Terms of reference (ToRs) for the procurement of services below the EU threshold

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Stocktaking, Gap Analysis and Development of Policy Recommendations for Green Economy/ Green Growth Diagnostics and Modelling in Indonesia	Project number/ cost centre: 21.2171.3-001.00

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0. List of abbreviations

AVB	General Terms and Conditions of Contract for supplying services and work
ToRs	Terms of reference
BMZ	German Federal Ministry for Economic Cooperation and Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Bappenas	Indonesian Ministry for National Development Planning

1. Context

General context

The technical cooperation project "Green Economic Recovery: Green Growth Diagnostic Framework in Indonesia", commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supports the Indonesian Ministry for National Development Planning (Bappenas) to improve the institutional and regulatory framework for the transformation towards a Green Economy in Indonesia at national and provincial level. It works towards 3 outputs: 1) developing capacities for evidence-based planning; 2) enhancing linkages between policy formulation and implementation; and 3) building capacities of provinces for green growth planning and policy design. By applying economic modelling tools which consider sustainability parameters, the project is assisting Bappenas to identify economic sectors to prioritize in their green growth strategies. These strategies will guide the mid- and long-term development planning of the central government that will be a guidance for the regional level. It may include sectors such as agriculture, forestry & land-use, urban policy, labour policy, infrastructure, energy transition, transport, mining, trade, circular economy and industry among others, with more focus to the major projects which are still to be determined.

Outputs of the project

Output 1 aims to boost Bappenas and other actors' analytical capabilities for evidence-based planning in transitioning to a green economy. The focus is on the Directorate of Macro Planning and Statistical Analysis. Efforts include enhancing economic models, improving data for calculations, and training professionals. Output 2 aims to align policy formulation for a green economy among Bappenas, the Ministry of Finance, sector ministries, and other authorities. This involves collaborative scenario development with sector ministries, ensuring early stakeholder involvement, and emphasizing gender-sensitive policy scenarios. Output 3 seeks to enhance planning and monitoring capacities for the green economy transition in up to nine provinces. It supports provinces with existing green initiatives and helps new provinces identify potential challenges and recommendations. The approach is cost-effective, leveraging German Development Cooperation experience and utilizing tools like the Green Economy Index for provinces.

Specific context of this assignment

There is an abundance of initiatives in Green Economy within Indonesia, including studies, roadmaps, modelling and policy simulation tools, with support from various donors. However, these initiatives lack integration, and the concrete impact on the economy and growth remains unclear. Some efforts face challenges due to limited willingness or ability to collaborate effectively. Recognizing the pivotal role of Bappenas in coordinating green transformation, there's a need to strengthen its coordinating role, particularly the Directorate of Macro Planning and Statistical Analysis, which is the Directorate responsible for the project. At the same time, the Directorate for Environment of Bappenas plays an equally crucial role for the project. Improved internal collaboration between directorates and effective moderation by GIZ are identified as essential. Closer partnerships with other line ministries, especially in sectors like industry and energy, are recommended and will be fostered through the project. Priority sectors for green transformation include energy, circular economy, transport, FOLU, and industry, which might become a focus activity in output 2.

The project was officially commissioned by BMZ in October 2023 and the implementation agreement with Bappenas was signed in December 2023. To start the implementation in Output 1 and Output 2, this assignment aims at the following three objectives:

1. **Take stock** of all the relevant models, statistics, reports and concepts on Green Economy, Green Transition and Green Growth Diagnostic Modelling in Indonesia
2. **Conceptualize** the identification of priority provinces and sectors to focus on within the development of Green Growth Modelling and inclusive policy development capacities
3. **Collect, summarise and prioritize** existing policy recommendations for the transformation to a Green Economy in Indonesia to be included in the RPJMN 2025-2029, and add additional ones where feasible. This should also include benchmarking and reflecting on other countries' green transition policies

The Project framework is based on the following objectives, within which the products and tasks to be undertaken by the contractor shall be delivered.

Legend: *P=Product; O=Output; T=Task; ST=Stocktake; GA=Gap Analysis; WP-White Paper; DB=Dashboard*

Simplified Project Framework (indicators to be achieved until 09/2026):

- **Module Goal Indicator 1**
  5 strategy and planning instruments of the Indonesian government have defined relevant and achievable goals for the transformation to a green economy at the national level.
  Baseline: 2 strategy and planning instruments (the current National Medium-Term Development Plan for 2020-2024 define goals for green growth and the Indonesia Vision 2045).
  Target: 5 strategy and planning instruments (by 09/2025).

↳ **Expected contribution from this assignment to Module Goal Indicator 1**: Identification and description of upcoming strategies and planning instruments on a national, regional and sectoral level relevant for green growth (***link to products below, e.g. PO.1.1***). In addition, the contractor should propose key recommendations (***link to product PO2.1***) to be included in the upcoming RPJMN 2025-2029 based on existing recommendations, proposals and policy scenarios (***link to product PO2.2***) and a rationale justifying the selection of recommendations to be included in the upcoming RPJMN 2025-2029.

- **Module Goal Indicator 2**
  10 proposals for policy reforms, contributing to the transformation to a green economy in Indonesia, 5 of which include suggestions for improving the economic situation of women, are coordinated among Bappenas, sector ministries, and provincial governments.
  Baseline: 0 proposals for policy reforms (initial coordination between Bappenas and sector ministries on the Green Transformation of the economy has occurred but did not result in shared proposals for policy reforms).
  Target: 10 proposals for policy reforms (by 09/2026).

  ↳ **Expected contribution from this assignment to Module Goal Indicator 2**: Identification and description of up to existing and currently discussed proposals for policy measures that promote and/or hinder the transformation to a green economy, such as reform suggestions for laws and regulations, incentive programs, tax and other incentive instruments, innovation promotion programs, and other approaches (***link to products PO2.1-PO2.10)***. Policy proposals may pertain to specific sectors or remain sector-independent. The discerned proposals shall be categorized based on sectors using Bappenas classification, considering the nature of the proposed measures, and assessing their anticipated positive/negative impact on the advancement of a Green Economy (to the extent known). Additionally, the identified proposals should underscore their effects on the economic circumstances of women.

- **Module Goal Indicator 3**
  8 relevant government stakeholders have confirmed that they find newly developed or enhanced evidence-based tools and knowledge products by Bappenas useful for policy design in promoting a Green Transformation within their respective areas of responsibility.
  Baseline: 0 relevant government stakeholders (no newly developed products or tools, and knowledge products are being utilized).
  Target: 8 relevant stakeholders (by 09/2026).

  ↳ **Expected contribution from this assignment to Module Goal Indicator 3**: Compilation of a list of up to 20 government stakeholders (***link to product PO2.7***) that are of relevance for green transformation, and for the listed upcoming strategies and planning instruments (***link to products PO2.1-PO2.10***) and for the proposals for policy measures (***link to product PO2.9***) and have working relations with the Bappenas Directorate for Macroplanning and Statistical Analysis and the Directorate for Environment. The list should include a classification of these actors according to their relevance for Green Economy, their working relation with Bappenas directorates, and their relevance to the project. In addition, the contractor should provide an analysis of the knowledge and use of evidence-based

tools and knowledge products provided by Bappenas (***link to product PO1.1 and PO1.2***). The analysis will be conducted through the utilization of a questionnaire alongside concise interviews involving pertinent stakeholders. The following questions shall be part of the questionnaire:

- Which green economy/green growth modelling tools and methodologies are you familiar with?
- Which of these tools do you use and for what purpose?
- What are existing data, data sources and statistics used for green growth diagnostic?
- What are the barriers to using the tools, data and statistics?
- How could their use be better coordinated? Which stakeholders need to be involved?

- **Output Indicator 1.1**
  3 analytical tools from Bappenas have been further developed or newly created concerning the Green Transformation.
  Baseline: 0 analytical tools (no analytical tools from Bappenas have been further developed or newly created).
  Target: 3 analytical tools (by 06/2025).

  ↳ **Expected contribution from this assignment to Output Indicator 1.1**: Identification and description of existing analytical tools, including macro- and microeconomic models, indicator sets, or monitoring systems, as well as data sources on data relevant to the green transformation (***link to product PO1.1, details below***). In addition, a gap analysis shall be conducted as part of the assignment (***see detailed tasks listed below***). This analysis should highlight gaps limiting the relevance of the analytical tools for use in assessing the progress in a green transformation of the economy. The gap analysis should delve into various factors for the success of analytical tools, incl. their applicability, their flexibility for assessment of different scenarios, their sustainability, the need for enhancing analytical tools to include aspects of a green transformation and other relevant criteria. The analysis should identify the gaps in several priority sectors, including but not limited to green investment and financing, fiscal policy, green jobs, green infrastructure, and other relevant sector, as well as identify the role of gender in these sectors, as outlined in the products PO2.1 to PO2.10 below.

- **Output Indicator 1.2**
  30 Bappenas staff members and other relevant government actors, 15 of which women, confirm that they utilize the knowledge gained in the trainings for analytical tools for a green transformation
  Base value: 0 staff members (so far, no staff members have been trained on application of analytical tools for a green transformation)

  ↳ **No Expected contribution from this assignment to Output Indicator 1.2**

- **Output Indicator 2.1**
  5 gender-differentiated policy scenarios for the transformation to a Green Economy have been developed in coordination with sector ministries.
  Baseline: 0 policy scenarios (analytical tools have not been able to depict policies for the transformation to a Green Economy).

Target: 5 policy scenarios (by 09/2026).

↳ **Expected contribution from this assignment to Output Indicator 2.1**: Ideation of 5 possibly relevant policy scenarios (***link to products PO2.1-PO2.10)***. The policy scenarios should be related to the proposals for policy reforms in Module Goal indicator 2, the policy proposals and the stakeholders (***link to product PO2.7***). The policy scenarios thereby combine different policy proposals and can focus on a specific sector or be sector-independent.

- **Output Indicator 2.2**
  5 formats for coordinating the formulation and implementation of policy measures with sector ministries for the transformation to a Green Economy in Indonesia have successfully taken place with the participation of Bappenas.
  Baseline: 0 formats (although a Green Economy Task Force exists within Bappenas, it is currently inactive).
  Target: 5 formats (by 06/2025).

  ↳ **Expected contribution from this assignment to Output Indicator 2.2**: Identification and description of existing or planned formats for coordinating the formulation and implementation of policy measures with sector ministries, research institutions, universities, relevant government authorities and offices, as well as non-governmental organisations and interest groups, which might be involved in the context of the transformation to a Green Economy in Indonesia (***link to product PO2.7***).

- **Output Indicator 3.1**
  In 3 selected provinces, monitoring plans for strategies defining the transformation to a Green Economy at the provincial level are in place.
  Baseline: 0 provinces (although Bali has a Green Economy strategy, it is not currently monitored).Target: 3 provinces (by 09/2026)

- **Output Indicator 3.2**
  In 6 selected provinces, potentials, challenges, and policy recommendations for a Green Economic transformation have been identified by relevant actors at the provincial level.
  Baseline: 0 provinces (no other provinces included so far).
  Target: 6 provinces (by 09/2026).

  ↳ **Expected contribution from this assignment to Output Indicator 3.1 and 3.2**: Draft of an assessment and classification mechanism for provinces that will be part of indicator 3.1 or 3.2 (***products PO3.1-3.3***). An example of the classification with up to 5 provinces should be provided, showcasing how a province should rather be included under indicator 3.1 or 3.2 or not. In particular, the assessment and classification mechanism of provinces should consider the following factors: economic characteristics, environmental and geographical characteristics, risks and potentials, existing strategies or roadmaps for green transformation, utilization of existing tools for planning and policymaking.

This assignment does not directly correlate with output indicator 1.2, which is why there is no expected contribution mentioned. Overall, this assignment serves to prepare the

implementation of outputs 1 and 2 and to establish a baseline of existing knowledge for the project.

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

Schematic Overview of Deliverables & Tasks:

<u>The following products and tasks shall be to be undertaken in indicated format and time frame:</u>

Legend:

P=Product; O=Output; T=Task; ST=Stocktake; GA=Gap Analysis; WP-White Paper; DB=Dashboard

Scope of products:

- Any product named **<u>Key or Preliminary Recommendations</u>** should contain the following:
  - 1 (one) Word/PDF document of up to 20 (twenty) pages to be prepared in Bahasa Indonesia and English, excluding annex., with a 1 (one) page executive summary to be prepared in English and Bahasa Indonesia

- 1 (one) PowerPoint slide deck of up to 20 (twenty) slides in Bahasa Indonesia and English, excluding Annex, with 2 (two) slides as an executive summary to be prepared in Bahasa Indonesia and English

- Any product named **Policy Brief** should contain the following:
  - 1 (one) Word/PDF document of up to 3 (three) pages to be prepared in Bahasa Indonesia and English, excluding annex., with a 1 (one) page executive summary to be prepared in English and Bahasa Indonesia
  - 1 (one) PowerPoint slide deck of up to 5 (five) slides in Bahasa Indonesia and English, excluding Annex, with 2 (two) slide as an executive summary to be prepared in Bahasa Indonesia and English

- Any product named **Stakeholder and Capacity Mapping Analysis** should contain the following:
  - 1 (one) Word/PDF document of up to 15 (fifteen) pages to be prepared in Bahasa Indonesia and English, excluding annex., with a 2 (two) page executive summary to be prepared in English and Bahasa Indonesia
  - 1 (one) PowerPoint slide deck of up to 10 (ten) slides in Bahasa Indonesia and English, excluding Annex, with 2 (two) slide as an executive summary to be prepared in Bahasa Indonesia and English. This shall include a stakeholder map graphic.

- The **tasks** listed below which are prerequisite for the recommendations [T-ST & T-GA] shall be included in the annex of the key or preliminary recommendations as deemed necessary

- The two products **White Paper (PWP1) and Dashboard (PDB1)** are defined in scope separately below.

The following products shall be completed by 31. August 2024

Products Output 1:

- **PO1.1 Preliminary Recommendations** on the green growth modelling tools for the planning instrument & on the **green growth diagnostic methodology**
  - Specifications: Based on the existing data that will be provided and further research, the contractor shall provide a succinct overview of the current (usually conventional) economic models applied by Bappenas, other stakeholders in Indonesia and abroad that could be enhanced to account for green growth modelling. Furthermore, this product should provide a recommendation of the green growth diagnostic methodology in Indonesia which will be the input for product **PWP1** until May 2025 (see PWP1 below)
  - Guiding Questions to be answered within this product are:
    - What is the status of green growth diagnostics and modelling in Indonesia?
    - What are the key hurdles/gaps that need to be addressed to enable green growth diagnostics and modelling?
    - What is the recommended approach enhance green growth diagnostics and modelling?
    - Which are some of the key sectors and provinces to be prioritized for green economic growth?

- **PO1.2 Preliminary Recommendations** on the availability of updated data and statistic to capture the progress of green economy, **how to improve** methodology in developing green GDP, and measure the impact of green economy transformation agenda. This shall include recommendations on how the identified data required to measure green growth, could serve as a "green economic impact analysis". This product is also expected to produce the calculation on the impact for the major projects that are to be identified by Bappenas.
    - Specifications: This product will comprise the resulting preliminary recommendations of the tasks T-ST1 T-GA1 below. It shall address in which way the current statistical data captured by e.g. Indonesia's Statistical Agency BPS currently captures data on green economy and Green GDP, as well as how this can be improved. The mentioned "green economic impact analysis" shall provide a quantitative assessment on the potential environmental impacts of certain major projects for RPJMN 2025-2029 based on best available evidence and feasibility.

Products Output 2:

- **PO2.1 Key Recommendations/Summary** for green growth potentials in Indonesia to be included in **RPJMN 2025-2029**
    - Specifications: This deliverable will be the centerpiece to be delivered until 31.08.2024 as it will inform the current RPJMN drafts on the topic of green growth and provide a political anchoring. This product will be a synthesis of the most important recommendations and findings of all the other products and also recommendations on green aspects in RPJMN 2025-2029 major projects. It will be structured in close coordination with GIZ and Bappenas priorities.

- **PO2.2 Up to 5 Policy Briefs** on thematic green growth policy scenarios
    - Specifications: The scope and final amount will be mutually determined based on feasibility and available evidence. The policy briefs shall take into account information gathered by other products or tasks and further look into specific sectors and policy scenarios. The policy briefs shall further use economic data models from existing data sources to be made available to the contractor. The topic of policy briefs are expected to be closely related with the findings on PO2.3 to PO2.8. Example would be "Policy Brief on the Impact of Carbon Trading as a Tool of Green Financing to Support Organic Farming" or "Policy Brief on the Environmental Impacts and Green Economic Growth Potentials regarding Nickel Industry Downstreaming in East Sulawesi" or "Policy Brief of the Green Growth Potentials within Renewable Energy Reskilling in North Sulawesi". To inform the contractor's work, additional resources will be made available from within GIZ portfolio.

- **PO2.3 Preliminary Recommendations** on green investment, financing strategies and fiscal policies to support green economic growth
    - Specifications: This deliverable should compile all the best evidence on green investment, financing strategies and fiscal policies to support green economic growth being discussed in Indonesia and beyond where relevant. Innovative financing and funding mechanisms, both applicable at national and sub national level, are highly encouraged to overcome the challenges.

- **PO2.4 Preliminary Recommendations** to improve green skilled labour
  - Specifications: The contractor shall prepare an analysis of the evidence on the topic of green skills, such as upskilling, reskilling, increasing women's participation in the labor force (correlates to PO2.5). Substantial material will be made available from GIZ to support this.

- **PO2.5 Preliminary Recommendations** to optimize green economy potential to increase women participation in labor force (informal and formal)
  - Specifications: The contractor shall prepare an analysis of the best available evidence on the economic potentials of an inclusive job market which targets gender-sensitive approaches such as increasing women's labour share, reskilling programs and focusing on women-led development approaches. Substantial material will be made available from GIZ to support this.

- **PO2.6 Preliminary Recommendations** to improve green infrastructure
  - Specifications: The contractor shall prepare an analysis of the best available evidence on green infrastructure needs and policies relevant to Indonesia. Green infrastructure can be defined as the basic physical and organizational structures and facilities that have the potential for low-carbon development. This product aims to capture how green infrastructure can support the achievement of green growth. The contractor shall therefore identify priority green infrastructure sectors that need to be transformed early in order to support the "green growth objectives" – taking into account limited resources available to undertake this transition. For instance, certain carbon-intensive sectors could be defined where reduction of their impact on the environment is possible while also delivering effective and efficient services to the public. Another specific focus should lie on the potentials of utilizing sustainable public procurement policies for specific sectors policies to enhance the transition towards a low-carbon economy

- **PO2.7 Stakeholder and Capacity Mapping Analysis**
  - Specifications: The contractor shall provide a comprehensive map of the stakeholders and their capacities (organizations, ministries, agencies, academia, think tanks) relevant to green economic transformation in Indonesia. This will inform a comprehensive capacity development strategy to be implemented later on (not by this contractor).

- **PO2.8 Preliminary Recommendations** on strategies to optimize green trade and logistics
  - Specifications: This deliverable should compile all the best evidence on green/sustainable trade policies, including green trade and logistics being discussed in Indonesia and beyond where relevant.

- **PO2.9 Policy Mapping & Preliminary Recommendations/Stocktake** on the proposed regulation or revised existing regulation to support green growth
  - Specifications: The contractor shall identify and summarize the current best evidence from available sources on existing policies and proposed policy proposals that advance or hinder green growth.

- **PO2.10 Preliminary Recommendations** on another economic sector to be identified mutually based on feasibility and available data
    - Specifications: Based on mutual agreement, an additional sector could be identified and looked at based on preference by Bappenas. Considerations for feasibility, available data etc. will be made.

Products Output 3:

- **PO3.1 Preliminary Recommendations** on 9 pilot provinces
    - Specifications: East Kalimantan, Bali, and Riau Islands are the prioritized areas to be assessed with recommendations on the 6 additional provinces to be made. The recommendations should take into account existing parameters applied by Bappenas (will be provided) and add additional ones that can be identified within the available evidence basis. A simple matrix should be developed to allow a scoring scheme with which a prioritization can be made. Example parameters could be carbon intensity of economic sectors in the province; labour force composition (disaggregated by gender; education; age; other economic and social characteristics); and others
- **PO3.2 Preliminary Recommendations** on 9 pilot provinces characteristics to implement green economy strategies
    - Specifications: Based on existing available data on the provinces under review, the contractor shall provide additional parameters/criteria/data to showcase the characteristics of provinces regarding green economy strategy. If the relevant data is not available, the contractor should make preliminary recommendations on what data needs to be collected to provide a better assessment. Based on the assessment criteria, the contractor shall make a prioritization. This product closely relates to PO3.1.

- **PO3.3 Preliminary Recommendation** in monitoring and evaluation aspects and criteria to capture the progress of green economy in 9 provinces
    - Specifications: Based on the insights of PO3.1 and PO3.2 and available existing data, the contractor shall make preliminary recommendations on how monitoring and evaluation of provincial green economy transformation can be improved.

The following products shall be completed until 30 April 2025

- **PWP1 White Paper** on Green Growth Diagnostics
    - This White Paper shall be the summary result of the consultancy service and will include key insights into the topic of Green Growth Diagnostics. Most, if not all tasks and products will be relevant for this white paper. A table of content shall be agreed upon beforehand.
    - The PWP1 should answer the following indicative questions, which will all be informed by best evidence and additional research to be conducted by the contractor:
        - What are the most binding constraints to support the green growth in Indonesia based on green growth diagnostics framework and methodology?

Green Growth Diagnostics Schema

Source: OECD, 2011 (Towards Green Growth: A Summary for Policy Makers)

- Scope & format:
  - The PWP1 should be delivered in a Word/PDF document of up to 50 (fifty) pages to be prepared in Bahasa Indonesia and English, excluding annex., with a 2 (two) page executive summary to be prepared in English and Bahasa Indonesia. Additionally, 1 (one) PowerPoint slide deck with up to 25 (twenty-five) shall be prepared in English and Bahasa Indonesia, including 5 (five) slides as an executive summary to be prepared in Bahasa Indonesia and English

- **PDB1 <u>Analysis of Preparation of Dashboards</u>** for Monitoring Pilot Provinces (tbc)
  - This product correlates with the results of PO3.1, PO3.2, and PO3.3 and others and shall present the results of an analysis which investigates the best methods of monitoring green growth policies in provinces. It shall present some options of digital dashboards that could be utilized for such task, including existing ones being applied by Bappenas at the moment.
  - The PDB1 should answer the following indicative questions, which will all be informed by best evidence and additional research to be conducted by the contractor:

        - How are green growth policies currently being monitored in provinces and how should this be linked to the national level, including where the source data is gathered from?
        - What is needed to monitor them effectively and which stakeholders should be responsible for monitoring them?
        - What digital dashboard could be deployed to monitor policies in provinces?
    - Scope & format:
        - The PDB1 should be delivered in a Word/PDF document of up to 20 (twenty) pages to be prepared in Bahasa Indonesia, excluding annex., with a 2 (two) page executive summary to be prepared in English and Bahasa Indonesia. Additionally, 1 (one) PowerPoint slide deck of up to 10 (ten) slides shall be prepared in English and Bahasa Indonesia, including 2 (two) slides as an executive summary to be prepared in Bahasa Indonesia and English

In order to deliver these products, the following tasks are expected to be performed, with suggested methods included:

Stock Taking & Gap Analysis

- **Identification/Stocktake [T-ST1] & Gap Analysis [T-GA1]** of existing and needed green growth analytical tools suitable for planning institution of current green growth diagnostic methodology to identify green economy, including data and statistics needs to be available and updated related to planning policy development and building green growth model and to identify developing Green GDP
    - Suggested methods to be applied: Desk-based research and interviews with Bappenas, BPS and other key stakeholders to investigate current data policies and identify gaps.

- **Identification/Stocktake [T-ST2] & Gap Analysis [T-GA2]** of green economy existing data and statistics to identify which polices or regulations should be formulated or revised, including the identification and description of up to existing and currently discussed proposals for policy measures that promote and/or hinder the transformation to a green economy. This exercise shall also take into account a **benchmarking exercise** to assess policies and identify potential resource persons in 1-2 countries globally that have advanced in the topic of green growth/green economy.
    - Suggested methods to be applied: Desk-based research and interviews with BPS, Bappenas and other key stakeholders to investigate current data policies and identify gaps. For the benchmarking exercise, GIZ will facilitate any stakeholder identification and discussion/interviews to gather useful insights.

- **Identification/Stocktake [T-ST3] & Gap Analysis [T-GA3]** of existing problems in green investment, green financing and fiscal policies to support green economic growth
    - Suggested methods to be applied: Desk-based research and interviews with Financial Services Authority (OJK), Fiscal Policy Agency (BKF, Ministry of Finance), Bappenas, GIZ and other key stakeholders to investigate green investment and green financing policies and current recommendations.

- **Identification/Stocktake [T-ST4] & Gap Analysis [T-GA4]** of existing problems in green skilled labour

- Suggested methods to be applied: Desk-based research and interviews with Bappenas, GIZ and other key stakeholders to investigate green skills and labor policies.

- **Identification/Stocktake [T-ST5] & Gap Analysis [T-GA5]** of the role of gender-sensitive approaches can support green economy
  - Suggested methods to be applied: Desk-based research and interviews with Bappenas, GIZ and other key stakeholders to investigate gender-sensitive approaches and policies for inclusive green economic growth.

- **Identification/Stocktake [T-ST6] & Gap Analysis [T-GA6]** of existing problems on green infrastructure
  - Suggested methods to be applied: Desk-based research and interviews with Bappenas, GIZ and other key stakeholders to investigate green infrastructure needs. The contractor shall summarize the currently utilized definitions of green Infrastructure, to be included in PO2.6.

In addition, or in complementarity to the above-mentioned **suggested methods,** the following methods are envisaged to be applied for implementation of tasks and development of products:

- Desk research and review of relevant literature for identification - up to 40 expert days
- Interviews with key informants, incl. coordination, preparation and documentation - up to 30 expert days
- Research and compilation of analyses according to tasks outlined above – up to 30 expert days
- Review of the assessed analytical tools and the recommendations by a researcher – up to 10 days
- Participatory assessment and validation of the products by one or several workshops with selected stakeholders (from the partner ministry, GIZ project staff, and other key informants) – up to 20 expert days
- Review and adaptation of documents, finalisation of products – up to 90 expert days
- Additional expert days can be deployed as needed within the set limits

Contributions by GIZ:

- Facilitation of meetings with partner organisations and other stakeholders
- Access to relevant documents and experts within large portfolio in Indonesia & ASEAN, including studies and material on green skills, sustainable finance, fiscal policy, gender-sensitive approaches and gender mainstreaming policy, green infrastructure, circular economy, renewable energy and more
- Close coordination of work, guidance, review and feedback on the products and activities

Contributions by other partners:

- Bappenas and other relevant Indonesian government stakeholders within a steering structure will facilitate and provide direction in close partnership with GIZ

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones	Deadline

Work package 0: **Completed Workplan** to be coordinated with GIZ team and Bappenas, setting out the delivery of listed products in conjunction with the timeline of the RPJMN 2025-2029 development window	Before end of month 1 after contract signing
Products under Output 1, PO1.1 and PO1.2 in format and scope as outlined above	Draft table of contents to be submitted until end of June 2024; Final products to be delivered until 31 August 2024
Products under Output 2, PO2.1 until PO2.10 in format and scope as outlined above	Draft table of contents to be submitted until end of June 2024; Final products to be delivered until 31 August 2024
Products under Output 3, PO3.1 until PO3.3 in format and scope as outlined above	Draft table of contents to be submitted until end of June 2024; Final products to be delivered until 31 August 2024
Products PWP1 and PDB1 in format and scope as outlined above	Draft table of contents to be submitted until end of January 2025; Final products to be delivered until30 April 2025

Envisaged period of assignment: from **May 2024** until **June 2025**. The period of assignment extends over the delivery schedule for the products to allow a smooth phase-down of administrative processes.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable,

take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

Project management of the contractor (1.6)

The tenderer is required to explain its approach for coordination with the GIZ project. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert months) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 6), the range of tasks involved and the required qualifications. The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Overall responsibility for ensuring the delivery of the work packages in accordance with deadlines and the agreed workplan
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, planning and steering of assignments and coordinating local and international short-term experts

Qualifications of the team leader

- Education/training (2.1.1): university degree (Master level) in social sciences, preferably Economics, International Relations, Environment and Climate Studies or similar
- Language (2.1.2): C2-level language proficiency in English, C2-level in Bahasa Indonesian
- General professional experience (2.1.3): 10 years of professional experience in the policy advisory or public sector
- Specific professional experience (2.1.4): 10 years in economic analysis of climate change, Green Economy transformation, Just Transition, environmental economics or similar
- Leadership/management experience (2.1.5): 10 years of management/leadership experience as project team leader of research projects or policy advisory units
- Regional experience (2.1.6): 10 years of experience in projects in south-east Asia (region), of which 5 years in projects in Indonesia
- Development cooperation (DC) experience (2.1.7): 5 years of experience in DC projects
- Other (2.1.8): *Not relevant*

Short-Term Expert Pool 1: National short-term expert pool with minimum 3, maximum 5 members

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

Tasks of the short-term expert pool

- Conduct desk research and review relevant literature on Green Economy, Green Transition, and Green Growth Diagnostic Modeling in Indonesia
- Identify and interview up to 30 key informants, including preparation and documentation of the interviews (Up to 20 expert days).
- Organize participatory assessment and validation workshops with selected stakeholders, including representatives from the partner ministry, GIZ project staff, and other key informants
- Review and adapt project documents based on feedback and outcomes from the workshops, and finalize project products

Qualifications of the short-term expert pool

- Education/training (2.6.1):
    - 2 experts with university qualification (Master level) in Economics, Economic Development; Labour Policy, Engineering, Trade Policy, or related fields of social science
    - 2 experts with university qualification (Master level) in Environmental Science, Environmental Policy or related fields of environmental studies,
    - 2 experts with university qualification (Master level) in Public Administration or related relevant fields to the work outlined above
- Language (2.6.2): All experts with C2-level language proficiency in English, C2-level in Bahasa Indonesian
- General professional experience (2.6.3):
    - 3 experts with 10 years of professional experience in Government Policy and Planning sector
    - 2 experts with 10 years of professional experience in the Sustainability Consulting sector
- Specific professional experience (2.6.4):
    - 1 expert with 5 years of professional experience in Economic Modelling
    - 1 expert with 5 years of professional experience in Labour Policy
    - 1 expert with 5 years of professional experience in Forest and Landscape Planning
    - 1 expert with 5 years of professional experience in Infrastructure Planning and Energy Policy
    - 1 expert with 5 years of professional experience in Industrial Development and Circular Economy
    - Proven expertise in the area of green finance, gender equality and mainstreaming, fiscal policies, will be considered as an asset
- Regional experience (2.6.5): 1-5 experts with 10 years of experience in Indonesia
- Development cooperation (DC) experience (2.6.6): 1-5 experts with 10 years of experience in DC
- Other (2.6.7): 1-5 experts with 5 years of experience with Bappenas and other government stakeholders in Indonesia

Short-Term Expert Pool 2: International short-term expert pool with minimum 1, maximum 2 members

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

Tasks of the short-term expert pool

- Review of the list of analytical tools (Product 4)
- Review and recommendations for the gap analysis (Product 5)
- Review and comments to the selection of key recommendations (Product 9)

Qualifications of the short-term expert pool

- Education/training (2.7.1): At least 1 expert with PhD in Economics with a focus in Economic Modelling
- Language (2.7.2): *not relevant*
- General professional experience (2.6.3): 1 or 2 experts with 10 years of professional experience in Economic Modelling
- Specific professional experience (2.6.4):
    - 1 or 2 experts with 5 years of professional experience in Economic Modelling of climate change and environmental degradation impact,
    - 1 or 2 experts with 5 years of professional experience in Government Policy-making and Planning
- Regional experience (2.6.5): *not relevant*
- Development cooperation (DC) experience (2.6.6): *not relevant*
- Other (2.6.7): *not relevant*

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

The tenderer must provide a clear overview of all proposed short-term experts and their individual qualifications.

5. Costing requirements

Assignment of personnel and travel expenses

Per-diem and overnight accommodation allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable at https://www.bundesfinanzministerium.de).

Accommodation costs which exceed this up to a reasonable amount and the cost of flights and other main forms of transport can be reimbursed against evidence

All business travel must be agreed in advance by the officer responsible for the project.

Sustainability aspects for travel

GIZ would like to reduce greenhouse gas emissions (CO_2 emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO_2 emissions caused by air travel should be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The Development and Climate Alliance (German only) has published a list of standards (German only). GIZ recommends using the standards specified there.

Specification of inputs

Fee days	Number of experts	Number of days per expert	Total	Comments
Designation of Team Leader	1	Up to 115	Up to 115	-
Designation of short-term expert pool 1	3-5	-	Up to 155	Total number of mandays from each experts combine should not exceed 155 days.
Designation of short-term expert pool 2	1-2	-	Up to 20	Primarily foreseen for deliverables PO1.1; PO1.2; PO2.1; PO2.2; PWP1 where additional expert review is deemed crucial. Total number of mandays from each experts combine should not exceed 20 days.
Travel expenses	Quantity	Price	Total	Comments
Per-diem allowance in country of assignment	Per diem up to 72x	-	-	Refer to GIZ regulations
Overnight allowance in country of assignment	Accommodation: up to 36x	-	-	Refer to GIZ regulations, as lump-sum against evidence

Transport	Quantity	Price	Total	Comments
International flights Expert Pool 2 flights to Indonesia	Up to 2x (regional within Southeast Asia)	-	-	Travel to the place of service delivery, against evidence
Domestic flights	up to 18x to Bali, East Kalimantan, Riau Islands	-	-	Flights within the country of assignment during service delivery, against evidence
Travel expenses (train, car) • Local Transport	Local transport up to 18x	-	-	Travel within the country of assignment, transfer to/from airport etc.
Other costs	Number	Price	Total	Comments
Flexible remuneration	1	up to IDR 136,000,000	up to IDR 136,000,000	A budget of up to IDR 135,000,000 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.
Workshops	-	-	-	The budget contains the following costs .
Subcontracts	-	-	-	The budget contains the following costs .
Procurement of materials and equipment	-	-	-	The budget contains the following costs .

Exchange rate: 1 EUR = 16,983.1 IDR

https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en

Workshops and training

Please describe in your concept how you implement GIZ's minimum standards for sustainable event management (see annexes to the terms of reference).

The contractor implements the following workshops/study trips/training courses:

- Workshops will be handled by GIZ team

6. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English.

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

If, as an exception, external content (links) is to be included as part of the technical bid, please delete the previous sentence and describe the external content in more detail: e.g. 'Please submit references XYZ as external content (links). Please identify the external content with its date of creation. This date may not lie outside the tender deadline.'

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.

7. Annexes

Optional (name documents relevant to the tender procedure and upload them in the Procurement Portal, if necessary:

- Slides the project framework

Annex:

Additional information on the project context:

PROJECT BACKGROUND (3/3):
Green Transformation Require Holistic Identification of Binding Constraints to Develop Planning Strategies

Policy towards green economy needs to consider the potential policies **to carry out transformation and produce systemic change.**

Systemic Green Policy Framework (tbd)

Transition Towards Green Economy (tbd)

Focus area that needs to be carried out in *green transition*

Sector/Priority Product	• Identify sectors that meet three criteria of green economic framework • Has high multiplier effect to economy, has relatively low CO_2 emissions and better income distribution
Trade-off	• Accelerate economic growth but also address range of social issues, including education, health, social protection, and job creation, while at the same time tackle environmental pollution and climate change issues.
Financing	• Increase funding flow (from banking, micro credit, insurance and investment) from public, private, and non-profit organization to sustainable development priority
Fiscal Reform	• Align government spending with environmental goals • Create fiscal space for green investment and broader fiscal reform
Statistic	• Measure green economy impact and implementation

PROJECT BACKGROUND

Indonesia promoting the balance of economic growth and the environment, also accelerating the implementation of green economy in National Long Term Development Plan (RPJPN 2025-2045)

Indonesia's Vision 2045

Sovereign, Developed, and Sustainable Archipelagic Nation

The principles of sustainable development are strongly integrated in the RPJPN

Indonesia's vision 2045 is achieved through 5 vision targets:

Income per capita comparable to advanced countries	Poverty approaches 0%, and Inequality is declining	Leadership and influence in the world increased	The competitiveness of human resources increases	GHG emission intensity decreased towards net zero emission
GNI per Capita **30.300 USD**	Poverty Rate **0,5-0,8%**	Global Power Index (Rank) **15**	Human Capital Index **0,73**	Reduction of GHG Emission Intensity **93,5%**

3 Pillars on Indonesia Long-Term Plan Principles

and hampered pre-pandemic progress | damage due to extreme climate change | Inclusive and advanced economy

Source: Kementerian PPN/Bappenas (2023)