



Request for Proposal (RFP)
**Economic and Development Assessment in Coal-
Producing Region**

Institute for Essential Services Reform

Jl. Tebet Timur Raya No. 48B

Jakarta Selatan

Indonesia

18 September 2023



1. Background

Institute for Essential Services Reform (IESR) is a think-tank in the field of energy and environment. IESR encourages transformation into a low carbon energy system by advocating a public policy that rests on data-driven and scientific studies, conducting capacity development assistance, and establishing strategic partnerships with non-governmental actors. As part of IESR effort to increase public and government awareness and carry out study to the decision maker, currently IESR is conducting social and economic research in the coal region in Indonesia. This study aims to provide recommendations to the government on other potential economic sectors besides coal and natural resources in order to create new green employment.

In order to have a comprehensive analysis in the economic sector, IESR sees the opportunity to develop other sectors that support low-carbon economic growth at subnational level. The implication of global coal decline is predicted to impact the economic system, not only at the local but also at provincial level. Determining potential sectors to be developed needs accurate calculation and analysis to decide which one suits the most with the local characteristics and government plans. Thus, IESR needs a comprehensive assessment on the effect of energy transition to the local economy and the opportunity presented particularly in promoting renewable energy development and circular economy.

2. Objective

The assessment aims to:

Part 1:

- Identify existing economic and development contribution of coal industry in Lahat Regency in South Sumatera, covering impact to economic sectors and broader regional development (such as education, health, public infrastructure)
- Identify the local economic growth and dependency on coal mining sector and its supporting industries (including formal and informal sectors, small businesses around the mining sites, and other relevant sectors)

Part 2

- Analyze the potential economic impacts of future decline in coal industry in the regency
- Analyze the potential social impacts of of future decline in coal industry in the regency (including but not limited to education, health, public infrastructure)
- Develop scenario for alternative economic development plan by maintaining stable economic growth without coal sector; economic growth target to be determined by consultation with regency and provincial government
- Identify potential economic sectors to develop in the regency, considering gradual replacement for the coal mining sector and its supporting industries.

3. Project Scope

The assessment will focus on Lahat Regency in South Sumatera.

4. Proposal Guideline



Proposals will be accepted until 10 p.m. Indonesian Western Standard Time (WIB, GMT+07) on **Wednesday, 27 September 2023**. Kindly address Program Manager Sustainable Energy Access IESR, Marlistya Citraningrum, at citra@iesr.or.id and cc: rizqi@iesr.or.id for inquiries and submissions. Please include “RFP Response – Economic and Development Assessment (Lahat)” in the subject line. Proposals shall include a sound research methodology and approach, data collection methodology, modeling approach, work timeline, budget table, organization or team introduction/resume, portfolio, and sample of work (publications) specifically tailored for this project. All proposals must be signed by an official agent or company representative submitting the proposal.

5. Timeline

Evaluation of proposals will be conducted from 29 September to 4 October 2023. Top qualified service providers from the proposed document and quotation will be shortlisted and a follow-up session might be undertaken in this time window to obtain any necessary clarification on items described in the proposals. The selection decision for the winning bidder will be made by the latest 6 October 2023. Upon notification, the contract negotiation with the winning bidder will begin immediately and must proceed extra quickly to meet the project timeline. The timeline and payment schedule can be negotiated.

6. Budget

IESR intends to make one award for the execution of this project. The final award amount will be contingent on the submission of a detailed and reasonable proposal to be approved by IESR. Please itemize all costs and include a description of associated services. Contract terms and conditions will be negotiated upon the selection of the winning bidder for this RFP. If the organization submitting a proposal must outsource or contract any work to meet the requirements, this must be clearly stated in the proposal. Additionally, costs included in proposals must consist of any outsourced or contracted work. Any outsourcing or contracting organization must be named and described in the proposal.

7. Required Skills and Experience

- Demonstrated experience in economic research and analysis, particularly in the areas of regional development and social impacts
- Demonstrated expertise in quantitative and qualitative research on economic and development
- Demonstrated experience in building economic models, having previous experience or results at subnational levels is an advantage
- Able to provide integrated data-driven insights, analysis and recommendation

8. Outcomes

Part 1

- a) Quantitative and qualitative analysis on the contribution of coal mining sector and its supporting industries to the economy and development of Lahat Regency
- b) Quantitative and qualitative analysis on Lahat’s economic and development dependency to coal mining sector and its supporting industries

Part 2



- c) Quantitative and qualitative analysis on the economic impact of future decline in coal industry in the regency
- d) Quantitative and qualitative analysis on the social impacts of future decline in coal industry in the regency
- e) At least 3 alternative economic development scenarios to maintain stable or increased economic growth in Lahat Regency, indicator such as economic growth to be decided by consultation with relevant stakeholders
- f) A map of the potential economic sectors in Lahat with consideration to replace coal mining industry

For both parts, kindly propose proper research methodology and approach to yield the intended outcomes.

9. Timeline and Deliverables

Part 1: 9 October - 16 November 2023

Part 2: 20 November 2023 - 18 January 2024