



CALL FOR PROPOSAL

Enhancing Sustainable Investment Transition: Climate & Nature-linked Financing Intervention

Prepared by: Sustainable Finance Team, WWF Indonesia

A. Term of Reference (ToR)

I. BACKGROUND AND CONTEXT

The energy transition from fossil energy to renewable energy and energy efficiency efforts are key elements to achieve industrial decarbonization and net-zero emissions targets by 2050. However, these efforts require significant investment and funding, which currently remain challenging. Energy transition projects are often considered to have high costs and risk, significant upfront capital to achieve financial viability through economies of scale, yet access to affordable financing or favourable interest rates remains constrained. Various factors affect the cost of investment, including technology, availability of skilled personnel, inadequate infrastructure, and policies that may not comprehensively facilitate these transitions.

The financial sector plays a vital role in directing investment and financing towards businesses that facilitate the transition to a low-carbon economy, including energy transition initiatives. However, Financial Institutions (FIs) encounter challenges in this process, such as assessing project risks related to climate change and quantifying the financial contribution to greenhouse gas emissions. Additionally, transitioning finance from high-carbon to low-carbon projects needs to be strategic, robust and science-based.

Therefore, the financial sector is obligated to align its portfolio with key sustainability objectives such as the Paris Agreement¹ and the Kunming-Montreal², aiming to mitigate transition and physical risks arising from lack of risk management practices. To facilitate this transition, there is a need for various relevant and practical business cases that demonstrate how sustainable investment practices can be applicable and interoperable.

Currently, WWF has a sustainable finance program with the goal of accelerating sustainable investment to mitigate the higher costs related with increased risk. Simultaneously, WWF aims to increase opportunities for accessing financing solutions that support sustainable initiatives. In order to achieve these goals, WWF has set milestones to implement several output targets throughout 2024. However, it is also recognized that strengthening internal capacity is crucial to produce meaningful studies and guidelines that can effectively guide stakeholders in adopting sustainable investment practices. Therefore, WWF Indonesia would like to request for proposals from consulting entities, research or academic institutions (hereinafter referred to as Entity) interested in implementing various output targets aimed at enhancing sustainable investment transition.

II. OBJECTIVES

The objectives of this proposal are to provide services for the period April to July 2024, which requires the Entity to support WWF Indonesia by implementing several target output, including:

¹ <https://unfccc.int/process-and-meetings/the-paris-agreement>

² <https://www.cbd.int/gbf>

1. Financing opportunities in supporting adidas suppliers transition
2. Energy-transition cost and investment analysis: Case study on biomass boiler conversion
3. Green industrial estate financing business case
4. Innovative financing for energy efficiency hotel and retail sectors

III. TARGETED OUTPUTS

There are four specified output target that require implementation, with each detailing its specific scope, activity and deliverables as outlined below

Output I - Financing Opportunities In Supporting Adidas Suppliers Transition

▪ Scope of work

1. Identify Financing Needs from the Suppliers: Tier 1 and Tier 2

Determine the specific needs, challenges and source of funding these suppliers may face in their transition plan.

2. Mapping Criteria, Standards and Identify Best Practices for SLL

Identify the criteria, standards and best practices for suppliers to qualify for the SLLs involving thorough research including desktop analysis and interviews with Banks that already experienced in providing SLLs. This is beneficial to know how the benchmark of the SLL scheme that can be implemented: the target, goals, scheme, setting the credible target and monitoring.

3. Reach Out and Pilot with Banks and Suppliers

To collaborate with Banks to offer SLLs. This approach helps banks find suitable matches for their SLL product. Once agreements are in place with the banks, an invitation for the suppliers is developed and announced to all companies interested in accessing SLL (**open-call approach**). The announcement includes detailed information, terms, and conditions that suppliers need to fulfill to be considered for SLL, including specific KPIs and SPTs they must achieve. From the pools of submissions received, suppliers are selected to receive funding through the SLL scheme following a comprehensive assessment of the submissions.

Assist and/or validate the suppliers in Achieving the KPI and SPT within their sustainability/net zero transition plans

The assistance may include consultation services, one-on-one technical assistance, and the development of monitoring dashboard (enables ongoing tracking of progress, with updates visible to FIs). In addition, the assistant will also give training to suppliers regarding sustainability reporting disclosures using credible standards. Therefore, it is beneficial for the supplier to start their disclosure reporting. Conducting training in collaboration with other institutions such as IAI, CDP and other relevant org.

4. Conduct The Finale Event

Once the selected suppliers achieve the specified KPIs and SPTs, there is a need to organize an event to mark the accomplishment of suppliers' KPI and SPT. Subsequently, FIs can provide SLL.

▪ Deliverables

1. Concept Note

The consultancy service is expected to develop concept note, outlining the overall plan, approach, objectives and strategies. The concept note will be created in two forms: white paper and slide-deck.

2. Final Business Case Report

The consultancy service is expected to deliver final report that will summarize the overall process, outcomes, impacts and lesson learned of the activity. This report will be circulated and published, that will includes:

- **Financing Needs Overview**

The consultancy service is expected to produce a review that assesses and identifies the financial requirements of the suppliers. This report outlines specific funding needs of each supplier in the transition process, helping to tailor financial support accordingly.

- **SLL Access Guideline**

The consultancy service is expected to produce documents that outlines the criteria and industry best standards for accessing Sustainability-linked loans (SLL). This will guide suppliers on the requirement and benchmark to secure this loans tied to the sustainability targets.

- **Supplier KPI and SPT Achievement Update**

In line with the activity of provide training to suppliers regarding sustainability reporting disclosures using credible standards, the consultancy service is expected to produce an update that monitors the progress of the suppliers in fulfilling the KPI and SPT established for their criteria to secure financing. The progress report is intended to be submitted to the financial institutions as a verification tool to help them determine whether to provide loans to the companies.

Output II - Energy-Transition Cost And Investment Analysis: Case Study On Biomass Boiler Conversion

- **Scope of work**

1. Identify gap of areas lacking in the study to recognize aspects that may need improvement or further development.
2. Improve, refine and finalize the content and structure of the study to meet scientific standards principles, WWF publication guidance and Indonesian guidelines (EYD V), include add relevant literature references, making it suitable for publication in a credible and reputable manner.
3. Review and provide in-depth explanation of the assumptions utilized in the study analysis, including but not limited to:
 1. Financial model parameters
 2. Costs, both capital (long-term) and operational
 3. Coal and biomass prices
 4. Sensitivity analysis input
 5. Any additional assumptions made on the study.
5. Refinement of writing and the content of the suitable financing scheme that has been outlined in the previous study.
6. Provide relevant recommendations based on the study results and identify whether interventions from various stakeholders, such as the government, are needed.
7. Revise the content and substance in line with feedback from WWF Indonesia team.
8. Write the report results in both English and Indonesia
9. Organize discussions/meetings or training if needed.

- **Deliverables**

With the objectives and activities outlined above, the consultancy service is expected to deliver the outcome of the study:

Final Document of Energy-Transition Cost and Investment Analysis: Case Study on Biomass Boiler Conversion

This document will be sent to WWF Indonesia serves as a main reference to develop a Guideline Document of Biomass.

Output III - Green Industrial Estate Financing Business Case

▪ Scope of work

1. Literature Review:

- Conduct a comprehensive review of existing literature, reports, and case studies on financing mechanisms for green industrial estates (IE) globally.
- Analyze successful financing models, innovative funding sources, and best practices in promoting green industrial development.
- Extract key lessons learned and success factors applicable to the context of the project.

2. Stakeholder Engagement:

- Identify and engage with relevant stakeholders including industrial estate developers, financial institutions, government agencies, and environmental organizations.
- Conduct interviews and surveys to understand stakeholders' needs, concerns, and perspectives.

3. Financial Instruments:

- Explore a range of financial instruments available for financing green industrial estates, particularly **financing to industrial estate developers**, including but not limited to; Green bonds, Impact investing, Public-private partnerships, Green loans.
- Assess the advantages, disadvantages, and suitability of each instrument for green IE financing.

4. Regulatory Assessment:

- Review relevant regulations, policies, and incentives related to green industrial development and financing.
- Identify regulatory barriers and opportunities for promoting green industrial estate financing solutions.

5. Business Case Development:

- Compile findings from market research, financial analysis, and regulatory assessment into a comprehensive business case for green industrial estate financing.
- Provide recommendations for financing options tailored to the specific needs and circumstances of the project.
- Propose a financing strategy that optimizes the use of available resources and maximizes the impact of green IE development.
- Prepare a comprehensive report of the business case summarizing the findings, analysis, and recommendations.
- Deliver presentations to stakeholders, highlighting key insights, findings and recommendation of this study.

▪ Deliverables

With the objectives and activities outlined above, the consultancy service is expected to deliver the outcome of the business case study:

Final Document of Green Industrial Estate Financing Business case

Report integrating all findings, analysis, and recommendations of the study.

Output IV - Innovative Financing Solutions For Energy Efficiency In Hotel And Supermarket Retail Industries

▪ Scope of work

1. Literature Review

- Review of existing literature on energy efficiency (EE) in hotels and supermarkets, including relevant studies, best practices, and case examples.
- Examination of conventional financing mechanisms and their limitations in supporting energy efficiency projects in these industries.

2. Initial Assessment Report:

- Gather all relevant data collected during the EE audit that already in place, including energy consumption records, equipment specifications, utility bills, and findings from on-site assessments.
- Review the audit findings to identify areas with the greatest potential for energy savings and determine the scope of recommended EE measures.
- Define the scope of the project, including what are the potential scenarios: in-house, utilizing Third party provider such as Energy Services Agreements Companies, and a mixed approach of self-financing and ESAs (*subject to change, based on the identification*)

3. Financial Analysis:

- Conduct a financial analysis to estimate the upfront costs associated with implementing the recommended EE measures. This involves obtaining quotes for equipment, materials, labor, and other project expenses to identify changes on both capital and operational expenditures under each scenario.
- Calculate the anticipated energy savings resulting from the implementation of EE measures. Use validated methodologies and industry standards to ensure accuracy in projections.
- Developed detail financial models using each of the scenarios to estimate the payback periods, return on investment (ROI), and other financial metrics associated with the proposed EE projects.
- Compared the financial outcomes associated with each scenario.

4. Innovative Financing Models

Exploration of innovative financing solutions tailored to the unique needs of hotels and supermarkets, including Sustainable-linked loans, Energy Services Agreements (ESAs) scheme and other financing option.

▪ Deliverables

Case Study: Financing Solutions for Energy Efficiency in Hotels and Supermarkets Retail Industry

Internal Transfer Knowledge

WWF Indonesia expects the partners to also provide knowledge transfer in the form of capacity building program for the SF team in the implementation of outputs I-IV of the project. The team capacity building program will be based on the scope of work in this proposal so that the team can better deliver the advocacy objectives of the guide/study/report to relevant stakeholders.

IV. REQUIREMENTS OF QUALIFICATION AND CRITERIA

■ Requirements

1. The entity must have relevant experience in conducting studies within the scope outlined in the Term of Reference (ToR)
2. Provide a proposal based on the ToR, including a timeline, approach and budget required for the activity.
3. Provide an inception report of the workplan and monitoring progress report that can be tracked by WWF.
4. Show strong performance and not be listed in any blacklists.
5. Assigned personnel should have relevant experience to the tasks specified within the scope of work outlined above.
6. The entity should have the ability to transfer knowledge and insights to the personnel of WWF Indonesia.
7. Show dedication, commitment and capability to allocate time effectively throughout the implementation of the task.
8. During the project, WWF Indonesia reserves the right to provide suggestions, opinions, and necessary guidance for the task completion.

■ Personnel Criteria

Personnel should not be performing other consulting activities with WWF-Indonesia's Sustainable Finance team. Experts assigned to this work must meet the following general requirements:

1. Researchers/experts with relevant expertise and experience in finance, economics, sustainability, environmental science, policy analysis, or related fields. Prior experience in researching and analyzing financing mechanisms, transition plans, or sustainable development issues is highly desirable.
2. Researchers with strong quantitative and qualitative research skills.
3. Researchers/experts can demonstrate a strong understanding of policy challenges, priorities, and opportunities. Researcher should be able to provide practical recommendations for policymakers and stakeholders.
4. Researchers should be able to identify novel solutions, emerging trends, and innovative financing mechanisms that can accelerate the transition to a sustainable financial system.

V. TIMEFRAME

The project will be kicked off from April to July 2024 (the latest). All of the deliverables outlined in ToR should be written in English (original) and Indonesian (translation).

	March				April				May				June				July			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
Bidding Process																				
Proposal Presentation and Interview																				
Announcement																				
Administration Process																				
Inception Report Submission & Payment Phase 1 (30%)																				
Output 1 Process & Implementation																				
Output 2 Process & Implementation																				
Output 3 Process & Implementation																				
Output 4 Process & Implementation																				
1st Phase Deliverables Submission																				
Review from WWF																				
Payment Phase 2 (32.5%)																				
2nd Phase Deliverables Submission (Final submission for Output 2)																				
Review from WWF																				
Final Document Submission and Final Payment (37.5%)																				

Notes: the detailed timeline for each output will be provided to the winning bidder.

B. Instructions to Bidders

Eligibility of Bidders

Aspects	Criteria
Expertise and Technical Capacity.	<ul style="list-style-type: none"> i. The entity must have a demonstrated track record and proof concept/ successful delivery of conducting activities outlined in ToR ii. The entity should have a multidisciplinary team comprising financial experts, environmental scientist, commodities and market specialists, and economist. iii. Understanding of financial instruments, mechanisms and scheme for financing projects.
Stakeholder Engagement	<ul style="list-style-type: none"> i. Ability to engage with diverse stakeholders including government agencies, local communities, NGOs, and private sector entities. ii. Experience in facilitating participatory decision-making processes and fostering collaboration among stakeholders.
Regulatory Compliance	<ul style="list-style-type: none"> i. Knowledge of relevant environmental regulations, policies, and international conventions related to nature conservation and sustainable development. ii. Compliance with legal requirements for data collection, analysis, and reporting, including privacy and data protection regulations.
Project Management	<ul style="list-style-type: none"> i. Proficiency in project management methodologies to ensure timely delivery, budget adherence, and quality control. ii. Ability to develop comprehensive project plans, monitor progress, and mitigate risks throughout the project lifecycle. iii. Experience in mobilizing resources, managing partnerships, and coordinating activities across multiple stakeholders. iv. Commitment to ethical standards, transparency, and integrity in all aspects of project implementation. v. Adherence to professional standards and codes of conduct, such as those established by relevant professional organizations or industry associations.
Reporting and Documentation	<ul style="list-style-type: none"> i. Capability to generate clear, concise, and scientifically robust reports and documentation for various stakeholders. ii. Provision of robust analysis based on task results to inform decision-making.

Proposal Submission

1. Attachment

- The Deed of Establishment/Notarial deed/Articles of Association
- CV or Profile of the Entity which (at least) includes:
 - Entity Name
 - Year of Establishment of the Entity
 - City Location of the Entity
 - Similar project experience or Entity experience that the Entity has undertaken or is currently undertaking
 - Stakeholders who have collaborated with the Entity
 - Name and position of the Entity's responsible individual
 - Name and position of the proposed project's responsible individual
 - Entity website/social media

2. Proposal

- WWF Indonesia provides flexibility in the proposal writing template, however please note that it must include the following components:
 - Activities undertaken to implement the output and scope outlined in the ToR
 - Work Plan matrix
 - Timeline of Activities
 - Budget Allocation Plan
 - Curriculum Vitae of the Organization leaders and Project Managers
- Proposals shall be submitted in the following language: English

3. Bidding Process

- The electronic file of the proposal shall be **in the form of PDF**
- Please send the electronic proposal to WWF-Indonesia via email: procurement@wwf.id. Your e-mail have the subject heading as “**Quotation Consultant Sustainable Investment Transition – [Name of Entity]**”
For example: “Quotation Consultant Sustainable Investment Transition – [WWF Indonesia]”
- Validity period of proposal is 90 days since bid submission deadline date
- There will be interview conducted to the selected bidders

4. Budget

The maximum allowable budget is Rp. 480.000.000,- (gross). Budget allocation plan shall be developed and quoted in the following currency: Indonesia Rupiah (Rp)

Selection Criteria and Scoring

Component	Description	Score
Planning, Approach, Substance, Technical and Timeline	<ul style="list-style-type: none"> • Suitability of implementation based on ToR • The method should be well explained • Use of approaches that are able to deliver the output • Approach and methodology to be applied 	50%
Budget Planning	<ul style="list-style-type: none"> • Submission of a detailed financial proposal outlining the cost structure and budget allocation. 	25%
Credibility	<ul style="list-style-type: none"> ▪ The entity and personnel have a good work record. ▪ The combination of teams that will work on ensuring the quality and accuracy of the implementation and writing 	10%
Experience	<ul style="list-style-type: none"> • The entity has experience working on similar projects. • Entity can describe experiences of success or failure. • Relevant skills and experience of the individuals involved. 	15%