

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

CONFIDENTIAL

Development of a National Cross-Sectoral Biodiversity Finance Strategy to Support the Establishment of a National Biodiversity Financing Mechanism on IBSAP 2025-2045	Project number/ cost centre: 20.9041.3-002.00
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0.	List of abbreviations	2
1.	Context.....	3
2.	Tasks to be performed by the contractor	4
3.	Concept.....	6
	Technical-methodological concept	6
4.	Personnel concept.....	6
	Team leader	6
	Key expert 1 (Biodiversity finance)	7
5.	Costing requirements	7
	Workshops, events and trainings.....	8
6.	Requirements on the format of the tender	8

0. List of abbreviations

BAPPENAS	Badan Perencanaan Pembangunan Nasional
BER	Biodiversity Expenditure Review
BIOFIN	Biodiversity Finance
CLIMB	Climate and Biodiversity
CBD	Convention on Biological Diversity
FNA	Financial Needs Assessment
GBF	Global Biodiversity Framework
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IFC	International Finance Cooperation
MRV	Monitoring, Reporting and Verification
NBSAP	National Biodiversity Strategy Action Plan
NCBFS	National Cross-Sectoral Biodiversity Finance Strategy
OECD	The Organization for Economic Co-operation and Development
SDGs	Sustainable Development Goals
ToRs	Terms of reference

1. Context

Biodiversity underpins national economic growth, livelihoods, and ecological resilience. However, the country faces a significant **biodiversity finance gap**, with existing public and private resources insufficient to achieve national commitments under the Kunming–Montreal Global Biodiversity Framework (GBF), the Convention on Biological Diversity (CBD), and the National Biodiversity Strategy and Action Plan (NBSAP).

According to Indonesian Biodiversity Strategy and Action Plan (IBSAP) 2025–2045, Indonesia has emphasized the need to develop a more robust finance tracking framework, including the potential application of biodiversity budget tagging. The IBSAP estimates that between **IDR 70.69–75.53 trillion (approximately USD 4.7–5 billion) per year will be required to implement the strategy effectively**—underscoring the importance of mobilizing diverse sources of finance and enhancing budgetary alignment (Bappenas, 2024).

To address this challenge, the Government, through Ministry of National Development Planning (BAPPENAS), Ministry of Finance, Ministry of Environment, Ministry of Forestry in partnership with development partners intends to develop Biodiversity Finance Strategy. The Strategy will provide a coherent framework to mobilize, align, and scale biodiversity finance across public, private, and international sources, and support the design of a National Biodiversity Financing Mechanism (e.g., trust fund, blended finance facility, biodiversity credits, etc.).

The Strategy will build upon global framework (e.g., BIOFIN methodology, CBD T19, IFC Biodiversity Finance Reference Guide, OECD biodiversity finance principles) and will be aligned with national development priorities (e.g., National Development Plan/RPJP and RPJMN) to support the achievement of Targets in IBSAP 2025-2045.

The main objective of this consultancy is to **develop a comprehensive national cross-sectoral biodiversity finance framework and strategy (NCBFS)** that:

1. Analyze current policy and institutional framework and mechanism that support the financing of IBSAP 2025-2045 implementation, including biodiversity expenditures and financing needs.
2. Identifies financing gaps and opportunities across sectors, including the regulation and institutional framework possible intervention.
3. Provides a framework, policy intervention, action and indicators (strategy) on National Cross-Sectoral Biodiversity Finance to Support the Establishment of a National Biodiversity Financing Strategy. (as the implementation of the IBSAP lays on KLH and the financing strategy for its implementation should also be KLH's responsibility, it is foreseen that the strategy with Bappenas brings a cross-sectoral approach, bringing together under one umbrella strategy other sectoral strategies or plans or mechanisms related to the IBSAP implementation financing, for example it can bring in strategies from forestry, or from agriculture, and from environment) The important factor here is this cross-sectoral mechanism and how to align the financial approaches towards IBSAP implementation. In this way, we stay away of KLH's role and can connect this strategy with the RPJMN.
4. Ensures alignment with national policies (e.g., national development plan, fiscal, climate, green growth) and international commitments (GBF, CBD, SDGs).

5. Prepare a concept for the implementation of on financing mechanism that has been selected together with the partner, and it's seen as worth piloting (for example, PES, etc.)

2. Tasks to be performed by the contractor

The contractor will conduct the tasks in close consultation and coordination with responsible advisors of the BIOFIN-UNDP Colleagues, CLIMB project, and BAPPENAS staff.

As the contractor is expected to draw policy recommendations for Bappenas based on evidence and learning from the initial assessment, the assignment will be organized into several steps to allow a harmonized decision-making process.

The consultant/team will undertake the following tasks:

Task 1: Inception Phase

- Review relevant documents: IBSAP 2025-20245, climate finance strategies, fiscal policies, BIOFIN report, etc.
- Hold consultations with BIOFIN-UNDP and the other key stakeholders (government ministries, private sector, civil society, development partners, university).
- Prepare an Inception Report with methodology, detailed workplan, and stakeholder engagement plan.

Task 2: Biodiversity Finance Assessment

- Analyze the existing Biodiversity Expenditure Review (BER) document – mapping current national and subnational biodiversity-related expenditures.
- Analyze the existing Financial Needs Assessment (FNA) document – estimate costs of achieving NBSAP and GBF targets.
- Analysis of the existing policy and institutional relevant to finance IBSAP 2025-2045 implementation, including the power relation and mentioned policy gap
- Identify the biodiversity finance gap.

Task 3: Financing Solutions Mapping

- Identify existing and potential biodiversity financing mechanisms (e.g., green bonds, biodiversity credits, conservation trust funds, debt-for-nature swaps, blended finance, fiscal reforms, etc.) that are relevant to cross-sectoral biodiversity financing mechanism in national level.
- Assess enabling conditions (regulatory, institutional, fiscal capacity).
- Evaluate private sector opportunities and barriers.

Task 4: Drafting the National Cross-Sectoral Biodiversity Finance Strategy

- Develop framework, strategic objectives, guiding principles, and priority actions.

- Propose cross-sectoral integration pathways (e.g. agriculture, forestry, fisheries, energy, finance, industry, infrastructure).
- Design the roadmap for mobilization, alignment, and scaling of resources (short-term, medium-term, long-term).
- Include an institutional and governance framework for coordination across ministries, private sector, and stakeholders.

Task 5: Establishment Roadmap for the Biodiversity Financing Mechanism

- Recommend appropriate legal, institutional, and financial structure for the mechanism (e.g., trust fund, facility, blended finance platform).
- Propose governance arrangements, fiduciary standards, investment policies, and transparency safeguards.
- Develop an operationalization roadmap with cost estimates and potential funding partners.

Task 6: Validation & Finalization

- Organize national validation workshops with stakeholders.
- Incorporate feedback and finalize the National Biodiversity Finance Strategy and Financing Mechanism Set-Up Plan

In addition to the reports required by GIZ, the contractor submits the following reports:

- Inception Report, 1st draft National Cross-Sectoral Biodiversity Finance Strategy and Final report
- Contributions to reports to GIZ's commissioning party

Milestones/partial works	Deadline	Criteria for acceptance
Output 1: Inception Report	15 October 2025	workplan, methodology, stakeholder engagement plan
Output 2: Draft National Cross-Sectoral Biodiversity Finance Strategy	15 December 2025	<ul style="list-style-type: none"> - Assessment result on Biodiversity Expenditure Review (BER) & Financial Needs Assessment (FNA) document. - Financing Solutions analysis (options, and feasibility). - Roadmap, Policy recommendations, and institutional framework. - Design Proposal for the National Biodiversity Financing Mechanism (including framework, governance, mechanism, operational plan, and investment modalities).

Output 3: Final report	30 March 2026	incorporating stakeholder feedback
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Period of assignment: from **5 October 2025 until 30 March 2026**.

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 tender is required to present and explain its approach to **steering** measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

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).

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 7), 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 the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts
- Regular reporting in accordance with deadlines

Qualifications of the team leader

- Education/training (2.1.1): university degree Master in Environment Policy, Environment Economy, Forestry, Public policy or related degree as a team leader
- Language (2.1.2): C1-level language proficiency in English
- General professional experience (2.1.3): 10 years of professional experience in the Economy and Finance sector
- Leadership/management experience (2.1.5): 10 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): 10 years of experience in projects in Indonesia (region)

Key expert 1 (Biodiversity finance)

Tasks of key expert 1

Analyze Biodiversity Expenditure Review (BER), and Financing Need Assessment (FNA) document in Indonesia including identify existing and potential biodiversity financing mechanisms (e.g., green bonds, biodiversity credits, conservation trust funds, debt-for-nature swaps, blended finance, fiscal reforms). Assess enabling conditions (regulatory, institutional, fiscal). Analyze private sector opportunities and barriers. Gathering and analyzing secondary data's and develop the biodiversity finance strategy.

Qualifications of key expert 1

- Education/training (2.2.1): Master's Degree (or equivalent) in Economics, Statistics, Environment Policy, or Environment Economy.
- Language (2.2.2): B1 -level language proficiency in English.
- General professional experience (2.2.3): Seven years of experience in climate change policy.
- Specific professional experience (2.2.4): Seven years of experience at the national or international level in relevant areas of economic, finance, biodiversity research and policy and implementation support, investment and natural resources analysis.

Soft skills of team members

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

5. Costing requirements

Assignment of personnel and travel expenses

The following basic calculations for the contract for works are a reference value based on the acceptance criteria for each partial work/milestone specified in Chapter 2 (Tasks to be performed by the contractor).

Since the contract to be concluded is a contract for work, we would ask you to offer your services at a lump sum price.

In addition, the assessment of the financial bid is also based on the underlying daily rate. Please also provide the underlying daily rate. A breakdown of days is not required.

Milestones/partial works	Estimated expert days for orientation	Deadline
Output 1: Inception Report	5	15 October 2025
Output 2: Draft National Cross-Sectoral Biodiversity Finance Strategy	25	15 December 2025
Output 3: Final report	10	30 March 2026

Other costs	Number	Price (IDR)	Total (IDR)	Comments
Focus Group Discussion	12	17,000,000	204,000,000	12 FGDs, up to 15 participants, Location in Jakarta or Bogor

Workshops, events and training

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

- 12 (twelve) Focus Group Discussions

6. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organized 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 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. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs also be submitted in English.

As the contract to be concluded is a contract for works, please offer a fixed lump sum price that covers all relevant costs (fees, travel expenses etc.). The price bid will be evaluated on

the basis of the specified lump sum price. In addition, please also provide the underlying daily rate. A breakdown of days is not required.
