



**TERMS OF REFERENCE (TOR) FOR
CONSULTANT FOR POLICY AND REGULATORY FRAMEWORK ASSESSMENT
FOR ENERGY EFFICIENCY INVESTMENT IN INDONESIA**

PROJECT NAME:

“GCF-KDB Programme: Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States”

DEADLINE:

28 March 2025



I. PROJECT NAME

GCF-KDB Programme: Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States

II. POST TITLE

Consultant for Policy and Regulatory Framework Assessment for Energy Efficiency Investment in Indonesia

III. 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.

IV. 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”***.

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



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**.

V. OBJECTIVE

Indonesia's industrial sector is a significant contributor to national energy consumption, and improving energy efficiency (EE) is crucial for economic competitiveness, environmental sustainability, and achieving national climate commitments. However, despite various regulations and initiatives, EE investments remain constrained due to regulatory gaps, financial barriers, and institutional challenges.

The GCF-KDB Programme: Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States aims to address these challenges by promoting innovative financing mechanisms, credit guarantees, and technical advisory services. As part of this effort, a comprehensive study is required to assess the institutional, policy, and regulatory framework governing EE in Indonesia, identify gaps, and propose actionable recommendations for regulatory improvements.

To conduct this study, the Programme seeks to engage a qualified consultant with expertise in policy analysis, energy efficiency, and regulatory frameworks.

VI. TASKS TO BE UNDERTAKEN

The consultant will undertake the following tasks:

Task 1: Develop Study Framework and Work Plan

- Develop a detailed research methodology, including data collection and analytical approach.
- Identify key stakeholders (e.g., government ministries, financial regulators, industry representatives, ESCO, and energy experts) for interviews / consultations and potential secondary data resources for supporting the analysis.
- Prepare an inception report outlining the study framework and data collection plan.

Task 2: Conduct Institutional and Regulatory Mapping



- Review and analyse existing laws, regulations, and policies related to energy efficiency from relevant ministries/stakeholders (e.g., MEMR, Ministry of Industry, Ministry of Environment, Ministry of Finance, Financial Services Authority/OJK).
- Identify policy gaps, overlaps, and inconsistencies that may hinder EE adoption.
- Map institutional roles and responsibilities for EE governance.

Task 3: Assess Implementation of EE Policies and Regulations

- Evaluate the current status of EE policy implementation in industries and its effectiveness with key indicators (e.g: reduced energy consumption, number of industries adopting EE/energy management, number of investments in EE, compare the achievement against pre-policy implementation and national target)
- Identify key challenges faced by industries in complying with EE regulations.
- Assess the availability of financial instruments and incentives for EE investment.
- Conduct surveys, interviews and/or focus group discussions with policymakers, financial institutions, and industry players to understand the status and effectiveness of current EE-related policies.

Task 4: International Energy Efficiency Policies Benchmarking & Best Practices

- Identify and analyse EE regulatory frameworks in selected countries with successful EE policies (e.g., Europe, China, Japan, and/or selected ASEAN countries).
- Extract lessons learned and potential policy adaptations for Indonesia.

Task 5: Develop Policy Recommendations

- Propose regulatory and institutional improvements to enhance EE adoption, including potential financing mechanisms
- Provide a roadmap for regulatory reform with clear policy/regulation actions and responsible entities.

Task 6: Report Writing and Dissemination

- Prepare and submit draft and final reports incorporating feedback from stakeholders.
- Present findings and recommendations in a validation workshop with key stakeholders.
- Submit a final comprehensive report and an executive summary.

VII. WORK MECHANISMS

The implementation of the project is arranged as below:

- Led by the Energy Efficiency and Conservation (CEE) Department, ACE is responsible providing technical assistance to the GCF-KDB Programme as the implementing entity while KDB is responsible for handling the financial mechanism. In this activity, ACE will manage and facilitate the work and communication with Korea Development Bank (KDB).



- The Consultant to provide the technical expertise and support as described in this TOR. The consultant is responsible for communicating with external parties required under this project, particularly selected companies or plants to be assessed. During the work period, the consultant must have regular check-in call meetings with ACE to discuss progress in every step of the work. Any interaction with the external parties to support the project by the consultant must be approved by ACE.

VIII. DELIVERABLES AND DURATION OF ENGAGEMENT

The Consultant awarded with the assignment will be hired from **April 2025 – July 2025** and obliged to work within the required deadlines and be available for call if needed. An indicative timeline is provided below:

No.	Deliverables	Deadline
1.	Inception Report <ul style="list-style-type: none"> • Detailed work plan and methodology • Proposed outline of the reports • Initial findings from preliminary research • Data requirement and collection method 	30 April 2025
2.	Institutional and Regulatory Mapping Report <ul style="list-style-type: none"> • Key stakeholders and the roles • Key and supporting existing policies / regulation for EE in Indonesia 	12 May 2025
3.	Assess Implementation of EE Policies and Regulations Report <ul style="list-style-type: none"> • Status and effectiveness • Key challenges • Financing instrument 	23 June 2025
4.	Energy Efficiency Policies/Regulation Benchmarking and Recommendation Report <ul style="list-style-type: none"> • Analyse successful EE policy in other countries • Propose policy roadmap reform 	7 July 2025
5.	Draft Comprehensive Final Report	21 July 2025
6.	Final Report	28 July 2025

The consultant must maintain records of all stakeholder consultations and interviews, such as meeting minutes, call recordings, and survey responses. These records should clearly identify the participants and summarise the discussions. All supporting evidence must be included as attachments to the report.



IX. CONSULTANT QUALIFICATION

ACE requires a consulting service provider or technical experts with proven experience and capacity to provide the necessary tasks and deliverables as described above. The desired qualifications are:

- Advanced degree in energy policy, economics, law, public policy, or related fields.
- At least 7 years of experience in policy analysis, regulatory assessment, or energy sector consultancy in Indonesia.
- Strong understanding of energy efficiency regulations, financing mechanisms, and industrial energy policies in Indonesia and globally.
- Proven experience in conducting qualitative and quantitative policy analysis, stakeholder engagement, and benchmarking studies.
- Demonstrated experience engaging with government agencies, financial institutions, and industrial stakeholders.
- Ability to produce detailed and comprehensible reports, including actionable recommendations for energy efficiency policies and regulation.
- Proficient in English, both writing and speaking.

X. SERVICE FEE

- For satisfactory performance of the assignment, Consultant will **be paid a lump sum fixed fee of a maximum USD 20,000.**
- The service fee awarded to the consultant will depend on the scope of the work and tasks to be delivered. ACE and consultant will agree upon a detailed price breakdown before the start of the activities.
- The fee shall include all stakeholders or consultation meetings necessary to collect the data for the assessment.
- We strongly encourage all interested candidates to **submit a competitive price proposal, with clear fee mentioned for each deliverable.** Given the high level of competition, proposals that demonstrate equivalent qualifications at a more favourable price point will be given preferential consideration.
- Payment will be made to Consultant's nominated bank account. The first payment will be issued upon submission of the initial draft of the document, with the final payment made after the successful approval of the completed report.
- 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.

XI. REQUIRED DOCUMENTS

Interested consultants or individual experts should submit a proposal (maximum 10 pages), which becomes the evaluation criteria, that contains:

- **Introduction:** explain your expertise and experience that is relevant to the ToR
- **Scope of work:** understanding about the tasks and deliverables of the study
- **Methodology:** explain your data collection method, what data to collect, analysis to perform
- **Timeline:** breakdown detail activities with gantt chart and milestones towards completion of the project



- **Resource Management:** provide experts' profile/attach CVs to be involved in the projects with their roles, identify potential risks that may hamper the projects and how to mitigate, and regular reporting mechanisms to ACE
- **Financial Proposal:** provide cost breakdown and alignment with scope of project

XII. SELECTION PROCESS AND TIMELINE

The selection process and timeline for this procurement are as follows:

- Call for Proposals : From March 17 to 28, 2025
- Shortlisting of Proposals : From April 8 to April 11, 2025
- Interview : From April 14 to March 16, 2025
- Clarification & Evaluation : From April 17 to April 22, 2025
- Winner Announcement : 23 April 2025

XIII. SUBMISSION OF APPLICATION

Please submit the proposal alongside your CV or Company Profile to email with the subject: "**EE Policy Assessment_GCF-KDB**", to ACE's Procurement Division (procurement@aseanenergy.org) and cc to cee@aseanenergy.org no later than **28 March 2025 (GMT+7)**.

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

XIV. AMENDMENT TO TERMS OF REFERENCE

These Terms of Reference may be amended in writing only, subject to the agreement of both parties.

XV. CONFIDENTIALITY AGREEMENT

Without written permission from ACE, the consultants shall not disclose any data or information to external parties.

XVI. ACE GOVERNANCE POLICIES ON FRAUD AND CORRUPTION

ACE takes a zero-tolerance approach to fraud and corruption involving ACE Staff Members and third parties concerning their work with ACE. ACE encourages the use of the Whistle-Blower Policy to report any identified cases of fraud and/or corruption in ACE operations.

XVII. COPYRIGHT AND INTELLECTUAL PROPERTY

All material produced under this assignment will belong to ACE and remain the property of ACE. The consultants will not have any control over copyright claims and intellectual property.

XVIII. CONTACT PERSON

All communications and queries related to this ToR shall be submitted in writing through email to cee@aseanenergy.org and procurement@aseanenergy.org