

Terms of reference



GENERAL INFORMATION

Title: Climate Change and Public Finance Expert (Indonesian Nationality)
Project Name: Sustainable Development Financing (SDF) / Innovative Finance Financing Lab
Reports to: National Project Coordinator for Climate Finance, IFL-UNDP; Deputy Director for Climate Fiscal Policy, Center for Climate Change Financing and Multilateral Policy, Ministry of Finance
Duty Station: Ministry of Finance, Fiscal Policy Agency Office - Jakarta
Expected Places of Travel (if applicable): Bangka Belitung, Jambi and Bali (tbc)
Duration of Assignment: 180 working days within 12 months

REQUIRED DOCUMENT FROM HIRING UNIT

<input checked="" type="checkbox"/>	TERMS OF REFERENCE
5	CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select: <ol style="list-style-type: none"> Junior Consultant Support Consultant Support Specialist Senior Specialist Expert/ Advisor CATEGORY OF INTERNATIONAL CONSULTANT, please select: <ol style="list-style-type: none"> Junior Specialist Specialist Senior Specialist
<input checked="" type="checkbox"/>	APPROVED e-requisition

REQUIRED DOCUMENTATION FROM CONSULTANT

<input checked="" type="checkbox"/>	P11 / CV with three referees
<input checked="" type="checkbox"/>	Copy of education certificate
<input checked="" type="checkbox"/>	Completed financial proposal
<input checked="" type="checkbox"/>	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 has shown its climate commitment through several international agreements, including the Paris Agreement in 2015. Indonesia has submitted its Nationally Determined Contributions (NDC) to reducing Green House Gas (GHG) emission by 29% independently and up to 41% with international support. The target, planned to be achieved in 2030, coincided with the United Nations' Sustainable Development Goals (SDGs) which also aims to achieve all 17 goals by 2030.

Attaining the targets for GHG emission 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, which estimated to be USD\$247.2 billion or IDR3.461 trillion. Implementing climate actions to achieve the country's ambitious goals require a massive amount of sustainable funding and more effective use of current resources from the national budget or other potential financial resources. Therefore, the government plays a crucial role in ensuring that adequate funding is available to finance climate change programs, as well as tracking and monitoring the results of the programs implemented.

With only eight years left to achieve both target in 2030, Indonesia has progressed by showing significant effort in advancing its climate finance as well as mainstreaming innovative financing schemes to close the financing gap between the amount of funding needed and the state's available fiscal capacity.

Together with UNDP, Government of Indonesia (GoI) has developed and implemented the Climate Budget Tagging (CBT) system that allows the tracking and monitoring of government's expenditures related to climate change mitigation and adaptation initiatives. Building up on the success of CBT, the Government of Indonesia (GoI) in 2018 issued the world's first global Green Sukuk, a Sharia-compliant bond which the entirety of its proceeds is allocated towards financing and refinancing government's climate change mitigation and adaptation projects.

Climate Change Budget Tagging (CBT) is an innovative tool to identify and track how much the government has spent on climate change mitigation and adaptation actions by tagging the spending that fits into the Government of Indonesia's climate objectives. CBT has been developed and implemented since 2014 by Ministry of Finance with support from UNDP through the Sustainable Development Financing (SDF) program. It involves a detailed assessment of the climate benefits of projects undertaken by line ministries. Initially, CBT has been implemented by central government involves six line-ministries related to climate change mitigation and has expanded to include line-

ministries related to adaptation. The number of ministries involvement has been increased since 2018 to present. Based on successful of CBT implementation at national level, since 2020, the Ministry of Finance leverages the efforts to strengthen the commitment by piloting CBT at sub-national level, to identify local government's participation and commitments in reducing GHG emission targets. The pilot activities have been implemented in 12 areas for last two years.

To continue the process of climate budget tagging at national and sub-national level, as well as to improve the quality of process and reporting analytically and technically, UNDP Indonesia through SDF programme seeks a support from the consultant to analyse CBT data in 2022 and 2023. To implement the project effectively and efficiently, it is necessary to recruit a qualified Climate Change and 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 Change and Public Finance Expert will be supervised and report to the Deputy Director for Climate Change Financing, Fiscal Policy Agency of the Ministry of Finance and the National Project Coordinator of Climate Finance, Innovative Financing Lab, UNDP Indonesia.

II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

Scope of Work

The consultant's assignment will fall under UNDP's areas of support towards the Government of Indonesia on the climate public financial management issue. Scope of work of the assignment are to:

- Provision of comprehensive report and policy recommendations for public financial management on climate change, not limited to:
 - Develop analysis reports on climate budget tagging at national and sub-national level.
 - Develop a report in priority areas which demonstrate the links between climate change and major national and sub-national budgeting and fiscal policy concerns.
 - Provision of report which includes advisory and recommendation in strengthening the climate budget tagging and performance-based budgeting system and to synergize with other national monitoring and registry system (PEP, SRN).
- Provision of policy paper as inputs for annual fiscal policy documents (i.e., budget statement, macro-economic policy document, etc.), including current status of public climate finance data, analysis and policy recommendation.
- Provision of technical inputs on the green sukuk project selection to be decided by the government's counterpart. The consultant will provide an analysis report on impact and allocation of green sukuk instruments.
- Conduct impact analysis on climate budgeting implementation against to gender and social inclusion, from public finance perspectives.
- Provision of learning materials in form of module, which aims to strengthening the key government officials' capacity and knowledge on public climate finance and its urgency.

Expected deliverables are elaborated as the following:

Deliverables/ Outputs	Due Date and Number of wds	Approved by
Deliverable 1: Comprehensive report on climate change budget at national level: 1. Analysis report for climate change mitigation and adaptation at national level in fiscal year 2022 and policy paper including policy recommendation and analysis on data comparison between public budget nomenclature and climate actions terminology as an input for CBT Online Platform. The brief paper for high-level in the Ministry of Finance should be attached in this report. 2. Report on integration process between CBT and SRN online platform, including concept and business process, sectoral adjustment for climate budgeting and climate change actions, further recommendation for improve the system.	30 Sep 2022 (22 days)	Head of Innovative Financing Lab
Deliverable 2: 1. Comprehensive report on deep analysis for climate change budgeting at sub-national level in 2019-2022 including policy brief which summarize and highlight the key results, challenges and opportunities in the future. 2. In-house training reports on the national climate budget tagging for selected ministries that agreed by the Ministry of Finance, which also includes training materials and modules.	30 Nov 2022 (40 days)	Head of Innovative Financing Lab
Deliverable 3: 1. A package of report and policy paper for fiscal policy related to climate change budgeting, including: a. Report on climate change mid-term expenditure framework, which includes key findings, challenges, and policy recommendation. b. Policy paper as an input for macro-economic policy document in 2023 fiscal year, including policy recommendation on climate budgeting. c. Policy brief on public climate finance as an input for MoF annual budget statement (<i>nota keuangan</i>). d. Policy paper for the DG regulation on review and design guidance for budgeting process (Juksunlah) 2023. 2. Draft learning modules on Climate Finance for the Ministry of Finance and public.	03 Feb 2023 (38 days)	Head of Innovative Financing Lab
Deliverable 4: 1. Comprehensive report on green sukuk project evaluation and selection and technical analysis for green sukuk allocation and impact report. 2. Assessment report on GESI aspects under climate change budgeting by using CBT data and further assessment on the	28 Apr 2023 (40 days)	Head of Innovative Financing Lab

existing innovative financing instruments, such as Green Sukuk, in collaboration with Gender Expert.		
Deliverable 5: Comprehensive report on climate budgeting at national and sub-national level for fiscal year 2023: <ol style="list-style-type: none"> 1. Analysis report on national climate budgeting in fiscal year 2023 and policy paper including policy recommendation. 2. Deep analysis report for sub-national climate budgeting for fiscal year 2020-2023 including policy recommendation. 	31 July 2023 (40 days)	Head of Innovative Financing Lab
<i>*Each deliverable shall be prepared and submitted in English or Bahasa which will be paid upon submission and acceptance by UNDP/Project</i>		

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, and the UNDP Team. The consultant should ensure timely identification of potential risks and signal any delays in deliverables.
- The consultant's deliverables will be reviewed by the National Project Coordinator for Climate Finance – UNDP Indonesia.
- The consultant will report to the Deputy Director for Climate Fiscal Policy, PKPPIM, BKF - Ministry of Finance, and the National Project Coordinator for Climate Finance – UNDP Indonesia.
- The payment will be made to the consultant at each payment schedule, upon technical clearance and approval of the satisfactory submission of results from the Head of Innovative Financing Lab, 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 180 days within 12 months. Final report expects full completion not later than 18 August 2023.

Duty Station

- The consultant is expected to work intermittent in Ministry of Finance Office.

Travel Plan

Travel to maximum 3 sites (Bangka Belitung, Bali and Jambi Province) is planned for this assignment. The travel expenses will be managed by the Project.

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
- 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
- Knowledge in results based/ performance-based budgeting frameworks
- 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
<u>Technical</u>		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, also valid experience in working with central and local governments.	20	
	10	

4. Knowledge in results based/ performance-based budgeting frameworks 5. 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	