

TERM OF REFERENCE

INNOVATIVE FINANCE AS INSTRUMENTS FOR SOCIAL PROTECTION AND ECONOMIC RECOVERY IN POST PANDEMIC IN PALU, CENTRAL SULAWESI

UNDER

ADAPTIVE SOCIAL PROTECTION (00113435)

Title of Grant	Innovative Finance as instruments for social protection and economic recovery in post pandemic in Palu, Central Sulawesi
Project Name	Adaptive Social Protection (ASP) - 00113435
Grant Duration	from 01/01/2021 to 31/03/2021
Work Location	Palu, Central Sulawesi
Supervisor	National Project Manager RESTORE

I. BACKGROUND AND EXPECTED OUTPUTS

GUIDANCE: Indicate the followings

- The problem statement or challenge the grant intends to address.*
- The primary objective and specific objectives of the proposed grant.*
- The description of the rationale (justification) for the project in order to have an overall understanding that the grant is not a standalone activity.*
- The specific results or outputs that the grant will achieve.*

COVID 19 is having a growing dramatic impact on the health of the people of Indonesia, a country with the fourth largest population in the world. The epidemic also threatens employment, livelihoods and access to public services at a time when they most need them. The human development impact of COVID 19 is strong and will be long lasting. It will be even stronger for the poor and the vulnerable, including the estimated 40 per cent of the population amounting to about 180 million people living just above the national poverty line and vulnerable to external shocks.

COVID 19 also heavily impacts the economy of Indonesia. While the scope of the damage difficult to fully anticipate at this point and while Government is making efforts to cushion that impact, COVID 19 is a risk to the macro-stability of the Indonesian economy that has been achieved and to trade. In the case of Indonesia, the epidemic will also do heavy damage to sectors such as tourism and other services, which are highly exposed to crisis and at the same time providing a significant share of national revenue and employments. In a situation of a sudden economic slowdown, micro, small and medium size enterprises, including the dynamic start-ups of Indonesia, which account for 90 per cent of the economic tissue, will be the most affected and many of them may not survive. Particularly on women, the failing income of the women and closing business has shifted women from market to their homes which affects to gender dynamic relations between men and women at household. Moreover, COVID 19 pandemic also influences lives of People with Disability. The situation of crisis increases PWD's vulnerability due to the limitation access to information, income, health and social services.

In Indonesia, it is expected that the country will experience an increase in poverty and inequality in the short run. The Government of Indonesia (GoI) is planning to expand the social assistance to those impacted by the pandemic but not yet been recorded in the system. This issue raises a need to explore sources of financing for social assistance during and post-large-scale social restriction. Innovation in measures and ways to help communities cope and recover from the repercussions of COVID-19 becomes crucial. Such innovations allow stakeholders to strengthen existing government's social protection system and to facilitate the involvement of the private sector and philanthropy in ensuring social protection for most affected people, including households, MSMEs, informal workers, and vulnerable groups. Furthermore, due to the government budget constraint, some innovative financing might expand the ability to implement a new and innovative social protection scheme.

One area that has been affected by pandemic is Central Sulawesi Province, where the total COVID-19 cases as of December 1st, 2020 reached 1,872 cases or 0.3 % from the total cases in Indonesia. During the pandemic, several activities related to social assistance were carried out by provincial government and the local government (Palu). Among others of activities are:

1. The provision of rice assistance to the poor (RASKIN) of IDR 110,000 per person with a total IDR 3 billion.
2. Direct cash assistance of IDR 300,000 per month for people affected by Covid-19 who are not covered by the Family Hope Program (PKH), Integrated Social Welfare Data (DTKS) and Direct Cash Assistance (BLT). The providing assistance was carried out for 3 consecutive months (April, May and June 2020) of Social Assistance for 120,000 households.
3. Palu social service office provided logistical assistance for 36,000 MSMEs affected by COVID-19 pandemic.

The range of assistance provided is still focused on logistical assistance where economic assistance to survive in pandemic has not been touched. Economic assistance is needed as protection so that the community does not suffer deeper losses. So that, the participation of various group, especially financial institutions are needed to be able provide assistance.

The expected results from these programs are a). to explore the opportunities of innovative finance instruments that can be leveraged to support social protection in response to COVID-19 in Central Sulawesi, b). to identify and support the development of new financial instruments related to the covid-19 pandemic for long term recovery, c). design and implement alternative financing innovation activities to reduce the impact caused by the pandemic at the community level

Within the scope of activities that aims community have other alternative financing innovations that are still urgently needed to cover people affected by the pandemic including households, MSMEs, informal workers, and vulnerable groups. Furthermore, due to government budget constraints, some innovative financing is needed to expand the national social protection scheme. Innovation is expected not only from the central government but also from local governments and community organizations at the local level.

II. KEY ACTIVITIES AND PERFORMANCE TARGETS

[GUIDANCE: Specify the key activities that needs to be undertaken.](#)

To achieve targeted program output in Innovative Finance as instruments for social protection and economic recovery in post pandemic in Palu, Central Sulawesi, there are activities need to be implemented as follows:

1. Identify initiatives of local government and community organizations related to provision of social protection assistance programs at local level
2. Identify the resources of funding that can be used for local finance social protection assistance programs
3. Identify challenges and problems faced by local government and community organizations in initiating and implementing social protection assistance programs at local level
4. Stakeholder engagement and community mobilization whereas communication with communities is established and agreed including setting up feedback mechanism at community level. The engagement at local community should be included women, PwDs and others vulnerable group.
5. Preliminary design financing innovation activities that will be done for the community involving local and national innovative financing institutions
6. Conducting activities with communities and innovative financial institutions to guarantee that social protection increased especially for households, MSMEs, informal workers, and vulnerable groups

In addition to above expected outputs, the selected partner obliges to provide technical oversight and assistance to beneficiaries during start-up activities, on-the-job training, and apprenticeships. Participation of vulnerable and minority groups, such as women, youth, disable, and elderly should be well identified and inclusively engaged in this project activities.

Necessary support should be facilitated to ensure the participation of these groups in the activities, such as: child friendly space for women headed household, wheelchair or sign language facilitator for disable persons, and other special needs. Children protection should be put upfront in each activity, no children workers or other kind of child exploitation are allowed in this project. Disbursement plan of cash grants shall be in line with technical oversight and assistance plan. To ensure quality of deliverables, they must also develop monitoring plan and undertake regular monitoring and reporting of implementation progress.

***GUIDANCE:** Specify the performance targets, which includes indicators for measuring results that will be achieved using the grant. At least one indicator is required. More can be used if useful to more fully measure the results that are expected to be achieved:*

INDICATOR(S)*	DATA SOURCE	BASELINE	MILESTONES			
			Period 1	Period 2	Period 3	FINAL TARGET
1. Identified initiatives of local government and community organization on social protection assistance program	Activity report	tbd	100%			
2. Identified the resource funding that can be used	Activity report	tbd	100%			
3. Identified challenges and problem faced by local government and community organization	Activity report	tbd		100%		
4. Established communication with stake holders and communities	Activity report	tbd		100%		
5. Drafted design financing innovation activities	Activity report	tbd			100%	
6. Conducted activities with communities and innovative financial institutions	Activity report	tbd			100%	

*These are minimum expected indicators and can be added by applicants as necessary and needed according to the program outputs.

III. LOCATION AND TARGET BENEFICIARIES

GUIDANCE: Specify the location of work and target beneficiaries.

Palu City

Palu is a chartered city on the Indonesian island of Sulawesi, at the mouth of the Palu River. It is the capital of the province of Central Sulawesi, situated on a long, narrow bay. Because of its sheltered position between mountain ridges, the climate is unusually dry. Palu had a population of around 385,619, not including those living in neighboring regencies*.

*Table: Number of population village household and population average by the village and household, 2018**

Subdistrict (1)	Total Population (2)	Village (3)	Household (4)	Population average per village (5)	Population average per household (6)
Palu Barat	63,251	6	14,600	10,542	4
Tatanga	40,612	6	10,705	6,769	4
Ulujadi	28,190	6	7,011	4,698	4

Palu Selatan	71,657	5	18,655	14,331	4
Palu Timur	72,552	5	15,888	14,510	5
Mantikulore	64,785	8	14,822	8,098	4
Palu Utara	23,550	5	4,856	4,710	5
Tawaeli	21,022	5	4,624	4,204	5
Total	385,619	46	91,161	8,383	4

* source BPS, Palu in figures 2019

From the data above, this activity is expected to provide benefits to the of Palu city with the target beneficiaries of 1600 residents spread over 8 subdistricts who benefit from this activity.

IV. ELIGIBILITY AND SELECTION PROCESS

The grant recipient (civil society or non-governmental organization) with experience in:

- At least 4 years or more of work experience in the area of collaborative management of community development, livelihood, local development planning and stakeholder coordination in rural areas. The proposal shall include structure of Team Leader and members and their background and areas of expertise.
- At least 4 years experiences working with the Government of Indonesia on related key issues of social protection, environment, disaster management, or economic/livelihood development would be an advantage.

shall complete and submit the Grant Proposal in accordance with UNDP's Low Value Grant Proposal Template (**ANNEX A**) and the Request for Information (RFI) From CSO/NGO (**ANNEX B**) by email to: bids.id@undp.org Attention: Christian Budi Poernomo Usfinit and Deasy Ernawati, Cc: christian.usfinit@undp.org and deasy.ernawati@undp.org

The proposal should be received by UNDP no later than 17:00 hours, 15 December 2020, Jakarta Local Time and should you require further clarifications, kindly communicate with the contact person identified above as the focal point for this requirement. The queries related to proposal submission can be conveyed until 11 December 2020.

All grant proposals shall be subject to grant selection processes, which consist of a Pre-screening against the selection criteria and Full Review by the CSO Steering Committee.

The Selection Criteria are as follows:

- a) Method (30%): proposed methodology, workplan, approach, timeline, completeness of deliverables, including how the organization applies gender inclusion in its program.
- b) Identity (20%): registration status, having a specific status if that is necessary in the country context, etc.
- c) Capacity (25%): specialized knowledge and experience on similar engagement, standard operating procedure, financial report (audit report if available).

- d) Utilization of resources (20%): financial SOP, realistic budget for how funds will be spent (in accordance with UNDP standard cost: UN Harmonized Cost Rates, etc.).
- e) Submission Requirements (5%): ideas presented, including any requirements with regards to utilization of resources, reporting, duration, and other formal criteria.

V. REPORTING

GUIDANCE: Specify the reporting requirements.

1. Monthly report
2. Milestone report (based on payment tranches)
3. Report shall be written in Bahasa Indonesia and English

ANNEX A

LOW VALUE GRANT PROPOSAL TEMPLATE

TO BE PREPARED BY THE RECIPIENT INSTITUTION. THIS PROPOSAL WILL BE SUBMITTED TO THE STEERING COMMITTEE/PROJECT BOARD FOR APPROVAL

Date: dd/mm/yyyy

Project Name:

Name of the RECIPIENT INSTITUTION: _____

Total Amount of the Grant (in IDR): _____

1- PURPOSE OF THE GRANT

- Indicate the purpose of the grant and describe the result(s) the grant is expected to achieve.
- Explain why the grantee is uniquely suited to deliver on the objectives

2- PROPOSED ACTIVITIES AND WORK PLAN

- Describe the activities that will be completed to achieve the objectives
- Elaborate if there are any targeted group(s)/ geographical area who will benefit from the grant, other than the Recipient Institution. If so, who are the targeted groups/geographical area and how will any potential beneficiaries be selected?

WORK PLAN

PLANNED ACTIVITIES ¹	Timeline ²				Planned Budget for the Activity (in grant currency) ³
	T1	T2	T3	T4	
1.1 Activity					\$
1.2 Activity					\$
1.3 Activity					\$
Total					\$

1 State what activities will be completed with the grant Funds. Use as many activity lines as necessary

2 Define the time periods relevant for the grant and indicate when specific activities are expected to be completed. Typically, time periods relate to when the tranches of Funds are released (i.e., quarterly, six monthly, annually) Use as many time periods as necessary.

3 Indicate the budget amounts in the grant currency.

3- PERFORMANCE TARGETS

State the indicators for measuring results that will be achieved using the grant. At least one indicator is required. More can be used if useful to more fully measure the results that are expected to be achieved:

INDICATOR(S)	DATA SOURCE	BASELINE	MILESTONES			
			Period 1	Period 2	Period ...	FINAL TARGET
1.1						
1.2						

4- RISK ANALYSIS:

Indicate relevant risks to achieving the grant objectives and mitigation measures that will be taken. Risks include security, financial, operational, social and environmental or other risks.

Risk	Risk rating* (High/Medium/Low)	Mitigation measures

*The risk rating is based on a reflection of the likelihood of the risk materializing and the consequence it will have if it does occur.

5- GRANT BUDGET OF RECIPIENT INSTITUTION (state currency)

PERIOD COVERING FROM _____ TO _____

General Category of Expenditures	Tranche 1	Tranche 2	Tranche 3	I. TOTAL
Personnel				
Transportation				
Premises				
Training/Seminar/ Workshops, etc.				
Contracts (e.g., Audit)				
Equipment/Furniture (Specify)				
Other [Specify]				
Miscellaneous				
<i>TOTAL</i>				

* Please note that all budget Lines are for costs related only to grant Activities.

** These budget categories and number of tranches are suggested guidelines. The Recipient may choose alternates which more accurately reflect their expense items and needs.

*** Add as many tranches columns as necessary

**** The prevailing UN Guideline for Harmonized Cost Rates with Implementing Partners shall be used to implement this agreement.

ANNEX B

REQUEST FOR INFORMATION (RFI) FROM CSO/NGO

1. OBJECTIVE

This is a Request for Information (RFI) from national and/or international CSOs/NGOs for potential partnership with UNDP in delivering outputs for development projects requiring expertise and working experience Indonesia in the following thematic/subject areas: Immediate livelihood recovery, focusing on a) Community engagement and mobilization, b) life-skills and Income Generating Activities Training, c) Provision of productive inputs livelihood recovery activities.

2. INFORMATION REQUESTED

Interested CSOs/NGOs are requested to fill out the below questionnaire, attaching all supporting documentation where specifically requested. If you are an international NGO, please provide information and documentation relating to your permits and licenses for your local presence in this country.

Please note that attachments should be provided to support each answer to the questions. All questions must be answered directly and clearly. Extraneous information that are not directly responding to the questions will only constrain the ability of UNDP to positively assess the CSO/NGO's alignment with UNDP requirements.

Topic	Areas of Inquiry/ Supporting documentation	Response
1. Prescribed organizations	1. <i>Is the CSO/NGO listed in the UN's list of proscribed organizations, UNDP Vendor Sanctions List, or indicted by the International or National Criminal Court?</i>	
	2. <i>Is the CSO/NGO banned by any other institution/governments? If, yes, please provide information regarding the institution/Government and reasons.</i>	
2. Legal status and Bank Account	1. <i>Does the CSO/NGO have a legal capacity to operate in the UNDP programme country, and does it comply with the legal requirements of the country to register and operate an NGO/CSO? <u>Please provide copies of all relevant documents evidencing legality of operations.</u></i>	
	2. <i>Does the CSO/NGO have a bank account? (Please Submit proof indicating latest date)</i>	

Topic	Areas of Inquiry/ Supporting documentation	Response
3. Certification/ Accreditation	<p><i>Is the CSO/NGO certified in accordance with any international or local standards (e.g., ISO), such as in:</i></p> <ul style="list-style-type: none"> • Leadership and Managerial Skills • Project Management • Financial Management • Organizational standards and procedures • Other 	
4. Date of Establishment and Organizational Background	1. <i>When was the CSO/NGO established?</i>	
	2. <i>How has the CSO/NGO evolved since its establishment? (no more than 2 paragraphs)</i>	
	3. <i>Who are your main donors/ partners?</i>	
	4. <i>Please provide a list of all entities that the CSO/NGO may have an affiliation with.</i>	
	5. <i>In how many cities/provinces/regions/ countries do you have capacity to operate in? Please provide a complete list and indicate the size of the offices in each location.</i>	
5. Mandate and constituency	1. <i>What is the CSO/NGO's primary advocacy / purpose for existence?</i>	
	2. <i>What is the CSO/NGO's mandate, vision, and purpose? (no more than 2 paragraphs)</i>	
	3. <i>Is the CSO/NGO officially designated to represent any specific constituency?</i>	
6. Areas of Expertise	1. <i>Does the CSO/NGO have expertise in any of the key areas identified above in this RFI?</i>	
	2. <i>What other areas of expertise does the CSO/NGO have?</i>	
7. Financial Position and Sustainability	1. <i>What was the CSO/NGO's total financial delivery in the preceding 2 years? Please provide audited financial statements for the last 2 years. If audited financial statements are not available, please provide an</i>	

Topic	Areas of Inquiry/ Supporting documentation	Response
	<i>explanation regarding why it is not possible to obtain them.</i>	
	2. <i>What is the CSO/NGO's actual and projected inflow of financial resources for the current and the following year?</i>	
	3. <i>Please provide a list of projects with description, duration, location and budget over the past 2 years (arrange from biggest budget to the lowest).</i>	
8. Funding Sources	1. <i>Who are the CSO/NGO's key donors?</i>	
	2. <i>How much percentage share was contributed by each donor during the last 2 years?</i>	
	3. <i>How many projects has each donor funded since the CSO/NGO's inception?</i>	
	4. <i>How much cumulative financial contribution was provided for each project by each donor?</i>	
	5. <i>How is the CSO/NGO's management cost funded?</i>	
9. Audit	1. Did the CSO/NGO have an audit within the last two years?	
	2. Are the audits conducted by an officially accredited independent entity? If yes, provide name.	
10. Leadership and Governance Capacities	1. What is the structure of the CSO/NGO's governing body? Please provide Organigramme.	
	2. Does the CSO/NGO have a formal oversight mechanism in place?	
	3. Does the CSO/NGO have formally established internal procedures in the area of: <ul style="list-style-type: none"> • Project Planning and Budgeting • Financial Management and Internal Control Framework • Procurement • Human Resources • Reporting 	

Topic	Areas of Inquiry/ Supporting documentation	Response
	<ul style="list-style-type: none"> Monitoring and Evaluation Asset and Inventory Management Other 	
	4. What is the CSO/NGO's mechanism for handling legal affairs?	
	5. Ability to work (prepare proposals) and report in English	
11. Personnel Capacities	1. What are the positions in the CSO/NGO that are empowered to make key corporate decisions? Please provide CVs of these staff.	
	2. Which positions in the CSO/NGO lead the areas of project management, finance, procurement, and human resources? Please provide CVs of these staff.	
12. Infrastructure and Equipment Capacities	1. Where does the CSO/NGO have an official presence? Please provide details on duration and type of presence (e.g. field offices, laboratories, equipment, software, technical data bases, etc.)	
	2. What resources and mechanisms are available by the CSO/NGO for transporting people and materials?	
13. Quality Assurance	<p>Please provide references who may be contacted for feedback on the CSO/NGO's performance regarding:</p> <ul style="list-style-type: none"> Delivery compared to original planning Expenditure compared to budget Timeliness of implementation Timeliness and quality of reports Quality of Results 	
14. Public Transparency	1. <i>What documents are publicly available?</i>	
	2. <i>How can these documents be accessed? (Please provide links if web-based)</i>	
15. Consortium	1. <i>Do you have the capacity to manage a consortium?</i>	

Topic	Areas of Inquiry/ Supporting documentation	Response
	2. <i>Do you currently, or have you in the past, managed or been involved with a consortium? If yes, provide a list of all consortia, the list of partners in the consortia, the role in the consortia, and the total financial budgets involved.</i>	
	3. <i>Do you have a formal alliance with other CSOs/NGOs? If yes, pls. identify and provide details.</i>	
<u>Specific inquiry</u>		
16. Working Experience in target geographical areas	1. <i>Does the NGO have experience working in these geographical areas?</i>	
	2. <i>Is there any limitation to the NGO for accessing and working in those planned locations?</i>	
	3. <i>Please provide any brief program implementation updates or activity report being implemented in [...]</i>	