

Leveraging industrial decarbonisation options in Indonesia by anticipating international carbon tariffs



Terms of Reference | 26 January 2024

This project aims to rapidly decarbonize Indonesia's industrial sector by assessing the impact of international carbon tariffs, such as the Carbon Border Adjustment Mechanism (CBAM), and recommending a legal and institutional framework for a decarbonization strategy. Aligned with the European Green Deal (EGD), introduced in December 2019, which guides the EU to carbon neutrality by 2050, the CBAM policy, set for implementation from 2023 to 2025, will affect key products like Indonesia's iron and steel exports. Recognizing the industrial sector's significant CO₂ emissions, there is a growing emphasis on sustainable practices for achieving carbon neutrality. The project will enhance understanding of CBAM and similar international carbon tariffs, providing industries and government with essential measures to mitigate the impacts, and fulfil export criteria through energy efficiency initiatives and a gradual shift from fossil fuels to renewable energy.

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I. Introduction

1. The Southeast Asia Energy Transition Partnership (ETP) brings together governments and philanthropies to work with partner countries in the region. ETP supports the transition towards modern energy systems that can simultaneously ensure economic growth, energy security, and environmental sustainability. To contribute to the achievement of the UN's Sustainable Development Goals (SDGs) and the Paris Climate Agreement objectives, ETP works in Southeast Asia, with a focus on three priority countries, namely Indonesia, the Philippines, and Vietnam. ETP's strategy is built around four interrelated pillars of strategic engagement that are squarely aligned to address the barriers to energy transition. These are (i) policy alignment with climate commitments, (ii) de-risking energy efficiency and renewable energy investments, (iii) extending smart grids, and (iv) expanding knowledge and awareness building.

II. Summary

2. This project aims to rapidly decarbonize Indonesia's industrial sector by assessing the impact of international carbon tariffs, such as the Carbon Border Adjustment Mechanism (CBAM), and recommending a legal and institutional framework for a decarbonization strategy. Aligned with the European Green Deal (EGD), introduced in December 2019, which guides the EU to carbon neutrality by 2050, the CBAM policy, set for implementation from 2023 to 2025, will affect key products like Indonesia's iron and steel exports. This international carbon tariff has the potential to expand beyond the EU and be adopted by other countries. Recognizing the industrial sector's significant CO₂ emissions, there is a growing emphasis on sustainable practices for achieving carbon neutrality. The project will enhance understanding of CBAM and similar international carbon tariffs, providing industries and government with essential measures to mitigate the impacts, and fulfill export criteria through energy efficiency initiatives and a gradual shift from fossil fuels to renewable energy.

III. Project Background

A. Rationale

3. In December 2019, the European Commission unveiled the European Green Deal (EGD) to assist the European Union in achieving carbon neutrality by 2050. Aligned with the Paris Agreement and the UN Sustainable Development Goals, the EGD endeavors to promote sustainable economic growth, enhance community welfare, and safeguard the environment.
4. In 2023-2025, the European Union plans to implement the Carbon Border Adjustment Mechanism (CBAM) policy, impacting several significant products, including Indonesia's primary exports: iron and steel. Other goods subject to CBAM provisions include aluminum, cement,

fertilizer, electrical energy, and hydrogen. This policy aligns with World Trade Organization (WTO) guidelines for reducing worldwide carbon emissions.

5. The industry sector consistently ranks among the top three highest emitters in Indonesia, accounting for a significant proportion of CO₂ emissions. Consequently, there is a growing recognition of the importance of sustainable business practices to achieve carbon neutrality. In parallel, the proposed regulation for a Carbon Border Adjustment Mechanism (CBAM) by the European Commission further highlights the influence of regulatory initiatives on the industrial sector's future, particularly in sectors such as iron and steel, cement, aluminum, fertilizer, electricity, and hydrogen. To fully evaluate the export performance and potential state revenues of impacted Indonesian commodities, it is crucial to consider the implementation of policies like CBAM.
6. The Just Energy Transition Partnership (JETP) was launched by the Government of Indonesia and the International Partners Group (IPG) during the 2022 G20 Summit in Bali, with a secretariat established in February 2023. The governance structure consists of three levels: the Indonesian Government Decarbonization Task Force, the IPG Task Force, and the JETP Secretariat. The JETP encompasses various types of projects such as coal-fired power plant retirements, renewable energy deployment and energy efficiency. The JETP Secretariat plays a crucial role in producing the Comprehensive Investment and Policy, as well as coordinating with the IPG Task Force and the Government's Task Force.
7. As part of the JETP, Indonesia has committed to set on-grid power sector emissions peaking by 2030 with an emission target of no more than 250 Mt CO₂ by 2030 as stated in the Comprehensive Investment of Policy Plan (CIPP), which involves reducing the use of coal-fired power plants (CFPPs) and increasing the generation share of renewable energy to 44% by 2030. The CIPP also mentioned the plan to address the off-grid power/captive coal emissions for the updated CIPP in 2024 by developing a roadmap for decarbonizing captive coal.
8. This project will assess the impact of the international carbon tariff, such as policies outlined in the CBAM. This project will develop and implement transformative measures that accelerate the decarbonization of Indonesia's industrial sector. Assessing the impact of CBAM or any other international carbon tariff on carbon intensive products (USA, Japan, etc), comprehensively, recommending legal framework and institutional mechanism for the development of decarbonization strategy in Indonesia. A better understanding of CBAM or any other international carbon tariff on carbon intensive products shall also encourage industries to meet requirements for exporting commodities to apply energy efficiency measures and gradually convert the use of fossil fuel into renewable energy.
9. In response to requests from the Ministry of Trade (MOT) and the Ministry of Industry (MoI), the program guides policy regulation in alignment with the international carbon tariff, such as CBAM for industrial sector decarbonization. Additionally, it aims to enhance Indonesia's product competitiveness in the global market, while proposing the incentive and disincentive

mechanisms to support industrial sector decarbonization. The project will also identify best practices in designing and implementing strategies for exporting leading commodities to the EU and other countries, the innovative decarbonization strategy that are economically viable and attractive from a business perspective, and proposed suite of policy measures and recommendations for designing and implementing Incentives and disincentive mechanisms for industrial sector .

10. This initiative will complement a roadmap prepared by the JETP, an addendum to the JETP CIPP, which aims to align off-grid industrial sectors with low-carbon pathways. It underscores collaborative efforts for a just energy transition, emphasizing policy and financial conditions. The Roadmap recommends shifting captive power users from unabated fossil fuels to renewables, aligning with affordability and net zero emissions goals.
11. A professional and qualified consultancy/ organization will be recruited to undertake the assignment of performing a literature review of existing incentives, stakeholder consultations, and analysis of incentive design and implementation and provide the assistance to ETP UNOPS, Ministry of Trade (MoT) and Ministry of Industry (Mol).

B. Impact

12. The project will contribute to the reduction of GHG from the industrial sector and supports Indonesia within its achievement of net-zero emissions target by 2060 or sooner, including Enhanced NDC target to achieve emissions reduction 12.5% (without international support) and 15.5% (with international support) from Energy Sector, and 0.2% and 0.3% from the Industrial Processes and Product Use (IPPU) sector, compared to the Government's Business as Usual Scenario (BaU).

C. Objectives, Outcomes, and Outputs

13. The objective of this project is to assess the impact of international carbon tariff mechanisms, particularly Carbon Border Adjustment Mechanism (CBAM) under the European Green Deal, on Indonesia's industrial sector. It focuses on developing and implementing measures for accelerated decarbonization, recommending a legal framework, and proposing incentive mechanisms, to enhance the competitiveness of export products in global markets.
14. The outcome of this project is to accelerate Indonesia's journey towards achieving its 2060 Net Zero Emissions (NZE) goal by formulating and implementing policy measures and recommendations aimed at expediting decarbonization in the industrial sector. This project will generate a robust assessment of the CBAM and international carbon tariffs' impacts on Indonesia's leading export commodities and national economy, aligning with the decarbonization effort of the Government of Indonesia's to achieve 2060 Net Zero Emissions (NZE). This includes detailed provincial-level analysis, forecasting on industrial decarbonization's impact, and strategic policy recommendations for implementing new incentive mechanisms.

Additionally, comprehensive guidelines are provided for policymakers and stakeholders to support effective implementation.

15. The primary outputs of this project are:

- a. **A comprehensive assessment quantifying the impacts** of EU's CBAM and other international carbon tariffs on carbon-intensive export products, Indonesia's leading export commodities to the EU as well as their effects on the national economy and potential state revenues.
- b. **Detailed analysis at the provincial level.** It will examine the impact of CBAM and other international carbon tariff revealing nuanced economic and workforce impacts within the provincial level.
- c. **Forecasting analysis of opportunities for accelerated transition to renewables, fossil fuel conversion, energy efficiency and electrification** linked to global carbon pricing schemes, such as CBAM.
- d. **Strategic roadmap and decarbonization business model** to respond to the impacts of CBAM based on each implementation phase and other international carbon tariff.
- e. **Proposed suite of policy measures and recommendations** for designing and implementing new Incentives and disincentive mechanisms, and **clear and comprehensive guidelines** to implement the new policy support, such as but not limited to incentive and disincentive schemes.
- f. **Capacity Assessment Report** which includes the detailed analysis of current capacity for GHG emissions measurement, verification, and reporting and proposed recommendations.
- g. **Enhance Indonesia's Green Industry Standard** to align with global benchmarks.
- h. **Academic Manuscript** for the proposed new regulation.

D. Sustainability, Gender Equality and Social Inclusion Mainstreaming

16. ETP is committed to promoting and supporting gender equality and social inclusion (GESI) through its project implementation. Groups that will be impacted by the project activities shall be identified, especially when analyzing workforce implications on the impact of CBAM. The Project shall be inclusive of the invited stakeholders during the consultation and seek a balanced representation of women and other identified groups in project activities. The implementing partner should identify the implications, its outputs, and contributions to gender equality and social inclusion in the project activities. This task shall be accomplished through a clear methodology and approach which must be identified as part of the inception report.

IV. Project Deliverables

17. In line with the outputs and outcomes expected from this project (see Project Background), this section provides additional information on specific deliverables and activities required.
18. Table 1 outlines the key deliverables and associated activities which are expected in this project. Additional details about each deliverable follow Table 1.

Table 1. Key activities and deliverables

No. of Milestone	Deliverables	Target delivery and payment date	Payment Allocation by Percentage
1	Deliverable 1: Inception Report	Month 1	15%
2	Deliverable 2: Comprehensive Impact Assessment Report on EU's CBAM and Other Potential International Carbon Tariffs Deliverable 3: Provincial-Level Impact Analysis	Month 4	15%
3	Deliverable 4: Forecasting Analysis of the impact of the EU's CBAM and other potential international carbon tariffs on the industrial sector decarbonization efforts in Indonesia Deliverable 5: Strategic roadmap and decarbonisation business model to address international carbon tariff Deliverable 6: Regulatory Landscape Assessment and Proposed Incentive and Disincentive mechanisms of Industrial Sector Decarbonization Deliverable 7: Guidelines for Implementation	Month 6	25%
4	Deliverable 8: Assessment of Capacity for GHG Emissions Measurement, Reporting, and Verification	Month 8	20%
5	Deliverable 9: Enhancement of Indonesia's Green Industry Standard	Month 11	15%

No. of Milestone	Deliverables	Target delivery and payment date	Payment Allocation by Percentage
6	Deliverable 10: Final report and academic manuscript for proposed new regulation	Month 12	10%
7	Monthly Progress Report: In addition to the listed deliverables, the consultant will need to provide monthly progress reports as per the provided template. Failure to submit this report will result in the payments being withheld.	Monthly	NA

Deliverable 1: Inception Report including a communications plan

19. The consultant must develop and submit a detailed inception report detailing the plan, ensuring the expectations of ETP are aligned with the understanding of the project from the consultant.
20. The inception report should contain, as a minimum:
 - a. Introduction and project background
 - b. Scope of Services
 - c. Methodology and Workplan, including approach, methodology, and project gantt chart
 - d. A detailed approach as to how each deliverable will be met and what each submission will contain
 - e. Audience mapping and communication/ outreach plans
 - f. Identification of suitable media channels to be used for communicating the project and rationale for choosing them
 - g. A donor coordination strategy
 - h. Project management inclusive of organisational chart detailing key personnel, their roles and responsibilities, as well as their locations (strong in-country team and project management is expected)
 - i. Risks, mitigations and assumptions
 - j. Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)
 - k. Communications Plan as described in the below table.
 - l. The consultant is responsible for drafting and executing¹ communications plans for all workshops. The detailed communications plan will be embedded in the Inception Report. The minimum requirements for the communications materials are as follows:

¹ The bidder is required to budget the pricing for the execution of these communication materials in the non-personnel costs to be disbursed as per actual.

Table 2: The Minimum Requirements of the Communications Plan²

Item	Communications materials	Quantity (minimum)
1	Social media posts (liaising with ETP)	5, spread throughout the project linked to various key milestone events (subject to government approval)
2	Press releases	1 per public workshop/ event (subject to government approval)
3	Newspaper articles (online)	1 per public workshop/ event in 2 different medias (subject to government approval)
4	Policy briefs	At least 2, spread throughout the duration of the project linked to various key milestone
5	Opinion Editorial (Op-Ed)	At least 2 publications, spread throughout the duration of the project linked to various key milestone
6	Online presentations of project progress and highlights to the ETP Secretariat, ETP Funders, and/or ETP stakeholders.	At least 2 presentations: English and Bahasa (1-hour maximum/ each)
7	Maintain/develop a database of photographs/ videos/ vox pops from events/ activities	4 high-quality images per workshop/event Minimum 2 high-quality short raw video footage (2-3 mins) per workshop/event (ideally, key speeches and/or highlights reel)

21. The work will be split into Component 1 and Component 2 to ensure focused collaboration with the respective beneficiary ministries, Ministry of Trade and Ministry of Industry. Component 1 will primarily involve coordination with the Ministry of Trade for deliverables and activities tailored to their needs. Component 2, on the other hand, will entail working closely with the Ministry of Industry to fulfill specific deliverables and activities aligned with their requirements. This division ensures streamlined coordination, prevents overlapping efforts, and maximizes the impact of the consultancy across both ministries.

² The content needs to be approved by ETP and beneficiary prior to the publication.

COMPONENT 1 - Technical Assistance to the Ministry of Trade

22. Under Component 1, the consultant will closely coordinate with the Ministry of Trade, the beneficiary of this component, to achieve the following deliverables and activities. To complete deliverables 5 and 6, the consultant must also regularly collaborate with the JETP Secretariat to ensure alignment, prevent overlapping efforts, and maximize impact.

Deliverable 2: Comprehensive Impact Assessment Report on EU's CBAM and Other Potential International Carbon Tariffs

23. The consultant is required to provide a detailed and thorough analysis of the impacts of the EU's CBAM on Indonesia's export products and rapid analysis on other potential international carbon tariffs.
24. To complete this deliverable, the consultant is required to:
- a. Conduct quantitative impact analysis, including:
 - i. Rigorous assessment of the quantitative effects of CBAM on Indonesia's export products, including a National Database of export products impacted by CBAM and disaggregated by sector.
 - ii. Examination of potential changes in export volumes, pricing structures, and market competitiveness.
 - b. Assess the economic implications and provide in-depth exploration of the economic consequences at the national level, including analysis of the effects on key economic indicators such as GDP, trade balance, and employment.
 - c. Identify and analyze specific sectors and industries most affected by CBAM identified from point (a), and evaluate the vulnerabilities and opportunities within individual export sectors.
 - d. Assess the shifts in international market dynamics resulting from CBAM implementation, including the shifting demand and supply to other countries, and the risk of carbon leakage.
 - e. Explore potential challenges and opportunities for Indonesian exporters, including any potential risks associated with the implementation of CBAM.
 - f. Develop a section to explore the potential impact on Indonesia's industrial sector resulting from the broader implementation of similar international carbon tariffs in other countries (e.g., USA, Japan, South Korea, China, India, etc). At a minimum, this section should encompass a comparable analysis to points a(i), b, c, and e.

- g. Organize two consultation workshops³ to disseminate the outputs delivered by the consultants and gather input and feedback from relevant stakeholders to be incorporated into the final version of the outputs. The consultant shall prepare the logistics of the consultation workshops following the details below. Post-workshop report is required to be submitted. The post-workshop report outline can be found in the details of the consultation workshop organization section.
 - i. Two half-day workshops, or equivalent in a (up to 4-star) hotel/ meeting venue, inclusive of one coffee breaks and lunch
 - ii. hybrid, with live interpretation through Zoom or other software
 - iii. workshop located in Jabodetabek area
 - iv. at minimum 30 offline participants per workshop

Deliverable 3: Provincial-Level Impact Analysis

25. This deliverable will focus on providing a detailed and nuanced analysis of the impacts of the EU's CBAM at the provincial level in Indonesia and other potential international carbon tariffs identified from para 24. To deliver this activity, the consultant should:

- a. Conduct Regional Economic Impact Assessment, including but not limited to:
 - i. Comprehensive analysis of economic implications at the provincial level resulting from CBAM implementation.
 - ii. Identification of variations in economic impacts across different provinces (e.g., heat map that show the most impacted to less impacted provinces).
 - iii. Sector-specific analysis to reveal nuanced impacts on key industries within each province.
 - iv. Exploration of how CBAM may influence regional economic structures.
 - v. Identification of potential shifts in supply demand patterns of exported product within provinces.
- b. Analyze the Workforce Implications, including the examination of the effects of CBAM on employment within each province and identification of workforce-related challenges and opportunities. Integrate gender and intersectionality lens in analyzing workforce implications and consider how CBAM affects employment opportunities for diverse groups.
- c. Organize two consultation workshop⁴ to disseminate the outputs delivered by the consultants and gather input and feedback from relevant stakeholders to be incorporated

³ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the coordination workshops will be released as a lumpsum together with deliverable 2 report.

⁴ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the coordination workshops will be released as a lumpsum together with deliverable 3 report.

into the final version of the outputs. The consultant shall prepare the logistics of the consultation workshops following the details below. Post-workshop report is required to be submitted. The report outline can be found in the details of the consultation workshop organization section.

- i. Two half-day workshop in a (up to 4-star) hotel/ meeting venue, inclusive of one coffee breaks and lunch
- ii. hybrid, with live interpretation through Zoom or other software
- iii. workshop located in Jabodetabek area
- iv. at minimum 30 offline participants per workshop

Deliverable 4: Forecasting Analysis of the impact of the EU's CBAM and other potential international carbon tariffs on the industrial sector decarbonization efforts in Indonesia

26. This deliverable provides a forward-looking analysis focused on forecasting the impact of the EU's CBAM on the industrial sector decarbonization efforts in Indonesia. This deliverable will also provide a rapid analysis on the impact of other potential international carbon tariffs. To deliver this activity, the consultant should:

- a. Conduct In-depth analysis of how CBAM and other potential international carbon tariffs may influence the decarbonization and energy transition efforts within the industrial sector, including but not limited to:
 - i. Assessment of the role CBAM may play in driving or impeding fossil fuel conversion initiatives, and identification of areas where the international carbon tariff aligns or conflicts with existing conversion strategies.
 - ii. Analysis of how CBAM may influence energy efficiency measures within the industrial sector, and identification of potential shifts in the adoption of passive and active energy-efficiency applications.
- b. Evaluate the potential challenges and opportunities related to achieving decarbonization goals.
- c. Develop decarbonization and energy transition scenarios based on different CBAM implementation phases.
- d. Forecast the potential trajectories of industrial sector transformation to achieve net zero emissions target under each scenario.
- e. Develop a section to explore the potential impact on Indonesia's industrial sector resulting from the broader implementation of similar international carbon tariffs in other countries (e.g., USA, Japan, South Korea, China, India, etc). At a minimum, this section should encompass a comparable analysis to points a, b, c, and d.

- f. Organize one consultation workshops⁵ to disseminate the outputs delivered by the consultants and gather input and feedback from relevant stakeholders to be incorporated into the final version of the outputs. The consultant shall prepare the logistics of the consultation workshops following the details below. The post-workshop report is required to be submitted. The post-workshop report outline can be found in the details of the consultation workshop organization section.
 - i. One half-day workshop in a (up to 4-star) hotel/ meeting venue, inclusive of one coffee breaks and lunch
 - ii. hybrid, with live interpretation through Zoom or other software
 - iii. workshop located in Jabodetabek area
 - iv. at minimum 30 offline participants per workshop

Deliverable 5: Strategic roadmap and decarbonisation business model to address international carbon tariff

27. This deliverable serves as a critical component of the project, offering a comprehensive set of strategic roadmap tailored to address the impacts of EU's CBAM, with additional rapid analysis on the other potential international carbon tariffs, including the proposed decarbonization business model. To meet the objective of this component, the consultant needs to:
- a. Develop a strategic roadmap outlining the phased approach to addressing CBAM, based on each implementation phase.
 - b. Assess the impact of decarbonization efforts on production costs and potential consumer price increases, compared to the impact of CBAM to the product (if Business as Usual is implemented).
 - c. Develop a section to explore the potential impact on Indonesia's industrial sector resulting from the broader implementation of similar international carbon tariffs in other countries (e.g., USA, Japan, South Korea, China, India, etc). At a minimum, this section should encompass a comparable analysis of points a and b.
 - d. Create a coherent and economically viable decarbonization business model tailored to enhance industrial sector decarbonization efforts in Indonesia.
 - e. Organize one consultation workshop⁶ to disseminate the outputs delivered by the consultants and gather input and feedback from relevant stakeholders to be incorporated into the final version of the outputs. The consultant shall prepare the logistics of the consultation workshops following the details below. Post-workshop report is required to be

⁵ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the coordination workshops will be released as a lumpsum together with deliverable 4 report.

⁶ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the coordination workshops will be released as a lumpsum together with deliverable 5 report.

submitted. The post-workshop report outline can be found in the details of the consultation workshop organization section.

- i. One half-day workshop in a (up to 4-star) hotel/ meeting venue, inclusive of one coffee breaks and lunch
- ii. hybrid, with live interpretation through Zoom or other software
- iii. workshop located in Jabodetabek area
- iv. at minimum 30 offline participants per workshop

Deliverable 6: Regulatory Landscape Assessment and Proposed Incentive and Disincentive mechanisms of Industrial Sector Decarbonization

28. This deliverable provides a comprehensive review, and analysis, of existing decarbonization-related regulations for industrial sector in Indonesia. To deliver this activity, the consultant is required to:

- a. Review existing regulations for the industrial sector to support decarbonization efforts, identifying strengths and gaps.
- b. Develop a well-defined policy framework that outlines the objectives, scope, and rationale for introducing incentive and disincentive schemes to promote fossil fuel conversion, energy efficiency and renewable energy adoption for industrial sector.
- c. Develop a set of incentive mechanisms that encourage and reward fossil fuel conversion, energy efficiency and renewable energy adoption practices. These could include tax benefits, subsidies, grants, or other incentives designed to promote industrial sector decarbonization.
- d. Design disincentives to discourage activities that contribute to environmental degradation or hinder decarbonization goals. These strategies may include the implementation of carbon pricing mechanisms, such as carbon taxes or penalties for non-compliance with energy efficiency standards. Additionally, the study should explore the alignment of Indonesia's existing carbon pricing instruments with preparation efforts for the CBAM, and assess the potential for international carbon tariffs to complement and enhance current carbon pricing policies.
- e. Perform a comparative analysis to assess the sufficiency of current policy supports and potential regulatory enhancements.
- f. Engage with key stakeholders in Indonesia, including government bodies, energy regulators, and industry representatives, to gather input and insights into the local context.

- g. Organize two consultation workshops⁷ to disseminate the outputs delivered by the consultants and gather input and feedback from relevant stakeholders to be incorporated into the final version of the outputs. The consultant shall prepare the logistics of the consultation workshops following the details below. The post-workshop report is required to be submitted. The post-workshop report outline can be found in the details of the consultation workshop organization section.
 - i. Two full-day workshops in a (up to 4-star) hotel/ meeting venue, inclusive of one coffee breaks and lunch
 - ii. hybrid, with live interpretation through Zoom or other software
 - iii. workshop located in Jabodetabek area
 - iv. at minimum 30 offline participants per workshop

Deliverable 7: Guidelines for Implementation

29. This deliverable serves as a critical component of the project, offering a comprehensive set of strategic roadmap tailored to address the impacts of EU's CBAM and other potential international carbon tariffs. To meet the objective of this component, the consultant needs to:
- a. Develop comprehensive guidelines for policymakers and stakeholders involved in the implementation of new policies, emphasizing incentive and disincentive schemes.
 - b. Provide detailed guidance on short-term, medium-term, and long-term strategies for the implementation of the proposed strategy and policies, including the integration of policy measures with broader sustainability and economic development goals.
 - c. Provide recommendations for establishing an effective stakeholder engagement framework.
 - d. Propose a robust monitoring and evaluation mechanism to track the effectiveness of implemented policies, including but not limited to key performance indicators and benchmarks for assessing policy outcomes, and strategies for periodic review and adjustment of policies based on evolving circumstances.
 - e. As a standalone document, the consultant should provide a summary report for policymakers, highlighting the findings under component 1 covering deliverables 2-7. The summary will serve as a concise document tailored for policymakers. It will adopt a similar structure to the deliverable report but with reduced content, focusing on key aspects relevant to policymakers.

⁷ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the coordination workshops will be released as a lumpsum together with deliverable 6 report.

COMPONENT 2 - Technical Assistance to the Ministry of Industry

30. Under Component 2, the consultant will closely coordinate with the Ministry of Industry to achieve the following deliverables and activities:

Deliverable 8: Assessment of Capacity for GHG Emissions Measurement, Reporting and Verification

31. This deliverable entails a comprehensive capacity assessment of the industrial sector to accurately measure and verify emissions while ensuring compliance with international reporting standards. The consultant will utilize CBAM reporting requirements as a benchmark to evaluate the industry's readiness and capabilities. The findings will inform targeted capacity-building initiatives tailored to address identified gaps and enhance industry readiness for meeting reporting obligations.

32. To deliver this activity, the consultant is required to:

- a. Perform rapid capacity assessment surveys, encompassing at least the following components
 - i. Conduct rapid assessment surveys to evaluate the current capacity of the industrial sector in measuring, verifying, and reporting GHG emissions.
 - ii. Develop a tailored questionnaire or checklist to gather information on existing practices, available resources, institutional frameworks, and technical expertise within industrial facilities. The surveys will be administered to a representative sample of industrial stakeholders, covering a range of sectors and sizes.
 - iii. Utilizing the findings, the consultant will offer invaluable insights into both strengths and weaknesses, pinpointing specific capacity gaps and informing tailored capacity-building interventions. Moreover, a sustainability plan⁸ will be crafted to enable periodic repetition of the initiative, facilitating ongoing tracking of progress and assessment of the impact of capacity-building endeavors over time.
- b. Conduct a capacity-building program on GHG Emissions Measurement, Reporting and Verification, which includes at least:
 - i. Six capacity building workshops⁹ tailored to key stakeholders engaged in measuring, verifying, and reporting GHG emissions, focusing on the priority sectors identified by the Ministry of Industry: Textile, Ceramic, and Food and Beverage. Two workshops will be organized for each sector. The topics of discussion should cover

⁸ The sustainability plan outlines the long-term strategies and actions aimed at maintaining the sustainability of the program beyond its initial implementation phase. It encompasses measures to ensure continued funding, stakeholder engagement, capacity building, and monitoring and evaluation efforts to uphold the program's objectives and impact over time.

⁹ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the capacity building workshops will be released as a lumpsum together with deliverable 8 report.

data collection methodologies, emission calculation techniques, quality assurance and quality control (QA/QC) procedures, and reporting standards. Practical exercises and case studies should be incorporated to enhance learning and application of concepts.

- ii. Pre and Post Capacity Building assessments should be conducted and encompass all preparatory and follow-up tasks required for conducting successful capacity-building workshops. This includes collecting a baseline assessment, evaluating participant feedback, analyzing data to measure changes in knowledge and skill after the workshops, developing action plans based on workshop outcomes, reporting on workshop proceedings and recommendations.
- iii. The result of the pre-capacity building assessment survey, tailored capacity-building program interventions and detailed agenda shall be discussed and endorsed by the ETP team. The consultant shall prepare the logistics of the capacity building workshops following the details below. Post-capacity building program report is expected to be submitted after completion of six sessions. The report outline can be found in the details of the consultation workshop organization section.
 - Six full-day workshops (up to 4-star) hotel/ meeting venue, inclusive of two coffee breaks and lunch
 - hybrid, with live interpretation through Zoom or other software
 - workshop located in Jabodetabek area
 - 50 offline participants per workshop

Deliverable 9: Enhancement of Indonesia's Green Industry Standard/ *Standard Industri Hijau (SIH)*

33. This deliverable aims to evaluate Indonesia's Green Industry Standard against international benchmarks, with a pilot on CBAM, and enhance it accordingly to ensure alignment with global standards and promote sustainable industrial practices. Through stakeholder engagement and thorough analysis, the deliverable seeks to strengthen Indonesia's position in the green industry landscape.
34. To deliver this activity, the consultant is required to:
 - a. Conduct Gap Analysis:
 - i. Analyze EU regulations related to green industry standards.
 - ii. Identify gaps between Indonesia's SIH and international standards, particularly EU regulations.
 - iii. Assess the compatibility of Indonesia's SIH with international standards.
 - iv. Compile findings into a comprehensive gap analysis section.
 - b. Stakeholder Consultation:
 - i. Engage with key stakeholders involved in the development and implementation of Indonesia's SIH.

- ii. Conduct three workshops¹⁰ to gather feedback on the current SIH and international standards from industry experts, government officials, environmental organizations, and other relevant stakeholders. The detailed agenda needs to be discussed with ETP and the MoI prior to the workshops. The consultant shall prepare the logistics of the consultation workshops following the details below. Post-workshop report is expected to be submitted. Report outline can be found in the details of the consultation workshop organization section.
 - three full-day workshops, in a (up to 4-star) hotel/ meeting venue, inclusive of two coffee breaks and lunch
 - hybrid, with live interpretation through Zoom or other software
 - workshop located in Jabodetabek area
 - 50 offline participants per workshop
- iii. Incorporate stakeholder feedback into the gap analysis and enhancement process.
- c. Enhance Indonesia's Green Industry Standard:
 - i. Identify specific areas of the SIH that need improvement or modification to meet international requirements, with a pilot to CBAM.
 - ii. Provide proposed recommendations to the SIH to align it with international standards.

Deliverable 10: Final report and Academic manuscript for proposed new regulation

35. The final report summarizes the project, synthesizes the outcomes of the entire project, offering both an extensive final report and a concise policy brief.
36. The final report will present a comprehensive set of policy recommendations, featuring an in-depth analysis of the existing policy landscape concerning international carbon tariff mechanisms, notably CBAM. The report will meticulously identify potential gaps in the current policies, highlight areas for policy enhancement, and put forth concrete recommendations for policy adjustments and novel measures. This includes the formulation of a viable business model and the proposal of incentive and disincentive mechanisms to ensure an effective decarbonization efforts of the industrial sector.
37. To meet the objective of this component, the consultant needs to:
 - a. Summarize the whole project, building and integrating a narrative of the deliverables. It will include clear strategy and guidelines for policymakers and stakeholders on tailored to address the impacts of EU's CBAM and other potential international carbon tariffs, including the propose decarbonization business model, incentive and disincentive mechanisms. This report details the key activities and outputs from each task. The report will be presented as a professional and publishable document that will be widely disseminated. It includes a

¹⁰ Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the workshops will be released as a lumpsum together with deliverable 9 report.

finalized version of the Results Based Monitoring Framework and it should be gender disaggregated. The final report should be submitted after 12 months from the project kick off. Therefore, the consultant will:

- i. Review and synthesize the findings and recommendations from each of the outputs.
 - ii. Conduct a comprehensive review of the report to ensure accuracy and consistency.
 - iii. Develop several derivative reports covering relevant components of the report tailored to each key stakeholder's interests.
 - iv. Prepare a comprehensive report with clear recommendations and actionable steps for relevant authorities and stakeholders to consider.
 - v. As a stand-alone document, a summary for policymakers¹¹ must be prepared, highlighting results, recommendations and suggested policy actions from deliverables 2-10.
- b. Organize one consultation workshop¹² to disseminate the outputs delivered by the consultants and gather final input and feedback from relevant stakeholders to be incorporated into the final report. The detailed agenda needs to be discussed with ETP, MoT and the MoI prior to the workshops. The consultant shall prepare the logistics of the consultation workshops following the details below. The post-workshop report outline can be found in the details of the consultation workshop organization section.
- i. One full-day workshop in a (up to 4-star) hotel/ meeting venue, inclusive of two coffee breaks and lunch
 - ii. hybrid, with live interpretation through Zoom or other software
 - iii. workshop located in Jabodetabek area
 - iv. 50 offline participants per workshop
- c. Summarize all comments, questions, and inputs from the dissemination event and post-dissemination event.
- d. Incorporate any additional feedback or revisions as necessary.
- e. Ensure that written final approval is obtained from the Ministry of Trade and Ministry of Industry via letter or email before releasing the report.
- f. As a standalone document, prepare an academic manuscript for the proposed new regulation.¹³

¹¹ The summary for policymakers report will serve as a concise document tailored for policymakers. It will adopt a similar structure to the deliverable report but with reduced content, focusing on key aspects relevant to policymakers.

¹² Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the consultation workshop will be released as a lumpsum together with deliverable 10 report.

¹³ The academic manuscript for regulation development should comprise at least comprehensive literature reviews, data analysis, and evidence-based recommendations to support policy-making. It serves as a valuable resource for policymakers, regulators, and stakeholders by providing in-depth insights into relevant issues, policy implications, and alternative solutions. Additionally, it strengthens arguments and propositions during the legislative process, aiding evidence-based decision-making.

Details of Consultation Workshop Organization

38. The consultant is expected to handle all tasks related to the workshop including organising the logistics, inviting participants and speakers, booking the venue, and executing the actual workshop. Bidders shall provide a breakdown of all non-personnel costs in the financial proposal. The payment for logistical arrangements for the workshops will be released as a lumpsum together with deliverables 2-6 and 8-10.
39. The detailed agenda needs to be discussed with ETP prior to the workshops. Gender and social inclusion considerations have to be taken into consideration (see para 16). All key stakeholders related to the topic, particularly governmental entities, should be engaged. Journalists should be invited to disseminate the findings of the workshop, if deemed necessary and subject to the beneficiary's approval.
40. The consultant is required to submit a post-workshop report as part of the deliverable report that includes the following components:
 - i. Description of the workshop (e.g., background, objective, organisation)
 - ii. Workshop agenda and participant components
 - iii. Workshop proceedings (e.g., summary of presentations, key points raised, important insights, significant outcomes or decisions)
 - iv. Gender considerations
 - v. Stakeholder engagement
 - vi. Monitoring and implementation
 - vii. Media and communication
 - viii. Conclusion and next steps

Monthly Progress Report

- 43 In addition to the listed deliverables, the consultant will need to provide monthly progress reports (concise narrative of activities completed with next steps) as per the provided template with updates on the mentoring activities, if applicable. Failure to submit this report will result in the payments being withheld.
- 44 The monthly progress report serves as the mentoring report and is an internal facing between the consultant and the ETP team. The monthly progress report must also include the following standard items:
 - a. Updated Gantt Chart
 - b. Risks and mitigations
 - c. Minutes of meetings, where applicable
 - d. Minutes of Interviews, Consultations, Workshops, FGDs, etc., where applicable
 - e. Every quarter, this report should include an update on results achieved as per the Results Based Monitoring Framework (RBMF) and provided template. Where applicable, must be gender disaggregated

Other key information:

- All public-facing deliverables are expected to be professionally formatted after the content is approved. It is therefore required that the project team contain the skills of graphic design, copy editing, and desktop publishing.
- Public-facing, publishable Executive Summary (approximately 2 pages) in professional English must be submitted with each deliverable.
- Consultants will be required to deliver and record presentations on the outputs for communications purposes.
- Consultants will be expected to engage with various technical working groups and represent ETP as and when required.
- A public-facing, catchy PowerPoint presentation highlighting key information must be submitted with each deliverable.
- All project deliverables and presentations must be submitted in English and Bahasa Indonesia.
- All deliverables are subject to review by ETP, and beneficiary entity(ies) where applicable, before approval. If there are comments and suggestions, the deliverables need to be revised accordingly before payment is released.
- The consultant is required to update the results and achievements of the project in accordance with the agreed project-level Results-Based Monitoring Framework, as per the approved template. All results, where applicable, must be gender disaggregated
- The consultant is required to organize and execute all aspects of the workshops, including organization and logistics.
- The consultant must consider and highlight specific gender considerations in their proposal.
- The consultant must be available to attend at least 1 in-person workshop with the ETP secretariat in the region. The costs for this will be covered outside the financial scope of this proposal.
- The consultant, or an active organization within the applying consortium, must have an in-country presence.

V. Timeline for the Project

- a. The project will require twelve months. The actual project timeline will be presented by the consultant and agreed upon in the Inception Report.

Table 3. Proposed timeline of the project's deliverables

Milestone	Deliverables	1	2	3	4	5	6	7	8	9	10	11	12
1	Deliverable 1: Inception Report												
2	Deliverable 2: Comprehensive Impact Assessment Report on EU's CBAM and Other Potential International Carbon Tariffs Deliverable 3: Provincial-Level Impact Analysis												
3	Deliverable 4: Forecasting Analysis of the impact of the EU's CBAM and other potential international carbon tariffs on the industrial sector decarbonization efforts in Indonesia Deliverable 5: Strategic roadmap and opportunities for industrial decarbonisation through international carbon tariff Deliverable 6: Regulatory Landscape Assessment and Proposed Incentive and Disincentive mechanisms of Industrial Sector Decarbonization Deliverable 7: Guidelines for Implementation												
4	Deliverable 8: Assessment of Capacity for GHG Emissions Measurement, Reporting, and Verification												
5													

[illegible]

VI. Key Beneficiaries

41. The key beneficiaries of this project are provided in Table 4.

Table 4. List of beneficiaries of this project

Beneficiary	Benefit	Explanation
Ministry of Trade (MoT)	Tailor responses and interventions based on the unique challenges and opportunities of each sector affected by CBAM and other international carbon tariff mechanisms	This project enables MoT, particularly Trade Policy Agency, to gain a comprehensive understanding of CBAM, and how it may affect carbon-intensive export products, carrying out analysis and providing policy recommendations for the industry and trade sector.
Ministry of Industry (MoI)	Establish decarbonization frameworks for Industrial Sector	The Ministry of Industry in Indonesia plays a pivotal role in driving industrial sector decarbonization, serving as a key regulatory and strategic partner. Its responsibilities encompass formulating policies, providing incentives, and facilitating the adoption of sustainable practices within the industrial landscape. The Ministry of Industry's involvement in decarbonization projects provides an opportunity to actively shape and influence policies, ensuring that they are tailored to the unique needs and challenges of the Indonesian industrial landscape.
Ministry of Finance (MoF)	Optimize fiscal planning	The project enables the MoF, particularly the Fiscal Policy Agency, the executing body responsible for fiscal incentives and state budget management, to optimize fiscal planning by assessing the implications of various international carbon tariff mechanisms on government revenues and expenditures, ensuring the sustainability of fiscal policies.

Coordinating Ministry of Economic Affairs (CMEA)	Informed decarbonization policies	It helps the CMEA develop more effective and informed decarbonization policies by analyzing the impact of various incentive schemes on industrial sector decarbonization, in relation to the government state budget and macroeconomic indicators.
Ministry of Energy and Mineral Resources (MEMR)	Accelerates coal decommissioning and renewable energy deployment aligned with energy transition targets.	The project is highly beneficial for the MEMR, as it aligns with energy transition and Net Zero Emissions goals, and accelerates coal decommissioning and renewable energy deployment.
BAPPENAS	Streamlined energy transition targets with national development plan	The project supports the alignment of national development plans with energy transition goals, ensuring that development initiatives are in sync with the energy transition and Net Zero Emissions targets.

42. The contractor is expected to identify and engage with other relevant stakeholders as part of this project.

VII. Results-Based Monitoring Framework and Risks

A. Results-Based Monitoring Framework

43. The Results of the Project are monitored through the following Framework in Table 5. All reports will update the achievement of the indicators.

Table 5. Results-Based Monitoring Framework Outline

Project Name: Leveraging industrial decarbonisation options in Indonesia by anticipating international carbon tariff

IMPACT

- GHG Emissions avoided or reduced – estimates of fossil fuel mix replaced in % (Coal, Natural Gas, Oil)
- Additional RE (non-combustible) installed capacity (GW)

STRATEGIC OUTCOME

1. Policy alignment with climate commitments
4. Knowledge and Awareness Building

OUTPUT

- 1.1 National RE and EE policies, regulations, standards, and energy plans reflect a clear commitment to Energy Transition agenda and integrated into sectoral plans to contribute to the achievement of Paris Agreement
- 1.2 National Fiscal policies, regulations, and Investment policies have undergone reforms to create an Investment Climate that is conducive to investment flow into RE/EE and improves its energy transition readiness for capital and investments
- 4.1. Stakeholders (relevant Government entities, Public sector companies, Financial institutions, Private entities, Academia, and Consumers) involved in the RE/EE value chain, are knowledgeable and better informed to advance the energy transition agenda

INDICATOR	TARGET
IN 1.1-03 - No. of RE and EE policies, laws, regulations, and/or technical standards developed/revised and presented to the government entities	At least 1 policies, laws, regulations, on industrial sector decarbonization are developed/revised and presented to the government entities
IN 1.2-01 - No. of RE and EE related financing frameworks and fiscal reforms developed and presented to the government entities	At least 1 financing frameworks related to industrial sector decarbonization are developed and presented to the government entities
IN 4.1-01 - No. of studies, research, new evidence gathered and published, for raising awareness, improving knowledge base, driving decisions, and dissemination	At least 3 studies or research or new evidence gathered and published, for raising awareness, improving knowledge base, driving decisions, and dissemination
IN 4.1-02 - No. of trainings, knowledge sharing events, and/or awareness workshops organised at national and regional levels building institutional capacity and knowledge networks	At least 10 trainings, knowledge sharing events, and/or awareness workshops organised at national and regional levels building
IN 4.1-02 A - Total Number of participants	At least 500 participant from relevant stakeholder joining trainings, knowledge sharing events, and/or awareness workshops
IN 4.1-02 B - Number of female participants	At least 35% of the participant is female

ACTIVITIES

- **Stocktake, review and analyse** existing national/ international policies and legal framework related to CBAM on Indonesian export commodities to the EU and other international carbon tariffs on carbon-intensive export

products.

- **Examine the implications of EU's CBAM and other international carbon tariffs**, and perform a comparative analysis to assess the impact of international carbon tariffs with national carbon pricing and carbon market mechanisms, such as carbon tax and cap and trade, on accelerating energy efficiency programs and promoting renewable energy adoption.
- **Create a coherent and economically viable decarbonization business model** that can effectively improve industrial sector decarbonization efforts in Indonesia.
- **Develop policy recommendations and strategic roadmap**, including coherent and economically viable decarbonization business model that can effectively improve industrial sector decarbonization efforts in Indonesia. to respond to the impacts of CBAM and other international carbon tariff mechanisms based on each implementation phase.
- **Review existing regulations** for the industrial sector to support decarbonization efforts.
- **Perform a comparative analysis** to assess the sufficiency of existing policy supports and gaps
- **Assess the impact of decarbonization efforts** in the Industrial sector into production cost or increase price to consumer.
- **Assess any possible incentives and disincentive mechanisms** for industrial sector decarbonization.
- **Develop a comprehensive guidelines for policymakers and stakeholders** involved in the implementation of new and policy support, such as but not limited to incentive and disincentive schemes.
- **Assess the capacity for GHG Emissions** Measurement, Reporting and Verification

44. The results are reported with additional supporting information and evidence where applicable and necessary.

VIII. Qualification and experience of the service provider and evaluation criteria

A. Qualification and Experience of the Service Provider

45. The consultant's project team should demonstrate the capacity to execute the work and should include all essential roles filled with personnel with relevant experience. CVs of the personnel proposed should be used to verify this information.
46. The following are the **minimum positions** that should be included on the team. Bidders should assess the additional positions needed (if any) to complete the assignment as per the Terms of Reference:
- i. Team Lead
 - ii. Economic Modeling Expert
 - iii. Regional Economic Analyst
 - iv. Decarbonization Specialist
 - v. Fiscal Expert

vi. Communication Specialist

- vii. Additional positions such as Carbon Expert, Legal Expert and Gender Equality and Social Inclusion Specialist may be proposed to effectively implement and execute the work plan. The scoring will be considered in Section 2, as part of the implementation of the workplan and methodology.

47. Considering the importance of close coordination with stakeholders in **Indonesia**, it is expected that the team proposed consists of consultant(s) who understand the local context in Indonesia.
48. The bidder should also assign a Contract Manager who would liaise on the non-technical part of the contract implementation, including coordination, liaising with key counterparts, and liaising with UNOPS on the submission of invoice and payment-related documents.
49. The minimum requirements per position are stated in the Evaluation Criteria, under Technical Criteria section 3

a. Evaluation Criteria

Eligibility and Formal Criteria

50. The criteria contained in the table below will be evaluated on a Pass/Fail basis and checked during the Preliminary Examination of the proposals.

Criteria	Documents to establish compliance with the criteria
1. Offeror is eligible as defined in Instructions to Offerors, Article 4. In case of JV, all JV members should fulfill this requirement	<ul style="list-style-type: none"> Form A: Joint Venture Partner Information Form, all documents as required in the Form, if the Proposal is submitted by a Joint Venture. Form B: Proposal Submission Form
2. Completeness of the Proposal. All required Questionnaires (if any), Returnable Bidding Forms, and other documentation requested under the Document Checklist section have been provided and are complete	<ul style="list-style-type: none"> All documentation as requested under Instructions to Offerors Article 10, Documents Comprising the Proposals
3. Offeror accepts UNOPS General Conditions of Contract as specified in Section IV: Contract Forms	<ul style="list-style-type: none"> Form B: Proposal Submission Form

Qualification Criteria

51. The criteria contained in the table below will be evaluated on a Pass/Fail basis and checked during the Qualification Evaluation of the proposals.

Criteria	Documents to establish compliance with the criteria
<p>1. The company should have a minimum of 5 years of continuous experience in delivering similar projects in the past with a track record of success.</p> <p>In the case of JV, at least one of the JV members should fulfill this criterion</p>	<ul style="list-style-type: none"> • Certification of incorporation of the Offeror • Form F: Performance Statement Form
<p>2. Offeror must provide a minimum of two (2) customer references from which similar services have been successfully provided, within any of the last 10 years.</p> <p>In the case of JV, the customer references of JV members can be combined</p>	<ul style="list-style-type: none"> • Form F: Performance Statement Form
<p>3. Financial Capacity/financial stability: Bidder should have a minimum annual turnover of 350,000 USD in any of the past 2 years.</p> <p>In the case of a joint venture, the annual turnover is calculated based on the total annual turnover of the JV members.</p>	<ul style="list-style-type: none"> • Audited Financial Statements for the past 2 years (2022 and/ 2023) / other documents showing bidder's annual turnover in 2022 and 2023

Technical Criteria

52. Technical evaluation will be carried out on bids that pass the eligibility, formal, and qualification criteria, with requirements as follows:

- The maximum number of points that a bidder may obtain for the Technical proposal is 80. To be technically compliant, Bidders must obtain a minimum of 56 points
- Minimum pass score: 70% of maximum 80 points = 56 points

53. Technical proposal points allocation

Section number/description		Points Obtainable
1.	Offeror's qualification, capacity, and expertise	20
2.	Proposed Methodology, Approach, and Implementation Plan	35

3.	<i>Key Personnel proposed and Sustainability Criteria</i>	25
<i>Total Technical Proposal Points</i>		80

Section 1: Offeror's qualification, capacity and expertise

Section 1: Offeror's qualification, capacity, and expertise		Points	Sub-points
1.1	Brief description of the organization, including the year and country of incorporation, and types of activities undertaken, including relevance of specialized knowledge and experience on similar engagements done in the past. Bidders partnering up with a local entity to provide expertise on the local context of Indonesia's fiscal and non-fiscal, incentive and disincentive mechanisms, strategic consultation, translations; as well as communications expertise is considered a valuable asset.	15	
	1. Experience in projects of comparable size, type, complexity, and technical specialty		5
	2. Experience in providing similar services in the region, especially Indonesia		5
	3. Understanding of local context, expertise on the local context of Indonesia's fiscal and non-fiscal, incentive and disincentive mechanisms, strategic consultation, and ability to provide translations as well as the communications expertise		5
1.2	General organizational capability which is likely to affect implementation: management structure, and project management controls. (Max 4 pages written text)	5	
	1. Management structure, management controls, and the extent to which any part would be subcontracted		5
Total points for section		20	

Section 2: Proposed Methodology, Approach and Implementation Plan

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
2.1	Description of the Offeror's approach including risk(s) and mitigation measure(s), and methodology for meeting or exceeding the requirements of the Terms of Reference	25	
	1. Description of the offeror's approach to identification of data sources, scenarios, issues for the deep-dive in the analysis and guiding the government policymakers		5
	2. Description of the offeror's approach to provide a comprehensive assessment quantifying the impacts of EU's CBAM and other international carbon tariffs on carbon-intensive export products, Indonesia's leading export commodities to the EU as well as their effects on the national economy and potential state revenues.		5
	3. Description of the offeror's approach to the development of the detailed analysis at the provincial level. It examined the impact of CBAM revealing nuanced economic and workforce impacts within the provincial level.		5
	4. Description of the offeror's approach to forecasting analysis on the impact of CBAM to decarbonization efforts of the industrial sector and the proposed suite of policy measures and recommendations for designing and implementing new Incentives and disincentive mechanisms		5
	5. Description of the offeror's approach to assess the capacity for GHG Emissions Measurement, Verification, and Reporting of relevant stakeholders, and enhance the Ministry of Industry's GHG Emissions Calculator for Comprehensive Scope and Life Cycle Analysis		5
2.2	Quality Assurance Plan	5	
	1. A plan outlining how the bidder intends to ensure oversight and quality assurance throughout the assignment. Quality Assurance plan should include discussion on risk-assessment and its mitigation plan		5

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
2.3	Implementation Timeline	5	
	1. Bidder submits a detailed implementation timeline which includes detailed activities to be undertaken during this assignment, and is completed with Gantt chart		5
Total points for section		35	

Section 3: Key personnel proposed and Sustainability Criteria

Section 3: Key personnel proposed and Sustainability Criteria		Points	Sub-points
3.1	Qualifications of key personnel proposed aligned with the Terms of Reference	20	
	<p><u>Team Lead</u></p> <p>Education: Minimum Master's Degree or higher in Engineering, Economics, Finance, Sustainable Development, Energy Policy or related fields is required.</p> <p>Bachelor's Degree in related fields with an additional 2 years of similar experience is considered equivalent.</p> <p>Experience:</p> <ol style="list-style-type: none"> 1) A minimum of 10 years of relevant experience in a similar role, with a minimum of 5 years of leadership experience 2) At least 5 years of experience in leading and managing complex energy transition or policy-related projects, with a strong focus on Southeast Asia, particularly Indonesia. 3) Proven track record in project management, and policy advocacy, and stakeholder engagement. 4) Demonstrated experience in successfully delivering similar projects in Indonesia or the Southeast Asia region. 		<p>Education (max): 1</p> <p>Experience (max): 4</p> <p>Total (max): 5</p>
	<p><u>Economic Modeling Expert</u></p> <p>Education: Minimum Master's Degree or higher in Engineering, Economics, Finance, Sustainable Development or related fields is required.</p>		<p>Education (max): 1</p> <p>Experience (max): 3</p> <p>Total (max): 4</p>

	<p>Bachelor's Degree in related fields with an additional 2 years of similar experience is considered equivalent.</p> <p>Experience:</p> <ol style="list-style-type: none"> 1) Minimum of 5 years of experience in economic modeling. 2) Proven track record of developing and implementing complex economic models. 3) Experience in using relevant modeling tools and software. 4) Experience in data analysis, interpretation, and presentation. 5) Experience in working with interdisciplinary teams and effective collaboration with stakeholders. 6) Experience in delivering presentations on complex economic concepts to non-expert audiences. 7) Experience in providing economic insights for policy development and decision-making. <p>Other requirements</p> <ul style="list-style-type: none"> • Considered an asset if based in Indonesia but not strictly required 		
	<p><u>Regional Economic Analyst</u></p> <p>Education: Minimum Master's Degree or higher) in Engineering, Economics, Finance, Sustainable Development or related fields is required.</p> <p>Bachelor's Degree in related fields with an additional 2 years of similar experience is considered equivalent.</p> <p>Experience:</p> <ol style="list-style-type: none"> 1) Minimum of 7 years of experience in regional economic analysis. 2) Proven track record of conducting regional economic research (provincial, city) and providing actionable insights. 3) Experience in statistical analysis and econometric modeling. 4) Experience in collaborating with multidisciplinary teams and external stakeholders. 5) Experience in analyzing and interpreting complex economic data and present findings effectively. 6) Proficiency in relevant data analysis tools and software. <p>Other requirements</p> <ul style="list-style-type: none"> • Considered an asset if based in Indonesia but not strictly required 		<p>Education (max): 1 Experience (max): 2 Total (max): 3</p>

	<p><u>Decarbonization Specialist</u></p> <p>Education: Minimum Master's Degree or higher in Environmental Science, Engineering, Sustainable Development or related fields is required.</p> <p>An additional 2 years of similar experience with a Bachelor's Degree is considered equivalent.</p> <p>Experience:</p> <ol style="list-style-type: none"> 1) Minimum of 5 years of professional experience in decarbonization and sustainable energy. 2) Proven track record in developing and implementing effective decarbonization strategies. 3) Expertise in analyzing and evaluating the environmental impact of industrial processes. 4) Experience collaborating with government bodies, industry stakeholders, and research institutions. 5) Experience working in national and/or international policies related to decarbonization. 6) Experience working in the energy transition landscape and its implications for Industry. <p>Other requirements</p> <ul style="list-style-type: none"> • Experience in stakeholder management and relationship building with various stakeholders such as local consultants, government officials, state companies and private sector. • Considered an asset if based in Indonesia but not strictly required. 		<p>Education (max): 1 Experience (max): 2 Total (max): 3</p>
	<p><u>Fiscal Expert</u></p> <p>Education: Minimum Master's Degree or higher in Economics, Finance, Sustainable Development, Energy Policy, or related fields is required.</p> <p>Bachelor's Degree in related fields with an additional 2 years of similar experience is considered equivalent.</p> <p>Experience:</p> <ol style="list-style-type: none"> 1) Minimum of 7 years of experience in fiscal policy analysis, with a specific focus on energy-related fiscal incentives and tax policies. 2) Experience in conducting financial modeling, economic impact assessment, and revenue analysis in the context of energy transition projects. 3) Experience advising governments or international organizations on fiscal policy reforms related to energy transition. 		<p>Education (max): 1 Experience (max): 2 Total (max): 3</p>

	<p>4) Experience in financial analysis for energy transition projects in Indonesia or Southeast Asia.</p> <p>Other requirements</p> <ul style="list-style-type: none"> • Experience in stakeholder management and relationship building with various stakeholders such as local consultants, government officials, state companies and private sector. • Considered an asset if based in Indonesia but not strictly required 		
	<p><u>Communication specialist</u></p> <p>Education:</p> <ul style="list-style-type: none"> • A Bachelor's in Communications, Public Relations, Journalism, or a related field is required. • Advanced degrees or certifications in communications are desirable <p>Experience:</p> <ul style="list-style-type: none"> • A minimum of 5 years of professional experience in communications, public relations, or related roles. • Experience in developing and executing strategic communication plans tailored to diverse stakeholders, including government agencies, investors, local communities, and the public. <p>Other requirements</p> <ul style="list-style-type: none"> • Proven track record of successful engagement with journalists, securing media coverage, and managing media inquiries. • Experience in producing high-quality content for various communication materials, including press releases, reports, website content, and social media posts. • Considered an asset if based in Indonesia but not strictly required. 		<p>Education (max): 1</p> <p>Experience (max): 1</p> <p>Total (max): 2</p>
3.2	The bidder shall provide a clear statement, approach, and methodology that demonstrates its commitment to support and mainstream gender equality and social inclusion in the organization, operations and project implementation activities.	5	
Total points for section		25	