
EUROPEAN FOREST INSTITUTE

TENDER SPECIFICATIONS

PROCUREMENT REFERENCE NUMBER 02-15.2-2023-FLEGT ASIA

FOURTH PERIODIC EVALUATION (PE) OF THE EU – INDONESIA FLEGT VPA

1. TERMS OF REFERENCE

1.1. Introduction

The European Union (EU) and Indonesia signed the Voluntary Partnership Agreements (VPA) on forest law enforcement, governance and trade in timber products into the European Union on 30 September 2013. Indonesia's Timber Legality Assurance System (TLAS) is the key system to curb illegal logging and promote legal timber in Indonesia. This system is specifically aimed at ensuring legality throughout Indonesia's timber supply chain, including forest management units, harvesting, transportation, processing and trade of timber and timber products.

The VPA stipulates that Indonesia and the EU will jointly evaluate and monitor the overall progress of the implementation of the Agreement, including the full functionality of the TLAS with a focus on only those elements covered in the EU – Indonesia VPA. Point (a) under Article 15 EU – Indonesia FLEGT VPA states that Indonesia in consultation with the EU shall engage the services of a Periodic Evaluator to implement the tasks as mentioned in Annex VI of the Agreement.

The implementation of the Periodic Evaluation is thus a critical task that ensures transparency, credibility, and continuing improvement of Indonesia's TLAS.

1.2. Lessons from previous rounds of Periodic Evaluation

Three rounds of Periodic Evaluation (PE) have been implemented so far, as follows:

- PE-1, implemented by PT Sucofindo (2017)
- PE-2, implemented by Profundo B.V. (2018-19)
- PE-3, implemented by Profundo B.V. (2020-21)

The results of the first PE exercise led to the development of the first joint EU-Indonesia Action Plan on the VPA that addressed identified shortcomings. In the second PE implementation, attempts were made to streamline the methodological approach, improve the clarity of findings and recommendations. The implementation of PE-3 was perhaps most challenging so far due to the COVID-19 pandemic and resultant travel restrictions, which led to implementation delays and reduced field work. It is expected that PE-4 will benefit from the return to normal working conditions that will allow for extensive field missions and intensive engagement with stakeholders.

While each round of PE took note of actions taken by Indonesian stakeholders and decision-makers to improve the functionality of the TLAS and to address findings and recommendations, all PEs so far indicate the continued presence of gaps or potential weaknesses in the system that require attention and corrective action.

1.3. Objectives of Periodic Evaluation

PE is an evaluation implemented by an independent third party, referred to in Annex VI of the EU-Indonesia VPA as the Evaluator. The objective of PE-4 is to provide assurance that the TLAS is functioning as described in the VPA, thereby enhancing the credibility of the FLEGT licences.

1.4. Scope

The scope of this assignment is to implement the 4th Periodic Evaluation of the EU-Indonesia VPA in Q3-4 of 2023. As such, the Evaluator shall:

- Assess the functioning of control measures from the point of harvesting in the forest to the point of export of timber products and emerging challenges.

- Assess the data management and timber traceability systems supporting the TLAS, verification procedures, the issuance of FLEGT licenses as well as the production, licensing and trade statistics relevant to the VPA.

1.5 Approach

Since this is the 4th iteration of Periodic Evaluation, the underlying focus of the assessment will be to examine the implementation of corrective actions as prescribed in PE-3 and formulated in the Joint EU-IDN Joint Action Plan 2022, with an extension into 2023.

While the fieldwork and primary data collection are an important part of work, PE-4 will make use of expert interviews and secondary data to complement and contextualize field research, and also to streamline the evaluation process.

1.6. Tasks

Building on the key aspects indicated in section 1.5, the tasks of the Evaluator will cover the following main activities:

1. Audits of compliance by all bodies undertaking control functions within the provisions of the TLAS in the context of the EU – Indonesia VPA, including independent monitors;
2. Evaluation of the effectiveness of supply chain controls from the point of harvest in the forest or point of import to the point of export from Indonesia;
3. Assessment the appropriateness and timeliness of the corrective actions taken (or not) in cases of infringements.
4. Assessment of the adequacy of data management and timber traceability systems supporting the TLAS as well as the issuance of FLEGT licences; including the control of timber imports and management of non-compliances;
5. Assessment of adequacy of publicly available information relevant for the TLAS in the context of the VPA, and position of Indonesian FLEGT-licensed timber in the Union market
6. Identification of gaps and system failures, and prescribing necessary corrective actions;
7. Assessment of the effective implementation of corrective actions (among other also those previously identified and agreed in the EU-Indonesia Joint Action Plan);
8. Identification of emerging challenges and priorities that need to be addressed; and
9. Reporting findings to the Joint Implementation Committee (JIC).

The estimated start of the assignment is in mid-August 2023.

| Tentative Timeline | | | |
|--|---|---|---|
| Stage 1: Preparation | | | |
| Tasks | Activities | Deliverables | Timeline |
| Desk review of PE-3 | Review of the PE-3 report and public executive summary Distilling lessons from the design and implementation of previous PE experience Reviewing relevant publicly available information from all relevant stakeholders | Desk review of PE-3, internal report | Start on 17 August 2023, up to one week |
| PE-4 design and implementation protocols drafted | PE-4 methodology and implementation protocols discussed with the Ministry of Environment and Forestry (MoEF), DG Environment and European Union Delegation (EUDEL) for feedback | Draft of PE-4 design and implementation protocols | Up to one Week |

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|--|--|--|--|
| Consultations held with the Supervisory Committee (SC) on PE-4 design and implementation | PE-4 methodology and implementation protocols discussed in a meeting with the Supervisory Committee ¹ | A (virtual) meeting with SC held | Up to one Week |
| PE-4 methodology and implementation protocols ready and approved | PE-4 methodology and implementation protocols finalized based on inputs from the Supervisory Committee. | PE-4 methodology and protocols report endorsed by SC | Up to one week. Concluded on 14 September 2023. |
| Stage 2: Implementation | | | |
| Tasks | Activities | Deliverables | Timeline |
| Implementation and fieldwork | <p>Kick-off meeting and interviews with key experts and stakeholders: KAN, MoEF, CAB/LAs, NGOs, industry associations, DG Environment, EU Member States Competent Authorities, EUDEL, etc.</p> <p>Secondary data collection and analysis: key elements of the supply chain control (natural forest, plantation timber, DKP, timber import controls, FLEGT licensing).</p> <p>Field work to collect primary data in select locations (as needed) in Kalimantan, Sumatra, Central/East Java, and Papua to assess first-hand the functionality of TLAS.</p> <p>Presentation of initial findings to JEM 1/2023</p> | <p>Minutes of kick-off meeting with IDN stakeholders</p> <p>Minutes of interviews and field missions</p> <p>Presentation to JEM 1/2023</p> | Up to four weeks in-country: Approximate start on 18 September 2023, approximate end on 15 October 2023. |
| Stage 3: Data analysis and write up | | | |
| Tasks | Activities | Deliverables | Timeline |
| Data analysis and write up | The collected data, analysis, and field observations are distilled into a comprehensive report that assesses the functionality of the TLAS in Indonesia, identifies gaps, and proposes steps for improvement. Key elements of the draft report are discussed; revisions are made based on the feedback received. | Draft PE-4 report available | Desk work up to three weeks. Approximate delivery date 6 November 2023 |
| Stage 4: Draft report review & feedback | | | |
| Tasks | Activities | Deliverables | Timeline |
| Draft report review & feedback | Draft report is shared with the Supervisory Committee and discussed; revisions are made based on the feedback received | Draft PE-4 report shared with SC and | Up to two weeks, approximate |

¹ The Supervisory Committee consists of experts from MoEF, private sector associations, civil society, DG Environment and EUDEL and the EU FLEGT Asia Program.

| | | | |
|--|--|---|---|
| | | revised | date 19 November 2023 |
| Stage 5: Full draft report shared for review; public consultation | | | |
| Tasks | Activities | Deliverables | Timeline |
| Full draft report shared for review; public consultation | Full draft report is shared with the Supervisory Committee for final round of review; public consultation held with stakeholders in Jakarta for further inputs | Full draft PE-4 report shared with EU and IDN; presented at public consultation; revisions made | Up to two weeks, approximate end date 4 December 2023 |
| Stage 6: Conclusion | | | |
| Tasks | Activities | Deliverables | Timeline |
| Conclusion | Final PE-4 report and public summary submitted to MoEF, DG Environment and EUDEL | Final PE-4 report and public summary available | Approximate date: 18 December 2023 |

The Evaluator needs to be available to present the (interim) findings of PE-4 in JEM 1/2023 and JIC-10 meetings, which indicatively take place in October 2023 and December 2023 respectively. Specific dates are to be confirmed.

1.6. Evaluation Methodology

Learning from earlier rounds of PE implementation it is important that the Evaluator and the Supervisory Committee have the same understanding of the objectives, scope of the exercise, and a detailed understanding of the methodology. The **Supervisory Committee**, which will comprise experts from MoEF, private sector associations, civil society, DG Environment and EUDEL and the EU FLEGT Asia Program, will be tasked with providing guidance to the Evaluator to ensure robust development of the methodology, considering comments from various stakeholders.

Therefore, before PE-4 work begins in the earnest, a round table discussion will be organised that will bring together the Evaluator and the Supervisory Committee to jointly agree on the detailed approach, scope, and methods for the PE-4.

It is generally understood that:

1. The Evaluator shall use a documented and evidence-based methodology, which generally meets the requirements of ISO/IEC 19011, or equivalent. This shall include adequate checks of relevant documentation, operating procedures and records of the operations of the organization responsible for implementing the TLAS in the context of VPA, identification of any cases non-compliance or system failures, and formulation of relevant corrective action.
2. To ensure a focused, targeted, and efficient approach, the Evaluator shall frame PE-4 as the assessment of the implementation of recommendations from PE-3 in order to determine any gaps, shortcomings, or additional actions that may be needed. This overall objective will guide the design of methodology and timeline of activities. As part of this core assessment, the Evaluator may add additional issues to be assessed or evaluated depending on their significance and relevance, and as proposed by stakeholders.

As part of this work, the Evaluator shall:

- Review the implementation of procedures for accreditation of Independent

- Assessment and Verification Bodies (LP and LV);
- Review the implementation of procedures by each body involved in EU – Indonesia VPA TLAS implementation controls for completeness and coherence;
 - Examine implementation of documented procedures and records, including work practices, during visits to offices, forest harvesting areas, log yards/log ponds, forest checking stations, mill sites and export dispatch and import points;
 - Examine information collected by the regulatory and enforcement authorities, LPs and LVs and other bodies identified in the EU – Indonesia VPA TLAS to verify compliance;
 - Examine data collection by private sector organizations involved in TLAS implementation;
 - Assess the availability of public information set out in Annex IX including the effectiveness of information disclosure mechanisms;
 - Make use of the findings and recommendations of Independent Monitoring reports, as well as reports of the FLEGT Regulation reports at the EU level;
 - Seek the views of stakeholders and use information received from stakeholders who are either directly or indirectly involved in the implementation of the TLAS; and
 - Use appropriate sampling and spot check methods to evaluate the work of the forest regulatory agencies, LPs and LVs, industries, and other relevant actors at all levels of forest activities, supply chain control, timber processing and export licensing, including cross checks with information on timber imports from Indonesia provided by the Union.
 - Seek to triangulate the available data as a means to assess the quality of EU – Indonesia VPA TLAS/PHPL audits. This is particularly important for the verification of the integrity of the supply chain controls in the state-owned forest.

Further details on the tasks are provided in Annex VI of the EU – Indonesia VPA.

1.7. The personnel for the assignment

The Evaluator will engage a PE-4 team consisting of a minimum of two experts:

- A **team leader** (min 60 days) with international experience of auditing tropical forest management, timber processing industries and related supply chain controls and understanding of Indonesian forest sector;
- **One or more support expert(s)** (min 45 days) with experience and understanding of Indonesian forest sector and the FLEGT.

1.8. Reporting

The reporting will provide for a continued engagement, interaction, and feedback between the Evaluator and the Supervisory Committee. There are four major reports that will be delivered at different stages of the PE-4 exercise: report of the methodology and protocols (end of stage 1), draft report (stage 4), full draft/final report (stages 5 and 6) and public summary of the final report (stage 6).

In addition, the Evaluator will provide regular updates to the EFI and bi-weekly updates to the Supervisory Committee about the progress of work. These may lead to adjustments in the work as well as revision of the envisioned structure of the report. The Supervisory Committee members may join the Contractor in the field at their own expense.

The final report shall cover evaluation findings on the implementation of PE-3 recommendations, assessment and presentation of other findings relevant to the operationality of TLAS, and a clearly defined set of recommendations on measures to address the gaps and system weaknesses that have been identified.

1. The final report shall comprise: (i) a full report containing all relevant information on the evaluation, its findings (including cases of non-compliance and system failures) and recommendations; and (ii) a public summary report based on the full report, covering key findings and recommendations (use PE-3 as example);
2. The full report and the public summary report shall be submitted to the SC for review. Both will also be reviewed by the JEM/JIC before final approval and before the public summary can be released;
3. Upon the request of the SC and JEM/JIC, the Evaluator shall provide additional information to support or clarify its findings;
4. The Evaluator shall notify the SC and JEM/JIC of all received complaints and the actions taken to resolve them.
5. All reports are produced in English. Depending on audience, presentations or summaries needed for meetings etc. may also be in Bahasa Indonesia.

The **approximate structure of the full report** will be as follows:

- Executive Summary
- Background
- Objectives
- Approach & methods
 - Overall protocol for the implementation of PE-4
 - Assessment of the implementation of the PE-3 recommendations and associated Joint EU-IDN Action Plan 2022.
 - Assessment of earlier PE exercises and other relevant thematic areas and issues
- Evaluation results and findings
 - Implementation status of the PE-3 recommendations, Joint EU-IDN Action Plan 2022 and general EU – Indonesia VPA commitments
 - Legality Definition
 - Supply Chain Control, including timber imports
 - EU – Indonesia VPA TLAS Certification and DKP declarations
 - Non-compliance management
 - Law Enforcement
 - Licensing
 - Periodic Evaluation, Impact Monitoring, and Independent Monitoring
 - Access to information, including on the performance of Indonesian FLEGT-licensed timber in the Union market
 - Functionality of JIC and Technical Structures under JIC
 - Other topics or issues with relevance to the functionality of EU – Indonesia VPA TLAS and the EU – Indonesia VPA that have been identified and need action
- Conclusions
- Policy recommendations

The Evaluator will prepare and deliver power point presentations at the kick-off meeting, JEM and JIC meetings as well as other relevant technical events on demand by the EFI or the Supervisory Committee.

1.9. Budget

Travel (including flights and per-diem) and other reimbursable costs in Indonesia for all experts need to be factored in the financial proposal of the Tenderers for PE-4:

- Desk work in the preparatory stage, analysis & write-up stage, and finalization stage
- In country work to Indonesia, including presentation of interim findings at JEM1/2023

tentatively in September 2023. Possibly also presentation(s) at JIC-10, if held before the end of 2023.

- Field missions in Indonesia shall include data collection and stakeholder meetings in the Greater Jakarta area, 1-2 missions in Java, 1-2 missions to Sumatra, 4 missions to Kalimantan, and 1 mission Papua. The specific selection of sites and number of trips will be based on the need.
- Local transportation for field missions, including car rent, 4x4 in the field, speedboat, etc.
- Meetings/FDGs with province government, certification bodies, CSOs, local communities, etc. Cost associated with meetings held with the Supervisory Committee, public consultation(s), and participation in JEM/JIC .

2. TENDER DOCUMENTATION

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)**
 - **Support Expert(s) (one or more persons)**

The Technical Proposal shall include CVs of the nominated Experts.

The Tenderer shall be able to certify the information contained in the CVs 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.

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

- FLEGT Action plan, EU – Indonesia VPA and TLAS development processes;
- VPA process in Indonesia and its Timber Legality Assurance system (TLAS)
- Aims and context of the Expert's tasks/activities

- Current situation (challenges & opportunities) of the forest sector in Indonesia

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

- A practical and logical approach for the achievement and realization of the aims of this assignment with experts' tasks allocation in the timeframes available;
- Clear means of integrating and/ or liaising with key stakeholder groups in Indonesia relevant to the implementation of the EU – Indonesia VPA.
- Other aspects needed or relevant for the implementation for the realization of this assignment.

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. ELIGIBILITY OF THE EXPERTS

The nominated team leader and support expert(s) must

- At the time of submission and for 12 months prior to submission of the tender have been and until EFI has awarded the contract under this procurement process will (if the Tenderer is awarded the Contract, until entry into force of the Contract) be:
 - o independent from forest management, timber processing, trade in timber or control of the forest sector in Indonesia; and
 - o independent from all components of EU – Indonesia VPA TLAS and Indonesia’s forest regulatory authorities

In this respect, EFI considers the following persons as not independent: directors, board members, employees and other staff members of Indonesia’s forest regulatory authorities or agencies/companies and alike formally working in TLAS or forest management, timber processing, or trade in timber in Indonesia.

EFI may also consider other persons, depending on the circumstances, not independent.

Tenders proposing team leader and/or support expert(s) not considered independent by EFI will be rejected.

4. EVALUATION OF TENDERS AND AWARD OF THE CONTRACT

4.1. Minimum Criteria

The Tenderer must meet the following operational capacity criteria:

| N° | Criteria description |
|-------|--|
| M.I. | Experience in implementing one or several contracts with individual budget of at least EUR 80,000 in the last three (3) years. |
| M.II. | Experience in the last five years in collaborating in assessment/audit of forest or related commodity traceability system |

The Team leader nominated must meet the following criteria:

| N° | Criteria description |
|--------|---|
| M.III. | Master's degree in forestry, forest science, wood technology, natural resources, law, or related field. |
| M.IV. | At least 10 years of global/regional (Asia) experience in the forestry or related sector, including areas such as auditing tropical forest management, timber processing industries, and/or related supply chain controls, timber legality assurance systems, certification and forest policy and governance. |
| M.V. | Experience in international timber trade and legality issues and familiarity with the FLEGT Action Plan, in particular the EU – Indonesia VPA. |
| M.VI. | Familiarity with Indonesia's timber legality assurance system and related regulatory frameworks. |
| M.VII. | Understanding, speaking and writing English as required with respect to all tasks covered by the Terms of Reference in this Tender |

Support expert nominated must meet the following criteria:

| N° | Criteria description |
|---------|---|
| M.VIII. | Degree in forestry, forest science, wood technology, natural resources, law, or related field. |
| M.VIX | At least 5 years of experience in the forestry or related sector in Indonesia, including areas such as forest and/or industry compliance auditing, timber legality assurance systems, certification and forest policy and governance. |

| | |
|---------------|--|
| M.X. | Knowledge of international timber trade and legality issues and familiarity with EU – Indonesia VPA. |
| M.XI. | Knowledge of Indonesia’s timber legality assurance system and regulatory framework. |
| M.XII. | Understanding, speaking and writing English and Bahasa Indonesia as demanded with respect to all tasks covered by the Terms of Reference in this Tender. |

Tenders not fulfilling the minimum criteria will be rejected.

4.2. Award Criteria

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

| A. Technical component (maximum 75 points) | | |
|---|--|-------------------|
| N° | Award criteria | Max points |
| A.I. | Understanding of: | 30 |
| i. | FLEGT Action plan, EU – Indonesia VPA and TLAS development processes | 10 |
| ii. | EU – Indonesia VPA process in Indonesia and its Timber Legality Assurance System (TLAS) | 10 |
| iii. | Aims and context of the Expert’s tasks/activities | 5 |
| iv. | Challenges and opportunities in Indonesia’s forest sector | 5 |
| A.II. | Proposed methodology for the implementation of the tasks | 45 |
| i. | A practical and logical approach for the achievement and realization of the aims of this assignment with experts’ tasks allocation in the timeframes available | 25 |
| ii. | Clear means of integrating and/or liaising with key stakeholder groups in Indonesia relevant to the implementation of the EU – Indonesia VPA | 10 |
| iii. | Related aspects needed or relevant for the implementation for the realization of this assignment beyond the methodology established in the ToRs. | 10 |

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

$$TC = A.I. + A.II.$$

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 70,000 will not be considered further.

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

$$F = (Fmin / Fo) \times 25$$

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

| | |
|----------|--|
| 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 |
| Annex 9 | Per diem |