Financing Framework capable of mobilizing hundreds of millions of dollars in investments that place nature and biodiversity at the heart of sustainable development in both Malaysia and Indonesia. This vision champions inclusive, equitable economic practices, ensuring that local communities and Indigenous Peoples are not only beneficiaries but active leaders in the governance and stewardship of the selected nature finance solutions.

2. Scope of Work

2.1 Develop an overarching Financial Strategy of Reconnect Borneo, grounded in the core conservation and biodiversity goals identified by WWF Malaysia and WWF Indonesia and their partners.

The Reconnect Borneo strategy will be a maximum of a 5 pages document with a summarized one pager used to engage key stakeholders and potential global partners. This Strategy extends beyond the current priority areas and selected landscapes, encompassing a broader and more ambitious scope that reflects the scale of ecological and financial transformation needed across Borneo. The consulting firm will highlight key financial instruments that can be used in the Reconnect Borneo vision including (but not limited to) innovative investment models that are not used yet in Borneo, such as blended finance, Project Finance for Permanence Projects as well an in-depth analysis of Carbon Finance opportunities linked to biodiversity conservation. In addition, a list of conducive regulatory measures that enable these financial instruments will be developed and proposed.

2.2 Identify critical funding gaps in three stages of intervention: technical setup, operational, and scaling up, with strong alignment with community needs as well as private companies fully integrated. Key steps here would include, among others:

- ✓ Understanding the financial needs to realize the Reconnect Borneo Vision.
- ✓ Understanding the current financing landscape in Borneo, i.e. what mechanisms are currently in place?
- ✓ Understanding the current formal and informal (eg artisanal gold mining) financial flows to activities that lead to degradation of nature.
- ✓ Understanding why current mechanisms are insufficient, i.e. where does a gap emerge?
- ✓ Prioritizing motivations and opportunities for investments from global companies sourcing key commodities from the region to complement other funding (e.g., inseting/regulatory compliance/supply chain security)

2.3 Assess landscape specific context

- ✓ Conduct an assessment of the landscape context with aspects that are essential to inform the decision making on financial mechanism suitability. (e.g. carbon financing might work differently in Sabah compared to Kalimantan). We would expect concrete references to the actual situation on the ground. If needed, the consulting firm is expected to cover legal, financial and political frameworks, opportunities for multi-level financing (transboundary, state-province etc).

2.4 Identify financial solutions at scale to fill the funding gap

- ✓ Identifying innovative financial solutions to fill that gap, including both “financing green” (Blended Finance, PFP, carbon finance, biodiversity credits, Green Bonds.) and “greening finance” (e.g. Regulations/Directives/Policies) solutions. It is expected that the consulting firm will differentiate the “greening the finance” interventions according to type of sectors: e.g. infrastructure, forestry, agriculture, mining. It is important to also understand the current support provided by development banks, the flow of financing, and their priorities for Borneo in relation to climate and nature.
- ✓ Keeping in mind that this Reconnect Borneo initiative stretches over 2 countries and several sub-national jurisdictions, it might be good to also identify financing mechanisms at different levels (islandwide, States/ Provinces, Districts) and link them to a set of funders/investors/international organizations and key partners, including global companies sourcing commodities from Borneo.
- ✓ Initial validation of proposed mechanisms with main stakeholders and WWF Teams.

2.5 Prioritize and shortlist up to 5 key nature financing mechanisms

- ✓ In collaboration with WWF and subject to its approval, establish a set of criteria to guide the prioritization process. These criteria may include factors such as potential conservation impact, implementation, feasibility, scalability, alignment with national policy frameworks, and capacity to attract investment.
- ✓ Based on these criteria, produce a prioritized shortlist of up to 5 nature finance mechanisms.
- ✓ For each mechanism, provide a clear justification outlining its suitability, expected conservation and socio-economic impact, implementation feasibility and relevance and impact in relation to the landscape long-term goals.
- ✓ Evaluate and prioritize financing opportunities based on feasibility, potential impact, and readiness for implementation, highlighting both quick wins and transformative solutions.

2.6 Develop a clear action/implementation roadmap of the key shortlisted nature financing models tailored to the Reconnect Borneo Initiative

- ✓ Outline steps, define the sequence of actions required to operationalize each financing model, including preparatory activities, policy alignment, enabling conditions such as capacity building & technical support, and a timeline for realization.

- ✓ Identify stakeholder roles and engagement pathways. Map relevant actors across scales (national, provincial etc), specify their roles in relation to the proposed financial mechanism.
- ✓ Estimate total financing potential (total \$ quantum) for each model, the potential sources of the capital and the timeframe of mobilization.
- ✓ Define WWF's role in each mechanism, provide clear recommendations on how WWF can best support, lead, or facilitate the implementation of each shortlisted financing mechanism. Highlight areas where WWF may need to build strategic partnerships and suggest how WWF can leverage its network and technical expertise to attract funders and scale successful models.

3. Expected Key activities

Stakeholders and expert engagement are critical components of the scope of work. The consulting firm's team will take the lead in this process, supported by WWF's Sustainable Finance teams to engage international stakeholders and subject-matter experts. At the same time, our national teams in Indonesia and Malaysia will play a pivotal role in engaging local stakeholders and government agencies. To achieve the results outlined above, we have identified a set of necessary activities. However, we expect the consultant to provide guidance, both prior to and throughout the assignment, on whether these activities should be refined or adjusted to ensure the intended outcomes are fully realized.

3.1 Consultations with the WWF-Malaysia and WWF-Indonesia teams as well as Reconnect Borneo sprint groups, to validate key conservation goals and activities under the Reconnect Borneo Initiative and identify current gaps in the funding landscape. To avoid duplications the consulting firm is expected to understand the work already done by WWF Indonesia, WWF Malaysia and WWF Sustainable Finance teams in mapping potential investment opportunities in Borneo.

3.2 Conduct desk research and expert interviews to identify a long list of financing mechanisms that have potential to be implemented in Borneo, considering both 'financing green' as well as 'greening the finance' solutions.

3.3 Work with WWF teams and relevant stakeholders to select the most promising financing mechanisms and greening finance interventions, applying screening criteria and scoring approaches to confirm feasibility in the Borneo context (Island-wide, State/ Province level, District level). It is important that stakeholders with potential roles in the implementation of

these financing mechanisms are involved and supportive of this selection to ensure effective future ownership and action.

3.4 Develop each selected nature financing mechanism by conducting in-depth research and consultations with WWF technical experts and potential (co)-implementors/key partners. Describe key structures of the mechanism to fit into the Reconnect Borneo context, including the flow of funds, enabling conditions, roles, potential obstacles (and corresponding solutions), and steps for implementation.

3.5 Compile findings in an action plan that clearly outlines the selection of nature financing mechanisms with realistic, concrete steps and roles for implementation. This action plan is needed for internal and external entities that are willing to finance the next steps. Hence, this action plan needs to be written in the format of a funding proposal.

4. Expected Deliverables and Timeline

- Draft Presentation on Methodology and ToR Roadmap
 - o Mid-January 2026
- Final Presentation on Methodology and ToR Roadmap
 - o Third week of January 2026 during the Borneo meeting organized by WWF Netherlands in the WWF Netherlands office
- Presentation on Prioritization Criteria to be approved by WWF
 - o End of April 2026
- Final Draft report & presentation for feedback
 - o End of May 2026
- Action Plan and Roadmap to Implementation for the 5 selected Nature Finance Mechanisms with a clear quantifiable amount in \$.
 - o June 2026
- Final Virtual Presentation
 - o July 2026
- Physical Workshop intended to offer capacity building for the wider WWF teams
 - o September 2026
- Physical workshop with external stakeholders and key partners
 - o September 2026

5. Budget

- 50-80k EUR

6. Reporting / supervision

- Reports to Matteo Marinelli of WWF International + Sustainable Finance Teams of WWF-Malaysia and WWF-Indonesia
- Sounding board with key WWF stakeholders (offices that are co-financing the assignment)
- Frequency of progress calls
 - Bi-Weekly with Matteo Marinelli of WWF-International and Sustainable Finance Teams of WWF Indonesia and Malaysia.
 - Monthly with the Sprint Financial Pathways overall team.
 - Bi-Monthly with Chief Conservation Director of WWF-Indonesia & Conservation Director of WWF-Malaysia.

7. How to apply

Please prepare and submit a comprehensive technical proposal addressing the Scope of Work outlined above. The proposal should include:

- A detailed approach on methodology
- A detailed timeline for delivery
- A full budget breakdown
- Curriculum Vitae of the proposed team members
- Concrete evidence and a proven track record in designing and implementing nature-finance mechanisms. The completed proposal must be sent to mmarinelli@wwfint.org no later than **12 December**.