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**EUROPEAN FOREST INSTITUTE**

**TENDER SPECIFICATIONS**

**PROCUREMENT REFERENCE NUMBER (11-15.2-2022 KAMI)**

**JURISDICTIONAL SUPPORT FOR SUSTAINABLE PALM OIL IN INDONESIA**

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## 1. TERMS OF REFERENCE

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### 1.1 Introduction

The palm oil industry is a major contributor to the economy of Indonesia and in 2018, 36.6 million tonnes of palm oil were produced, accounting for 56% of global supply in 2018. More than 80% of the palm oil was exported, valued at USD 18.2 billion. Palm oil has helped lift more than 10 million Indonesians out of poverty since 2000 and the industry supported the livelihoods of 23 million people in 2018, 4.6 million of them involved in independent smallholdings.

Palm oil production has been linked to legal and illegal deforestation, degradation of peatlands and other negative impacts. In recent years, improvements in laws, monitoring and enforcement have led to reductions in deforestation and other improvements. However, with growing demand for palm oil, deforestation concerns have persisted, including among investors and buyers seeking to mitigate risks attached to deforestation. A wide range of stakeholders have been working to quantify, slow and halt palm oil-linked deforestation, to improve sector sustainability and image. The response to these efforts has been mixed, partly due to divergent views on palm oil-related deforestation.

Key challenges for reducing deforestation from, and improving sustainability of, palm oil value chains include:

- Overlapping and conflicting responsibilities for land and forest management. Governance challenges and recurring adjustments have resulted in spatial plans that are often misaligned at different levels. Different ministries also have overlapping and conflicting regulations and use different maps.
- Lack of land and forest tenure clarity, poorly demarcated state land and local claims mean that some stakeholders may be classed as illegal. Lack of clear tenure has created complex legal situations in which vulnerable actors such as smallholders and indigenous groups have sometimes been disadvantaged.
- Governance challenges and limited accountability in private sector sustainability efforts have disempowered smallholders, labourers and local communities. Certification of plantations has improved management within many concessions, but externalities have sometimes been pushed to smaller, less accountable stakeholders.

Since 2015, the Government of Indonesia has scaled up efforts to address these issues. The national standard for sustainable palm oil (the Indonesian Sustainable Palm Oil (ISPO)) aims at consolidating legal requirements in mandatory principles and criteria. In addition, efforts have been made to reclassify land to match current use and create single sources of maps and data to prevent, detect and solve conflicts. Full implementation and enforcement of existing legal frameworks in Indonesia could lead to a significant reduction of forest conversion. With support from a permanent moratorium of well-demarcated forests and peatlands, a transition may be achievable where yields can be increased without further ecosystem damage. If the same could be done for other commodities, the perception of Indonesian commodities could also be improved.

However, the feasibility of rapidly certifying millions of hardly registered smallholders to achieve this transition is questionable. The 2017 'Study on the environmental impact of palm oil consumption and on existing sustainability standards' concluded that sustainable palm oil certification schemes like the Roundtable on Sustainable Palm Oil (RSPO), the International Sustainability and Carbon Certification (ISCC) and ISPO, have limitations in addressing complex governance issues. It also noted that these schemes do not cover all environmental and social issues included in EU and UN policy objectives. Thus, there is a need for both the producing and consuming communities to understand each other's perspectives. It also calls for the development of credible, transparent and scalable means to understand, achieve and demonstrate sustainability of production in the context of national realities.

Recent efforts have focused on the role of subnational level improvements in forest and land use governance, which rely on synergies between government authorities and different actors, ranging from big industry players to small farmers. Subnational governments play a central role as they have both the authority and legitimacy to issue regulations for sustainable production of palm oil. More importantly, subnational governments have the authority to monitor and enforce laws underpinning the sustainability transition.

The EU-funded KAMI<sup>1</sup> project, which is implemented by EFI, aims to reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on the sustainable use of natural resources, with specific focus on palm oil. The specific objective is to develop understanding of national, international and EU policies towards the establishment of sustainable and inclusive value chains, to take stock of progress achieved in this sector, and to promote cooperation and exchange with international, national and sub-national stakeholders in Indonesia and Malaysia, including palm oil producers, on the different aspects of sustainability, at meaningful scale, in line with the priorities set within the Communication (2019) 352 on Stepping up EU Action to Protect and Restore the World's Forests.

In the above context, EFI will engage a service provider to undertake the following assignment:

## 1.2. Objectives of the assignment

The objectives of this assignment are:

1. To support districts to demonstrate progress towards sustainability to domestic and international palm oil supply chain actors through the Terpercaya data platform.
2. To pilot activities to support and incentivise Indonesian districts to transition to sustainability.

## 1.3. Scope and tasks

The scope of this assignments covers the palm oil sector and forest and land use governance at the district level in Indonesia in the context of domestic and international efforts to achieve sustainable commodity production. The assignment will be done in close coordination and collaboration with EFI and KAMI project partners (EU, Bappenas, and Terpercaya stakeholders as necessary) building on other work done by EFI including under KAMI and the Terpercaya Initiative. Tasks will be implemented at national and district levels in a coordinated and systematic manner, with support from district level partners/subcontractors in selected districts where necessary. District-level activities shall be conducted in a minimum of two districts selected according to relevance in relation to palm oil sustainability in the context of Indonesian policies and programmes and global regulation proposals related to elimination supply chain deforestation.<sup>2</sup>

The assignment will comprise the following tasks :

### 1.3.1. District and province level promotion of Terpercaya Initiative

1. Raise awareness of district and province level stakeholders on Terpercaya and sustainable commodity production.
  - This activity should involve dissemination of communication materials produced by EFI, and group and individual meetings with key stakeholders, etc. The activity should be conducted in coordination with Bappenas, Bupatis, Bappedas and with members of the Terpercaya Working Group on Indicators to allow similar activities in their respective districts.
2. Support collection of Terpercaya indicator data in districts and at province level
  - This activity should assist districts, and province level agencies where necessary, to collect relevant Terpercaya indicator data and submitting through appropriate channels so it can be presented on the Terpercaya data platform hosted by Bappenas.
3. Develop/test guidance for Terpercaya indicator data improvement and collection.
  - This activity should be conducted in parallel with activity 2 and in coordination with members of the Terpercaya Working Group on Indicators to build on their experience

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<sup>1</sup> KAMI ("Us/ We" in both Indonesian and Malaysian languages) - Keberlanjutan sAwit Malaysia dan Indonesia (Sustainability of Malaysian and Indonesian palm oil).

<sup>2</sup> Taking into consideration deforestation rates, contribution of palm oil production to the district's gross regional product, prevalence of forest and land-use governance issues, presence of supportive leader(s) in the government, presence of other supportive partners, and preferably where the Tenderer has prior/existing engagement.

and allow members to support use of resulting guidance in their respective focal districts.

4. Support integration of Terpercaya indicator reporting requirements into regular jurisdiction/district processes.
  - This activity will support relevant district government agencies and associated ministries to develop and implement procedures to ensure that district progress is demonstrated through the Terpercaya data platform including in relation to registering and certifying smallholders (STDB, ISPO certification, etc.).

### **1.3.2. District support for sustainability**

5. Support smallholder mapping, registration, and data collection on e.g., productivity, sustainability, and traceability
  - This activity can build on existing efforts of district level partners and should contribute to existing or new guidance to be developed consultatively with members of the Terpercaya Working Group on Indicators to build on their experience and allow members to support use of resulting guidance in their respective focal districts (see activity 7).
6. Support district stakeholders in preparing documents to comply with national and subnational regulations on sustainability and report on their implementation
  - This could include support for RAN/RAD-KSB, NSPK plantations, Terpercaya regulatory measures, or other regulations relevant to Terpercaya or underlying Terpercaya indicators.
7. Develop/test guidance for districts to transition to sustainability, including resolving tenure issues, and mapping and registering smallholders. Guidance should build on existing materials including that produced by EFI and should be refined in coordination with members of the Terpercaya Working Group on Indicators to build on their experience and allow members to support use of resulting guidance in their respective focal districts (2.D.4)
  - See note under activity 5.

### **1.3.3. District incentives for transitioning to sustainability**

8. Support Bappenas to design mechanism/s for transfer of special allocation funds (DAK) on plantation and agriculture to districts based on Terpercaya indicators and in support of activities such as specified in tasks 2 and 5
  - This activity should be conducted in close coordination with Bappenas and members of the Terpercaya Working Group on Indicators
9. Develop guidance to support district governments to apply for DAK funding to support activities such as indicated under tasks 4 and 7 so DAK can be upscaled across Indonesian districts
  - This activity should be developed consultatively with members of the Terpercaya Working Group on Indicators to build on their experience and allow members to support use of resulting guidance in their respective focal districts.

## **1.4. Methodology**

- Organisation of relevant meetings, workshops, consultations and capacity building to disseminate information, seek stakeholder inputs and build interest among stakeholders as the work progresses;
- Participation in relevant meetings and workshops to disseminate information, seek stakeholder inputs and build interest among stakeholders;
- Liaison with members of the Terpercaya Working Group on Indicators and other KAMI partners and service providers to ensure coherence of activities with other work,
- Development of materials to support implementation of events and activities;
- Collation of information related to district-level sustainability and subsequent analyses, including spatial analysis.

### 1.5. Timetable and reporting

The Contractor will submit the following deliverables within 10 months of contract signature.

No.	Description	Timing
1	Work plan and timeline.	Within one month of contract entering into force
2	Monthly updates on project implementation through virtual meetings and/or email.	Monthly following contract entering into force
3	Minimum of 10 stakeholder engagement meetings in each of two districts.	Throughout contract implementation period
4	Monthly reporting on activities to support Terpercaya Indicator data submission.	Monthly following contract entering into force
5	Written guidance for Terpercaya indicator data improvement and collection.	Draft within 6 months of contract entering into force. Final within 8 months of contract entering into force
6	Monthly reporting on support for integration of Terpercaya indicator reporting into regular jurisdiction/district processes.	Monthly following contract entering into force
7	Monthly reporting on progress in two districts in supporting smallholder mapping, registration, and data collection according to targets agreed in work plan.	Monthly following contract entering into force
8	Monthly reporting on progress in supporting district stakeholders to prepare documents to comply with national and subnational regulations on sustainability and report on their implementation.	Monthly following contract entering into force
9	Minimum of two sets of written guidance for districts to transition to sustainability, including resolving tenure issues, and mapping and registering smallholders.	Drafts within 7 months of contract entering into force. Final within 9 months of contract entering into force
10	Report on potential mechanism/s for transfer of special allocation funds (DAK) on plantation and agriculture to districts based on Terpercaya indicators.	Drafts within 6 months of contract entering into force. Final within 8 months of contract entering into force
11	Written guidance to support district governments to apply for DAK funding.	Drafts within 7 months of contract entering into force. Final within 9 months of contract entering into force
12	Final report on implementation of tasks and key needs in furthering district transitions to sustainability.	Within 10 months of contract entering into force

All reports/deliverables are to be produced in Bahasa Indonesia and English and the final reports will consider comments provided by EFI on the draft reports. Language used in reports/deliverables must be at the quality standard required for a public dissemination and must follow characteristics included in the guideline “Linguistic and formatting requirements for the deliverables” provided by EFI at the inception of the assignment unless otherwise indicated for all reports and products developed under this assignment.

Publication of materials produced through implementation of the contract can be done only if approved in writing by EFI. EFI will need to seek the approval from the KAMI Strategic Country Boards (SCBs). The SCBs are given prior notification and a no-objection period before any project deliverable is published.

#### **1.6. Human and financial resources**

The assignment will be implemented over a maximum period of 10 months, provisionally from September 2022, by a team of at least six experts for a minimum total of 300 working days with one of the experts also assuming the Team leader function.

The contractor will have available a “work plan budget” to cover costs related to the organization of small meetings, consultations, and the implementation of capacity building and field activities (including transport, accommodation, etc.) for a maximum of 75,000 Euro. This provision is to be integrated as part of the total financial proposal.

The tenderer is invited to present a financial offer, which should include, separately to the experts' fees, reimbursable costs for covering a minimum of 10 workshops (mid- or large-scale workshops and meetings in provincial or district capitals attended by more than 40 people coming from different parts of the districts and the province; might take place for more than 1 day) and a minimum of 15 training events (smaller scale events at the village-level attended by 30-40 people; might last for more than a day). The tenderer is also invited to include cost for per diems for the relevant experts to cover costs for in country trainings and workshops.

The use of “work plan budget” resources by the contractor will be subject to EFI approval based on planned expenditures included in a quarterly work plan budget reported to EFI. All expenditures need to be approved by EFI before costs are incurred.

## 2. TENDER DOCUMENTATION

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### 2.1. Administrative Documentation

The tender shall include the following documentation, properly filled out and signed:

- Cover letter (Annex 1)
- Identification form (Annex 2) including supporting documentation
- Bank identification form (Annex 2a)
- Declaration on Exclusion Criteria and Absence of Conflict of Interest (Annex 3)
- Nomination of Experts form (Annex 4)
- Minimum criteria declaration (Annex 5)

The consortium agreement (Annex 6) shall be included, properly filled out and signed, if the tender is submitted jointly by a consortium of economic operators. The consortium agreement (Annex 6) shall not be included if the tender is submitted by a single Tenderer proposing subcontracting of tasks.

### 2.2. Technical Proposal

In order to evaluate the tender against the minimum criteria and the award criteria A.I. – A.II in section 3.1. and 3.2., the Tenderer shall submit a technical proposal consisting only of the following elements:

1) A **nomination** of the following Experts to carry out the tasks in the Terms of Reference:

- **one Team Leader (Expert)**
- **Legal Expert**
- **GIS Expert**
- **Forest and Land-Use Expert**
- **Stakeholder Engagement Expert**
- **Capacity Building Expert**

The Technical Proposal shall include CV's of the nominated Experts.

The Tenderer shall be able to certify the information contained in the CV's for the nominated Experts at EFI's request.

The CV shall have all the information as in the EuroPass CV  
<https://europass.cedefop.europa.eu/documents/curriculum-vitae>

The Tenderer can use the EuroPass CV template or its own CV template.

#### **Optionally**

- **one or more additional experts relevant for the implementation of the service**

The Technical Proposal shall include CV's of the nominated Experts.

The Tenderer shall be able to certify the information contained in the CV's for the nominated Experts at EFI's request.

**2) A description of no more than four (4) pages, making reference to the **Terms of Reference and the previous experience of the Experts** showcasing understanding of:**

- the aims and the context of the assignment

**and addressing the following topics:**

- The role of a jurisdictional/district approach for demonstrating progress towards sustainability to domestic and international palm oil supply chain actors.
- Challenges and opportunities in piloting activities to support and incentivise Indonesian districts to transition to sustainability.

**3) A presentation of no more than four (4) pages on the Tenderer's methodology for the assignment – building upon the **Terms of Reference and the previous experience of the Experts** – addressing the following elements under separate headings:**

- Approach for implementing district and province level promotion of Terpercaya Initiative and justification for selection of 2 target districts
- Approach for implementing district support for sustainability
- Approach for implementing district incentives for transitioning to sustainability
- Timing and sequence of activities and tasks, indicating the organization of the delivery and the approximate allocation of time of the nominated Expert

**2.3. Financial Proposal**

The Tenderer shall submit a financial proposal, which shall be completed by using the form in annex 7 and by following the instructions therein.

The full general conditions applicable to the payment of fees and per diem as well as the reimbursement of costs can be found in annex 8 (model contract).



### 3. EVALUATION OF TENDERS AND AWARD OF THE CONTRACT

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#### 3.1. Minimum Criteria

The **Team leader Expert** nominated must meet the following criteria:

N°	Criteria description
M.I.	Advanced university degree (Master's degree or equivalent) in natural resources management, forestry, environmental policy, or a relevant directly related discipline.
M.II.	At least five (5) years' experience leading and coordinating projects in Indonesia on sustainable commodity production, forest and land use governance or similar areas.
M.III.	Experience supporting multi-stakeholder approaches balancing the interests of international, national and local stakeholders representing civil society, private sector and government.
M.IV.	Understanding, speaking and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference

The **Legal Expert** nominated must meet the following criteria:

N°	Criteria description
M.V.	Advanced university degree in in environmental law or a relevant, directly related discipline.
M.VI.	At least five (5) years' experience leading and coordinating policy and legal analyses in Indonesia in the context of forestry and/or land use and/or climate change.
M.VII.	Understanding, speaking and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference.

The **GIS Expert** nominated must meet the following criteria:

N°	Criteria description
M.VIII.	University degree in spatial analysis applied to forest and land use planning and management.
M.IX.	Five (5) years' experience in conducting spatial analysis (including GIS work) in the context of forestry and land use in Indonesia.

The **Forest and Land-Use Expert** nominated must meet the following criteria:

N°	Criteria description
M.X.	Advanced university degree (Master’s degree or equivalent) in natural resources management, forestry, land-use policy, environmental policy, or a relevant, directly related discipline.
M.XI.	Five (5) years’ experience conducting policy analyses in Indonesia as demanded with respect to all tasks covered by the Terms of Reference.
M.XII.	Understanding, speaking, and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference.

The **Stakeholder Engagement Expert** nominated must meet the following criteria:

N°	Criteria description
M.XII.	University degree (Bachelor’s degree or equivalent) in natural resource management, forestry, agriculture, environmental science, economics or a relevant discipline
M.XIV.	Five (5) years’ experience of land-use governance processes and networking skills to work on complex and sensitive issues with and forge consensus among governments, private sector, international actors, NGOs, and civil society.
M.XV.	Experience working with the Ministry of National Development Planning/Bappenas, Ministry of Agriculture, Ministry of Trade, and/or Ministry of Environmental and Forestry with respect to all tasks covered by the Terms of Reference.
M.XVI.	Understanding, speaking, and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference.

The **Capacity Building Expert** nominated must meet the following criteria:

N°	Criteria description
M.XVII.	University degree (Bachelor’s degree or equivalent) in natural resource management, forestry, agriculture, environmental science, economics, development studies, or a relevant discipline
M.XVIII.	Five (5) years’ experience of moderating and facilitating workshops and capacity development activities at the local and subnational level, including involving smallholders, in the arena of sustainability and/or agriculture and/or forestry and/or climate change.
M.IXX.	Understanding, speaking, and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference.

**Tenders not fulfilling the minimum criteria will be rejected.**

**3.2. Award Criteria**

Tenders which fulfil the minimum criteria will be evaluated using the following award criteria:

<b>A. Technical component (maximum 75 points)</b>		
<b>N°</b>	<b>Award criteria</b>	<b>Max points</b>
<b>A.I.</b>	<b>Understanding of:</b>	<b>25</b>
i.	the aims and the context of the assignment	10
ii.	the role of subnational/jurisdictional approaches for demonstrating sustainability to domestic and international palm oil supply chain actors	5
iii.	challenges and opportunities in supporting and incentivising Indonesian districts to transition to sustainability	10
<b>A.II.</b>	<b>Proposed methodology for the implementation of the tasks</b>	<b>50</b>
i.	Approach for promoting the Terpercaya initiative at district and province level and justification for selection of 2 target districts	15
ii.	Approach for implementing district support for sustainability	15
iii.	Approach for implementing district incentives for transitioning to sustainability	15
iv.	Timing and sequence of activities and tasks, indicating the organization of the delivery and the approximate allocation of time of the nominated Expert	5

The Technical component (TC) is calculated according to the following formula:

<b>TC = A.I. + A.II.</b>
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**Tenders must receive a score of more than half of the maximum Technical component to be considered qualitatively acceptable.**

**Tenders not considered qualitatively acceptable will not be considered further.**

**B. Financial component (maximum 25 points)**

**Tenders presenting a total financial proposal (Fo) superior to the maximum contract value of EUR 200,000 (including the work plan budget) will not be considered further.**

For tenders being considered, the Financial component (F) is calculated according to the following formula:

$$F = (F_{min} / F_o) \times 25$$

where

**Fmin** is total sum in the tender in the evaluation with the lowest total financial proposal; and

**Fo** is the total sum in the financial proposal being considered.

**C. Most economically advantageous tender**

A combined score (CS) will be calculated according to the following formula:

$$CS = TC + F$$

The Tenderer with the highest combined score (CS) for Technical component (TC) and Financial component (F) will be awarded the Contract.

Where two or more tenders have an equal combined score the contract will be awarded according to the highest score for the financial component (F).

## **ANNEXES**

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Annex 1	Cover letter
Annex 2	Identification form
Annex 2a	Bank identification form
Annex 3	Declaration on exclusion criteria and absence conflict of interest
Annex 4	Nomination of Experts form
Annex 5	Minimum criteria declaration
Annex 6	Consortium agreement
Annex 7	Financial Proposal form
Annex 8	Model contract