



## REQUEST FOR PROPOSAL (RFP)

To: All Interested Bidders	DATE: June 23, 2020
	Reference: <b>RFP/UNDP/IFL/106426/010/2020</b> <b>CLIMATE CHANGE FISCAL FRAMEWORK (CCFF)</b>

Dear Sir / Madam:

The United Nations Development Programme (UNDP) hereby invites you to submit a Proposal to this Request for Proposal with reference **CLIMATE CHANGE FISCAL FRAMEWORK**.

A **bidder's conference** will be held through on line with detail as follow:

Venue : zoom online meeting with using the following link:

<https://undp.zoom.us/j/99873035201?pwd=N3doSUxpVE0vVTUzemZ5MFQ0Mm9xQT09>

Date/Time : Monday, 29 June 2020, 14.00 hours (GMT +7)

Detailed Terms of Reference (TOR) as well as other requirements are listed in the RFP available on UNDP ATLAS e-Tendering system (<https://etendering.partneragencies.org>) **Event ID: 0000006334**

Your offer, comprising of a Technical and Financial Proposal, should be submitted in accordance with the RFP requirements, through the UNDP ATLAS e-Tendering system and by the deadline indicated in <https://etendering.partneragencies.org>.

**NOTE!** The Technical Proposal and Financial Proposal files **MUST BE COMPLETELY SEPARATE** and uploaded separately in the system and clearly named as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each document shall include the Proposer's name and address.

The file with the "FINANCIAL PROPOSAL" must be encrypted with a password so that it cannot be opened nor viewed until the Technical Proposal has been found to be pass the technical evaluation stage. Once a Technical Proposal has been found to be responsive by passing the technical evaluation stage, UNDP shall request the Proposer to submit the password to open the Financial Proposal.

The Proposer shall assume the responsibility for not encrypting the Financial Proposal. **NOTE: DO NOT ENTER BID AMOUNT IN THE SYSTEM, INSTEAD ENTER THE NUMBER 1.**

In the course of preparing and submitting your Proposal, it shall remain your responsibility to ensure that it is submitted into the system by the deadline. The system will automatically block and not accept any bid after the deadline. In case of any discrepancies, the deadline indicated in the system shall prevail.

Kindly ensure that supporting documents required are signed and stamped and in the .pdf format, and free from any virus or corrupted files and the **FINANCIAL PROPOSAL IS PASSWORD PROTECTED**.

**NOTE: The file name should contain only Latin characters (No Cyrillic or other alphabets.).**

You are kindly requested to indicate whether your company intends to submit a Proposal by clicking **“Accept Invitation”** but not later than **25<sup>th</sup> June 2020**. If this is not the case, UNDP would appreciate indicating your reason, for our records.

If you have not registered in the system before, you can register by logging in using:

**Username: event.guest**

**Password: why2change**

The step by step instructions for registration of bidders and quotation submission through the UNDP ATLAS e-Tendering system is available in the attached “Instructions Manual for the Bidders”. Should you require any training on the UNDP ATLAS e-Tendering system or face any difficulties when registering your company or submitting your quotation, please send an email to [rida.trisna@undp.org](mailto:rida.trisna@undp.org)

Please note that ATLAS has following minimum requirements for password:

1. Minimum length of 8 characters;
2. At least one capital letter; and
3. At least one number.

New proposer registering for the first time, the system will not accept any password that does not meet the above requirement, and thus registration cannot be completed.

For existing vendor whose current password does not meet the abovementioned password requirements, the system will prompt you to change your password upon signing in. Please change your password in accordance with the abovementioned password requirements to be able to login to the system.

The user guide and video are available to you in the UNDP public website in this link: <https://www.undp.org/content/undp/en/home/operations/procurement/business/procurement-notice/resources/> You can also access the instruction from youtube with link: <https://www.youtube.com/watch?v=Trv1FX6reu8&feature=youtu.be>

You are advised to use Internet Explorer (Version 10 or above) to avoid any incompatibility issues with the re-tendering system.

**No hard copy or email submissions will be accepted by UNDP.**

UNDP looks forward to receiving your Proposal and appreciate your interest to participate in UNDP procurement opportunities.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'MSK' or similar, with a small flourish at the end.

*Martin Stephanus Kurnia*  
*Head of Procurement Unit*  
6/23/2020

## Annex 1

## Description of Requirements

Context of the Requirement	Indonesia's Climate Change Fiscal Framework
Implementing Partner of UNDP	Ministry of Finance
Brief Description of the Required Services <sup>1</sup>	<p>In 2016, Government of Indonesia has declared the commitment to reducing GHG emissions and as a contribute to the Paris Agreement, as stated in Law No. 16 Year 2016 and the National Determined Contributions (NDC) document. This document reflects high commitment to reduce GHG emissions 29% and up to 41% against the BAU scenario by 2030. To support the national target, the Government of Indonesia must consider implementing rules-based fiscal policy framework for climate-related activities which establishes targets and instruments that are transparent and clear to all and undergo periodic review.</p> <p>In this context, Indonesia's Climate Change Fiscal Framework (CCFF) that contains the long-term national climate finance strategy and vision to achieve Indonesia's NDC target and SGDs goals is needed. The objectives of this framework are:</p> <ul style="list-style-type: none"> <li>• To provide the recommendations for the <u>budgetary policy framework</u> and its enabling environment, supporting the overall objectives of Indonesia's climate fiscal policy;</li> <li>• To elaborate on the role of <u>fiscal tools and market mechanism</u> towards managing climate finances to ensure sustainability of economic growth;</li> <li>• To provide a government approach that broadly <u>engages all relevant stakeholders</u>, including the private sectors, in the mobilizing and managing climate change finance;</li> <li>• Contribute to the <u>integration of fiscal policy, SDGs commitment, NDC, RPJMN, and climate change</u>, and provide the GoI with insights and tools to integrate Indonesia's climate change development objectives;</li> <li>• To identify institutional <u>weaknesses and skill gaps</u> with recommendations for enhancing the government's capacity which eventually will equip them to develop long term financing plans for adversities emanating from climate change.</li> </ul>
List and Description of Expected Outputs to be Delivered	<p>The expected outputs of the framework, are:</p> <ol style="list-style-type: none"> <li>1. An assessment and identification of the demand and supply side of climate fiscal funds (expenditures vis-à-vis revenue or existing finance respectively) and their allocation to the <u>concerned NDC's priority</u> sectors, aligned with the country's visions and goals, its NDC 2030 commitments, climate related SDGs, RPJMN 2020 – 2024, and strategic plans of key ministries;</li> </ol>

<sup>1</sup> A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

	<ol style="list-style-type: none"> <li>2. Identification of climate related and estimation of short-, medium-, and long-term financing requirements across government ministries related to climate change activities;</li> <li>3. Identification of financing gaps and preferred modalities for delivering further sources of public sector financing investment and supporting non-fiscal (NDC sectoral priority) policies;</li> <li>4. Identification of an enabling environment for private finance flows and alternative blended financing mechanism for public and private fund for the NDC priority sectors;</li> <li>5. A governance framework including policy coordination mechanisms, monitoring and evaluation systems for climate change funding under the national climate change fiscal framework.</li> </ol> <p>The study is a collaboration between three development partners, United Nations Development Programme (UNDP), Global Green Growth Institute (GGGI), German Corporation for International Cooperation GmbH (GIZ). For the purpose of tender, the objectives of the study will be divided over three different Requests for Proposals (RFP) and managed by the separate development partners. This RFP only includes the objectives covered by UNDP, comprising <b>outputs 1 and 5</b>. Details on how to apply for this RFP are covered in the scope of work.</p> <p>While the RFP for this assignment for five outputs are divided into three organizations, it is desirable for one consulting firm/organization to be appointed to implement and collaborate with the three organizations for the full task. Such a single consulting firm/organization would still be expected to apply for the three separate RFP from development partners.</p>
Person to Supervise the Work/ Performance of the Service Provider	Technical Advisor for Development Financing, Innovative Financing Lab, UNDP
Frequency of Reporting	Please refer to the Terms of Reference
Progress Reporting Requirements	<p><u>Deliverable 1</u></p> <p>Submission of inception report including detailed work plan for the execution of the assignment, methodology to be followed and the timeline for the accomplishment of the tasks of the assignment.</p> <p><u>Deliverable 2</u></p> <p>Submission of draft report on demand and supply of climate fiscal and its allocation to the concerned sectors under NDC, which addressed all items of scope of work #2.</p> <p><u>Deliverable 3</u></p> <p>Submission of draft report on governance framework which includes policy recommendation, monitoring and evaluation system for climate change funds</p>

	<p>under the national climate finance strategy and addressed all items of scope of work #3.</p> <p><u>Deliverable 4</u></p> <p>Submission of final report on the framework of CCFF, including report and Minutes of Meetings (MoM) of related events/meetings.</p>
Location of work	<input checked="" type="checkbox"/> At Contractor's Location, if required, for technical works specifically indicated in the proposal
Expected duration of work	15 months
Target start date	1 <sup>st</sup> August 2020
Latest completion date	31 <sup>st</sup> October 2021
Travels Expected	N/A
Special Security Requirements	N/A
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	N/A
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars <input checked="" type="checkbox"/> Local Currency for Local Bidders
Value Added Tax on Price Proposal <sup>2</sup>	<input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes
Validity Period of Proposals ( <i>Counting for the last day of submission of quotes</i> )	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The

<sup>2</sup> VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

	Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.		
Partial Quotes	<input checked="" type="checkbox"/> Not permitted		
Payment Terms <sup>3</sup>	<b>Deliverables/Outputs</b>	<b>Payment Schedule (# of weeks after completion of the deliverable)</b>	<b>Payment Amount</b>
	Submission of inception report including detailed work plan for the execution of the assignment, methodology to be followed and the timeline for the accomplishment of the tasks of the assignment.	Aug 2020 (after Kick-Off Meeting)	10%
	Submission of draft report on demand and supply of climate fiscal and its allocation to the concerned sectors under NDC, which addressed all items of scope of work #2.	Nov 2020	50%
	Submission of draft report on the governance framework which includes policy recommendation, monitoring and evaluation system for climate change funds under the national climate finance strategy and addressed all items of scope of work #3.	June 2021	20%
	Submission of final report on the framework of CCFF, including report and Minutes of Meetings (MoM) of related events/meetings.	October 2021	20%
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Muhammad Didi Hardiana Technical Advisor for Development Finance Innovative Finance Lab, UNDP Indonesia		

<sup>3</sup> UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

Type of Contract to be Signed	<input checked="" type="checkbox"/> professional service contract
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the Proposal.
Criteria for the Assessment of Proposal	<p><b><u>Technical Proposal (70%)</u></b></p> <input checked="" type="checkbox"/> Expertise of the Firm 30% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 35% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 35% <p><b><i>NOTE: only bidder(s) who received minimum of 70 points where the financial proposal will be opened</i></b></p> <p><b><u>Financial Proposal (30%)</u></b></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider
Contract General Terms and Conditions <sup>4</sup>	<input checked="" type="checkbox"/> General Terms and Conditions for contracts (goods and/or services) <input type="checkbox"/> General Terms and Conditions for de minimis contracts (services only, less than \$50,000)  <p>Applicable Terms and Conditions are available at:  <a href="http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html">http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html</a></p>
Annexes to this RFP <sup>5</sup>	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> Detailed TOR (Annex 3) <input type="checkbox"/> Others <sup>6</sup> <i>[pls. specify]</i>

<sup>4</sup> Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

<sup>5</sup> Where the information is available in the web, a URL for the information may simply be provided.

<sup>6</sup> A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.



<p>Contact Person for Inquiries (Written inquiries only)<sup>7</sup></p>	<p><i>Rida Dian Trisna and Fathia Alya Shabrina</i> <i>Procurement Unit</i> <i>Rida.trisna@undp.org</i></p> <p>Mandatory subject of email: <b>RFP/UNDP/IFL/106426/010/2020</b> <b>CLIMATE CHANGE FISCAL FRAMEWORK (CCFF)</b></p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
<p>Other Information <i>[pls. specify]</i></p>	<ul style="list-style-type: none"> <li>▪ Format: PDF files only</li> <li>▪ File names must be maximum 60 characters long and must not contain any letter or special character other than from Latin alphabet/keyboard.</li> <li>▪ All files must be free of viruses and not corrupted.</li> <li>▪ Max. File Size per transmission: N/A</li> </ul>

---

<sup>7</sup> This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

## Annex 2

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>8</sup>

***(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>9</sup>)***

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions :

**A. Qualifications of the Service Provider**

*The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following :*

- a) Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contract references;*
- e) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

**B. Proposed Methodology for the Completion of Services**

*The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.*

<sup>8</sup> This serves as a guide to the Service Provider in preparing the Proposal.

<sup>9</sup> Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

**C. Qualifications of Key Personnel**

*If required by the RFP, the Service Provider must provide :*

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

**D. Cost Breakdown per Deliverable\***

	<b>Deliverables</b> <i>[list them as referred to in the RFP]</i>	<b>Percentage of Total Price</b> <i>(Weight for payment)</i>	<b>Price</b> <i>(Lump Sum, All Inclusive) (USD)</i>
1	Submission of inception report including detailed work plan for the execution of the assignment, methodology to be followed and the timeline for the accomplishment of the tasks of the assignment.	10%	
2	Submission of draft report on demand and supply of climate fiscal and its allocation to the concerned sectors under NDC, which addressed all items of scope of work #2.	50%	
3	Submission of draft report on the governance framework which includes policy recommendation, monitoring and evaluation system for climate change funds under the national climate finance strategy and addressed all items of scope of work #3.	20%	
4	Submission of final report on the framework of CCFF, including report and Minutes of Meetings (MoM) of related events/meetings.	20%	
	Total	100%	

*\*This shall be the basis of the payment tranches*

E. **Cost Breakdown by Cost Component** *[This is only an Example]:*

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total Rate
<b>I. Personnel Services</b>				
1. Climate Finance Specialist/Team Leader			1	
2. Sectoral Expert			2	
3. Government Policy Analyst			1	
4. Economist			1	
<b>II. Out of Pocket Expenses (if any, please provide detail breakdown cost)</b>				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
<b>III. Other Related Costs (if any, please provide detail breakdown cost)</b>				

*[Name and Signature of the Service Provider's  
Authorized Person]*

*[Designation]*

*[Date]*

### A. General Information

PROVISION OF SUPPORT SERVICES :

## B. Background Information

In international level, Indonesia has been actively involved in global framework to combat climate change. In 2016, the GoI has declared its commitment to contribute to the Paris Agreement, as stated in Law No. 16 Year 2016 and the National Determined Contributions (NDC) document. The submission of Indonesia's NDCs to the UNFCCC Secretariat in September 2016 reflects high commitment of Indonesia to reduce GHG emission 29% with national efforts and up to 41% with international support against the BAU scenario by 2030. According to Indonesia's Second Biennial Update Report (BUR, 2018), to achieve the GHG emission reduction target by 2030, Indonesia focuses on two sectors, i.e. land use change and forestry (LUCF) and energy sector. Both sectors are expected to contribute to around 28.2% of the total national emissions reduction target (below the baseline 2030) that account for 811 MtonCO<sub>2</sub>e, and the rest are contributed by agriculture, IPPU, and waste sectors. The GoI has committed to ambitious emission reductions and renewable energy targets, developed long-term plans to decarbonize the economy comprises of four aspects of sustainable development: social, economic, environmental and institutional aspects.

## Public Climate Finance in Indonesia

Attaining the target for GHG emissions reduction requires a huge amount of funds. According to the Second Biennial Update Report (BUR) 2018, Indonesia has delivered the funding needed to achieve the emission reduction targets in 2030 is estimated to be USD\$247.2 bilion, or approximately IDR3.461 trillion. The largest funding needs are specifically related to the forestry and energy sectors which are the two main target sectors in the NDC. Financing needs for the forestry and land use sector is estimated to reach USD5.56 bilion and USD236.2 bilion fro energy and transportation sector, during 2018 – 2030 period. Based on the results of climate budget tagging, in 2018, the GoI has allocated IDR109.7 trillion worth of funding for climate change management activities, in which IDR72.2 trillion are dedicated towards mitigation activities and IDR37.5 trillion are dedicated towards adaptation activities. When comparted to the estimated annual average funding needs for climate change mentioned in BUR 2018 (which is approximately IDR288.4 trillion per year), then it can be concluded that size of the allocated climate change budget is still below the estimated funding needs for climate change, approximatelt 38% of the estimated value (Public Finance for Climate Change in Indonesia, 2019). Regarding on that, Indonesia has started to take “innovative” measures to mobilize climate-related projects and the role of the government is key to support financing development of low carbon economy. Stimulus in legislation protection, fiscal investment, and taxation support can generate investments backed by the government in low-carbon economy, enterprises, and projects.

Financing sustainability is indeed arguably the most critical challenge in Indonesia. The difficulty of this challenge has been greatly augmented in the wake of serious global macroeconomic imbalances. While macro-economic decisions (including banking) come from the policy side, the finance decisions come from the investment side. When it comes to sustainability issues, synchronization of macro-economic and finance decisions has become fairly arduous. Finance is a very multi-faceted topic in low carbon development which encompasses public finance, banking and market instruments. Extensive regulatory risks, among other risk factors, discourage greater investment activity in low-carbon and climate resilient opportunities, in particular, immediate renewable electricity and energy efficiency project opportunities.

Thus, addressing the challenges to the availability of climate finance in Indonesia explained above will require a fiscal policy framework. This requires a number of public finance instruments to help remove barriers to private investments; to incentivize private sector investment in climate change related projects; and to supplement sources of capital from international donors/organization, financial institutions and private sectors. Indonesia’s climate-related activities are generally geared towards developing resilience in the face of climate-related impacts and mitigation efforts. Therefore, by ‘climate finance’ in the context of Indonesia we refer to the flow of funds, both from internal sources (public financing) and external sources (private, international and other financing), toward adaptation and mitigation measures.

Public sector financing has a definite role to play in pushing climate change related projects further. Through the Ministry of Finance, Indonesia’s central government is able to direct budget investments to projects and activities that generate revenues via some funds. Public capital participating in this mechanism will be subordinate to the private, thereby improving the attractiveness of this investment for the private sector. Targeted public sector financing interventions need to be augmented. This is crucial not just from the point of view of scaling up and commercializing climate change government programs but also to stimulate and mobilize private sector investment in low carbon development. Public and private sector institutions need to be strengthened to respond and anticipate the complexities and needs emerging in the low carbon space.

The government must consider implementing rules-based fiscal policy frameworks, containing Indonesia's climate finance strategy, which establishes targets and instruments that are transparent, clear and undergoing periodic review. The framework will provide a foundation for developing various forms of government incentives and alternative blended financing mechanisms including to strengthening coordination across different institutions. To broadening the climate change financing sources, the framework will include identification of both international and national financing modalities.

### C. Objectives of the framework:

- Provide the recommendations for the budgetary policy framework and its enabling environment, supporting the overall objectives of Indonesia's climate fiscal policy;
- Elaborate on the role of fiscal tools and market mechanism towards managing climate finances to ensure sustainability of economic growth;
- Provide a government approach that broadly engages all relevant stakeholders, including the private sectors, in the mobilizing and managing climate change finance;
- Contribute to the integration of fiscal policy, SDGs commitment, NDC, RPJMN, and climate change, and provide the GoI with insights and tools to integrate Indonesia's climate change development objectives;
- Identify institutional weaknesses and skill gaps with recommendations for enhancing the government's capacity which eventually will equip them to develop long term financing plans for adversities emanating from climate change.

### D. Expected Outputs

The expected outputs of the framework, are:

1. An assessment and identification of the demand and supply side of climate fiscal funds (expenditures vis-à-vis revenue or existing finance respectively) and their allocation to the concerned NDC's priority sectors, aligned with the country's visions and goals, its NDC 2030 commitments, climate related SDGs, RPJMN 2020 – 2024, and strategic plans of key ministries;
2. Identification of climate related and estimation of short, medium, and long-term financing requirements across government ministries related to climate change activities;
3. Identification of financing gaps and preferred modalities for delivering further sources of public sector financing investment and supporting non-fiscal (NDC sectoral priority) policies;
4. Identification of an enabling environment for private finance flows and alternative blended financing mechanism for public and private fund for the NDC priority sectors;
5. A governance framework including policy coordination mechanisms, monitoring and evaluation systems for climate change funding under the national climate change fiscal framework.

The study is a collaboration between three development partners, United Nations Development Programme (UNDP), Global Green Growth Institute (GGGI), German Corporation for International Cooperation GmbH (GIZ). For the purpose of tender, the objectives of the study will be divided over three different Requests for Proposals (RFP) and managed by the separate development partners. This RFP only includes the objectives covered by UNDP, comprising **outputs 1 and 5**. Details on how to apply for this RFP are covered in the scope of work.

While the RFP for this assignment for five outputs are divided into three organizations, it is desirable for one consulting firm/organization to be appointed to implement and collaborate with the three organizations for the full task. Such a single consulting firm/organization would still be expected to apply for the three separate RFP from development partners.

## **E. Expected Approach and Ethical Guidelines**

The Consultant will be expected to observe full ethical guidelines and approach during the field work (especially) and throughout the process (generally) which will be designed and agreed during the methodology design stage. It is important, however, to highlight the following fundamentals to UNDP's intervention practice which the organization/company is expected to keep in mind:

- Ensure that both the formal and informal socio-economic mechanisms are examined;
- Be aware of conflict and gender sensitivities and adopt the principles and practices of participatory dialogue for all consultations;
- Respect local cultures and values and ensures behaviors of research team do not violate norms and values;
- Ensure adequate safety to those conducting and attending the consultations and other activities of the process;
- Ensure the objectivity and independence by conducting the consultation in an impartial manner;
- Work with local community based organizations to identify participations for the consultations; and
- Pay attention to vulnerable group throughout the process.

## **F. Risks and Assumptions**

Undertaking data collection in the facilities level presents several challenges including rejection or resistance from the host, data is not sufficient or not valid, data is considered as confidential matter, and longer administration process which may delay the project.

Re-organization in the relevant government agencies may occur in the project period which may also affect the commitment of the organization/company. The organization/company shall identify the risks prior to the project implementation and develop strategies of countermeasures.

## **G. Scope of Work and Methodology**

### **1) Scope of Work**

#### Scope of Work 1: Initial Preparation

- 1.1 Prepare the detailed workplan and timeline for implementation of the study;
- 1.2 Facilitate the kick-off meeting(s) with the stakeholders to discuss the detail tasks and workplan;
- 1.3 Update and revise the workplan based on comments and inputs from key stakeholder and UNDP;
- 1.4 Participate and initiate meetings with other relevant stakeholders as needed (e.g. other line ministries, private sectors, etc.).

#### Scope of Work 2: Output #1

- 2.1 Summarize the national status of the climate change policy, NDC Roadmap, climate related SDGs, country's vision and goals of RPJMN 2020-2024, as well as key ministries' strategic plan;
- 2.2 Assess and evaluate the existing public finance resources are specifically related to concerned sector



under NDC, which includes at least:

- a. Identify the existing/current conditions of public climate finance by sectors ;
- b. Examine financial needs for climate related projects/program by sectors based on NDC's priority sectors;
- 2.3 Identify a gap between financial needs and availability for at least 10 years;
- 2.4 Develop a mapping of demand and supply for the climate change mitigation and adaptation financing for each concerned sectors.
- 2.5 Conduct a focus group discussion with relevant stakeholders to gather inputs;
- 2.6 Provide insights and recommendations on the preferred support from fiscal and non-fiscal and assessment for the costs and benefits.

#### Scope of Work 3: Output #5

- 3.1 Identify and evaluate the current regulatory framework of governance mechanisms on Indonesian national climate change programs.
- 3.2 Assess key factors of effective governance mechanisms relate to climate change programs with respect to the key institutions, key plans and strategies, targets at national and sectoral level.
- 3.3 Determine roles and authorities of relevant ministries in the coordination of national climate change programs, including managing and account the portion of budgeting that will be contributes toward the 29% (unconditional) and 41% (conditional target).
- 3.4 Examine fragmatical and ideal scenarios for the policy coordination mechanism in the further development of fiscal and supporting policies aimed to achieving Indonesia's climate change and development commitments.
- 3.5 Develop institutional arrangement for communication tool, monitoring, impact assessment and reporting.

#### Scope of Work 4: Final Report

- 4.1 Collaborate with other entities (if any) hired by the two other organizations to develop a full report to be used to further develop a Document of the Climate Change Fiscal Framework:
- 4.2 Conduct public national consultations to gather inputs from related stakeholders;
- 4.3 Provide support in dissemination of the report to relevant stakeholders.

## **2) Methodology**

1. Research and review on climate finance literature, existing Indonesian policies regarding climate change fiscal strategy, including:
  - a. Relevant documents, such as NDC, NDC Roadmap, National Action Plan for Climate Change Adaptation (RAN-API), National Plan for Greenhouse Gas Emission Reduction (RAN-GRK), National Adaptation Plan (NAP), and National Medium-Term Development Plan (RPJMN) 2020-2024.
  - b. Best practices in climate change fiscal strategies from other countries within the similar contexts as Indonesia.
2. Identify appropriate methodology/tools to estimate financial needs for climate related projects/program by sectors, including cost and benefit analysis;
3. Conduct consultations with related stakeholders;
4. Conduct multi-stakeholders' fora with a comprehensive representation of relevant stakeholders groups from both public and private sectors, to verify data/facts and findings, as well as obtain further inputs where useful;

5. Report writing: findings and develop recommendations;
6. Other methodology that the applicant will propose:  
The consultant should suggest a methodology explaining how the work shall be structured and managed. It is expected that suggested methodology will be as per the scope of works provided above. However, it encourage the consultant to propose a methodology as it considers fit for the assignment based on the scope of work.

#### H. Deliverables dan Payment Schedule

Item	Description	Due (# of weeks after contract signing)	Payment Amount
Deliverable 1	Inception report including detailed work plan for the execution of the assignment, methodology to be followed and the timeline for the accomplishment of the tasks of the assignment.	Aug 2020 (after Kick-Off Meeting)	10%
Deliverable 2	Comprehensive assessment report on demand and supply of climate fiscal and its allocation to the concerned sectors under NDC, which addressed all items of scope of work #2.	Nov 2020	50%
Deliverable 3	Governance framework which includes policy recommendation, monitoring and evaluation system for climate change funds under the national climate finance strategy and addressed all items of scope of work #3.	June 2021	20%
Deliverable 4	Submission of final report on the framework of CCFF, including report and Minutes of Meetings (MoM) of related events/meetings..	October 2021	20%

The reports and outputs should be submitted in English, hardcopy and electronic format, including the complete sets of data, research materials, interview/consultation notes, and presentation materials.

#### I. UNDP Responsibility

UNDP Indonesia through Sustainable Development Financing Project will handle the following tasks:

- Organize the events (meeting, workshop, FGD, conference, etc), including preparation of events such as confirmation of participants and secure and check the venue. The cost of meeting package will be borne by UNDP Indonesia.
- Facilitate the communication between the consultant and the Ministry of Finance and other stakeholders.
- Final report printing.

The Consultants shall cover the costs of accommodation, transportation to and within Indonesia, as well as routine (home) office costs (e.g. materials, printing, and telecommunication).

**J. Qualifications**

<b>Criteria</b>	<b>Description</b>
Qualification of the organization/company	<ul style="list-style-type: none"> <li>- Has experience in developing and conducting study related to public finance, climate financing, and fiscal framework, at least 5 prior projects within the last 10 years;</li> <li>- Has strong understanding of Indonesia's governmental framework, including climate change policy and related regulation in Indonesia;</li> <li>- Demonstrated knowledge of the international/national climate finance modalities and procedures, including requirements and guidelines;</li> <li>- Has experience in working together with the Ministry of Finance, BAPPENAS, and the Ministry of Environment and Forestry, is highly desirable;</li> <li>- Experience and expertise in engaging governments and private sector, and designing/implementing multi-stakeholder engagement process leading to broad-based consensus and support;</li> <li>- National experts in the consulting team.</li> <li>- Registered company/institution/organization with valid business license</li> </ul>
Qualification of Key Personnel	<p><b><u>Climate Finance Specialist/Team Leader:</u></b></p> <ul style="list-style-type: none"> <li>- Has minimum of 10 years of professional experience and expertise in climate change related projects, public climate finance in significant sectors under NDC, economic modelling</li> <li>- Master degree or equivalent in economic, finance, international development, environment or other relevant fields;</li> <li>- Has experience from managing teams with excellent track record in public finance issue;</li> <li>- Well understanding on fiscal framework, public finance and climate change issues in Indonesia demonstrated through at least 2 prior projects;</li> </ul> <p><b><u>Sectoral Experts:</u></b></p> <ul style="list-style-type: none"> <li>- <u>Two</u> sectoral experts, preferably one in land-based forestry and another in non energy sector, who both have extensive knowledge/experience in calculating financial requirements for climate change programs;</li> <li>- Has minimum of 10 years professional experience in forestry and energy sectors;</li> <li>- Master degree or equivalent in forestry, environment, engineering, or other relevant fields;</li> <li>- Well understanding on forestry and energy policy and regulation in Indonesia demonstrated through at least 2 prior projects.</li> </ul> <p><b><u>Government Policy Analyst:</u></b></p> <ul style="list-style-type: none"> <li>- Has minimum of 10 years professional experience in climate change policy analysis and development in Indonesia, particularly in finance and economic areas;</li> <li>- Master degree in public policy, social politics, economic or relevant fields;</li> </ul>

	<ul style="list-style-type: none"> <li>- Has experience in providing policy advisory to the Government of Indonesia;</li> <li>- Well understanding of the environment economic and climate finance.</li> </ul> <p><b><u>Economist:</u></b></p> <ul style="list-style-type: none"> <li>- Has minimum of 5 years of professional experience of in environmental and natural resources economics;</li> <li>- Master degree in economics, engineering, environment or relevant fields;</li> <li>- Strong knowledge in economic modeling tool;</li> <li>- Well understanding of environmental economic principles and Indonesia's economic structure.</li> </ul>
--	---

### Language Requirement

While all individuals on the team may not have both English and Indonesian skills, collectively and at all times, there should be at least:

- Proficiency in English language, spoken and written. The consultants must have the ability to write reports, make presentations, and to provide training (if necessary), etc. in the English language.
- Proficiency in Indonesian, spoken and written. The consultants must have the ability to write reports, make presentations, and to provide training (if necessary), etc. in the Indonesian.