



Indonesia UK PACT

Carbon Pricing

Clarification Questions

July 2025 – Third Version

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Introduction

This document compiles clarification questions and answers from the Indonesia-UK PACT Country Programme call for proposals for the Carbon Pricing sector.

They are divided into five categories: post-event communication, scope and focus of the CFP, eligibility, GEDSI, and others.

Post-event communication

Q. Will the slides and recording be shared with the participants?

A. The slides and recording of the Market Engagement webinar can be found in the following links:
[Indonesia-UK PACT carbon pricing MEE](#)

Q. When is the due date of submitting a proposal?

A. This Call for Proposals has a six-week application window that closes on 23 July 2025 at 18:00 ICT/ 11:00 UTC.

Scope and focus of the CFP

Carbon Pricing

No	Question	Answer
1	Does carbon pricing refer to voluntary markets, compliance, or both?	Both voluntary (VCM) and compliance markets.
2	Could you elaborate on the MRV systems that could help with carbon market (Theme 2) with examples or suggestions for what types of projects are\ble?	Any proposed work on strengthening MRV system(s) need to reflect and be closely aligned with the existing and planned policies and systems established by Government of Indonesia (e.g. expansion of the ETS; SRN system). It should also ideally align with global best practice on this topic. Examples may include strengthening of MRV platforms, including IT systems and infrastructure, required for ETS operation, and strengthening/= or developing registries and offset systems.
3	Are support from UKPACT both for projects seeking carbon certificate and for carbon projects just wanting to receive an award or appreciation?	The focus of the current support is on carbon pricing, according to which mitigation activities are credited and/or recognised (applying appropriate MRV procedures) to reduce GHG liabilities. Carbon projects are therefore either 'recognised' through quantified carbon credits or through achieving a reduction in annual GHG emissions within eligible compliance facilities/entities. Most carbon pricing instruments adhere to these approaches. However, other types of incentive (potentially acting as supporting policies) could also be proposed by bidders where the case can be made for their relevance to the national context and their being considered as falling within the scope of 'carbon pricing'.
4	Carbon market consists of primary markets (where carbon assets are produced),	The focus is on primary and secondary markets. However, the potential role of

No	Question	Answer
	secondary markets (where carbon assets are traded), and financial and derivative markets. Most if not all of the current regulations address the primary and secondary markets. Is this particular project to address the financial and derivative market as well?	financial markets is well noted, including the benefits arising from their involvement - as seen in mature ETSS (e.g. EU ETS). As such, this could legitimately fall within the scope of certain activities, including the regulatory requirements for their involvement, the existing capacity within Indonesia's financial sector (Theme 1) and experiences within others carbon markets e.g. international review within Theme 2.
5	Is the intended government counterpart only the Ministry of Environment? What about other related ministries (Forestry, Finance) or Regional Government engagement?	The counterpart is the MoE but other ministries and organisations will be identified and engaged, and can be actively included within the activities where relevant (and through agreement with the counterpart).
6	Are there any carbon pricing-related studies currently conducted by the Indonesia Government in cooperation with UK PACT or other international institutions (such as GIZ or World Bank)? It will be important to understand whether these studies are the first ones of this kind, or rather they will be complimentary to other studies?	There is an ongoing study on carbon pricing supported under the UK PACT programme; however, the work is still in progress and not yet published. We also recognise that other initiatives related to carbon pricing may be underway in Indonesia. We expect applicants to be aware of the broader landscape and ensure their proposals are well aligned and complementary to ongoing efforts in the country.

Eligibility

No	Question	Answer
1	Just to be clear, so one proposal should address only one of the themes, and an organisation can submit more than 1 proposal, correct?	Yes, we expect each proposal to fully address one thematic area. Applicants can submit multiple proposals.
2	What does the requirement 'applications are expected to fully address the theme' mean? Should the project cover all areas of work mentioned in the theme slides as bullet points without exceptions?	Yes, each proposal needs to address clearly how the applicant intends to deliver all intervention areas set out for the relevant theme.
3	Is there already a specific budget allocated for both proposals? Does UK PACT have any expectation on the fee levels proposed by bidders?	We have indicated available funding for each thematic area. Further details on budget eligibility will be included in the Terms of Reference that will can be accessed here
4	Will it be possible to obtain short information on the outputs from the Phase 1 in carbon pricing, which will be closed in 2025?	The UK PACT Phase 1 project on carbon pricing is still ongoing, and outputs are not yet publicly available. The project supports the Government of Indonesia in strengthening the design and coordination of carbon pricing instruments. This includes technical inputs to relevant regulations, capacity building across ministries, and analytical support for both carbon pricing policy options and domestic carbon tax design.
5	How would you determine the division of grant funding if there are consortia submitting, across each organisation? Is there a threshold per individual organisation or sub-workstream for funding disbursement?	It is for the applicant to propose the distribution of funds across their consortium as part of the budget they submit with their proposal.
6	Does the applicant have to be Indonesia registered?	Both national and international organisations are eligible to apply, either individually or as part of a consortium. If applying as a consortium, at least one local (Indonesian) entity

		must be included, either as the lead or a partner.
7	Can individual organisation (not as a consortia) apply for this grant? Since consortia establishment only encouraged not a must. Does this requirement affect the grant-making decision?	It is acceptable for individual organisations to apply for this opportunity. The experience of the applicant (including any consortia if relevant) will be considered as part of the application scoring process
8	Is there any specific years of experience requirement for the applying organisation?	There is no specific requirement for years of experience, however the experience of the proposed consortium will be considered as part of the application scoring process
9	Just to be clear 15 months for all themes or for each theme?	Please refer to the ToR. Each selected project will receive funding for a duration of up to 15 months (1 October 2025 – 31 December 2026). The exact duration may vary depending on the actual project start date.
10	How many proposals will be awarded per theme?	We are looking to award one project for each theme.
11	On one of the slides you mention that the project should be delivered on a not-for-profit basis. Could you elaborate how you understand this criteria? How should the applicants meet this criteria?	The staff rates included in any proposal should only reflect the direct cost of employing that individual and not include any element of profit, for further information please refer to the UK PACT Applicant Handbook and the Terms of Reference .
12	Is it possible that one organisation is awarded grants for both themes	Yes, it is possible for one organisation to be awarded grants for both themes.
13	As for consortia, do we have to submit a relevant agreement/document as part of our proposal	There is no requirement for a consortium to submit a relevant agreement/document as part of their proposal. However, if a proposal is successful, funding is contingent on putting appropriate agreements in place to deliver with the consortium outlined in the proposal.

14	How is the grant mechanism? does it need pre-financing from the grantee	UK PACT uses a reimbursement-based grant mechanism. Funds are disbursed in GBP to the lead organisation based on an approved budget and milestone-based reporting. Pre-financing is not required. Costs incurred before the grant agreement is signed are not eligible for reimbursement.
15	Can one organisation submit 2 proposals for theme 1, and 2 proposals for them 2?	We expect applicants to submit a single proposal for each theme. However, applicants are welcome to submit multiple proposals, as long as each proposal fully addresses one theme individually. Only eligible proposals that meet the criteria will be considered for further processing. For more information please refer to the ToR .
16	Is this call for proposal prioritised to consortia of national and international organisation?	Both national and international organisations are eligible to apply, either individually or as part of a consortium. If applying as a consortium, at least one local (Indonesian) entity must be included, either as the lead or a partner. While consortium arrangements are not mandatory, we encourage collaborations between national and international organisations to leverage complementary expertise. We also encourage proposals where the project team is primarily based in Indonesia, to ensure strong contextual understanding and close coordination with local stakeholders.
17	Would like to ask about Theory of Change. Can we (participants) make additions or subtractions to the Theory of Change template provided by UK PACT? This is the experience of the consortium that I did at the end of last year. We were a bit confused about whether or not we can add or subtract columns to the Theory of Change	Yes, if this refers to the project-specific Theory of Change that applicants are required to complete, you are welcome to adapt the template as needed to suit your project. This could include adding or adjusting elements to better reflect your logic and planned results. That said, we would still expect to see the key components clearly captured—namely outputs, intermediate

		outcomes, outcomes, and impact. The overall logic should remain coherent and aligned with the objectives of the UK PACT programme.
18	Would the call allow co-funding? And is there any specific mechanism about the co-funding mechanism?	Yes, co-funding is allowed. Applicants must clearly demonstrate how UK PACT funding is additional and non-duplicative meaning that it supports distinct activities with their own measurable outputs and outcomes. Implementers must also be able to track and report UK PACT spending separately. For more details, please refer to the <i>Applicant Handbook</i> available here .
19	If we win the project, would it be possible to sign a "service agreement" instead of a "grant agreement," or perhaps another type of agreement other than a grant agreement?	No, this is not possible. The only type of agreement resulting from this Call for Proposals (CFP) will be a grant agreement.
20	Is there any preferable structure of consortium? apart from international collaboration is encouraged	It is for applicants to determine the most appropriate consortium arrangement that enables them to deliver the project effectively. However, as outlined in the ToR, consortia must include at least one Indonesian entity. We also encourage collaboration between international and local organisations where relevant, and proposals where the project team is primarily based in Indonesia—to ensure strong contextual understanding and close coordination with local stakeholders. For full details, please refer to the ToR available here .
21	Are there any more criteria regarding the partner organisations	Please see relevant responses above and refer to the ToR available here for further details.
22	If it is a consortium, what is the maximum number of institutions that can join?	There are no particular restrictions for the number of consortium members, it is up to each applicant to assemble the most suitable members as they planned

		to. The proposed team will be assessed as part of the evaluation process.
23	How many grantees that will be granted in this call?	As outlined in the Terms of Reference, this call aims to fund up to two separate projects—one under each thematic area (Theme 1 and Theme 2). Please refer to the ToR available here for further details.
24	Can any indian consultancy firm submit the bids?	Indian consultancy firm is eligible to submit proposals as part of this call for proposals. Please refer to the ToR available here for further details.
25	Is an USA headquartered non-profit eligible to apply?	USA headquartered non-profit is eligible to apply. Please refer to the ToR available here for further details.
26	Any match-making opportunities for creating consortia moving forward?	As this is an open and competitive Call for Proposals, UK PACT does not formally facilitate consortium matchmaking at this stage. However, we do encourage interested organisations to proactively connect with potential partners, including through existing networks. We also recommend reviewing the ToR, which encourage collaboration between international and local entities to ensure contextual relevance and impact.
27	What is the duration of consulting for each of them	Please refer to the ToR which can be accessed here
28	What are the eligible and non-eligible costs? And what is the overhead method or what is the overhead percentage that can be charged?	Eligible costs under UK PACT include personnel expenses such as salaries, benefits, pensions, and taxes; actual travel and subsistence; and direct delivery costs like workshops, translation, and production of project outputs. Ineligible costs include profit, contingencies, costs incurred before grant signing, and any expenditure related to advocacy, campaigning, depreciation, fines, or general

		<p>marketing not directly linked to project deliverables.</p> <p>Applicants can claim overheads up to 15% of direct project costs without needing to provide justification. For overheads above 15%, the “alternative overhead” tab in the budget template must be completed, supported by audited financial statements.</p>
29	During proposal preparation, if we needed more clarity or had questions to ask, is it allowed for us to reach out UK PACT?	<p>Clarification questions will be accepted until 2 July 2025 at 18:00 ICT / 11:00 UTC. During the proposal preparation period, you are welcome to seek further clarity by submitting questions to indonesia@ukpact.co.uk. Please refer to the ToR available here for further details.</p>

Email

No	Question	Answer
First Submission		
1	Which UK PACT/Palladium entity will be the contracting party for this Project? Please advise if UK PACT/Palladium pays the VAT to service providers? Please advise if UK PACT/Palladium is a tax-exempt organisation? If UK PACT/Palladium is exempted, which tax exemption is UK PACT/Palladium referring to (is it exempt or grant)?	The contracting entity for this Project will be Palladium International Ltd. UK PACT provides grants, not service contracts, and grants are outside the scope of VAT in the UK. Grantees are not considered service providers under this arrangement. Tax obligations, including VAT or other applicable taxes, may vary depending on the local tax laws of the grantee's country. Grantees are responsible for understanding and complying with any relevant local tax requirements. On Tax, as stated in our Applicants Handbook , please should note that UK VAT is not eligible as a cost in the budget, however, local taxes can be included. Local taxes should not be separated out from other direct costs included in the budget to which they relate.
2	The proposal template looks incomplete to me when compared to some other proposal templates in previous calls. For example, Section 2 is blank. Section 5.4.1 does not have a list of indicators. May I know if the proposal template is intended to be like that?	Please refer to the proper template that we have provided in our website here
3	I am writing to enquire whether a consortia contact document is also available for the UK PACT Call for Proposals on Carbon Pricing. We would greatly appreciate access to any similar document that may support consortia formation for the Carbon Pricing call. We are currently assessing potential partners and opportunities under this specific thematic area and would be grateful for any guidance or available resources.	At this stage, we do not have a dedicated consortia contact document for the Carbon Pricing Call for Proposals.

4	I am writing to inquire whether it would be possible for you to share the latest version of the Implementing Partner Handbook with us. I have found the Implementing Partner Handbook published in August 2023 online, however, we would appreciate receiving the latest edition.	Please find the latest Implementing Partner Handbook here .
5	The standard UN agreement clauses will need to apply when entering into an agreement, and I would like to know whether there is room for negotiation on specific contractual requirements.	In general, where applicable, UN organisations enter into contribution arrangements directly with FCDO under existing frameworks.
6	Who will be responsible for signing the grant agreement — Palladium as the fund manager, or the Foreign, Commonwealth and Development Office (FCDO) as the funder?	Implementing partner will enter into an agreement with Palladium.
7	Is it eligible for a provincial company owned by provincial government to apply for the proposal?	While we value interest from various types of organisations, Government agencies/and or departments are not eligible to apply for UK PACT funding either as a lead organisation, or as a partner organisation within a consortium
8	Regarding the question "Is the value of your project up to £500,000 per year and up to 2 years in length?" , does this refer to the new project we are proposing for funding under this call, or an existing or completed project that demonstrates our eligibility or track record as an applicant?	The eligibility checker from the website (link here) refers specifically to the new project you are proposing under this call for proposals. It is intended to ensure that your proposed budget and timeline fall within the limits outlined in the Terms of Reference. For full details on eligibility, please refer to the Applicant Handbook and Terms of Reference .
9	Would it be acceptable to include a State-Owned Enterprise (SOE) as a member of the consortium? If so, are there any specific conditions or restrictions we should be aware of?	State-owned companies may be eligible provided they are not considered part of the civil service and operate with sufficient autonomy from government structures. Eligibility is assessed based on the entity's legal and operational status, including whether it can receive and manage Overseas Development Assistance

		(ODA) funding. Applicants must demonstrate that no conflict of interest or fiduciary risk exists and that the entity complies with ODA eligibility requirements.
10	I understand that government departments or agencies are not eligible for the UK PACT Indonesia call. What about state-owned companies?	State-owned companies may be eligible provided they are not considered part of the civil service and operate with sufficient autonomy from government structures. Eligibility is assessed based on the entity's legal and operational status, including whether it can receive and manage Overseas Development Assistance (ODA) funding. Applicants must demonstrate that no conflict of interest or fiduciary risk exists and that the entity complies with ODA eligibility requirements.
11	In order to better prepare and assess potential collaboration opportunities, could you kindly share the Terms of Reference (TOR) and the detailed submission conditions for the CfP?	The Terms of Reference (ToR) and detailed submission requirements for the Call for Proposals are available on our website at: https://www.ukpact.co.uk/indonesia-uk-pact-call-for-proposals-carbon-pricing-sector .
Second Submission		
12	Could you please clarify to whom we should direct the proposals? Any specific detail on the UK Government's agency or delivery partner would be very much appreciated, as this information will help us analyse independence and ensure no conflicts	The contracting entity for this Project will be Palladium International Ltd.
13	Theme 1: One of the indicative outcomes is "clear, comprehensive, and structured carbon pricing regulation(s)." To better understand your expectations, could you please clarify whether this entails providing assistance until the regulations are approved by the House of Representatives and enacted into law?	The ultimate outcome/aim is for there to be " <i>clear... carbon pricing regulation(s)</i> ". However, the actual regulatory and legal procedures, outcomes and timings will ultimately depend on political and other factors outside the control of the project activities and successful applicant. The passage into law is therefore not seen

		as a requirement (or necessary phase) of the project support, The focus is rather on regulatory evaluation and design.
14	Theme 2: For the third activity of "Support to improve SRN infrastructure and SPE quality," could you please clarify the expected deliverable? Would this activity require IT infrastructure assistance (e.g., desktop app development) or are process improvements sufficient (i.e., recommendations on content of improving SRN)?	The focus is on improving and strengthening the existing infrastructure, including process improvements. However, bidders can propose additional activities and/or services which may be relevant; these could also potentially be assessed within the inception phase.
15	Both themes: For technical proposal's section 3 on "Background and Geographical Selection", could you please confirm if applicants are still required to justify the geographical selection, considering that the proposals indicate that UK PACT has already selected Indonesia as the country to be assisted?	Applicants do not need to justify the geographical selection for his assignment, given that it is located in Indonesia but the applicants are still required to complete this section. While UK PACT has selected Indonesia as the country of focus, applicants should use this section to justify the specific geographical context within Indonesia, explaining the particular problem(s) or barrier(s) their project aims to address. This helps demonstrate the project's relevance, need, and potential for impact in the chosen location.
16	Can this include UK partners and if so, do you cover overheads (as would be funded by UKRI for example)? Whilst we are a not-for-profit organisation, we need to be able to financially make any project proposals work.	Yes, UK-based partners are eligible to be part of project proposals. UK PACT allows applicants to include overhead costs of up to 15% of the total direct project costs without needing to provide any justification. This is designed to help not-for-profit organisations recover the essential costs of running their operations. If you anticipate overheads above 15%, they may still be considered. However, you will need to demonstrate why a higher rate is necessary, supported by relevant financial evidence (e.g. past audited accounts). These requests will be assessed on a case-by-case basis to

		ensure transparency and value for money.
17	Is there any information about the Ministry of Environment target that needs to be considered in the proposal?	<p>Assuming that the ‘target’ referred to here is Indonesia’s NDC target(s), then yes, the applicant should indeed consider the role of carbon pricing in helping achieve the country’s GHG reduction target(s). Several of the activities under Theme 1 are specifically related to this issue and the technical proposal should therefore address these.</p> <p>It is not clear what the ‘information’ referred to may relate to, but demonstrating good knowledge of the government’s NDC targets and more generally its GHG mitigation priorities and policies, and how these can best be reflected in the proposed approach, would strengthen the technical proposal.</p>
18	Does this mean that UK PACT cannot disburse funds before the activities begin? Will the disbursement be made based on reporting? Is there any room for negotiation or there would be no flexibility at all?	<p>UK PACT operates on a reimbursement-based funding model. Funds are disbursed in GBP to the lead organisation upon submission of milestone-based reports and in line with the approved budget.</p> <p>Pre-financing is not provided, and any costs incurred before the grant agreement is signed will not be reimbursed.</p>
19	Does this mean that UN organisations are not recommended to participate in the UK PACT call for proposal?	<p>We invite all organisations with relevant experience in delivering technical assistance and capacity-building projects in the carbon pricing sector to register. This could be both international and local think-tanks, consultancies, academic institutions, NGOs, professional associations, or any similar organisations that have the knowledge, skills and experience to deliver an eligible project. Private</p>

		sector entities and UN agencies are welcomed.
Third Submission		
20	In our consortium we have people who are undertaking a PhD in the UK while holding a permanent academic position in Indonesia. Are they eligible to receive funds either as academics in Indonesia or students in the UK?	Yes, individuals holding a permanent academic position in Indonesia and pursuing a PhD in the UK can be funded if they are contracted through an eligible organisation and contribute to the project.
21	In our consortium we have scholars who are undertaking a PhD in the UK and are knowledgeable about the Indonesia carbon market. Can they be funded?	Yes, PhD scholars in the UK with expertise in Indonesia's carbon market can be funded if they are contracted through an eligible organisation and contribute to the project.
22	In our consortium we are involving a person currently working for the Indonesian Government, who will assist and help the consortium to partner and deliver for the government at no cost. Can they be named in the proposal although no funds will go to them or their government organisation?	<p>Yes, with conditions. A government official may be referenced in the proposal in a non-remunerated, facilitative role, provided:</p> <ul style="list-style-type: none"> • No funds or in-kind support are provided to the individual or their institution. • They are not listed as project staff in the budget or workplan. • A clear conflict of interest declaration is included, confirming their role is voluntary and unpaid.
23	Is 100% of the costs claimed paid or is the project partially funded? (e.g. 80% as in the case of UK research grant?)	All eligible costs will be fully refunded.
24	Would UK PACT consider it a conflict of interest if a consortium includes an international (voluntary) carbon market standard as a co-applicant (not as the lead applicant)?	Not inherently, but full disclosure is required. UK PACT will assess such cases individually. To avoid conflicts:

		<ul style="list-style-type: none"> • The co-applicant must not have a regulatory or approving role in the project's outputs. • There must be no direct financial gain linked to project outcomes (e.g. credit issuance). • A clear conflict of interest declaration must outline the organisation's role and any potential overlaps.
25	Can I make sure that everyone that meets the eligibility criteria can apply for this call for proposal? There is no invitee list or short listed applicants for this call for proposal?	Yes, all eligible applicants may apply.
26	Could you clarify how proposals will be assessed in terms of strategic alignment with the Just Energy Transition Partnership (JETP) ¹ , particularly for carbon pricing interventions?	Proposals to align with the JETP are welcomed, where concrete suggestions on how to do so can be provided.
27	Will FCDO facilitate formal engagement channels with the Ministry of Environment (KLH) or other key ministries to ensure alignment and traction for selected projects?	Yes, FCDO will support the engagement between future implementing partners and Government counterparts during delivery where relevant to the project.
28	Are there any restrictions or preferences regarding lead organizations based outside of Indonesia, provided they demonstrate strong contextual knowledge and networks within the team?	<p>Both international and local organisations are eligible to apply.</p> <p>However, proposals are encouraged to include project leadership based in Indonesia, close to key stakeholders, and demonstrate strong contextual knowledge and networks within their team.</p> <p>Please refer to the ToR available here.</p>
29	Given the funding ceilings (£450,000 for Theme 1 and £650,000 for Theme 2), are proposals expected to cover the full scope of the thematic areas listed per Theme, or can they focus on a more targeted subset with greater technical	A more targeted scope can be considered, where a clear and convincing case is made for taking such an approach, including through the Theory of Change.

	depth, for example selecting a particular sub-theme for the submission?	
30	You mentioned that projects are expected to synergize with one another—will there be a formal mechanism or coordination platform provided by UK PACT to foster collaboration among grantees?	Yes, Palladium as the delivery partner will work with each project to build synergy and coordination across implementing partners throughout delivery.
31	What level of private sector engagement is expected or preferred within proposals, particularly for activities under Theme 2 such as carbon market infrastructure and MRV systems?	Engagement with relevant private sector bodies and stakeholders is considered a strength, particularly within Theme 2.
32	How does UK PACT define a “transformational” contribution to GEDSI (Gender Equality, Disability, and Social Inclusion) in the context of technical and policy-driven interventions like carbon pricing?	A ‘transformational’ GEDSI contribution would mean addressing unequal power relations and driving institutional or societal change such as ensuring carbon pricing policies are inclusive, benefit marginalised groups and actively shift decision-making power or access to resources.
33	Can one output in the Theory of Change be categorized under more than one UK PACT Output Area (e.g., both “knowledge generation” and “partnerships built”), or must each output be assigned to a single category?	To ensure having clear and verifiable outputs, please assign an output to a singular output area.
34	Given the relatively short implementation window (15 months), what level of behavioural or institutional adoption is expected for intermediate outcomes, particularly in regulatory and policy environments?	<p>The expected level at intermediate outcome level is the early-stage adoption and capacity change. Specifically, UK PACT anticipates:</p> <ul style="list-style-type: none"> - The adoption or enhancement of policies, practices, tools, or technologies) with projected emissions reduction potential - Demonstrable contributions to organisational or institutional capacity changes - Early signs of stakeholder uptake and policy influence
35	How should applicants frame long-term project impacts in the ToC while acknowledging the	Applicants should frame how their project outputs, such as capacity building, stakeholder engagement, or

	limited timeframe and indirect influence on national climate targets?	policy development, can lay the foundations for accelerated and enhanced future climate action. The ToC should demonstrate how these early changes contribute to broader goals over time, while clearly acknowledging that many of these will occur only after the project lifetime. Long-term impacts should be accompanied by key assumptions and external factors that could influence future progress. Including intermediate outcomes and outcomes within the ToC to clearly articulate the link from outputs to impacts, and the changes the project can expect to see and measure during implementation, is critical.
36	Are there any suggested or typical assumptions UK PACT recommends including in the ToC—especially regarding government uptake, institutional continuity, or political will?	Yes, UK PACT recommends including clear and realistic assumptions in the ToC, particularly around factors outside the project’s control that influence long-term change. Typical assumptions include: (1) relevant government agencies will be willing and able to consider or act on project outputs; (2) institutional counterparts or champions will remain engaged throughout the project; (3) the political and regulatory environment will continue to support climate action; (4) key stakeholders will actively participate and coordinate; and (5) complementary initiatives will sustain or scale project contributions. Applicants may also include other context-specific assumptions as deemed appropriate,
37	Could you provide guidance on how to quantify likelihood and impact scores within the Risk Register template to ensure consistency across submissions?	Guidance is provided within the risk register template under the “risk categories and ratings” to guide how likelihood and impact should be scored. Risk registers will also be re-reviewed during co-creation and revised with the Delivery Partner should an applicant be selected.

38	Will UK PACT provide periodic opportunities for applicants to revise or update the risk register as part of adaptive management during implementation?	Yes, Implementing Partners will be expected to submit updated risk registers on a quarterly basis, with a regular monthly conversation on risk throughout delivery.
39	In the event of unforeseen regulatory delays or shifts in political commitment, what level of adjustment or flexibility will UK PACT allow to realign activities and timelines?	Flexibility will be provided by UK PACT in the event of unforeseen regulatory delays and/or political developments.
40	What are the financial management eligibility criteria that the FCDO requires for proposals, including, perhaps, annual financial statements, tax returns, etc.?	Applicants must demonstrate sound financial management capacity, including the submission of audited financial statements for the past three years , confirmation of tax compliance , and evidence of being up to date with all statutory corporate filings . Organisations must have documented financial procedures , an appropriate risk management framework , and hold sufficient insurance coverage such as professional indemnity and public liability. A formal procurement policy is also required. These criteria ensure the organisation can responsibly manage FCDO funds and comply with UK PACT due diligence standards.
41	Is this grant financing carried out through a pre-financing mechanism, disbursement per term deliverable, or disbursement of funds at once after signing the grant agreement contract?	UK PACT operates on a reimbursement-based funding model. Funds are disbursed in GBP to the lead organisation upon submission of quarterly milestone-based reports and in line with the approved budget. Pre-financing is not provided, and any costs incurred before the grant agreement is signed will not be reimbursed.
42	We noticed that the section "2. Intervention area" is blank. We have checked your consolidated Q&A document and accessed the template provided there. The section also blanks in that template. Could you please kindly	We have updated the template in the link available on the website. In the meantime, you may complete the template by inserting the title of the theme you are applying for:

	provide us the complete template? We would be deeply grateful.	<ul style="list-style-type: none"> • Theme 1: Strengthening the Regulatory Framework for Carbon Pricing • Theme 2: Enhancing Carbon Market Strategy and Infrastructure
43	Will UK PACT provide feedback or supervision during the implementation phase of the project? If so, what form will this oversight take?	Yes, UK PACT will provide feedback and oversight during the implementation phase. This includes regular engagement through fund management teams, monitoring of projects progress through monthly check-in, quarterly reporting, review of key deliverables, and learning activities. UK PACT may provide support or guidance to strengthen project alignment, troubleshoot challenges, and ensure quality and relevance of outputs. This collaborative supervision aims to support adaptive management and maximised project impact.
44	Would a PT PMA (foreign capital investment company) registered in Indonesia be considered a “local entity” for the purpose of meeting the consortium eligibility requirement?	The entity would be considered a ‘local entity’ if it is legally established and operating in-country.
45	For the potential extension beyond the 15-month funding period, would this be managed under a new grant agreement or through an amendment to the existing contract?	Extensions are typically provided through an amendment to the existing contract.
46	Has UK PACT already established formal collaboration agreements with the relevant Government of Indonesia (GoI) institutions, or is it expected that the selected grantee initiate relationships from scratch?	UK PACT has had engagements with relevant GoI counterparts for this upcoming Carbon Pricing projects. Implementing partner will be supported by UK PACT team, FCDO, and British Embassy in Jakarta in establishing the formal agreement with the GoI.
47	Is there a specific template required for the consortium agreement, or may applicants use	Yes, applicants can submit a letter of intent signed by the consortium lead

	their own format as long as it includes the required content?	and member(s) using their own format.
48	What are the financial management eligibility criteria that the FCDO requires for proposals, including, perhaps, annual financial statements, tax returns, etc.?	FCDO requires all applicants to demonstrate robust financial management through the submission of audited annual financial statements for the last three years, evidence of tax compliance , and confirmation that the organisation is up to date with all statutory corporate filings . Applicants must also have established financial control procedures , a functioning risk management system , appropriate insurance coverage , and a formal procurement policy . These requirements ensure the organisation's capacity to manage public funds responsibly and meet UK PACT's due diligence standards.
49	Who will bear the cost of administrative or bank transfer fees related to the disbursement of grant funds (paid in GBP)?	Any associated administrative or bank transfer fees should be managed by the implementing partner.
50	Will proposal scores and feedback be shared with both successful and unsuccessful applicants following the selection process?	We will inform both successful and unsuccessful applicants of the outcome and provide feedback via email. Proposal scores will not be shared.
51	Are applicants allowed to adjust or modify the format of the proposal templates provided, or should the format be strictly followed?	Applicants will be required to prepare full proposals using the templates provided on the UK PACT website. Applicants should take note of all instructions included on the website and in the templates before making a submission to make sure nothing has been missed. If applicants wish to include information that is not captured in the template or requires more space, they may add or attach supporting documents as needed.
52	Do the proposals need to address every 'activity' listed within the tables on pages 6 – 9	All areas of intervention must be covered but applicants have the

	of the CoP? I noticed a previous clarification question response that confirmed that all ‘areas of intervention’ must be included within the proposal, but we hope to understand how much flexibility there is within selecting, adapting, or creating the activities.	flexibility to propose activities that best suit their approach and expertise as long as they align with the main objectives.
53	Our UK PI would like to partner with a University in Indonesia, for which a current PhD Student at our institution holds an affiliation there as a lecturer. Would this be an issue, or is it allowable?	This is allowed as long as the Indonesian university is an eligible organisation and the dual affiliation does not create a conflict of interest or governance issue within the consortium.
54	For Theme 1, regarding the budget and funding availability: The document states that Fiscal Year (FY) 2025/26 runs from October 2025 to March 2026, and FY 2026/27 runs from October 2026 to December 2026. This suggests there is a 6-month gap between the two fiscal years. Could you please confirm if this is accurate?	We aim for both projects to start on 1 October 2025 until December 2026. Financial Year (FY) 2025/26 runs from October 2025 – March 2026, and FY 2026/27 runs from April 2026 to December 2026. Please refer to the ToR available here .
55	There are conflicting proposal submission deadlines in the Terms of Reference: -page 12 lists the deadline as 22 July 2025 at 18:00 ICT / 11:00 UTC, while page 14 states it as 23 July 2025. Could you clarify which date is the official deadline?	The deadline for this submission will be by 23 July 2025 at 18:00 ICT/ 11:00 UTC. All the ToR documents has been updated.
56	In the Terms of Reference, under the activity “ <i>Support to improve SRN infrastructure and SPE quality</i> ”: Are SPEs being referred to here as ETS allowances, Since SPE-GRK are considered offsets, we need clarification on what exactly is meant in this context.	SPE here refers to the offsets.
57	In the Terms of Reference, under the activity titled “ <i>Methodology for setting and implementing ETS from various sectors</i> ”: Could you please elaborate on the expected scope or deliverables associated with this activity?	This refers to approaches and design options to setting ETS caps/targets and allocating allowances to sectors and participants. As seen with international examples this can take many forms and considerations should be suited to the national context.
58	May I know if the 100 word limit is for the whole consortium or each key member of the	The 100-word limit applies to each key member of the team and not the whole consortium.

	team when answering the Knowledge, skills and experience?	
59	If an organisation is using a subcontractor (with staff and days allocated in the budget sheet) whose overhead costs exceed 15%, should the lead organisation include this overhead in the 'Alt. Overheads Calculation' section (row 64 or 65)? For example, under CONSORTIUM PARTNER 1 – Subcontractor XYZ.	Yes. If a subcontractor has staff and days listed in the budget, and their overheads exceed the 15% flat rate, the lead applicant must use the 'Alternative Overheads Calculation' section in the UK PACT budget template to report this. This section is specifically intended for non-standard overhead arrangements, provided they are fully justified and evidence-based.
60	On the budget sheet, it says that academic institutions should contact you because we cannot use the spreadsheet's methodology for the alternative overheads calculation. Can you please advise what we should use instead? Should we provide overheads in line with our TRAC methodology costing	<p>The UK PACT budget template notes that academic institutions should contact the fund management team if they use an alternative costing methodology. In such cases, institutions are typically allowed to use alt.methodology based overheads, but must:</p> <p>Not use the default 15% overhead line.</p> <p>Provide an alternative overhead breakdown via the 'Alt. Overheads Calculation' section.</p> <p>Supply justification and supporting documentation, confirming their institutional policy and calculations.</p>