



REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: August 24, 2022
	REFERENCE: RFP/UNDP/JSB/194335/023/2022 – <u>Service Provider to Develop of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation</u>

Dear Sir / Madam:

The United Nations Development Programme (UNDP) hereby invites you to submit a Proposal to this Request for Proposal with reference to the **Service Provider to Develop of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation**

A **bidder's conference** will be held on:

Date/Time : 31 August 2022, starting 14.00 GMT +7

Place : Online Zoom Meeting,

Meeting Link : <https://undp.zoom.us/join/89706761514>

Meeting ID : 897 0676 1514

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: IDN 0000013494**

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 (ONE). FAILED TO MEET THIS REQUIREMENT, PROPOSAL WILL BE REJECTED**

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. FAILED TO MEET THIS REQUIREMENT, PROPOSAL WILL BE REJECTED.**

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 **31 August 2022** 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 Sestyo.wicaksono@undp.org and yusef.millah@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/procurement/business/resources-for-bidders.html>

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,

DocuSigned by:


21B257514E5748B...
Martin Stephanus Kurnia
Head of Procurement Unit
8/24/2022

Annex 1

Description of Requirements

Context of the Requirement	Service Provider to Develop of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation
Implementing Partner of UNDP	The Ministry of Energy and Mineral Resources
Brief Description of the Required Services ¹	<p>The Japan-funded UNDP Carbon Pricing project focuses on the development of domestic Emission Trading System (ETS) and greenhouse gas (GHG) Crediting Instrument (Domestic Offset Program) and will also support the debottlenecking for Indonesia's participation in international carbon trading by developing a policy assessment on international carbon trading for Indonesia</p> <p>Further to the support to Government of Indonesia to achieve the above, prospective firm is expected to develop roadmap for the emission Cap and emission allowance in fossil fuel-based power sector (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility) and industry sector (cement, fertilizer, iron & steel); to recommend strategy and guideline for implementation of carbon pricing instruments in power sector and industry sectors, analyse and recommend policy alignment, governance; and impact analysis on electricity and cement generation cost and government electricity subsidy. Among others, the carbon pricing instruments of main interest are carbon tax, emission trading and carbon offset, or combination of the instruments (i.e. carbon Cap, trade and tax).</p>
List and Description of Expected Outputs to be Delivered	<p>The firm is expected to conduct the activities and develop the following:</p> <ol style="list-style-type: none"> 1. GHG emissions Cap-setting guidelines, in particular on energy and industry sectors, taking into account current policy review (e.g. NDC, Presidential Regulation No 98/2021 on Carbon Pricing; Long-Term Strategy for Low Carbon and Climate Resilience). 2. Emission Cap roadmap 2024-2060 for fossil fuel-based power sector (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility having IUPTLS/IUPTLU) and industry sector (cement, fertilizer, iron & steel) referring to the guideline as developed in scope of work 1 above. The roadmap must consider the sectors' GHG reporting readiness, sensitivity to additional costs, and developed with engagement from related ministries/agencies to ensure its workability. The roadmap should also reflect national and international policy development such as carbon tax under Law 7/2021 on Tax Harmonization and any existing and emerging barrier to trade policies. 3. Carbon pricing mechanism option and its implementation strategy/scenario based on emission cap roadmap identified in scope work 2. The carbon pricing instruments of main interest are carbon tax, emission trading and carbon offset, or combination of the instruments (i.e. carbon

¹ 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.

	<p>cap, trade and tax). The implementation strategy/scenario must reflect the carbon pricing mechanisms choices that is identified during the roadmap development and clearly identify the carbon pricing instruments' key design elements, changes in the key design elements overtime during the roadmaps' period, backed up with carbon units' supply-demand analysis considering the climate change mitigation potential and costs in the focus subsectors and/or offset-providing subsectors.</p> <p>Desktop literature review would be the primary methodology for this policy review and roadmap development, including comparative and lessons learned analysis from carbon pricing implementation in at least three other countries/region.</p> <p>4. Impact analysis from the implementation of emission cap roadmap and carbon pricing instruments implementation strategy / scenario as identified in scope of work (2) and (3), including impact to electricity generation cost, government electricity subsidy, and production costs of relevant industrial output. This impact analysis should at least consider anticipated carbon tax rate in Indonesia.</p> <p>5. Consolidated Inputs on multi-stakeholders' fora with relevant stakeholders and consolidate inputs provided by e.g. Ministry of Environment and Forestry, Ministry of Energy and Mineral Resources, Ministry of Industry, Ministry of Finance, business associations (Chamber of commerce, selected industries association, coal power plants association), representatives from the sectoral (State Electricity Company (PLN), coal mining companies, Pertamina), to consolidate consultation inputs, verify data, findings, as well as conclusions.</p>
Person to Supervise the Work/Performance of the Service Provider	National Project Coordinator, UNDP-JSB Carbon Pricing Project
Frequency of Reporting	<i>Please refer to the attached ToR (annex 3)</i>
Progress Reporting Requirements	<i>Please refer to the attached ToR (annex 3)</i>
Location of work	<input checked="" type="checkbox"/> At Consultant's Location.
Expected duration of work	25 working days within four (4) months
Target start date	September 2022
Latest completion date	December 2022
Travels Expected	None mandatory. Consultant can include travel costs to Jabodetabek area from their location for technical works specifically indicated in the proposal.
	<input type="checkbox"/> Security Clearance from UN prior to travelling

Special Security Requirements	<input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input checked="" type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Others <i>[pls. specify]</i> Health protocol for covid19
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> Liaise with the relevant stakeholders <input checked="" type="checkbox"/> Meetings/workshops (if any)
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 OR <input checked="" type="checkbox"/> Local Currency for Local Bidders
Value Added Tax on Price Proposal ¹	<input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes
Validity Period of Proposals (Counting for the last day of submission of quotes)	<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 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 ²	<i>Please refer to the attached ToR (annex 3)</i>
Person(s) to review/inspect/ approve	National Project Coordinator – UNDP-JSB Carbon Pricing Project

¹ VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

² 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.

outputs/completed services and authorize the disbursement of payment	
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><u>Technical Proposal (70%)</u></p> <input checked="" type="checkbox"/> Expertise of the Firm 20% <input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 40% <input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel 40% <p><i>NOTE: only bidder(s) who received minimum of 70 points where the financial proposal will be opened</i></p> <p><u>Financial Proposal (30%)</u></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 <input type="checkbox"/> One or more Service Providers, depending on the following factors: <i>[Clarify fully how and why will this be achieved. Please do not choose this option without indicating the parameters for awarding to multiple Service Providers]</i>
Contract General Terms and Conditions ¹	<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: http://www.undp.org/content/undp/en/home/procurement/business/how-we-buy.html</p>

¹ 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.

Annexes to this RFP ¹	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> Detailed TOR (Annex 3) <input checked="" type="checkbox"/> sample written self declaration <input type="checkbox"/> Others ² <i>[pls. specify]</i>
Contact Person for Inquiries (Written inquiries only) ³	<p><i>Sestyo Wicaksono and Yusef Millah</i> <i>Procurement Unit</i> <i>Sestyo.wicaksono@undp.org/yusef.millah@undp.org</i></p> <p>Mandatory subject of email: RFP/UNDP/JSB/194335/023/2022 – Service Provider to Develop of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation</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>
Other Information <i>[pls. specify]</i>	

¹ Where the information is available in the web, a URL for the information may simply be provided.

² A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

³ 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 PROPOSAL¹

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery²)

[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.

¹ This serves as a guide to the Service Provider in preparing the Proposal.

² 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*

Deliverables/ Outputs	Percentage of Payment	Price (Lump Sum, All Inclusive)
Deliverable 1: Detailed Workplan (including outline study, list of literature, data requirement, and updated timeline)	20%	
Deliverable 2: Final report contains: <ul style="list-style-type: none"> - GHG emissions cap-setting guidelines, in particular on energy and industry sectors, - Emission cap roadmap 2024-2060 for fossil fuel-based power sector (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility having IUPTLS/IUPTLU) and industry sector (cement, fertilizer, iron & steel) - Carbon pricing mechanism option and its implementation strategy/scenario - Impact analysis from the implementation of emission Cap roadmap and carbon pricing instruments scenarios - Tracking table of stakeholder input and response 	80%	

**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 (day)	No. of Personnel/Unit	Total Rate (IDR)
I. Personnel Services				
1. Team Leader/Carbon Pricing Expert				
2. Research Expert for Cement Industry Sector				
3. Research Expert for Fertilizer Industry Sector				
4. Research Expert for Iron & Steel Industry Sector				
5. Project Admin				
6. (if any, please specify)		
II. Out of Pocket Expenses (Please provide in detail)				
1. Local transport (In town transport in Jakarta)				
2. Translation				
3. Report Production				
4. Others (if any, please provide in detail)		
III. Other Related Costs (if any, please provide in detail)				

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

[Designation]

[Date]

Annex 3

Terms of Reference (TOR) The Development of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation.

A. General Information

Title	: Service Provider to Develop of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation.
Report to	: National Project Coordinator, UNDP-JSB Carbon Pricing Project
Location	: Homebased
Expected Place of Travel	: Jakarta
Duration of Contract	: The expected duration of the contract is four (4) months calculated based on the contract starting date

B. Background Information

Indonesia is one of the world's largest GHG emitters, being responsible for 1.88% of total global emissions. Its emissions mostly stem from power generation, forestry, agriculture, transportation, and waste. Indonesia has been actively working to address the impacts of climate change both at the national and international level. It brought forward its target for net zero emission from 2070 to 2060 or sooner and also is working towards reducing GHG by 29 per cent by 2030 or by 41 per cent with international financial support, through its Nationally Determined Contribution (NDC). Meanwhile, at the national level, the Government of Indonesia has also launched low carbon development which in line with the 2020-2024 National Medium-Term Development Plan (*RPJMN*).

When reviewing towards the Paris Agreement goal in the upcoming UN Climate Change Conference of the Parties (COP26), Indonesia with its large rainforests and a power sector that is still highly dependent on coal, will be under the spotlight. Immediate action by Indonesia will create major impact on the achievement of the Paris Agreement. To meet the current Nationally Determined Contributions (NDC) mitigation target, Indonesia will need a significant investment of around IDR 3,000 trillion or around USD 214 billion (Indonesia 2nd Biennial Update Report (BUR)). The financing needs cannot be borne by the government budget alone. Non-Party stakeholders (NPS) participation and investment need to be mobilized urgently. This is the expected role of Carbon Pricing Instrument (CPI) implementation in Indonesia, whereby putting a price on carbon can help scale up climate change mitigation in a cost-effective manner. The Government of Indonesia relies heavily on the results of CPI's implementation to fill in the budget gap in achieving NDC targets, and CPI is the widely anticipated source of funding to incentivize future increase in mitigation ambition. Without CPI, the discrepancy between the committed GHG reduction goal and the existing financing plan cannot be solved.

In 29 October 2021, the presidential regulation on carbon pricing was signed by President Joko Widodo, providing the significant policy framework of Indonesia in utilizing carbon pricing instruments to achieve climate change targets. In the same day, the Law No. 7 on taxation regulation harmonization, which has provisions on carbon tax was also signed. Both regulations, implemented in conjunction, will

shape the national carbon markets of Indonesia. It requires every preparation possible now, so that carbon pricing instruments in Indonesia (emissions trading scheme, crediting scheme, performance-based payment, carbon taxation) can take effect immediately after the derivative regulations (such as carbon tax road map and carbon trading implementation regulation) is issued¹.

The provisions on the carbon tax shall take effect in 2022. The carbon tax will initially be imposed on coal-fired power plants sector at the rate of IDR30,000/ton CO₂e (~USD2/tonCO₂e) in the early stage between 2022 to 2024, in combination with the implementing of carbon emission trading and carbon offset led by the technical ministries such as Ministry of Energy and Mineral Resources and Ministry of Environment and Forestry. For 2025 onwards, there will be a gradual expansion of the carbon taxation sectors, and the implementation of carbon trading schemes depending on readiness of relevant sectors by taking into account the economic impacts and/or scales on those sectors and the carbon tax management regulations.

The following immediate supporting regulatory, technical framework as well as institutional Capacity must be in place for the CPI(s) to function effectively:

- (1) Several operational rules and guidelines are necessary to enable the implementation of carbon pricing instruments. These policies must be set in a way that is robust yet flexible for future adjustments.
- (2) Carbon pricing instruments' design and implementation are relatively new subject for most of the government officers. Yet allocated budget for carbon pricing development is still minimal. Therefore, there is a pressing need to increase the institutional Capacity if carbon pricing implementation is to be accelerated.
- (3) Carbon pricing implementation requires robust data quality assurance and control that will require many specific technical Capacities such as GHG data collection, validation and verification, as well as designing and operating robust registry systems. These Capacities should be developed in parallel with the instruments' development.
- (4) Carbon pricing communication must be extended to wider stakeholders, in particular those who are targeted to be covered by the instruments such as the private sector in targeted sectors. Communication strategy has to be developed carefully to ensure that industries can understand the instruments and its benefit to them.

These immediate supports need to be addressed urgently so that the CPI can meet its objective to finance NDC implementation while raising future mitigation ambition.

PROJECT CONTEXT

"Accelerating the implementation of robust carbon pricing in Indonesia" or UNDP-JSB Carbon Pricing project in short, aims to scale-up climate mitigation actions in a cost-effective way as well as to increase Non-Party Stakeholders (NPS) contributions through implementation of Carbon Pricing Instruments (CPI). Therefore, the project will focus on assisting the government through following component activities, namely, (1) development of Emission Trading System (ETS) and greenhouse gases (GHG) Crediting Instruments; (2) strengthening National Registry System (SRN); (3) Upgrading Measurement, Reporting and Verification (MRV) system for forestry sector; (4) support readiness for International Transfer of Mitigation Outcomes (ITMOs) implementation; and (5) support policy dialogues on CPI. The project will also serve to meet Enhanced Transparency Framework requirements, to track NDC progress and prepare

¹ The Ministry of Environment and Forestry is now developing a ministerial regulation on carbon pricing implementation. At the same time, the Ministry of Finance is developing a ministerial regulation on carbon tax implementation. Both regulations are expected to be issued before the scheduled date of Cap-trade-tax system implementation in coal power plants, 1 July 2022.

for the first Biennial Transparency Report, to be submitted no later than the end of 2024. The project will have close coordination with Ministry of Energy and Mineral Resources (MEMR), Ministry of Industry (Mol), Ministry of Environment and Forestry (MoEF).

C. Objectives of Assignment

Development of the Roadmap 2024-2060 for Emission Cap and Allowance and Guidelines for Carbon Pricing Mechanisms Implementation.

D. Scope of Services and Expected Outputs

The prospective firm is expected to work with the UNDP Indonesia Country Office, the Ministry of Energy and Mineral Resources, and the Ministry of Environment and Forestry. The scope of work of the Carbon Pricing Contractor shall include but not necessarily be limited to following tasks to be delivered within four (4) months from the contract signing date:

1. **Develop the GHG emissions cap-setting guidelines**, in particular on energy and industry sectors, taking into account current policy review (e.g. NDC, Presidential Regulation No 98/2021 on Carbon Pricing; Long-Term Strategy for Low Carbon and Climate Resilience).
2. **Develop emission cap roadmap 2024-2060 for fossil fuel-based power sector** (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility having IUPTLS/IUPTLU) and industry sector (cement, fertilizer, and iron & steel) referring to the guideline as developed in scope of work 1 above. The roadmap must consider the sectors' GHG reporting readiness, sensitivity to additional costs, and developed with engagement from related ministries/agencies to ensure its workability. The roadmap should also reflect national and international policy development such as carbon tax under Law 7/2021 on Tax Harmonization and any existing and emerging barrier to trade policies.
3. **Develop carbon pricing mechanism option covering carbon pricing instruments of main interest (carbon tax, emission trading and carbon offset), or combination of the instruments (i.e. carbon Cap, trade and tax) and its implementation strategy/scenario** based on emission Cap roadmap identified in scope work 2. The implementation strategy/scenario must reflect the carbon pricing mechanisms choices that is identified during the roadmap development and clearly identify the carbon pricing instruments' key design elements, changes in the key design elements overtime during the roadmaps' period, backed up with carbon units' supply-demand analysis considering the climate change mitigation potential and costs in the focus subsectors and/or offset-providing subsectors.

Desktop literature review would be the primary methodology for this policy review and roadmap development, including comparative and lessons learned analysis from carbon pricing implementation in at least three other countries and/or region.

4. **Conduct impact analysis** from the implementation of emission cap roadmap and carbon pricing instruments implementation strategy / scenario as identified in scope of work (2) and (3), including impact to electricity generation cost, government electricity subsidy, and production costs of relevant industrial output. This impact analysis should at least consider anticipated carbon tax rate in Indonesia.
5. **Facilitate multi-stakeholders' fora with relevant stakeholders and consolidate inputs** provided by e.g. Ministry of Environment and Forestry, Ministry of Energy and Mineral Resources, Ministry of Industry, Ministry of Finance, business associations (Chamber of Commerce, selected industries association, coal power plants association), representatives from the sectoral (state utility/PLN,

coal mining companies, Pertamina), to consolidate consultation inputs, verify data, findings, as well as conclusions. The selected contractor will be responsible to manage meetings (if any) e.g distribution of invitations and ensuring the attendance of participants.

Expected outputs

Under this assignment, the firm is expected to deliver one consolidated report containing the following outputs:

1. GHG emissions cap-setting guidelines, in particular on energy and industry sectors,
2. Emission cap roadmap 2024-2060 for fossil fuel-based power sector (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility having IUPTLS/IUPTLU) and industry sector (cement, fertilizer, iron & steel)
3. Carbon pricing mechanism option and its implementation strategy/scenario
4. Impact analysis from the implementation of emission cap roadmap and carbon pricing instruments scenarios.

The report must be presented first to the Senior Advisor for Renewable Energy - UNDP Indonesia who will provide inputs and comments within 10 working days. These comments must be incorporated in the report prior to approval. The final reports, in soft copy of editable version and hard copy, must be in Indonesian and English, contain an executive summary, and be supplemented by Power Point presentations. All presentations, photos and videos, calculation/simulation models, and all related data obtained during the implementation of the project shall be submitted to UNDP/Project as the property of UNDP.

NOTE: Bidders should not propose any purchase of equipment in performing the service

E. Risk Management

The assignment will involve both desk study, data collection, and stakeholder engagement. Thus, the bidders are required to identify and anticipate any risks that can potentially delay the deliverables such as conflicting schedule of key stakeholders, longer time for any correspondences and coordination with relevant stakeholders, and others unpredictable occasions. The risk management should be incorporated in the technical proposal.

Undertaking data collection at the facility-level presents several challenges: rejection or resistance from related stakeholders; insufficient or invalid data; dealing with confidential data; longer administration process; slow coordination between government agencies and the relevant key-partners which require additional acceleration support which may delay the consultancy. Whenever possible, data collection can be done through virtual meetings which will be facilitated by UNDP-JSB Carbon Pricing Project. Robust time management procedures should also be in place.

Stakeholder engagement may involve in-person/offline meetings. In this case, the consultant shall ensure its compliance with the applicable Covid-19 health protocols in Indonesia.

F. Institutional Arrangement

The selected contractor will work closely and under supervision of UNDP-JSB Carbon Pricing Project. UNDP will facilitate any requires communication/correspondences, discussion and meeting with the relevant key-stakeholders.

G. Duration of work

The assignment will cover for approximately 25 working days or four (4) months from September to December 2022.

H. Location of Work

The selected contractor may be required to attend meetings (online and/or offline) in Greater Jakarta (Jabodetabek) area. Due to covid-19 situation, during the data collection in the field, the selected contractor should provide and execute a health protocol standard that comply with the Government of Indonesia. Any coordination meeting, discussions or consultations are encouraged to be conducted through virtual.

Note: if during the service contract period there is a need for unforeseen meeting or travel, subject to approval from the project, the UNDP-JSB Carbon Pricing project will borne the travel expenses, cost of accommodation and living allowance.

I. Company Qualification Requirements

Institutional Qualification:

- Registered company with valid license to operate the business.
- At least two relevant projects within the last five years in conducting policy studies in climate change mitigation and/or carbon pricing.
- Experience on the development policy roadmap and impact analysis.
- Experience working with the Government of Indonesia is preferable.

Key Personnel Qualification:

Team Leader / Carbon Pricing Expert (1 Position)

- Minimum Master's degree or higher in the field of Economics, Science and technology, natural resource management, and/or other relevant fields.
- Minimum 15 years of work experience for Master's in environment, financing, or policy.
- Experience in the field of the following areas:
 - Carbon pricing design and implementation.
 - Strategic planning and budgeting/Capacity building/policy analysis and/or research advisory services
 - Working with government counterpart and facilitate discussions among a wide group of stakeholders
 - Climate policy impact analysis

Research Expert : Energy / Power Sector expert (1 position)

- Bachelor degree or higher in the field of engineering, environmental economics, climate change, energy studies, and/or other relevant fields.
- Minimum 15 years of work experience for Master's degree or 17 years for Bachelor's degree related to environment, financing, or policy.

- Experience in the field of the following areas:
 - GHG emission reduction measure in energy/power sector
 - Working with government counterpart and facilitate discussions among a wide group of stakeholders

Research Expert : Cement industry expert (1 position)

- Bachelor degree or higher in the field of engineering, environmental economics, climate change, energy studies, and/or other relevant fields.
- Minimum 15 years of work experience for Master's degree or 17 years for Bachelor's degree related to environment, financing, or policy.
- Experience in the field of the following areas:
 - GHG emission reduction measure in Cement Industry
 - Working with government counterpart and facilitate discussions among a wide group of stakeholders

Research Expert : Fertilizer industry expert (1 position)

- Bachelor degree or higher in the field of engineering, environmental economics, climate change, energy studies, and/or other relevant fields.
- Minimum 15 years of work experience for Master's degree or 17 years for Bachelor's degree related to environment, financing, or policy.
- Experience in the field of the following areas:
 - GHG emission reduction measure in Fertilizer Industry
 - Working with government counterpart and facilitate discussions among a wide group of stakeholders

Research Expert : Iron & steel industry expert (1 position)

- Bachelor degree or higher in the field of engineering, environmental economics, climate change, energy studies, and/or other relevant fields.
- Minimum 15 years of work experience for Master's degree or 17 years for Bachelor's degree related to environment, financing, or policy.
- Experience in the field of the following areas:
 - GHG emission reduction measure in Iron & Steel
 - Working with government counterpart and facilitate discussions among a wide group of stakeholders

Project Admin

- Bachelor degree or higher in the field of administration, economics, accounting, and/or other relevant fields.
- Minimum 2 years of work experience for Master's degree or 4 years for Bachelor's degree related to administrative and financial .

General competencies and skill requirements:

Each personnel of the team should have the following competencies and skill requirements:

- Strong analytical, writing and communication skills and fluency both in Indonesian and English
- Familiarity with government of Indonesia system

- Strong motivation and ability to work and deliver under short deadlines
- Focuses on impact and result for the client and responds positively to critical feedback
- Able to work independently with little or no supervision

J. List of required deliverable and Payment schedule

Deliverables/ Outputs	Percentage of Payment	Due Date
Deliverable 1: Detailed Workplan (including outline study, list of literature, data requirement, and updated timeline)	20%	September 2022
Deliverable 2: Final report contains: <ul style="list-style-type: none"> - GHG emissions cap-setting guidelines, in particular on energy and industry sectors, - Emission cap roadmap 2024-2060 for fossil fuel-based power sector (diesel, natural gas, and coal-fired power plants owned by PLN, IPP and PPU – Private Power Utility having IUPTLS/IUPTLU) and industry sector (cement, fertilizer, iron & steel) - Carbon pricing mechanism option and its implementation strategy/scenario - Impact analysis from the implementation of emission cap roadmap and carbon pricing instruments scenarios. - Tracking table of stakeholder input and response 	80%	December 2022

The above timetable has considered lead time needed by UNDP-JSB Carbon Pricing Project to review outputs, provide feedback and certify on the outputs/works completed. The selected firm must submit their report 3 weeks prior to the deliverable due date. Delay on the completion of the work might affect total budget approved unless it is due to reasons beyond the selected organization's control thus close coordination with the supervisor from UNDP and written notification should always be used to anticipate any delay