

# Terms of reference



Empowered lives.  
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## GENERAL INFORMATION

**Title:** Technical Advisor on Public Climate Finance (Indonesian Nationality)

**Project Name:** Innovative Financing Lab (IFL)/Sustainable Development Financing (SDF) Phase II

**Reports to:** Technical Advisor for Development Finance, UNDP; Deputy Director for Climate Change Fiscal – Fiscal Policy Agency, Ministry of Finance

**Duty Station:** Ministry of Finance, Fiscal Policy Agency Office - Jakarta

**Expected Places of Travel:** Gorontalo, Riau, Bandung

**Duration of Assignment:** 140 working days within 9 months

## REQUIRED DOCUMENT FROM HIRING UNIT

✓	TERMS OF REFERENCE
5	<b>CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select :</b> (1) Junior Consultant (2) Support Consultant (3) Support Specialist (4) Senior Specialist (5) Expert/ Advisor <b>CATEGORY OF INTERNATIONAL CONSULTANT, please select :</b> (6) Junior Specialist (7) Specialist (8) Senior Specialist
✓	APPROVED e-requisition

## REQUIRED DOCUMENTATION FROM CONSULTANT

✓	P11
✓	Copy of education certificate
✓	Completed financial proposal
✓	Completed technical proposal

### **Need for presence of IC consultant in office:**

☐ partial (explain)

☒ intermittent consultant needs to build strong relations with policy makers in project office and other government counterpart whose their availability are unpredictable

☐ full time/office based (needs justification from the Requesting Unit)

### **Provision of Support Services:**

**Office space:** ☒ Yes, at Ministry of Finance office ☐ No

**Equipment (laptop etc):** ☐ Yes ☒ No

**Secretarial Services** ☐ Yes ☒ No

If yes has been checked, indicate here who will be responsible for providing the support services: Fahrul Razi

## I. BACKGROUND

Indonesia actively pursues efforts in combating the adverse effects of climate change. In international level, Indonesia has been actively involved in global framework to combat climate change. To tackle it, the Government of Indonesia (GoI) has established the National Action Plans for climate change mitigation and adaptation. In 2011, National Action Plan on Climate Change Mitigation (RAN-GRK) has issued by GoI, which has committed to reduce GHG emissions by 26% on its own efforts and up to 41% with international support, against the business as usual (BAU) scenario by 2020. To ensure the low carbon development goes hand in hand with the country's resilience in anticipating adverse impacts of climate change, GoI has also developed the National Action Plan for Climate Change Adaptation (RAN-API) in 2014.

In December 2015 (COP-21 of UNFCCC), Paris Agreement as a global framework to tackle climate change was adopted. Through this agreement, all countries acknowledged the need to contribute to achieving ambitious and collective goals to fight climate change, including Indonesia. As a contribution to global commitment, GoI has submitted its Nationally Determined Contribution (NDC) document to the Secretariat of UNFCCC in 2016, which reflects high commitment to reduce emission 29% with national support from BAU scenario and up to 41% with international support, by 2030.

To achieve the ambitious target, a huge sustainable funding and more effective use of current resources are required. According to the Third National Communication (TNC) 2017 report, the funding needed for climate change management activities in 2015-2020 is estimated to be IDR1,065 trillion, with 21 percent (IDR225 trillion) being assigned to mitigation related activities and 79 percent (IDR840 trillion) to adaptation related activities. This has created the need for a climate change funding framework to support continuity in Indonesia's climate change management activities. To finance climate change actions, the government has to ensure that adequate funding is available to finance climate change programs, as well as track and monitor the results of the programs implemented. The Ministry of Finance plays a crucial role in ensuring that climate change requirements are reflected in budget priorities, pricing policies, and financial market rules.

To address those needs, since 2017, UNDP has collaborated with the Ministry of Finance to implement the second phase of Sustainable Development Financing (SDF) project. The programme has provided extensive technical assistance support to the Ministry of Finance and the National Development Planning Agency (Bappenas) in integrating both climate mitigation and adaptation thematic within the national public planning and budgeting system (KRISNA). The Ministry of Finance has initiated and implemented climate budget tagging (CBT) to strengthen transparency in Indonesia's climate change finance. The capacity building for climate budget tagging (CBT) on both mitigation and adaptation has conducted and still ongoing at the national level, particularly on sector ministries that are improving both the accuracy and consistency of climate change tracking and reporting.

Following the successful implementation of CBT at national level, the Ministry of Finance seeks for support to bring the CBT to sub-national level. In this regard, the project has developed a guideline/methodological note for climate change budget tagging at sub-national level, in collaboration with Ministry of Finance and other development partners. This activity will start from piloting activities in province and district in Indonesia.

In 2020, the programme will continue to work on strengthening tracking systems and support coordination to integrate CBT with other climate change monitoring and reporting system to evaluate the effectiveness and efficiency of climate change activities in Indonesia. There is also a need to assess the overall national climate change financial landscape, develop a long-term national climate finance strategy and vision to achieve NDC and SDGs goal, and define the best strategic entry points and approach through the development of climate change financing framework.

On the green finance component in 2019, UNDP was continuous support the Ministry of Finance to the development of innovative financing instrument for climate actions. Government of Indonesia has published the first annual impact report and followed by the second issuance of sovereign green sukuk in the global market in the same month. UNDP supported also the world's first green sukuk in the domestic retail market

that issued by the Government of Indonesia. This issuance is expected to promote the transition to low-emission economy and climate resilient growth, including climate mitigation, adaptation, and biodiversity.

In 2020, UNDP will also see continued work that support the Ministry of Finance in the Green Sukuk initiative through the assessment report on potential supporting of the National Registry System for Green Sukuk impact reporting, coordination with relevant ministries, development of impact measurement of green sukuk 2020. The programme will explore more innovative financing instruments and initiate communication with subnational governments and private sectors on subnational/private green bond/green sukuk.

To implement the project effectively and efficiently, it is necessary to recruit a qualified Climate Public Finance Expert. The national consultant will provide support to the country office on implementation of the SDF and provide technical and quality assurance oversight for the above activities. The Climate Public Finance Expert will be supervised and report to the Deputy Director for Climate Change Fiscal, Fiscal Policy Agency of the Ministry of Finance and Technical Advisor for Development Finance, Innovative Financing Lab, UNDP.

## II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

### Scope of Work

The consultant will act as a technical advisor working with the SDF Project Management Unit (PMU) Team and UNDP on climate public financial management issue. Scope of work of the assignment are to:

- Prepare technical notes and briefings as necessary for high level policy dialogues with government stakeholders and donors as necessary.
- Provision of high-quality policy advice services to the government focusing on fiscal instruments of climate change and Performance Based Budgeting.
- Develop policy briefs in priority areas which demonstrate the links between climate change and major national and sub-national budgeting and fiscal policy concerns.
- Develop lines of enquiry and assessment guidelines for the process for both the performance-based budgeting and fiscal instrument reviews ensuring alignment with the overall national budget formulation process and the relevant climate change policies (RAN GRK, RAN API, NDC, etc.)
- Strengthen the climate budget tagging system and performance-based budgeting system and to synergize with other national monitoring and reporting system, such as AKSARA under BAPPENAS and SRN under KLHK.
- Provision of advisory services for development of innovative financing instruments for climate actions at national and sub-national level.
- Work with government officials and stakeholders to develop guidance for implementation of both performance-based budgeting system and fiscal instruments
- Facilitate the establishment of mechanisms for coordination, dialogue, and learning among actors (line ministries, parliamentarians, and wider stakeholders) in each key sector of climate change
- Facilitate FGD/workshop for key government officials and parliamentarians and the relevant committees for them to understand better about climate finance and the importance to allocate funding for climate relevant activities
- Provide close assistance to government officials to implement climate change analysis as part of the formulation of performance indicators and priority budget documents.
- Support the transfer of knowledge and expertise across countries of the region through supporting practitioners to provide South-South technical assistance in response to country demand.

### Expected Outputs and deliverables

Deliverables/ Outputs	Completion deadline
1.1 Draft policy brief of climate change related issues as input for principal fiscal policy document (KEM-PPKF) FY 2021	19 May 2020 (20 days)
1.2 Report on supporting the Ministry of Finance on Assurance of Green Sukuk Issuance	
1.3 Report on facilitation of socialization and reconciliation of Climate Budget Tagging FY 2020	
1.4 Draft of academic paper for Ministry of Finance Regulation related to guidance of budget preparation and review FY 2021	
1.5 Report on training of regional climate budget tagging in Gorontalo Province, including preparation of data set, facilitation the meetings/training, etc	

2.1 Report on training of regional climate budget tagging in Riau Province, including preparation of data set, facilitation the meetings/training, etc. 2.2 Report on training of regional climate budget tagging in West Java Province, including preparation of data set, facilitation the meetings/training, etc. 2.3 Final draft of policy brief of climate change related issues as input for principal fiscal policy document (KEM-PPKF) FY 2021 2.4 Report on supporting the process to synergize climate budget tagging with other national monitoring and registry system (SATU DJA, AKSARA, SRN), including meeting facilitation, provide data set, etc. 2.5 First draft Analysis Report on Climate Budget Tagging 2018-2020	10 June 2020 (15 days)
3.1. Report on evaluation of utilization of National Registry System for supporting of Green Sukuk Impact Reporting 3.2. Prepare the updated guideline of climate budget tagging based on input from stakeholders (if necessary) 3.3. Facilitation regarding the exchange of data within the SATU DJA system and SPAN in internal MoF, including preparation the procedure of data transfer 3.4. Policy brief on pre-tagging process on climate budget tagging FY 2021 3.5. Report on supporting the knowledge sharing session on climate budget tagging and green finance to financial institutions (in house training at K/L) – 6 targeted ministries.	1 July 2020 (15 days)
4.1. Report on assisting MoF in implementation of climate budget tagging FY 2021, including preparation of dataset, facilitation of meeting(s) with relevant ministries, etc 4.2. In house training to MoF staffs on climate budget tagging, performance-based budgeting, and green financing 4.3. Draft policy brief on climate change finance as an input for MoF annual budget statement (Nota Keuangan) 4.4. In house training to MoF staff on regional climate budget tagging, evaluation and analysis	22 July 2020 (15 days)
5.1. Report on draft regional climate budget tagging in Gorontalo Province 5.2. Report on draft regional climate budget tagging in Riau Province 5.3. Report on draft regional climate budget tagging in West Java Province 5.4. Report on facilitation to improve process for green sukuk project selection, monitoring, and registry 5.5. Final draft CBT analysis 2018-2020	12 August 2020 (15 days)
6.1. Consolidation draft of climate budget tagging in Gorontalo Province (meeting in pilot site) 6.2. Consolidation draft of climate budget tagging in Riau Province (meeting in pilot site) 6.3. Consolidation draft of climate budget tagging in West Java Province (meeting in pilot site) 6.4. Report on development regulation for regional climate budget tagging with DJPK and Kemendagri	2 September 2020 (15 days)
7.1. Report on supporting the knowledge sharing session on public climate finance to Public Service Agency on Environmental Fund Management. 7.2. Concept Note on mechanism options of funding management for environmental protection under Public Service Agency on Environmental Fund Management. 7.3. Concept Note of Climate Budget Tagging on Ministry of Finance i.e. subsidy, penyerahan modal di BUMN etc on achievement of NDC target 7.4. Preparation and evaluation budget allocation related to climate change on Ministry of Finance 7.5. In house training of CBT on MoF budget allocation (non-K/L tagging)	25 September 2020 (15 days)

8.1. Final policy brief of utilization CBT on MoF budget allocation for innovative financing	19 October 2020
8.2. Final policy brief of utilization on Regional Climate Budget Tagging for fiscal transfer (TANE)	(15 days)
8.3. Report on facilitation of RCBT for fiscal transfer with DPJK and Kemendagri	
9.1. Report on supporting the data collection and impact measurement for green sukuk	9 November 2020
9.2. Report on support to the drafting process for green sukuk impact report 2020	(15 days)
9.3. Report on facilitation of socialization and reconciliation of Climate Budget Tagging FY 2021	

### III. WORKING ARRANGEMENTS

#### Institutional Arrangement

- The consultant will have close supervision and coordination with the Center for Climate Finance and Multilateral Policy (PKPPIM), Fiscal Policy Agency (BKF) – Ministry of Finance, the UNDP Bangkok Regional Hub team and the SDF Project Management team;
- The consultant' draft reports will be reviewed by BKF and UNDP;
- The consultant will report to the Deputy Director for Climate Change Fiscal, PKPPIM, BKF - Ministry of Finance and the UNDP SDF National Project Manager.
- The payment will be made to the consultant at each payment schedule, upon technical clearance and approval of the satisfactory submission of results from Technical Advisor for Development Finance, Innovative Financing Lab of UNDP. Estimated lead time for UNDP or Project Implementing Partners to review outputs, give comments, certify approval/acceptance of outputs is 2 weeks.

#### Duration of the Work

The consultant is expected to work 140 days within 9 months. Final report expects full completion not later than 30 December 2020.

#### Duty Station

- The consultant is expected to work intermittent in Ministry of Finance Office.
- The consultant will receive a lump sum professional-fees.

#### Travel Plan

- Gorontalo for 2 times
- Riau for 2 times
- Bandung for 2 times

### IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

#### Academic Qualifications:

Master's degree in Economics, Finance, Engineering, Environment, Social Science or other-related field

#### Years of experience:

- Minimum 8 years experiences in Public Administration, Business Administration, Organisational Development, Economics, Public Finance Management or related fields

- Substantive experience in national and sub-national budget and planning processes, green finance, national and sub-national climate change policies, Fiscal Decentralisation and intra-governmental transfer mechanisms and processes, or related field
- Knowledge in results based/ performance-based budgeting frameworks
- Valid experience working with national and sub-national governments
- Excellent speaking and written skills in English (provided sample of report)

**III. Competencies and special skills requirement:**

- Analytical skills, communications abilities, teamwork
- Strong motivation & ability to work & deliver under short deadlines.
- Focuses on impact & result for the client & responds positively to critical feedback.
- Able to work independently with little or no supervision.

**V. EVALUATION METHOD AND CRITERIA**

Individual consultants will be evaluated based on the following methodologies:

**Cumulative analysis**

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

\* Technical Criteria weight; 70%

\* Financial Criteria weight; 30%

Only candidates obtaining a minimum of 70 point would be considered for the Financial Evaluation

Criteria	Weight	Maximum Point
<b>Technical</b>		100
Criteria A: qualification requirements as per TOR:		
1. Master's degree in Economics, Engineering, Finance, Environment, Social Science or other-related field	15	
2. Minimum 8 years experiences in Public Administration, Business Administration, Organisational Development, Economics, Public Finance Management or related fields	15	
3. Substantive experience in national and sub-national budget and planning processes, green finance, national and sub-national climate change policies, Fiscal Decentralisation and intra-governmental transfer mechanisms and processes, or related field	10	
4. Knowledge in results based/ performance-based budgeting frameworks	10	
5. Valid experience in working with national and sub-national governments	10	
6. Excellent written skills in English (provided sample of report)	10	
Criteria B: Brief Description of Approach to Assignment The technical proposal shall elaborate:		
1. Response to the scope of work	10	
2. Methodology	10	
3. Approach to sustainability	10	