



TERMS OF REFERENCE (TOR)

Environmental and Social (E&S) Expert

Green Climate Fund (GCF) – Korea Development Bank (KDB) Project

Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States programme

DEADLINE:

7 JANUARY 2025

I. BACKGROUND

The ASEAN Centre for Energy (ACE) is an intergovernmental organisation that independently represents the 10 ASEAN Member States' (AMS) interests in the energy sector. The Centre serves as a catalyst for the economic growth and integration of the ASEAN region by initiating and facilitating multilateral collaborations as well as joint and collective activities on energy. It is guided by a Governing Council composed of Senior Officials on Energy from each AMS and a representative from the ASEAN Secretariat as an ex-officio member. Hosted by the Ministry of Energy and Mineral Resources of Indonesia, ACE office is located in Jakarta.

Part of the efforts to fulfil its function as a regional centre of excellence that builds a coherent, coordinated, focused and robust energy policy agenda and strategy for ASEAN, ACE conducts joint studies, policy dialogues and capacity buildings for ASEAN Member States to support the implementation of the ASEAN Plan of Action for Energy Cooperation (APAEC) 2016-2025.

APAEC 2016 – 2025 is served as the blueprint for enhancing energy connectivity and market integration in ASEAN to achieve energy security, accessibility, affordability, and sustainability for all AMS. These provide the regional blueprint for reducing the energy intensity of the region by 32% by 2025. One of the main program areas is Energy Efficiency and Conservation (EE&C). The EE&C program area has an outcome-based strategy (OBS) that is: OBS 5 – to advance Energy Efficiency and Energy Management in industry, which focuses on promoting energy management in industry to increase competitiveness and reduce energy consumption.

The industry sector accounted for 39.1% of total final energy consumption in the region in 2020, well above the other sectors¹. This number is on course to be tripled by 2050. Characterised as a hard-to-abate sector due to its fossil fuel-dependent operations, this sector requires strategies specifically tailored to decarbonise. For these reasons, implementing energy efficiency measures in the industrial sector is essential for near- and mid-term strategies before fuel or technological substitutes become viable in the future, further accelerating energy transition while enhancing energy security.

However, adoption of energy-efficient technologies and measures is often limited by a wide range of barriers, including lack of awareness, limited access to finance, regulatory challenges, and perceived risks associated with new investments.

¹ ASEAN Centre for Energy (2022), The 7th ASEAN Energy Outlook



II. PROJECT DESCRIPTION

In 2023, Green Climate Fund and Korea Development Bank have signed a funded activity agreement (FAA) for a programme called *“Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States programme”*.

The programme provides a package of innovative energy efficiency solutions including financial de-risking mechanisms, exploration of new energy service business models, development of a supportive regulatory framework, and technical assistance for industry sector in Indonesia. There are three main components of the programme:

1. Energy Efficiency Finance: provide backstopping credit risk of local FI's own loan with GCF Credit Guarantee via local FIs
2. De-risking Mechanism: introduce Energy Saving Insurance (ESI) and ESCO financing structure through knowledge sharing, workshops, consultations, and capacity buildings
3. Technical Assistance for the Market Readiness: strengthen Local Financial Institutions' capacity, provide technical advisory services for industry player, and develop regulatory frameworks.

ASEAN Centre for Energy (ACE) is an executing entity, providing technical assistance activities to execute component 2 and 3 of the programme mentioned above.

The programme starts from April 2024 and ends in April 2031.

III. DUTIES AND RESPONSIBILITIES

The urgency to address the pressing issue of climate change has prompted financial institutions to increasingly prioritise environmental and social aspects in their credit or lending transactions. This introduces a new dimension to existing risk management practices, which traditionally focus on various aspects such as market risk, operational risk, and credit risk.

Environmental and social aspects are integral components of the Environmental and Social Management System (ESMS), which guides companies on how to integrate internationally acknowledged standards, codes, and practices in minimising environment and social impacts into their core business activities. This ensures that their operations do no harm to the environment, thereby enhancing their position for securing financing support for their prospective projects in energy efficiency implementation.

To deliver this task, an **Environment and Social (E&S) expert** is required to assess whether the proposed projects adhere to environmental and social standards regulation and ensure the projects showcase the company's commitment to promote sustainable development practices in industry sector. Initially, the consultant is expected to deliver the task as follows:

- Assess **Environmental and Social (E&S) Risk Categorization**. Reference can be made to [IFC Performance Standard](#). The Consultant is expected to be engaged with ACE for one year with estimated projects to be assessed are 10 projects.
- Commitment to work closely with relevant stakeholders under close coordination with ASEAN Centre for Energy and Korea Development Bank

After completing the E&S risk categorization, there will be an opportunity to extend* the tasks to the following activities:



- Develop Environmental and Social Impact Assessment (ESIA) of the prospective projects to check compliance with both national and international standards
- Develop Environmental and Social Management Plan (ESMP) of the prospective projects to address the identified environmental and social impacts outlined in ESIA
- Identify stakeholders involved and affected by the projects or companies' activities to develop stakeholder management plan
- Do the monitoring and reporting for the E&S risks and action plan implementation
- Expansion of E&S risk categorisation to more companies
- Any other works that may be required according to the ESMS

**Note: tasks extension is subject to the project's requirement determined by ACE and KDB.*

IV. QUALIFICATION REQUIREMENTS

- Bachelor's degree in environmental science, social science, environmental engineering, or any other relevant fields. Post graduate degree will be preferred
- Professional certification in environmental and social field is an advantage
- Proven experience of at least 7 years working in managing Environmental and Social (E&S) aspects of projects or companies
- Proven track record of E&S risk categorization
- Proven track record of conducting Environmental and Social Impact Assessments (ESIA) and developing Environmental and Social Management Plan (ESMP)
- Strong knowledge of national and international standards such as IFC Performance Standard, IFC Policy on Environmental and Social Sustainability, The World Bank Environmental and Social Standards, and other relevant applicable codes
- Familiarity with typical industrial processes and energy efficiency concept will be an advantage
- Excellent analytical, project management, and communication skills, being able to work independently and collaboratively within multidisciplinary team
- Ability to produce detailed and structured reports
- Proficient in English, both in writing and speaking
- Consultant shall reside in Indonesia

V. HOW TO APPLY

Interested candidates should submit a brief proposal (maximum 5 pages) that includes:

1. **Cover Letter**, highlighting relevant experiences / case studies in the previous E&S projects
2. **Scope of work**: explain your understanding about the tasks and deliverables of the programme
3. **Methodology**: explain how you will conduct the E&S Risk Categorization, including data required and timeline
4. **Outline Report**: give examples of previous E&S Risk Categorization that you did in the past
5. **Price Quotation**: provide details of price for delivering the main task (E&S Risk Categorisation) and any other potential tasks extension (ESIA and ESMP), if required later.

The awarded consultant will **be paid a fixed fee**, depending on the tasks delivered, subject to agreement from both parties.



The awarded consultant will be hired to initially deliver the **E&S Risk Categorization** within **3 weeks** for one project upon **awarding of the contract** and obliged to work within the required deadlines and be available for call if needed.

ACE is an intergovernmental organisation and not liable for any taxes. You shall file and settle any payment for income tax arising from the income from ACE. ACE shall not be responsible for any consequences of your failure to fulfil your obligation relating to income taxation laws of your respective country.

Please submit the proposal alongside your CV or Company Profile clearly stating qualification and previous experiences for similar assignment to email with the subject: "**E&S Consultant_GCF-KDB Project**", to ACE's Procurement Division (procurement@aseanenergy.org) no later than **7 January 2025**.

We encourage early applications as the recruitment process will close upon the selection of a suitable candidate.