

Terms of Reference: Energy Efficiency Indonesia-UK PACT

Grant value:

Up to £800,000 per project per financial year, up to a maximum of £1,400,000 over 21 months

Project duration: Up to 21 months (April 2025 – December 2026) with a possibility for extension

Deadline for submission of applications: 11 December 2024, 18:00 ICT/11:00 UTC

Apply through Call for Proposals web page: https://www.ukpact.co.uk/indonesia-uk-pact-call-for-proposals-energy-efficiency

What is Indonesia-UK PACT?

The UK PACT (Partnering for Accelerated Climate Transitions), funded by the UK Government through International its Climate Finance (ICF) portfolio, partners with Official Development Assistance (ODA) eligible countries that have significant emissions reduction potential. The supports low-carbon programme development and clean growth transitions by responding to identified demands from partner governments and providing grants for capacity-building projects in priority areas, managed by selected implementing partners.

Indonesia-UK PACT will continue to support and strengthen existing Indonesia – UK collaboration in the energy space under MENTARI programme, while also exploring new opportunities for collaboration between Indonesia and the UK on reducing emissions and promoting low-carbon development. The programme is committed to advancing Indonesia's efforts in low-carbon transport, energy efficiency, and carbon pricing. With a new multi-year funding allocation, Indonesia-UK PACT will continue to work closely with government stakeholders to support these key sectors and contribute to the country's sustainable development goals.

This Call for Proposals seeks to specifically respond to the demand for technical assistance and capacity building in the efficiency sector and energy other decarbonisation initiatives, addressing the critical need for enhancing policy frameworks. improving energy management practices, and supporting the adoption of energy-efficient technologies across key industries.



Why are we looking for proposals related to energy efficiency and decarbonisation?

Indonesia is committed to advancing its energy efficiency sector to support its climate targets, including significant reductions in greenhouse gas emissions. The country's National Energy Policy (Kebijakan Energi Nasional - KEN) and its Conservation Roadmap for Energy emphasise the importance of improving energy efficiency across various sectors, includina industry, buildings, and transportation. As part of its commitment to achieving the targets set out in its enhanced Nationally Determined Contributions (NDCs), Indonesia aims to reduce its energy intensity by 1% per year and cut greenhouse gas emissions by 31.89% by 2030, or 43.20% with international support.

Energy efficiency and decarbonisation plays a critical role in this transition, offering cost-effective solutions to reduce energy demand, improve energy security, and lower emissions. The government has made significant progress in laying the groundwork, including through initiatives like the National Energy Conservation Master Plan (Rencana Induk Konservasi Energi Nasional - RIKEN) and revisions to key energy regulations. However, several challenges remain, such as limited access to financing, low awareness of energy efficiency benefits, and capacity gaps in implementing energy efficiency measures at scale.

The UK PACT programme aims to support Indonesia's efforts by addressing these challenaes. Through targeted interventions, UK PACT seeks to help develop a robust energy efficiency market, expand access to financing, and enhance technical and regulatory capacity across key sectors. By doing so, the programme will contribute to Indonesia's long-term energy transition goals, while supporting sustainable economic growth and improving energy resilience.

The UK PACT programme builds on lessons learned from previous energy efficiency and decarbonisation initiatives, both in Indonesia and globally. For instance, the programme will leverage the progress made in promoting energy efficiency in SMEs and public buildings, as well as the regulatory advances related to energy management. It will also address gaps identified in previous programme, such as the need for greater capacity building and the development of bankable energy efficiency projects.



We are seeking proposals for projects that advance decarbonisation of the industrial and building sector through energy efficiency and electrification in Indonesia, with a specific focus on reducing carbon emissions and supporting the country's energy transition goals. These projects should align with national policies and priorities, provide tangible benefits to both the private sector and the broader community, and contribute to the development, implementation, and scaling of energy efficiency and electrification strategies.

The goal is to accelerate the implementation of energy efficiency, energy conservation, fuel switching and electrification projects to lower emissions, and drive sustainable, low-carbon investments across key sectors. Projects should demonstrate a clear link to Indonesia's National Energy Policy (Kebijakan Energi Nasional - KEN) and the Nationally Determined Contributions (NDCs) while also fostering market transformation and capacity building in targeted sectors.

To achieve this, we have identified three key project themes:

- Support Small and Medium-Sized Enterprises (SMEs) in the decarbonisation of the energy systems: focus on improving energy efficiency, electrification and integrating renewable energy solutions within small and medium-sized enterprises (SMEs), particularly in sectors like healthcare, retail, and small to medium-scale industries. Projects under this theme may also include capacity-building efforts, energy audits, and the deployment of energy-efficient technologies.
- Market Transformation through Energy Efficiency and electrification in the private and public sectors: this theme aims to increase energy efficiency adoption in both public building and private companies by supporting initiatives such as the Just Energy Transition Partnership (JETP), the implementation of Energy Savings Performance Contracts (ESPCs), and the creation of bankable projects through an energy efficiency and decarbonisation incubator. These efforts will help demonstrate the financial viability of energy efficiency and decarbonisation investments and attract private sector participation.
- Regional Capacity Building and Support for National Regulations and Roadmap Development: this theme will focus on expanding regional energy management and decarbonisation programmes and developing tailored energy efficiency and decarbonisation roadmaps for municipalities. It will also provide support for the finalisation and adoption of a national regulation for Energy Service Companies (ESCOs), ensuring an enabling policy environment that encourages the scaling of energy efficiency and electrification projects across regions.

The following tables provide detailed information and expectations for each intervention theme. We are seeking funding applications for these themes, which include illustrative activities deemed most effective in achieving the desired outcomes. Applicants should take these activities into account when crafting their proposals, however they are encouraged to propose additional activities and outputs that support the overall goal of the programme. Theme 1: Support Energy Efficiency and other decarbonisation initiatives in Small and Medium-Sized Enterprises (SMEs)

Area of intervention	Activity	Description of activity	Indicative output
SMEs targeted intervention	Scoping study on energy efficiency (EE) and electrification potential in small and medium-sized enterprises (SMEs).	Conduct a detailed scoping study to assess energy efficiency and electrification needs and potential in small and medium-sized enterprises (SMEs) across key sectors (healthcare, retail, small industries). Organise an FGD with government and industry associations to identify challenges and opportunities and engage key industry players to ensure alignment with sector specific and government needs. Recommend a selection of sectors/subsectors to focus on under this scope of work/theme.	Comprehensive scoping study report outlining the energy efficiency and electrification potential and key barriers for small and medium-sized enterprises (SMEs).
	Energy studies and needs Identification in key sectors.	Identify target small and medium-sized enterprises (SMEs) and conduct energy studies to assess current energy usage and highlight opportunities for savings and emissions reductions.	Reports for selected small and medium-sized enterprises (SMEs), identifying potential measures and opportunities.

SMEs targeted intervention	Technical assistance for implementation measures.	Provide tailored technical assistance to small and medium- sized enterprises (SMEs), focusing on adopting energy- efficient technologies, electrification and operational changes based on audit results. Potentially establish partnership with technology providers and energy firms.	At least 15 small and medium-sized enterprises (SMEs) implement recommended emission-reduction measures, leading to demonstrable reductions in energy use and emissions.
	Support implementation of projects in small and medium-sized enterprises (SMEs).	Assist small and medium-sized enterprises (SMEs) in planning and executing energy efficiency and/or electrification projects and monitor implementation.	10 pilot small and medium-sized enterprises (SMEs) successfully implement energy efficiency projects, showcasing case studies for broader adoption.
	Track energy savings, emission reductions and operational improvements.	Develop a measurement and verification (MV) system to track energy savings, emission reductions and operational efficiency improvements in small and medium-sized enterprises (SMEs) post-implementation of energy-saving measures.	Reports on energy savings achieved across pilot small and medium-sized enterprises (SMEs), including lessons learned and success stories.

SMEs targeted intervention	Scale successful interventions and promote best practices.	Expand successful interventions by sharing best practices through workshops, webinars, and reports to additional SMEs across sectors. Linked to peer-to-peer networks. Target key associations.	At least 50 small and medium-sized enterprises (SMEs) adopted emission- reduction measures based on shared best practices and success stories from pilot projects.
Peer-to- peer learning networks	Set up initial peer-to-peer learning networks.	Establish peer-to-peer learning networks, grouping small and medium-sized enterprises (SMEs) from different sectors/energy users of different technologies to share experiences and best practices in energy efficiency and decarbonisation.	At least one peer- to-peer network was established, with small and medium-sized enterprises (SMEs) actively participating and sharing experiences.
	Facilitate knowledge- sharing sessions.	Organise regular meetings, both online and in person, for small and medium-sized enterprises (SMEs) to discuss challenges, successes, and lessons learned in implementing energy efficiency.	Quarterly knowledge-sharing sessions held, with documented minutes and action points.
	Expand networks to more businesses and sectors.	Gradually expand the peer-to-peer networks to include more small and medium-sized enterprises (SMEs) from additional sectors and regions.	Peer-to-peer networks expanded to include at least 100 small and medium-sized enterprises (SMEs) from diverse sectors across Indonesia.

Peer-to- peer learning networks	Evaluate network success and replicate in new regions.	Conduct regular evaluations to assess the effectiveness of the networks and replicate the model in new regions or sectors.	Evaluation reports completed, leading to replication of networks in at least 3 new regions.
	Scaling up successful strategies.	Identify successful strategies shared in the networks and promote them through additional training programmes or as part of national energy efficiency initiatives.	At least 5 successful strategies scaled up and implemented by multiple small and medium-sized enterprises (SMEs) across different sectors.
Capacity- building and awareness raising	Develop and deliver workshops, webinars, and campaigns.	Create and deliver tailored workshops and webinars aimed at increasing awareness of energy efficiency practices, emission reduction awareness and building technical and financial capacity within small and medium-sized enterprises (SMEs).	At least 10 workshops and webinars were delivered to small and medium-sized enterprises (SMEs) owners and staff, with increased awareness reported.
	Expand training programmes to key sectors.	Design specialised training sessions for high-energy- consuming sectors, focusing on practical solutions and tools.	Specialised training sessions were delivered to key sectors, with 100 participants trained in EE solutions.

Capacity- building and awareness raising	Measure knowledge retention and project implementation	Develop assessments to measure the retention of knowledge and implementation of energy efficiency projects post-training.	Post-training evaluations show that at least 80% of participants have retained knowledge and applied it in their work.
	Assess the impact of training and awareness campaigns.	Conduct a comprehensive evaluation of the impact of all training and awareness-raising activities, focusing on their contribution to energy savings and emission reductions.	Evaluation reports demonstrate measurable energy savings, emission reductions and improved operational efficiency in small and medium-sized enterprises (SMEs).
	Adjust strategies and expand to new Regions or industries.	Refine training strategies based on evaluations and expand the programmes to reach more regions and sectors.	Training programmes expanded to at least 3 new regions and 2 additional sectors by Year 3.
GEDSI	Gender Equality, Disability and Social Inclusion (GEDSI) in SMEs.	Ensure that 30% of participating SMEs in all interventions are women-led or from marginalised communities. Offer additional mentoring and support where necessary.	30% of participating small and medium-sized enterprises (SMEs) are women-led or from marginalised communities, with additional training and mentoring provided.
Monitoring, Reporting, Evaluation, and Learning (MREL)	Monitoring and evaluation (M&E).	Establish a robust M&E system for all activities, including tracking energy savings, emission reductions and operational improvements, and participant feedback.	Regular progress reports documenting energy savings, operational improvements, and participant feedback.

Theme 2: Market Transformation through Energy Efficiency and electrification in the private and public sectors

Area of intervention	Activity	Description of activity	Indicative output
Support Energy Savings Performance Contracts (ESPC) in government buildings	Provide legal, financial, and technical support for ESPC implementatio n in government buildings.	Assist in the development of the financial, and technical frameworks necessary to execute ESPCs, including ongoing mentorship and advisory services to ensure sustained success. (in collaboration with theme 3, activity on ESCO regulation)	Legal, financial, and technical frameworks established with continuous support during ESPC implementation.
	Develop standard ESPC contracting documents.	Create standardised ESPC contracts that can be adopted across government buildings, ensuring consistency and ease of replication. Continuous refinement of documents based on feedback from initial projects.	Standardised ESPC contracts developed and improved through lessons learned from pilot projects.
	Implement ESPC in pilot building and monitor energy savings performance.	Support the execution of an ESPC in a designated pilot government building, ensuring proper monitoring, evaluation, and advisory feedback during energy savings performance verification.	ESPC implemented in at least one government building, with ongoing advisory services and verified energy savings.

Support Energy Savings Performance Contracts (ESPC) in government buildings	Scale-up to additional government buildings.	Based on pilot results, scale the ESPC model to other government buildings and share learnings to encourage wider adoption, supported by continuous mentorship and technical advisory.	ESPC model scaled to at least 3 additional government buildings, with ongoing mentorship and case studies published.
	Conduct post- project evaluations and share case studies for replication.	Evaluate the pilot project, providing both internal feedback and public case studies to encourage replication across the public sector. Post-evaluation advisory provided to optimise future projects.	Post-project evaluation reports and case studies published, shared with stakeholders, and refined for future scaling.
EE and electrification incubator to create a portfolio of bankable projects	Call for proposals and engage with ESCOs, technology providers and project hosts.	Announce a call for energy efficiency and electrification projects and engage stakeholders, such as ESCOs and project hosts, to submit their projects for development. Provide initial mentoring for project proposal refinement.	At least 10 proposals submitted, with tailored mentoring support provided to ensure high- quality submissions.
	Provide technical, legal, and financial advisory to selected projects.	Offer comprehensive advisory services, including ongoing mentorship, to help selected projects become bankable, covering technical, legal, and financial aspects throughout the project lifecycle.	At least 5 selected projects receive continuous advisory support, ensuring smooth implementation and bankability.

EE and electrification incubator to create a portfolio of bankable projects	Conduct scoping study and needs assessment for selected projects.	Carry out a needs assessment for selected projects, providing early feedback through mentorship to ensure alignment with financial and technical requirements, and advising on necessary improvements.	Detailed scoping study and needs assessment report completed, with advisory feedback integrated for project refinement.
	Conduct post- project evaluations and scale successful projects.	Evaluate the success of implemented projects, identify lessons learned, and provide advisory feedback for further optimisation. Scale up successful projects, with mentorship and stakeholder engagement to attract more investors.	Evaluation report completed, with at least 2 projects scaled and additional financing secured, supported by continued advisory.
Support Just Energy Transition Partnership (JETP)	Provide on- demand support to the JETP task force to align energy efficiency with JETP objectives.	Offer technical support to the JETP task force to ensure that energy efficiency and electrification initiatives are fully aligned with JETP decarbonisation objectives. Ongoing advisory services provided to optimise JETP strategies.	JETP task force receives ongoing support, ensuring EEE is embedded within JETP activities and optimised for results.

Support Just Energy Transition Partnership (JETP)	Collaborate with government and key stakeholders on energy efficiency and decarbonisation strategies.	Facilitate collaboration between the JETP task force, government, and stakeholders, ensuring consistent advisory support to align strategies and coordinate energy efficiency initiatives effectively.	Regular meetings held between government, JETP task force, and stakeholders, with coordinated action plans and continuous advisory support.
	Support the alignment of the JETP roadmap with energy efficiency targets.	Work with the JETP task force to integrate energy efficiency milestones into the JETP decarbonisation roadmap. Advisory services will help track progress and adapt targets as needed.	JETP roadmap updated to include specific energy efficiency milestones, with ongoing progress tracking and advisory feedback.
ESPC/ESCO business model training	Develop and deliver mentoring and training programmes for ESCOs on ESPC models.	Design mentoring and training programmes that focus on ESPC models such as Guaranteed Savings (GS) and Shared Savings (SS) for ESCOs. Continuous feedback provided to ensure the development of viable ESPCs.	Mentoring and training programmes delivered to at least 10 ESCOs, covering GS and SS models, with ongoing feedback and mentorship.
	Provide ongoing mentorship and feedback on early ESPC project development and implementation.	Offer continuous mentorship and advisory services to help ESCOs refine and implement early-stage ESPC projects, including feedback during project implementation.	At least 5 ESCOs receive ongoing mentorship and successfully implement their first ESPC projects with continuous advisory support.

ESPC/ESCO business model training	Evaluate success of ESPC model training and project implementation.	Conduct a formal evaluation of the training and mentorship programmes to assess the performance and outcomes of early- stage ESPC projects, providing advisory feedback for further improvement.	Evaluation report published, highlighting key successes and areas for improvement, with ongoing advisory feedback integrated into future training.
	Scale and replicate ESPC models across additional sectors and regions.	Based on the success of early ESPC projects, scale the model to more sectors and regions, facilitating wider adoption of ESPCs with continuous mentorship and feedback loops.	ESPC models scaled to at least 3 additional sectors and 2 new regions, with ongoing mentorship and feedback loops established.
GEDSI	Gender Equality, Disability, and Social Inclusion (GEDSI) in SMEs.	Ensure that at least 30% of participating SMEs in all interventions are women-led or from marginalised communities. Offer additional mentoring and support where necessary.	At least 30% of participating SMEs are women-led or from marginalised communities, with additional training and mentoring provided.
Monitoring, Reporting, Evaluation, and Learning (MREL)	Monitoring and Evaluation (M&E).	Establish a robust M&E system for all activities, including tracking energy savings, operational improvements, and participant feedback.	Regular progress reports documenting energy savings, operational improvements, and participant feedback.

Theme 3: Regional capacity-building and support for National Regulations and Roadmap Development

Area of intervention	Activity	Description of activity	Indicative output
Energy Efficiency roadmaps for municipalities	Conduct FGDs with municipalities to assess energy needs and develop roadmaps.	Organise focused group discussions (FGDs) with municipal stakeholders to assess local energy needs and develop tailored roadmaps aligned with national goals.	Energy efficiency roadmaps developed for at least 3 municipalities, based on local needs and national targets.
	Collaborate with local stakeholders to draft energy efficiency plans.	Work closely with local governments, energy providers, and businesses to draft realistic energy efficiency plans for each municipality.	Drafted energy efficiency plans that are widely endorsed by local stakeholders in each municipality.
	Support municipalities in implementing the initial phases of the roadmaps.	Provide technical and advisory support to municipalities to initiate the implementation of energy efficiency measures as per the roadmap.	Initial phases of energy efficiency measures implemented in at least 3 municipalities.
	Measure energy savings and impact on local infrastructure.	Monitor and evaluate the energy savings and improvements to local infrastructure as a result of roadmap implementation.	M&E reports showing energy savings and infrastructure improvements across municipalities.

Energy Efficiency roadmaps for municipalities	Review and refine roadmaps based on implementati on feedback.	Gather feedback from implementation, refine the energy efficiency roadmaps, and adjust strategies based on lessons learned.	Roadmaps updated and refined to reflect the lessons learned and feedback from stakeholders.
	Expand the programme to more municipalities / regions.	Scale the energy efficiency roadmap initiative to more municipalities and regions across Indonesia, tailoring the roadmaps to local energy needs.	Energy efficiency roadmaps expanded to at least 5 additional municipalities/ regions.
Regional expansion of energy management programmes	ldentify regional energy needs and gaps in energy management.	Conduct assessments in regions such as Aceh, Bali, Maluku, and Papua to identify specific energy management needs and gaps.	Comprehensive assessments completed, outlining energy management needs in at least 4 regions.
	Begin capacity- building programmes in select regions.	Launch capacity- building workshops and training programmes in targeted regions to enhance energy management skills among local stakeholders.	Capacity-building programmes implemented in at least 3 regions.
	Expand the programme to additional regions.	Gradually scale the energy management programme to more regions across Indonesia, providing region-specific support.	Energy management programmes expanded to at least 6 regions.

Regional expansion of energy management programmes	Continue capacity building and support for implementation.	Provide ongoing capacity-building support and technical assistance to ensure effective implementation of energy management systems in regional infrastructure.	Continuous capacity building delivered, with improved energy management in at least 5 regions.
	Assess the regional impact of the energy management programmes.	Conduct impact assessments to measure improvements in energy management and energy savings in the regions where programmes are implemented.	Regional impact assessments show measurable improvements in energy management in at least 4 regions.
	Replicate successful models in other regions.	Replicate successful regional energy management programmes across other regions, adapting them to local contexts.	Successful energy management models replicated in 3 additional regions, with case studies developed.
Complimentary support (Carbon Credits and National Regulations)	Engage stakeholders on integrating carbon credits and emission accounting and regulatory support for decarbonisation.	Organise stakeholder engagements to discuss integrating carbon credits in energy efficiency and electrification projects and regulatory support mechanisms.	Stakeholder engagement sessions held, leading to alignment on carbon credit and regulatory integration for projects.

Complimentary support (Carbon Credits and National Regulations)	Conduct workshops on carbon credit mechanisms.	Hold workshops to educate government officials, project developers, and other stakeholders on carbon credit mechanisms and their application in energy efficiency and electrification.	Workshops delivered to at least 50 participants on carbon credit mechanisms for decarbonisation projects.
	Support government in implementing EE regulation through academic drafts and FGDs.	Assist in drafting and refining academic papers and supporting FGDs to ensure regulations around energy efficiency and electrification are robust and in line with international standards.	Academic papers on energy efficiency (and electrification) regulation drafted and refined through FGDs, with recommendations submitted to government.
	Develop and implement pilot projects that utilises carbon credits for energy efficiency.	Implement pilot projects that utilise carbon credits as a financing mechanism for energy efficiency measures in buildings.	At least 2 pilot projects using carbon credits for implemented, with results shared.
	Advocate for regulatory enhancements.	Advocate for policy and regulatory enhancements to create a more favourable environment for energy efficiency investments.	At least 2 policy recommendations adopted by the government, enhancing the regulatory landscape for energy efficiency.

Complimentary support (Carbon Credits and National Regulations)	Scale up the use of carbon credits for energy efficiency projects.	Work with stakeholders to expand the application of carbon credits in energy efficiency projects across sectors.	Carbon credits scaled up in energy efficiency projects across at least 2 new sectors.
	Support the national government in regulatory reform.	Provide technical assistance to the national government in the reform and development of energy efficiency regulations, including those related to carbon credits.	National energy efficiency regulations reformed and strengthened with the support of expert input and technical assistance.
Support the finalisation and adoption of National ESCO Regulation	Review and refine academic paper on national ESCO regulation.	Conduct a detailed review of the existing academic paper on ESCO regulation, providing recommendations for improvements and alignment with market needs.	Reviewed and refined academic paper on ESCO regulation submitted with recommendations for improvements.
	Carry out FGD with key stakeholders to validate recommendations.	Organise FGDs with government, ESCOs, and industry representatives to validate the recommendations for the national ESCO regulation.	FGDs held with key stakeholders, validating recommendations, and aligning interests for ESCO regulation.

Support the finalisation and adoption of National ESCO Regulation	Support the writing of the regulation (thematic topics and complimentary legislation).	Assist in drafting the national ESCO regulation, including thematic topics and complimentary legislation to ensure a comprehensive framework.	National ESCO regulation drafted, incorporating thematic topics and supplementary legislation.
	Adoption of the ESCO regulation and support for rollout.	Provide support for the formal adoption of the ESCO regulation and assist in its initial rollout across relevant sectors.	National ESCO regulation adopted, with support provided for rollout and implementation.
Gender Equality, Disability, and Social Inclusion (GEDSI)	Ensure GEDSI in all energy efficiency interventions.	Ensure that at least 30% of the beneficiaries of the energy efficiency interventions are women-led or marginalised groups. Offer additional mentorship to these groups.	At least 30% of beneficiaries from women-led or marginalised groups, with dedicated mentorship provided.
Monitoring, Reporting, Evaluation, and Learning (MREL)	Establish a robust M&E system to track outcomes of EE interventions.	Set up a comprehensive M&E system to track energy savings, operational improvements, and feedback from stakeholders in all regions.	Regular M&E reports documenting energy savings and feedback, with lessons learned shared across regions.

Governance activities are required across all themes to ensure compliance with the Government of Indonesia (GoI)'s regulations and reporting requirements. This includes developing and submitting essential reports and administrative documentation for the GoI counterpart, such as the Terms of Reference (KAK or Kerangka Acuan Kerja) and Annual Reporting (BAST or Berita Acara Serah Terima). Responsibilities include engaging with GoI counterparts to manage and reflect any changes in the scope of work in the KAK and BAST. In addition, regular participation in meetings with key members of the Technical Working Group (TWG) is required. Key deliverables include the timely submission of updated KAK and BAST documents, along with meeting minutes from all discussions with government counterparts.

UK PACT will oversee the projects as a cohesive portfolio focused on energy efficiency. Each project will be expected, where applicable, to collaborate and create synergies with other initiatives, all working toward the same sectoral portfolio outcomes.

With a focus on fostering a continued partnership in energy efficiency in Indonesia, we also anticipate project proposals that have carefully evaluated the potential for future expansion. This includes the institutionalisation and implementation of policies, as well as broadening the geographical reach. The future direction is outlined below, and applicants are expected to have briefly outlined their proposed approach for subsequent phases.

Cartonaura	Thematic	FY25/26		FY26/27
Category	focus	Building blocks	Expansion	Institutionalisation
Support EE and decarbon- isation in SMEs interv	SMEs targeted intervention.	 Scoping study on EE and electrificatio n in SME needs and potential, FGDs with government and key industry association. Identify SMEs in key sectors and conduct energy audits. Provide technical assistance to implement energy- saving and emission reduction measures. 	 Support implementation of energy efficiency and electrification projects. Track energy savings, emission reductions and operational improvements in pilot SMEs. 	Scale successful interventions. Share best practices with additional SMEs and promote widespread adoption.
	Peer-to- Peer learning networks.	 Set up initial peer-to-peer learning networks. Facilitate meetings and knowledge-sharing sessions among businesses. 	Continue regular meetings and expand network reach to include more businesses and sectors.	 Evaluate network success. Replicate the model in new regions and sectors, focusing on scaling up successful strategies.

Catanan	Thematic	FY25/26		FY26/27
Category	focus	Building blocks	Expansion	Institutionalisation
Support EE and decarbon- isation in SMEs	Capacity building and awareness raising.	Develop and deliver workshops, webinars, and campaigns focused on raising awareness and building technical capacity.	 Expand training programmes and begin specialised sessions for key sectors. Measure knowledge retention and project implementatio n. 	 Assess the impact of training and awareness-raising campaigns. Adjust strategies and expand to new regions or industries.
Market Transform- ation through Energy Efficiency and electrifi-cation in the private and public sectors	Support Energy Savings Perform-ance Contracts (ESPC) in Government Buildings.	 Provide legal, financial, and technical support. Develop standard ESPC contracting documents. Support the implementation of the ESCO regulation. 	Implement ESPC in pilot building. Conduct monitoring and evaluation of savings performance.	Scale-up to additional government buildings. Share learnings and develop case studies for replication.
	Incubator to enhance create a portfolio bankable project.	 Call for proposals, ongoing relationship building with projects hosts and ESCOs. Provide technical, legal, and financial advisory to selected projects. Scoping study and needs assessment for selected projects. 	 Continue support for project development. Secure financing and implement first batch of projects. 	 Conduct post- project evaluations. Scale successful projects and engage additional stakeholders

	Thematic focus	FY2	5/26	FY26/27
Category		Building blocks	Expansion	Institutionalisation
Market Transform- ation through Energy Efficiency and electrifi- cation in the private and public sectors	Support Just Energy Transition Partnership (JETP).	 On-demand support to task force to align energy efficiency with JETP objectives. Collaborate with government and key stakeholders. 	 On-demand support to task force to align energy efficiency with JETP objectives. Collaborate with government and key stakeholders. 	 On-demand support to task force to align energy efficiency with JETP objectives. Collaborate with government and key stakeholders
	ESPC/ESCO business model training.	 Develop and deliver mentoring and training programmes for ESCOs. Train on Guaranteed Savings (GS) and Shared Savings (SS) models. 	 On-demand support to task force to align energy efficiency with JETP objectives. Collaborate with government and key stakeholders. 	 Evaluate success of training. Scale and replicate ESPC models across additional sectors and regions.
Regional capacit- building and support for National Regulations and Roadmap Develop- ment	Energy Efficiency and decarbon- isation roadmaps for municipalities.	 Conduct FGDs with municipalities to assess energy needs and develop roadmaps. Collaborate with local stakeholders to draft plans. 	 Support municipalities in implementing initial phases of the roadmaps. Measure energy savings and impact on local infrastructure. 	 Review and refine roadmaps based on implementation feedback. Expand the programme to more municipalities/ regions.

Catogory	Thematic focus	FY25/26		FY26/27
cutegory		Building blocks	Expansion	Institutionalisation
Regional capacity building and support for National Regulations and Roadmap Development	Regional expansion of energy management programmes.	 Identify regional energy needs and gaps in energy manage- ment. Begin capacity- building programmes in select regions. 	 Expand the programme to additional regions. Continue capacity building and support for implementation 	 Assess the regional impact of the energy manage-ment programmes Replicate successful models in other regions.
	Complimentary support.	 Engage with stakeholders on integrating carbon credits and regulatory support. Conduct workshops on carbon credit mechanisms Support government in implementing EE and electrification regulation through academic drafts and FGDs. 	 Develop and implement pilot projects that utilise carbon credits for energy efficiency. Advocate for regulatory enhancements. 	 Scale up the use of carbon credits for energy efficiency projects. Support the national government in regulatory reform.

Category	Thomatic focus	FY2	FY26/27	
Category	memotic rocus	Building blocks	Expansion	Institutionalisation
Regional capacity building and support for National Regulations and Roadmap Development	Support the finalisation and adoption of a national ESCO regulation and complimentary regulation to accelerate EE project implementation.	 Review academic paper Carry out FGD with key stakeholders. 	 Support the writing of the regulation (possibility thematic topics and complimentary legislation. Adoption of the recommendation 	Support other complimentary national or regional regulations such as fiscal and non-fiscal incentives.





We expect applicants to submit a proposal for one of the three themes, with each proposal addressing its respective theme individually.

Each proposal will be assessed independently. We will support projects with grants valued up to £800,000 per project per financial year. Projects are expected to start in April 2025 and end in December 2026.



Duration of projects

In the first year, implementing partners will be expected to respond to/deliver one of the interventions outlined, and we expect applications to detail how the applicant would do this. However, we are looking for partners who can flex and adapt to deliver against additional demands that may come over a project of up to 3 years. We invite applicants to indicate how they could extend, expand, or build on the first and second year of projects over an extended timeframe but we accept that information on year 3 of projects may be less detailed at this stage. Multi-year proposals must demonstrate how they would achieve impact within one to two years, in the scenario that they are not extended into a third year.

As UK PACT is a demand-driven programme, we expect multi-year projects to be designed based on demand and in consultation with stakeholders in the energy efficiency sector. UK PACT will collaborate with successful applicants to refine the plans for years 2 and 3 as needed.

UK PACT reserves the right to request clarification or modifications after reviewing the initial proposals. In some cases, UK PACT may also recommend that applicants work together or form consortia when projects aim to achieve similar objectives or where merging into a larger programme could be advantageous for a longer timeframe. Applicants should be prepared to respond to and discuss such requests.

The importance of considering gender equality, disability and social inclusion (GEDSI) in your application:

Addressing key GEDSI issues is crucial for ensuring that the benefits of energy efficiency are shared equitably, contributing to broader social inclusion and sustainable development goals. Key GEDSI issues in energy efficiency centre on equitable access, participation, and the distribution of benefits.

- Energy efficiency initiatives often overlook the unique challenges faced by women, people with disabilities, and marginalised communities, leading to unequal access to energy-efficient technologies and services.
- For instance, women, particularly in low-income households, are more likely to be responsible for energy management in the home but may lack the resources or decision-making power to implement energy-efficient solutions. This can perpetuate energy poverty and limit their ability to reduce household energy costs.
- Additionally, people with disabilities often face barriers to accessing energyefficient technologies that are not designed with their needs in mind, such as complex interfaces or physically inaccessible installations.
- Marginalised communities, including those in rural or remote areas, may be excluded from energy efficiency programmes due to a lack of infrastructure or financial resources. Many EE programmes are centred to people in cities and urban areas while putting rural natural resources and communities to bear the costs, with less benefits and more negative social-environmental impacts.

Furthermore, marginalised groups are frequently underrepresented in the decisionmaking processes that shape energy efficiency policies, leading to strategies that do not fully address their needs or priorities.

• Preparing safeguarding, grievance-handling, and remediation mechanisms are essential to create and maintain safe environments for the presence and participation of vulnerable groups in the project.

These mechanisms should anticipate and alleviate diverse impacts (including unintended consequences) resulting from the project implementation, such as economic, social, and environmental aspects.



Ensuring alignment with Indonesia energy efficiency policies:

The Indonesian government has reinforced its commitment to reducing greenhouse gas (GHG) emissions through the Enhanced Nationally Determined Contribution (ENDC) document, positioning energy as a key sector for achieving this goal. With a GHG emissions reduction target of 358 million tons CO2e by 2030, energy efficiency plays a critical role in meeting this ambitious objective. The government's efforts are further outlined in the Strategic Plan of the Ministry of Energy and Mineral Resources for 2019-2024 (RENSTRA KESDM 2019-2024), where energy efficiency is prioritised to support the nation's GHG reduction targets.

Key initiatives in the RENSTRA include the Enhanced Energy Management Mandatory Programme, improvements in the energy efficiency of equipment, promotion of electric vehicles (EVs), the implementation of efficient street lighting, and the introduction of induction electric stoves. These actions align with Indonesia's broader energy efficiency policies, ensuring that the country remains on track to meet its emission reduction goals.

These energy efficiency policies, driven by the Ministry's strategic plan, directly support Indonesia's enhanced climate ambitions. By focusing on priority areas such as electric vehicles and energy-efficient technologies, Indonesia is setting a clear path toward achieving its ENDC targets and contributing to global efforts in mitigating climate change.

This alignment with Indonesia's policies presents opportunities for various stakeholders, including international partners like UK PACT, to contribute through capacity-building initiatives, policy support, and technological advancements. These collaborations will be vital in ensuring that Indonesia's energy efficiency goals are met, contributing to the nation's sustainability and long-term environmental resilience.



All applications for this call must be submitted via the Call for Proposals web page by **11 December 2024 at 18:00 ICT/ 11:00 UTC**.

The following documents form your application pack, they must be downloaded and completed in English. You may then fill in the form linked on the CfP web page. **After** submitting this form, you will receive an email containing a link to upload your application pack.

- Project proposal template
- Budget and workplan template
- Project Theory of Change form
- Project risk and issue register template

	Eligibility criteria
Applicant	 Government agencies and/or departments are not eligible to apply either as a lead organisation or partner in a consortium. Both international and local organisations are eligible to apply. Organisations applying as a consortium must have at least one local entity, either as consortium lead or consortium partner.
Project	 Proposals must align with the strategic priorities outlined in these terms of reference. Budgets should not include capital expenses or tangible assets. The value of a project must not exceed the maximum budget for each financial year for the selected theme.
Application	 Applications must be coherent and legible. All documents must be properly filled out. Applications and all forms of communication with the programme must be submitted in English.



What is the timeline for selection?

Stage	Date
1.Terms of Reference (ToR) and application process launched	30 Oct 2024
2. Deadline for receipt of clarification questions	20 Nov 2024
3. Publication of answers to clarification questions will take place every 1 week, starting 2 weeks after the call for proposals is launched. Consolidated clarifications will be published on the Indonesia web page. Kindly note that clarification questions will not be answered by email.	13 November 2024 20 November 2024 27 November 2024
4. Deadline for submission of applications	11 Dec 2024 18:00 ICT/ 11:00 UTC
5. Final awards announced	Week of 13 Jan 2025
6. Due diligence, co-creation and grant signing	Mid Jan - Mar 2025
7. Projects start	Apr 2025



What are the selection criteria?

Area	Heading	Criteria description	Weighting
Technical (70%)	Impact	The applicant clearly articulates how the project will specifically help the counterpart achieve and accelerate their goal of accelerating development of energy efficiency. The applicant provides a clear impact pathway [Project ToC Application Form] showing how their outputs will lead to the outcomes required for transformational change and identifies opportunities for replication / scaling up of activities.	20
	Project description, approach, and workplan	The applicant clearly articulates how the project will deliver one or more of the expected outputs (as stated on the UK PACT ToC document) and lays out a project plan which includes the description of a technically robust project, activities, workplan. The applicant has a strong rationale for the project's ability to deliver outcomes and a clear plan for engaging with key counterparts during delivery to ensure uptake of project outputs. Applicants must detail their intended methodology to address the gaps, and a proposed roadmap and timeline for overcoming them with counterparts.	20
	Gender equality, disability and social inclusion - GEDSI	The applicant clearly identifies how the project could - both positively and negatively – socially and economically benefit women, Indigenous People, local communities, disabled people, and other under- represented groups in different project stages. For example, improving considerations of issues such as accessibility (isolated communities and people with disabilities); access to services (youths, women, discriminated populations); employment opportunities; ensuring diverse and meaningful representation in participatory planning; purchasing power, gender- focused product development etc.	15
	Knowledge, skills, experience, and team structure	The proposed project team has relevant knowledge and experience in the subject area and has the skills in place to deliver the project. This includes knowledge, skills, and experience in; the specific priority area the proposal responds to, technical assistance/capacity building, and public sector project implementation. The core skills, experience and knowledge required to deliver all elements of the project that have been outlined (including GEDSI) within the ToR are covered and the team is well structured and available to mobilise quickly. Applicants must submit CVs on the proposal. To ensure effective knowledge transfer and capacity building, applicants must demonstrate a strong understanding of Indonesia priorities and delivery context, as well as bringing the relevant expertise required. Given the in-person activities outlined in the project, it is expected that proposals have at least part of their teams based in Indonesia territory.	15

What are the selection criteria?

Area	Heading	Criteria description	Weighting
Project Management (20%)	Project management	The proposal outlines a clear plan for mobilising the project quickly and effectively. There is a robust project management mechanism to ensure activities stay on track, on budget and deliver project results. This must include collating and submitting evidence of activities, outputs, and reporting project progress to UK PACT. The applicant provides a clear plan for managing consortia where applicable.	15
	Risk management	The applicant has clearly outlined the key risks associated with delivery with clear plans for mitigating these and an understanding of the likelihood and impact of each. This includes risks associated with impacts on marginalised groups and changing political contexts.	5
Financial (10%)	Budget and Value for Money	The budget is clearly linked to the activities and outputs outlined, with appropriate allocation of time and resources, and costs that appear reasonable for the activities proposed, including sufficient allocation for project management, reporting and data collection to allow for close coordination with UK PACT. The application provides confidence that the project will represent good value for money, including FCDO's Four Es (economy, efficiency, effectiveness, and equity) and excluding all non-eligible costs, such as profit. The Four Es are detailed in the Applicant Handbook.	10

How do we score each criterion?

Score	
5 (Excellent)	Demonstrates an expert understanding of the project and proposes excellent and accurate solutions which address all requirements, and which are innovative where appropriate. Responses are excellently tailored to the context in all aspects. The level of detail and quality of information provides the highest degree of confidence in the ability to deliver.
4 (Very Good)	Demonstrates a very good understanding of the topic relating to delivery of the project. Responses are relevantly tailored to the context in the majority of aspects. There is sufficient detail and quality of information to give a strong level of confidence that they will deliver.
3 (Good)	Demonstrates a good understanding of the topic relating to the delivery of the project. Responses are reasonably tailored to the context for many of the aspects. There is a good level of detail and quality to give a good level of confidence that they will deliver.
2 (Satisfactory)	Demonstrates a satisfactory understanding of the topic relating to delivery of the project. Some appetite to tailor to context where required. Provides a limited level of detail and the quality of information provided gives only some level of confidence that they will be able to deliver satisfactorily.
1 (Unsatisfactory)	Demonstrates a poor understanding of the topic relating to delivery of the project. Poor tailoring to the context where this is required. Generally, an unsatisfactory and a low level of quality information and detail, leading to a low level of confidence that they will deliver.
0 (Fail)	Failure to address the material requirements of the project. No tailoring of responses to meet the context. No quality responses providing no confidence that they will deliver.



What to do if you have questions?

Applicants should read this Terms of Reference together with the Applicant Handbook and other guidance documents for all the details on how to apply. Additional questions about the scope of this Call for Proposals can be sent to: **indonesia@ukpact.co.uk**.

Clarification questions will be accepted until **18:00 ICT/ 11:00 UTC on 20 November 2024** and answers will be published on the Indonesia-UK PACT Energy Efficiency Call for Proposals web page.

Relevant documents

- CfP Terms of Reference
- Project proposal template
- Budget and workplan template
- Project Theory of Change form
- Project risk and issue register template
- Applicant handbook
- UK PACT's GEDSI Guidance
- Risk management guide for applicants

These will be available on the Call for Proposals web page when you apply.

UK PACT

UK Partnering for Accelerated Climate Transitions (UK PACT) is a programme funded by the UK Government. UK PACT supports countries that strive to overcome barriers to clean growth and have high emissions reduction potential to accelerate their climate change mitigation efforts.