

Project Administration Manual

Project Number: 49141-001

Loan Number: L3455-INO

February 2021

Republic of Indonesia: Accelerating Infrastructure
Delivery through Better Engineering Services Project

Abbreviations

ADB	=	Asian Development Bank
AFS	=	audited financial statements
AMDAL	=	Analisis Mengenai Dampak Lingkungan
APBN	=	Anggaran Pendapatan dan Belanja Negara
BAPPENAS	=	National Development Planning Agency
CMS	=	consultant management system
CQS	=	consultant qualification selection
CSRN	=	consulting services recruitment notice
DED	=	detailed engineering design
DG	=	Directorate General
DGH	=	Directorate General of Highways
DGHS	=	Directorate General of Housing Provision
DGIF	=	Directorate General of Public Works and Housing Infrastructure Financing
DGWR	=	Directorate General of Water Resources
DIPA	=	Daftar Isian Pelaksanaan Anggaran
DPP	=	Directorate of Planning and Programming
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EMP	=	environmental management plan
EOI	=	expression of interest
ESMS	=	environmental and social management system
ESP	=	engineering services project
FBS	=	Fixed Budget Selection
FS	=	Feasibility study
GACAP	=	governance and anticorruption action plan
GDP	=	gross domestic product
ICB	=	international competitive bidding
IOL	=	inventory of losses
IEE	=	initial environmental examination
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
IT	=	information technology
LAR	=	land acquisition and resettlement
LARF	=	land acquisition and resettlement framework
LARP	=	land acquisition and resettlement plan
LIBOR	=	London interbank offered rate
LKPP	=	Lembaga Kebijakan Pengadaan Barang /Jasa Pemerintah
MOU	=	memorandum of understanding
MPWH	=	Ministry of Public Works and Housing
NCB	=	national competitive bidding
NLA	=	National Land Agency
PAI	=	project administration instructions
PAM	=	project administration manual
PCO	=	project coordination office
PIU	=	project implementation unit
PMC	=	project management consultant
PMO	=	project management office
PPM	=	project preparation mechanisms
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
REOI	=	request for expression of interest

RFP	=	request for proposal
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
SDP	=	sector development plan
SES	=	social and economic survey
SG	=	Secretariat General
SOE	=	statement of expenditure
SPRSS	=	summary poverty reduction and social strategy
SPS	=	safeguard policy statement
TA	=	technical assistance
TOR	=	terms of reference
VA	=	value analysis
VE	=	value engineering

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Project Administration Manual's Purpose and Process

1. The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government of Indonesia (Government) and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Office of the Secretary General (SG) of the Ministry of Public Works and Housing (MPWH) as the executing agency; the Directorate General of Water Resources (DGWR), the Directorate General of Human Settlements (DGHS), the Directorate General of Highways (DGH), and the Directorate General of Infrastructure Financing (DGIF) as implementing agencies, are wholly responsible for the implementation of this ADB-financed project, as agreed jointly between the Government and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by SG, DGWR, DGHS, DGH, and DGIF with their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

2. At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.
3. After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB's administrative procedures (including the Project Administration Instructions of ADB) and upon such approval they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

A. Rationale

1. Improving infrastructure is critical to stimulating inclusive growth in Indonesia. Inadequate infrastructure has hampered growth and poverty reduction and poses significant obstacles to doing business in Indonesia. Poor road infrastructure contributes to logistics cost in Indonesia of 24% of GDP. Food security is affected by poor irrigation infrastructure: since 2005, irrigated land with good infrastructure has declined from 78% to less than 50% today. Access to basic urban water and sanitation services lags far behind other middle-income countries. In 2014, just 80,7% of the urban population had access to improved water sources, while 61,06% had access to improved sanitation facilities. Such gaps in basic infrastructure provision are the result of both low government infrastructure investment and under-utilization of the capital budget.

2. The reform of fuel subsidies in January 2015 has enabled the government's infrastructure budget to increase from Rp144.4 trillion in 2014 to Rp280.3 trillion in 2015 and to Rp302.6 trillion in 2016. The line-ministries are responsible for delivery of more than 50% of the government's infrastructure budget.¹ The increase in infrastructure spending has been accompanied by institutional reforms to enable the ministries to deliver their public investment programs in an accelerated manner. In 2014–2015, the government (i) established a dedicated office for land acquisition at the Ministry of Agrarian and Spatial Planning/National Land Agency (NLA),² (ii) improved legal and technical frameworks on land acquisition, (iii) strengthened the procurement units of government agencies and rolled out a national e-procurement system (LKPP SPSE), (iv) increased the use of advance procurement and multi-year contracts for infrastructure projects, and (iv) set up a budget realization evaluation and monitoring team to address implementation constraints at the central and subnational levels.³ Starting with the 2015 budget, the budget allocations are approved at organization, function, and program levels and, once approved, can be immediately disbursed.

3. The Ministry of Public Works and Housing (MPWH) leads the government's effort to meet RPJMN, 2015–2019⁴ basic infrastructure targets to build 3,650 kilometers of new highways, improve the irrigation network covering 1 million hectares, build 49 dams, attain 100% access to drinking water, reduce slum areas to 0%, and achieve 100% access to improved sanitation, all by 2019.⁵ During 2015–2019, the MPWH's infrastructure program is estimated at Rp660 trillion or 47% of the government's infrastructure program. In 2015–2016, about 37% of the government's infrastructure budget was allocated to the MPWH.

4. Delivery of the MPWH's infrastructure programs has been constrained by complex land acquisition processes, procurement delays, and inadequate preparation of infrastructure projects. With the implementation of the new land acquisition law and continuous efforts to strengthen public procurement systems⁶, it is now the latter that critically constraints the ministry's ability to deliver infrastructure in a timely and good quality manner. Weak project preparation is largely due to lack of resources to complete the required assessments, surveys, master plan, feasibility

¹ The line ministries include the ministries of public works and housing, transportation, agriculture, and energy and mineral resources.

² This office was one of institutional reforms initiated to implement the new land acquisition law (Law No. 2 of 2012). This law sets clear steps and timelines for land acquisition, including dispute resolution through courts, after which land can be acquired for public purposes.

³ Presidential Instruction No. 1/2015; Minister of Public Works and Housing Instruction No. 3/2015; Minister of Finance Circular No. S-577/2015; Minister of Finance Regulation No. 238/2015; Presidential Decree No. 20/2015

⁴ Government of Indonesia. 2015. *Indonesia National Medium-Term Development Plan, 2015–2019*. Jakarta. Carried forward to RPJMN 2020–2024.

⁵ Improved sanitation refers to flush toilets linked to piped sewer system or septic tanks.

⁶ Law No. 2 of 2012 on Land Acquisition in Public Interest. This sets clear steps and timelines for land acquisition, including dispute resolution through courts, after which land can be acquired for public purposes. ADB supported the development of this law.

studies, designs, and environmental and land acquisition clearances to make projects ready for implementation. Addressing the project preparation issue will be, therefore, important for the MPWH to meet its ambitious infrastructure development targets.

5. By incorporating these lessons learned, the proposed Accelerating Infrastructure Delivery through Better Engineering Services Project (ESP) has been designed to target the MPWH's critical constraints by (i) enabling financing of the preparation of infrastructure projects as a separate project; and (ii) strengthening MPWH systems to improve the quality and timeliness of the preparation of master plans, feasibility studies, detailed engineering designs (DEDs), land acquisition and resettlement plans, environmental impact assessments, bidding documents, and construction supervision. The project will be coordinated with development partners to ensure complementarity.

B. Impact and Outcome

6. The ESP will help meet the infrastructure development objectives of MPWH's Strategic Plan, 2015–2019 by improving the quality and timeliness of the delivery of the SDP's public investment program. The impact will be the attainment of the infrastructure objectives of the MPWH's Strategic Plan, 2015–2019⁷ and carried forward to MPWH's Strategic Plan 2020–2024⁸. The outcome will be strengthened capacity of MPWH's DGH, DGHS, DGWR, and DGIF to efficiently design and implement MPWH's public investment program. The expected outcome of the ESP will be achieved through implementation of two outputs described below.

C. Outputs

7. **Output 1: Quality and timely start-up of infrastructure projects improved.** This output will support the preparation—based on new technology and improved design standards⁹—of (i) irrigation, flood management, bulk water, and dam projects of the MPWH's Directorate General of Water Resources (DGWR), (ii) water supply and sanitation projects of the Directorate General of Human Settlements (DGHS), and (iii) national road projects of the Directorate General of Highways (DGH), and (iv) public-private partnership projects for toll roads and bridges of Directorate General of Infrastructure Financing (DGIF). All infrastructure projects are from the MPWH's Strategic Plan, 2015–2019⁷ and carried forward to MPWH's Strategic Plan, 2020–2024⁸, and are to be mainly financed from the government budget.¹⁰ This output will support preparation of (i) master plans and feasibility studies; (ii) detailed engineering designs, including geotechnical, topographical and other surveys; (iii) final business cases for PPP projects, (iv) environmental impact assessments and land acquisition documents

⁷ Government of Indonesia, Ministry of Public Works and Housing. *Strategic Plan of MPWH for Years 2015 to 2019*. Jakarta. MPWH Regulation No. 13.1/PRT/M/2015.

⁸ Government of Indonesia, Ministry of Public Works and Housing. *Strategic Plan of MPWH for Years 2020 to 2024*. Jakarta. MPWH Regulation No. 23/PRT/M/2020.

⁹ In the road sector, these are improved design standards on pavement, drainage, geometric, grade-separated junction, and at-grade junction aspects. In the irrigation sector, the new technologies are related to the web-based integrated asset management information system with geospatial interface, high resolution aerial surveys for survey of irrigation assets, satellite-based water accounting. The detailed engineering design guidelines of the irrigation sector will be also updated to incorporate climate change and water efficiency, among other issues. In the wastewater sector, in 2016 the MPWH is expected to adopt new technical guidance on feasibility studies and new design standards for waste water treatment system.

¹⁰ The indicative list of projects to be prepared under the ESP is in Appendix 1 of the PAM. List of projects may change subject to agreement between the MPWH and ADB. Based on the request of the Government and in accordance with the provisions of the 2016–2019 Country Partnership Strategy, ADB may consider financing selected ESP-prepared projects either through a results-based lending or a project loan modality.

as per government requirements; and (v) advance contracting for civil works. This output will also support technical assessment for selected DGH projects, and contract review for Toll Roads.

8. **Output 2: Capacity in public investment management strengthened.** This output will support the DGWR, DGHS, and DGH of the MPWH in: (i) improving master planning and public investment management systems; (ii) on-the-job capacity development of project staff, especially at local level, in such areas as but not limited to design-and-build contracts, design standards, construction supervision, enforcement of civil works contractor performance via technical and financial assessment during construction, multi-year contracting, etc.; (iii) strengthening of the ministry's safeguards¹¹ and procurement systems¹², (iv) strengthening value engineering during preparation of infrastructure projects, and (v) implementing the ESP, including monitoring and evaluation of project preparation activities.

9. **Implementation period.** The project is expected to be implemented from 1 December 2016 to 29 April 2022¹³. Most activities related to project preparations are planned to be completed by end of 2021.

10. The DGWR, DGH, DGHS, and DGIF of the MPWH (implementing agencies under the ESP) will undertake (i) project preparation work for their infrastructure projects, and (ii) institutional and capacity strengthening in public investment management. This is highlighted in Table 1 below. The indicative list of projects along with their corresponding estimated project preparation cost is provided in Appendix 1. The list of ESP-supported projects may change based the government priorities and agreement with the ADB.

Table 1: Project Components per Output and Implementing Agencies

Output 1: Improved quality and timely start-up of MPWH's infrastructure projects	
DGWR	
1A	Preparation of irrigation and lowlands projects in selected provinces in Indonesia (see Appendix 1)
1B	Preparation of flood management projects in Jawa and Sumatera (see Appendix 1)
1C	Preparation of Multipurpose Dam and Lakes Project (see Appendix 1)
1D	Preparation of bulk water projects in selected provinces in Indonesia (see Appendix 1) ¹⁵
DGH	
2A	Preparation of road and bridge projects in selected provinces in Indonesia (see Appendix 1)
2B	Technical assessment consultant (see Appendix 1)
2C	Review of contract changes for Toll Roads Projects and Technical Audit (see Appendix 1)

¹¹ Assessment of DGH, DGHS, and DGWR's safeguards systems and the areas for institutional and capacity buildings are in Appendix 7 of the PAM.

¹² Such as implementation of the MPWH's regulation on design-and-build contracts adopted in May 2015.

¹³ The physical completion of the project is 31 December 2021.

¹⁵ Scope of work and selected provinces covered under the Enhanced Water Security Investment Program. For details see Blue Book under the entry BB-1519-R0-12-02-0 on page 124.

DGHS

- 3A Preparation of wastewater system development projects in cities (see Appendix 1)¹⁶
- 3B Preparation of regional water supply system development projects (see Appendix 1)
- 3C Rehabilitation of Water Supply System in Central Sulawesi (see Appendix 1)
-

DGIF

- 4A Preparation of Final Business Case towards Public Private Partnership in Roads and Bridges Sector (see Appendix 1)
-

Output 2: Strengthening capacity of MPWH in public investment management**DGWR/DGH/DGHS/DGIF**

- 5 Strengthening public investment management systems of DGWR, DGH, DGHS, and DGIF through:
- i. ESP implementation support to Project Management Office (PMO) and Project Implementation Units (PIUs);
 - ii. Institutional strengthening and capacity building as highlighted above; and/or
 - iii. Improve asset management.
-

¹⁶ List of city-wide sanitation projects may be revised based on readiness of cities for project implementation and in line with the Sewerage System Development Program in Indonesia (Blue Book entry number BB-1519-R0-05-04-0). Among criteria that define readiness of a city for project implementation are (i) availability of land, (ii) availability of pre-feasibility study, (iii) local government commitment to institutional and legal reforms required for project implementation and sustainability.

II. IMPLEMENTATION PLAN

A. Project readiness activities¹⁷

Activities	2016										Responsibility
	March	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec	
ADB processing mile-stones (indicative)											
- Fact-finding mission's wrap-up	11										ADB, MPWH
- Loan negotiations/technical discussions							15				ADB, MOF, Bappenas, MPWH
- ADB Board consideration									10		ADB
- Loan agreement signing									28		ADB, MOF
- Loan effectiveness declaration										21	ADB
Gol/MPWH project preparation mile-stones (indicative) ^a											
- Approval of fact-finding mission's Aide Memoire				3							DGWR, DGHS, DGH
- Establishment of (i) ESP Steering Committee, (ii) PCO at SETJEN, and (iii) PMOs and PIUs at DGWR, DGHS and DGH						26					MPWH
- Establishment of tender committees for selection of PMC firms and for selection of panels										@	MPWH
- Readiness coordination						15					SetJen, DGWR, DGHS, DGH
- Preparation of Daftar Kegiatan						30					Bappenas
- Loan negotiation authorization							15				MOF, MPWH,
- Legal opinion									25		MOF, MOJ

Source: ADB Staff estimates

ADB = Asian Development Bank; DGWR = Directorate General of Water Resources; DGH = Directorate General of Highways (DGH); DGHS = Directorate General of Human Settlements; MPWH = Ministry of Public Works and Housing

^a Green Book entry of ESP was accomplished in October 2015. Budget (DIPA) allocation for each DG involved in ESP was accomplished in December 2015. Confirmation of priority projects to be considered under ESP was accomplished in December 2015.

@various tender committees for selection of PMC firms, PPC firms and for selection of panels were established between - November 2016 and - November 2017. Pursuant to MPWH circular for reconstitution of all the tender committees (Pokja) to have cross-departmental members, various Pokjas are still being reconstituted as on the date of inception mission.

¹⁷ Numbers on the cells refer to dates in each month, by which the relevant milestone is expected to be completed

		Activities	2016				2017				2018				2019				2020				2021				2022	
SN.			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		Commencement of Environment Impact Assessment (EIA)/AMDAL																	X	X	X	X	X	X	X	X		
		Approval of Final EIA/AMDAL																		X	X	X	X	X	X	X		
		Commencement of Land Acquisition and Resettlement Plan (LARP)																		X	X	X	X	X	X	X		
		Approval of Final LARP																		X	X	X	X	X	X	X		
		Preparation of Tender Documents																			X	X				X	X	X
D		Selection of technical assessment consultant (TAC) firm for DGH projects																										
		Finalization of RFP for Technical Assessment Consulting Firms																X	X									
		Issuance of RFPs to Technical Assessment Consulting Firms																		X	X							
		Receipt of Proposals from Technical Assessment Consulting Firms																				X						
		Evaluation of Proposals of Technical Assessment Consulting Firms																				X						
		Contract negotiation with highest technically qualified with financial proposal being within the budget																				X						
		Contract signing and issue of Notice To Proceed																					X					
		Mobilization of Consulting Firm and provision of Consulting services for Technical Assessment																					X					
E		Selection of DGIF Project Preparation Consultant (PPC)																										
		Preparation of TOR																	X									
		Finalization of TOR and issuance of REOI																	X	X								
		Shortlisting of firms																		X								
		Issuance of RFPs to short-listed firms																			X							
		Receipt of Technical and Financial Proposals																				X						
		Evaluation of Technical and Financial Proposals																				X						
		Contract negotiation																					X					
		Contract Signing and Issue of Notice To Proceed																					X					
		Mobilization of PPC Firms and start of work																					X					
F		Preparation of DGIF projects																										

SN.	Activities	2016				2017				2018				2019				2020				2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Commencement of Final Business Case																						X	X			
	Preparation of Tender Document																							X	X		
OUTPUT 2: STRENGTHENED CAPACITY OF MPWH IN PUBLIC INVESTMENT MANAGEMENT																											
A	Selection of the project management consulting (PMC) firms to support DGWR, DGH, and DGHS; selection of firm for the Jragung dam project																										
	Preparation of TOR			X	X	X																					
	Finalization of TOR and issuance of REOI				X	X																					
	Shortlisting of firms						X	X																			
	Issuance of RFPs to short-listed firms						X	X																			
	Receipt of Technical and Financial Proposals						X	X	X																		
	Evaluation of Technical and Financial Proposals						X	X	X																		
	Contract negotiation							X	X																		
	Contract Signing and Issue of Notice To Proceed								X																		
	Mobilization of PMC Firms and start of work								X																		
B	Institutional Strengthening and Capacity Building of DGWR, DGHS, and DGH (thru PMC firms)																										
	Support with ESP implementation to PMOs and PIUs at DGs									X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	Strengthening of MPWH's Public Investment Management System																		X	X	X	X	X				
	Develop methodology for MPWH public investment management assessment																			X							
	Conduct MPWH public investment management assessment and develop a road map for improving public investment management at MPWH																			X							
	Conduct capacity building and develop regulations to improve MPWH public investment management systems																			X	X						
	Pilot test improved regulations and systems of public investment management																					X					
	Strengthening of MPWH's systems on value engineering (VE) during preparation of infrastructure projects											X			X						X	X	X	X			

[illegible]

		Activities	2016				2017				2018				2019				2020				2021				2022	
SN.			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		Procurement of hard and software and other technology requirements for DGWR, DGHS, and DGH										X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
		Delivery of equipment and other goods												X	X	X	X	X	X	X	X	X	X	X	X	X	X	
		Procurement of other goods and Equipment for DGWR, DGHS, and DGH									X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
C		Selection of the project management consulting (PMC) firms to support DGIF																										
		Preparation of TOR																	X									
		Finalization of TOR and issuance of REOI																	X	X								
		Shortlisting of firms																			X							
		Issuance of RFPs to short-listed firms																			X							
		Receipt of Technical and Financial Proposals																				X						
		Evaluation of Technical and Financial Proposals																				X						
		Contract negotiation																				X						
		Contract Signing and Issue of Notice To Proceed																					X					
		Mobilization of PMC Firms and start of work																					X					
III. PROJECT SUPERVISION																												
		Project administration mission								X				X	X						X	X		X		X	X	
		Mid-term review mission											X	X														
		Project completion mission																										X

Note:

1. Items in italics refer to advance procurement action, for the period prior to loan effectiveness.
2. Selection of firms for the panels will follow principles of quality-based selection method. Selection of consultants from the panels will follow on the quality- and cost-based selection method, based on full technical proposal. At call-down stage, RFPs will be sent to the panel members electronically via SPSE. The consultants' technical and financial proposals will be submitted electronically via SPSE

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations–Roles and Responsibilities

11. Stakeholders' role and responsibility in the ESP are presented below.

Project implementation organizations	Management Roles and Responsibilities
<ul style="list-style-type: none"> Ministry of Public Works and Housing, Office of Secretary General 	<ul style="list-style-type: none"> > Administer the ESP as the executing agency of the ADB loan; > Communicate with ADB for any amendments in the reallocation of the loan amount.
<ul style="list-style-type: none"> ESP Steering Committee, Ministry of Public Works and Housing 	<p>The ESP Steering Committee will be chaired by the Secretary General of the Ministry of Public Works and Housing. Other members of the ESP Steering Committee will include Director General for Water Resources, Director General for Highways, Director General for Human Settlements, Director General of Public Works and Housing Infrastructure Financing, Director General for Construction Development, and Director General for Human Resources Development</p> <p>The roles and responsibilities of the ESP Steering Committee will include the following:</p> <ul style="list-style-type: none"> > Provide overall coordination and guidance during the implementation of the ESP; > Monitor status of preparation of individual infrastructure projects and facilitate that viable ESP-supported projects receive the required capital budget; > Monitor status of institutional strengthening and capacity building activities; > Ensure alignment of the ESP with MPWH SDP targets and timelines; > The steering committee will meet regularly; ad-hoc meetings may take place at request of the Chairperson.
<ul style="list-style-type: none"> Project Coordination Office (PCO), Secretary General's Office 	<p>Staff from the Secretariat General's Office (SG) will be assigned to the PCO. Consultants to support PCO will be engaged under ADB cluster technical assistance, Sustainable Infrastructure Assistance Program Phase II (SIAP2) (C-TA0040-INO). The roles and responsibilities of the PCO will include the following:</p> <ul style="list-style-type: none"> > Serve as secretariat to ESP steering committee; > Consolidate and review information on ESP implementation, including on the inclusion of viable ESP supported projects in the capital budget of MPWH based on the status of the project preparation and budgeting process; > Prepare consolidated reports on ESP implementation status for MPWH management and other government agencies; > Ensure follow-up to the steering committee meetings and instructions of MPWH leadership.

Project implementation organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ Monitor the implementation of capacity building, conducted by each Directorate Generals
<ul style="list-style-type: none"> • Project Management Offices (PMOs) at DGWR, DGH, DGHS, and DGIF 	<p>DGWR, DGH, DGHS, and DGIF will be the implementing agencies for the projects to be prepared for implementation under the ESP. These DGs will be represented by their PMOs. The PMO for each of the DG will be headed by Director of relevant directorate for planning and programming and will include necessary staffs to cover procurement and financial management areas.</p> <p>The roles and responsibilities of PMOs will include the following:</p> <p>Overall:</p> <ul style="list-style-type: none"> ➤ Lead communication and reporting on the ESP with PCO and ADB; ➤ Establish and maintain a monitoring framework for all ESP-supported projects in the respective DG and ensure all viable ESP-supported projects are prioritized in the DG's request for capital budget for the year, in which the projects are expected to be implementation ready; ➤ Ensure compliance with agreed guidelines and procedures for the procurement of goods and selection of consultants; ➤ Review and process payments to consultants engaged by them (PMC firms, and other consultants, if any); ➤ Responsible for overall financial reporting and accountability aspects (consolidation of information on withdrawal applications, financial reports, audits, bank account statements, etc.); ➤ In collaboration with Directorate General of Human Resources Development, conduct the capacity building based on training need assessment of each PIUs; ➤ Lead financial management per ADB's Loan Disbursement Handbook. <p>Output 1:</p> <ul style="list-style-type: none"> ➤ Lead selection of panels for respective DGs as required, including development of Terms of Reference (TOR) for panel selection; ➤ Lead the review of panel performance and issues related to selection and maintenance of the panel; ➤ Sign indefinite delivery contracts with panel members; ➤ Contribute to review of consultant outputs and quality assurance;

Project implementation organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> > In coordination with PIUs, monitor status of project preparation and facilitate timely action by all structures of the respective DG. > Contribute to the development of project specific TORs and RFP for selection of panel consultants from the panel; > Contribute to the technical and financial evaluation criteria of submitted proposals; > Assign tender committees¹⁸ for empanelment process that will be responsible for: <ul style="list-style-type: none"> o Evaluation of submitted EOIs; o Propose draft IDC along with the list of panel consultants to PMO for approval and signing. > Coordinate with BP2JK for all procurement process under PMO <p>Output 2:</p> <ul style="list-style-type: none"> > Lead selection and management of ESP project management consultants; > Development and establish of TORs and Budget Estimate for PMC firms; > Sign contracts with PMC firms; > Coordinate with BP2JK for all procurement process under PMO > Assign tender committees¹⁷ for PMC selection that will be responsible for: <ul style="list-style-type: none"> o Conduct technical and financial evaluation of submitted proposals, and contract negotiations; o Propose potential awarded firm to PMO for approval and signing. <p>Each PMO will receive consultant support for implementation of the ESP through a project management consulting firm. Draft TORs of each PMC are in Appendix 2.</p>
<ul style="list-style-type: none"> • Project Implementation Units (PIUs) at DGWR, DGH, DGHS, and DGIF 	<p>The PIU for each of the DG will be headed by a Director and will include necessary staffs to cover procurement, financial management, and technical areas. The management roles and responsibilities of each of the PIUs will include the following:</p> <p>Output 1:</p> <ul style="list-style-type: none"> > Closely monitor status of each contract and ensure timely action by the consultant and all structures of the respective DG.

¹⁸ Before the establishment of Balai Pelaksana Pemilihan Jasa Konstruksi (BP2JK) based on Minister of Public Works and Housing Decree No. 5/2019 regarding "Pembentukan Unit Kerja Pengadaan Barang/Jasa dan Unit Pelaksana Teknis Pengadaan Barang/Jasa, membentuk UKPBJ dan UPTPBJ di Lingkungan Kementerian PUPR"

Project implementation organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ For project preparation, establish joint PIU-Balai/Satker Direction Teams to review consultant outputs to ensure quality and timeliness; ➤ Contribute to development of TORs for selection of firms for the panel; ➤ Contribute to evaluation of submitted EOIs for empanelment; ➤ Provide feedback on performance of panel consultants; ➤ Develop TORs, Budget Estimate, and RFP for selection of firms for project preparations; ➤ Sign the contract with the technical consultant selected from the panel; ➤ Coordinate with BP2JK for all procurement process under PIU ➤ For project preparation, assign tender committees¹⁷ that will be responsible for the following: <ul style="list-style-type: none"> ○ technical and financial evaluation of submitted proposals, and contract negotiations; ○ Propose potential awarded firm to PIU for approval and signing. ➤ Lead quality assurance of the technical consultants' outputs, including review of consultant's deliverables; ➤ Upon endorsement of joint PIU-Balai/Satker Direction Team, review and process payments to PPC firms; TAC consultants and other consultants engaged by them (i.e., prepare withdrawal applications and submit to MOF for direct payment to the consulting firms); ➤ Provide all financial and procurement related information and documents to PMO for consolidation (i.e., for consolidation of information on withdrawal applications, financial reports, audits, bank account statements, etc., by the PMO); ➤ Develop financial report to PMO for consolidation ➤ Lead consultant performance evaluation upon completion of contract. ➤ Submit monitoring status of each contract to PMO and ensure timely action by the consultant and Satkers; ➤ Ensure compliance with ADB consultant selection guidelines.

Output 2:

Project implementation organizations	Management Roles and Responsibilities
	<p>> Contribute to implementation of capacity building and institutional strengthening activities (including in public investment management, safeguards, and procurement) in the relevant DG.</p> <p>Each PIU will receive support for the ESP through the Project Management Consultant (PMC). Draft REOs for panels of DGWR, DGH, and DGHS are in Appendix 2.</p>
<ul style="list-style-type: none"> • Project Team (PIU-Balai/Satker) 	<p>Established by the concerned PIU with participation of local Balai or Satker Tasks are to:</p> <ul style="list-style-type: none"> > review project preparation consultant firms' outputs > submit consultant outputs to PIU for approval and endorsement of payment to the project preparation consultant firms.
<ul style="list-style-type: none"> ○ PIU 	See above
<ul style="list-style-type: none"> ○ Balai/Satker 	<p>Output 1:</p> <ul style="list-style-type: none"> > Provide feedback to respective PIU and PMO on performance of panel consultants; > contribute to development of project specific TORs and RFP for selection of consultants from the panel for a specific project; > Lead coordination with other local agencies and government offices. > As member of Project Team: <ul style="list-style-type: none"> ○ be the lead counterpart for the consultants during their assignments, including managing and supervising the consultants on daily basis; ○ review and quality assurance of consultant output; ○ contribute to consultant performance evaluation upon completion of contract. <p>Output 2:</p> <ul style="list-style-type: none"> > Participate and contribute to capacity building and institutional strengthening activities under the ESP.
<ul style="list-style-type: none"> • ADB Project Team 	<ul style="list-style-type: none"> > Review and monitor implementation of the ESP, including facilitation of review by ADB of procurement, financial management and other types of project reporting and submissions of MPWH. > Coordinate with development partners and other stakeholders on ESP implementation. > Facilitate transfer of infrastructure related knowledge and best practices to MPWH from ADB experiences in the Asia Pacific region.

B. Key persons involved in implementation

I. Executing Agency	
Ministry of Public Works and Housing – Office of the Secretary General	<p>Secretary General Telephone/ Fax: +62 21 7247564/7395588 Ext.201 Email: sekjen@pu.go.id</p> <p>Address: Jl. Pattimura No. 20, KebayoranBaru, Jakarta 12110 – Indonesia</p>
Project Coordination Office	<p>Director of Directorate for Budget Planning and International Cooperation Telephone/ Fax: 021- 7392681 Email address: ariefbapekon@gmail.com</p> <p>Deputy Director of Directorate for Budget Planning and International Cooperation Tel./Fax: +62 21 7246248 Email address: dini_af@yahoo.com bagianklnpupr@gmail.com</p>
	<p>Director General of Construction Management Telephone/ Fax: (021) 7228497 Email address: wina_widi91@yahoo.com</p>
	<p>Director of Construction Development Telephone/Fax (021) 7228497 Email address: dit.bpjkg@gmail.com</p> <p>Director of Construction Services Telephone/Fax (021) 7228497 Email address: sekre.dpjkg@gmail.com</p>
	<p>Director General of Human Development Telephone/Fax: (021) 7228497 Email Address: tudjbm@gmail.com</p> <p>Secretary of Human Development Telephone / Fax: (021) 7228497</p>
II. Implementing Agencies	
1. Directorate General of Water Resources	<p>Director General of Water Resources Telephone: +62 21 7222804 Fax: +62 21 7261956 Email address: setditjensdapu@gmail.com</p>
1.1 Project management office at Directorate of System and Strategy Water Resources Management	<p>Director of System and Strategy Water Resources Management Telephone: +62 21 7393006 Fax: +62 21 72799418 Email address: binaprogramsda@gmail.com</p> <p>Deputy Director for Foreign Loan and Grant Management</p>

	Telephone/ Fax 021- 7210391 Email address: subditklnsda@gmail.com , Director of Irrigation and Lowland Tel./Fax: +62 21 7399581 Email address: sekditgasi@gmail.com Deputy Director for Planning Email address: cantek.ditgasira@gmail.com Tel./Fax: +62 21 7399581
1.2 Project implementation unit at Directorate of Irrigation and Lowland	
1.3 Project implementation unit at Directorate of River and Coastal	Director of River and Coastal Email address: sungaidanpantai@gmail.com Deputy Director for Planning Email address: cantek_sdw@yahoo.com Telephone: +62 21 7203951 Fax: +62 21 7261292
1.4 Project implementation unit at Directorate for Ground Water and Bulk Water	Director of Ground Water and Bulk Water Email address: pusatab.pu@gmail.com Deputy Director for Planning Email address: pusatab.pu@gmail.com Tele/Fax: +62 21 7221826
1.5 Project implementation unit at Center for Dams	Director of Dams and Lakes Email address: Pusat.bendungan@gmail.com Deputy Director for Planning Telephone: +62 21 7392051 Fax: +62 21 7261292 Email address: perencanaanpusben@gmail.com
2. Directorate General of Human Settlements	Director General of Human Settlements Telephone: +62 21 72796155 Fax: +62 21 72796158 Email address: ditjenciptakarya20@gmail.com
2.1 Project management office at Directorate of System and Strategy for Human Settlements	Director of System and Strategy for Human Settlements Email address: keterpaduan@gmail.com Deputy Director for Foreign Loan and Grant Management Email address pphln.djck@gmail.com Tel./Fax: +62 21 72796581/88
2.2 Project implementation unit at Directorate of Water Supply	Director for Water Supply Email address: sekdirpam@yahoo.com Deputy Director for Technical Planning Email address: pamdjck@yahoo.co.id Tel./Fax: +62 21 72796904

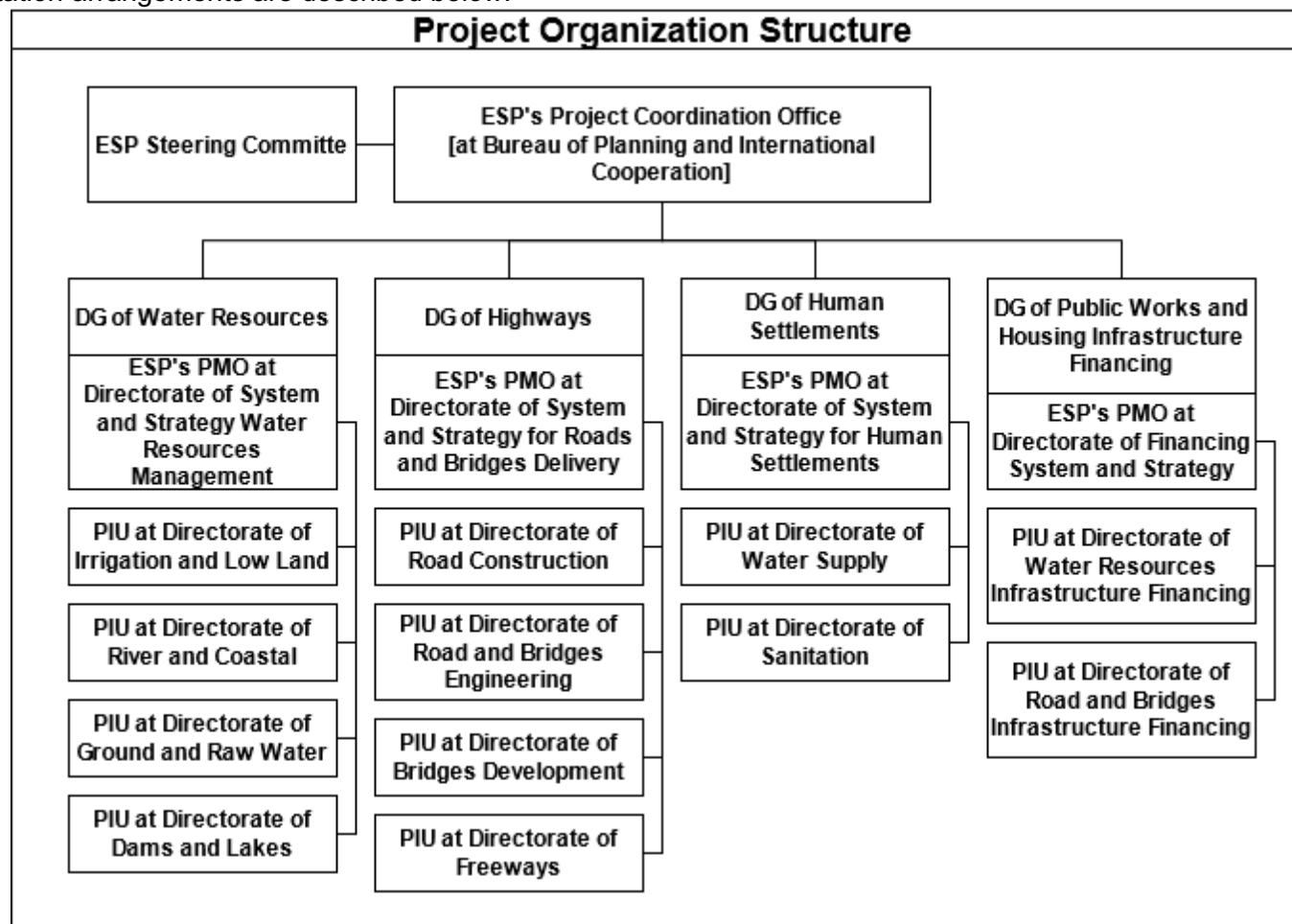
<p>2.3 Project implementation unit at Directorate of Sanitation</p>	<p>Director of Sanitation Email address: sekretarisplp@yahoo.co.id</p> <p>Deputy Director for Technical Planning Email address: rentekplp@gmail.com Tel./Fax: +62 21 72796578</p>
<p>3. Directorate General of Highways</p>	<p>Director General of Highways</p> <p>Telephone: +62 21 7203165 Fax: +62 21 7393938 Email address: tudjbm1@gmail.com</p>
<p>3.1 Project management office at Directorate System and Strategy for Roads and Bridges Delivery</p>	<p>Director of System and Strategy for Roads and Bridges Delivery</p> <p>Telephone: +62 21 7393928 Fax: +62 21 7201760 Email address: direktoratbinaprogram@gmail.com</p> <p>Deputy Director for Foreign Loan and Grant Management</p> <p>Telephone: +62 21 7221039 Fax: +62 21 7245388 Email address: setditpum@gmail.com</p>
<p>3.2 Project implementation unit at Directorate of Road Constructions</p>	<p>Director of Road Construction</p> <p>Telephone: +62 21 7394433 Fax: +62 21 7394433 Email address: ditbangjalan@gmail.com</p> <p>Deputy Director of Construction Management</p> <p>Telephone: +62 21 7257870 Fax: +62 21 7257870 Email address: pembangunanmk@gmail.com</p>
<p>3.3 Project implementation unit at Directorate of Bridges</p>	<p>Director of Bridges Development</p> <p>Telephone: +62 21 7251019 Fax: +62 21 7247283 Email address: ditjembatan@gmail.com</p> <p>Deputy Director of Planning and Programming</p> <p>Telephone: +62 21 7254753 Fax: - Email address: subdit.renprog.jembatan@gmail.com</p>
<p>3.4 Project implementation unit at Directorate of</p>	<p>Director of Roads and Bridges Engineering</p>

<p>Roads and Bridges Engineering</p>	<p>Telephone: +62 21 7260850 Email address: bintekjatan@pu.go.id ditpreservasijalan@gmail.com</p> <p><i>Technical Assessment Consultant</i> Deputy Director of Road Safety</p> <p>Telephone: +62 21 7260850 Email Address: subditkkjj@pu.go.id</p> <p><i>Design and Development of JAKI 2.0</i> Deputy Director of Data and Information System Development for Roads and Bridges</p> <p>Telephone: +62 21 7210371 Email Address: dpsijatan@pu.go.id</p>
<p>3.5 Project implementation unit at Directorate of Freeway</p>	<p>Director of Freeway Telephone: +62 2172793789 Email address : subditjalantol@gmail.com</p> <p>Deputy Director for Implementation and Control of Freeway Telephone: - Email Address: subditjalantol@gmail.com</p>
<p>4. Directorate General of Infrastructure Financing for Public Works and Housing</p>	<p>Director General of Infrastructure Financing for Public Works and Housing</p> <p>Telephone: +62 217200793 Email Address: dirjen.pembiayaan@gmail.com</p>
<p>4.1 Project Management Office of Directorate Financing System and Strategy Development</p>	<p>Director of Financing System and Strategy Development Telephone: +62 217262535 Email Address: direktorat.pke@gmail.com</p> <p>Deputy Director of Infrastructure Financing Management Development Telephone: +62 217262535 Email Address: agustl_89@gmail.com</p>
<p>4.3 Project Implementation Unit at Directorate of Infrastructure Financing for Road and Bridges</p>	<p>Director of Road and Bridges Infrastructure Financing Telephone: +62 217264375 Email Address; direktorat.ppji@gmail.com</p> <p>Deputy Director of Investment Plan Legalization Telephone: +62 217264375 Email Address: ira.ach137@gmail.com</p>

III. ADB	
ADB – Indonesia Resident Mission	<p>Mr. Winfried F. Wicklein Country Director Tel.: +62 21 2992 7388 Fax: +62 21 2992 7399 Email address: wwicklein@adb.org</p> <p>Address: The Plaza Office Tower, 11th floor Jl. M.H. Thamrin Kav. 28-30 Jakarta 10350, Indonesia</p>
ESP project team	<p>Mr. Amr J. Qari Principal Infrastructure Specialist Tel./Fax: same as above Email address: aqari@adb.org</p> <p>Address: same as above</p>

C. Project Organization Structure

12. Implementation arrangements are described below:¹⁹



¹⁹ Directorates may involve local Balais or Satkers (owners of infrastructure project budgets) during selection of project preparation consultants. If the infrastructure project is implemented at the local level, the relevant Balai or Staker will be the technical consultants' counterpart during project preparation activities and review of outputs of technical consultants, in consultation with the relevant directorate of MPWH central office and as part of the joint PIU-Balai/Satker Project Team.

D. Implementation Procedures

13. The MPWH' Office of the Secretary General will be the executing agency. The DGWR, DGH, DGHS, and DGIF will be the implementing agencies. The MPWH will establish a steering committee to monitor the ESP's overall implementation and ensure ESP supported projects are prioritized for implementation. A project coordination office (PCO) will be established at the Office of MPWH's Secretary General to support the steering committee.²⁰ The DGWR, DGH, DGHS, and DGIF will each establish (i) a project management office (PMO) headed by a project director and supported by administrative staff, and (ii) project implementation units (PIUs) within their respective sector directorates to lead selection and management of consultants for the preparation of infrastructure projects. The PIUs will submit regular reports to the respective PMO on the status of consultant selection and performance. The PMOs will consolidate the reports for their respective DGs and submit reports to the PCO for monitoring and consolidated reporting on the ESP as a whole.

14. The PMOs will lead (i) the establishment of panels of consultants, in consultation with the PIUs at their directorate general, and (ii) the selection of project management consultants to support the PMOs and PIUs with implementation of the ESP. The PIUs will lead selection (with relevant Balai or Satker, as required) of the consultants from the panels for preparation of infrastructure projects. The DGWR, DGH, DGHS, and DGIF will set up procurement committees for the purposes of selection of consultants recruited under the ESP. All consultant selection will be done electronically using the MPWH's LPSE, with proper adjustments for the panel arrangement. Notwithstanding the foregoing, panel arrangement will not apply for consultants to be recruited by DGIF.

15. If infrastructure projects prepared under the ESP are going to be implemented at the local/district level of DGWR, DGH, DGHS, and DGIF, then the concerned PIU will involve local Balai (for DGWR, DGH, DGHS) or Satker (for DGIF) to direct project preparation activities and review the outputs of the project preparation consultant firms. The concerned PIU and local Balai or Satker will establish a Project Team (Tim Direksi), which will review project preparation consultant firms' outputs and submit such outputs to PIU for approval and payment to the project preparation consultant firms.

16. Indicative list of projects of DGWR, DGH, DGHS, and DGIF to be supported under the ESP is in Appendix 1. During the implementation of the ESP, the list of projects may be updated any time, as mutually agreed between ADB and the Government.²¹ The updating process will be guided by the ESP loan financing available for project preparation in each sub-sector of DGWR, DGH, DGHS, and DGIF indicated in Appendix 1A-1D.

17. The feasibility studies developed under the ESP will normally cover such aspects as technical analysis and description, subproject rationale, scope and components, cost estimates and financing plan, implementation arrangements, risk and situation assessment, financial and economic analysis, and environmental, social and poverty impact assessment.

18. Among criteria to define feasibility of the project and enable to proceed with further due diligence and then with government financing are:

²⁰ The PMO will be supported through cluster technical assistance on sustainable infrastructure assistance program (C-TA0013-INO).

²¹ If DGWR, DGHS and DGH decide to source financing for implementation of a project from ADB, then environmental, social safeguard assessment reports and environment management plan (EMP), and land acquisition and resettlement plan (LARP) for such projects will need to reflect ADB safeguards requirements, as appropriate.

- (i) Project directly contributes and is part of the sector development plan of the relevant DG;
 - (ii) Project risk analysis is based on international requirements on data survey (as relevant), and collected data is sufficient for estimating impact; and structural designs meet national technical requirements;
 - (iii) Project is designed to minimize cost and maximize the benefits with a combination of structural and nonstructural measures for optimal project management;
 - (iv) Project has been in line with regional spatial planning and the development priority stated in the Medium Term Development Plan, strategic plans, and the involved government institution's work plan;
 - (v) Project's social and poverty impact assessment clearly show that the proposed measures will have a net positive impact on stakeholders' social welfare, will reduce poverty, and can be monitored;
 - (vi) Project is designed to minimize social impacts and ensure that people adversely affected by civil works under the project are compensated in compliance with the principles set in the country's land acquisition and resettlement frameworks;
 - (vii) Project initial environmental examination assesses that the environmental impact during construction can be minimized, in line with principles set in the environmental legislation; and the project is designed to minimize detrimental environmental impact;
 - (viii) Project's implementation time frame is reasonable, and surveys and design can be prepared, reviewed, and safeguard processes and procedures followed, and implemented within the project period;
 - (ix) Local government provides commitment to the investment to facilitate the land acquisition and resettlement process and AMDAL/UKL-UPL as per principles set in the country's legal framework on land acquisition and AMDAL/UKL-UPL;
 - (x) Local government provides commitment to finance land acquisition and AMDAL-UKL-UPL implementation, especially for DGHS' projects;
 - (xi) Project's impacts on environment and indigenous peoples have been assessed and mitigation measures, if needed, adopted;
 - (xii) Local communities and beneficiaries demonstrate commitment to the investment through willingness to contribute, in cash or in kind, to the cost of development as appropriate;
 - (xiii) Project's economic internal rate of return exceeds 12%; and
 - (xiv) Project's financial sustainability has been assessed (including through financial internal rate of return) and project has been designed to maximize financial sustainability, in addition to ensuring economic feasibility.
19. For projects on development of city-wide wastewater system, the following criteria are also used:
- Cities with sanitation services more than 75%
 - Cities of high idle capacities of existing wastewater treatment plants and require assistance to optimize existing systems and to add sewerage networks
 - Cities that need rehabilitation of existing wastewater treatment plants and expansion of services (new WWTP services), including offsite (centralized) as well as on site systems
 - Cities which indicate strong commitments to participate
 - Cities that need technical assistance to meet the readiness criteria

20. After the feasibility study that would cover the features highlighted above, the following steps will be normally undertaken:

- (i) Preparation of DED that will take into account climate change, future land use changes, eco-hydrology dimensions, and other relevant aspects (such as value analysis applicable at DED stage to minimize the cost while ensuring full function of the project);
- (ii) Preparation of AMDAL/UKL-UPL and obtain the environmental permits;
- (iii) Preparation of LARP;
- (iv) Preparation of the O&M plan;
- (v) Review/approval of DED;
- (vi) Tendering for civil works;
- (vii) Facilitation of activities to obtain project location determination and other necessary permits. Such activities may include land acquisition implementation (consultation, valuation of compensation objects, compensation payment), and hand over of acquired land for civil works commencement/construction;
- (viii) Complete implementation of LARPs and provision of required compensation to project affected people before issuing instruction to proceed to contractors;
- (ix) Review and revision of the DED after the selection of the civil works contractor and completion by the latter of the field survey; and
- (x) Construction, including technical and safeguard supervision and monitoring; construction will need to comply with the recently issued MPWH regulation on sustainable construction of infrastructure.²²

21. Prior to the consultants' commencement of work on project preparation (e.g., feasibility study, and DED), the relevant PIU of MPWH will inform the consultants about any issues that need to be taken into account during project preparation based on the safeguards, technical, fiduciary and other requirements related to the funding source envisaged for the eventual infrastructure project.

22. Directorate General of Infrastructure Financing has been added as an Implementing Agencies under ESP. Following its mandate, DGIF will support MPWH in accelerating infrastructure delivery, drive innovation through use of PPP modality and advance the government's agenda of expanding use of blended financing. DGIF will recruit the PPC for Road sector in preparing Final Business Case for Toll Roads and Bridges projects. In implementing the project as an IA, DGIF will be supported by Project Management Consultant, including support to carry out the relevant capacity building programs.

23. Based on the advice of the concerned PMO, the DGs will ensure timely budgeting for the infrastructure projects prepared under the ESP, either through synchronization with the budgeting process of APBN or with the Blue Book process in case Official Development Assistance (ODA) is to be sourced for implementation of the project. For example, the DGs will take proper action to ascertain availability of funding from APBN or ODA at the time of completion of the DED for the project. Upon consultation with PMOs, the PCO will submit regular reports to the ESP steering committee on the status of budgeting and implementation of the ESP-prepared infrastructure projects.

²² MPWH regulation no. 05/PRT/M/2015 on sustainable construction of infrastructure. Sustainable construction is an approach to implement a series of activities to construct facilities to meet the economic, social, environment purposes for now and future. It required optimal utilization of resources at every stage of infrastructure construction, i.e. reduce the use of resources, reduce pollution, the use of recycle materials, environmental protection, risk mitigation, safety and health, life cycle, quality oriented, techno-innovation, and institutional support. Sustainable construction will be initiated by the responsible technical unit at an early stage of construction. To support the implementation of sustainable construction, the Minister established a committee for implementation of the sustainable construction regulation. This committee consists of organization units at echelon 1 level.

IV. COSTS AND FINANCING

24. The ESP's estimated cost is \$167.6 million, of which ADB will provide a technical assistance loan of \$148.2 million from ADB's ordinary capital resources. The government will provide equivalent of \$19.4 million to finance taxes, duties, and interest during implementation.²³ The financing plan is shown in Table 2.

Table 2: Financing Plan
(figures in \$ million)

Source	Amount	Share of Total (%)
Asian Development Bank	148.2	88.4
Ordinary capital resources (loan)	148.2	88.4
Government	19.4	11.6
Total	167.6	100.0

Source: ADB and MPWH staff estimates

A. Detailed Cost Estimates by Expenditure Category

25. Cost estimates by expenditure category are in Table 3.

Table 3: Cost Estimates by Expenditure Category
(figures in \$)

	Cost	% of Total Cost
A. Investment Costs		
1 Consultants		
a. Infrastructure project preparation	123,700,000.00	73.8
b. ESP management and MPWH institutional strengthening ^a	9,400,000.00	5.6
Subtotal (A)	133,100,000.00	79.4
B. Contingencies^b		
Subtotal (B)	15,100,000.00	9.0
C. Taxes and Duties^c		
Subtotal (C)	14,800,000.00	8.8
D. Financing Charges During Implementation		
1 Interest During Implementation	4,600,000.00	2.7
Subtotal (D)	4,600,000.00	2.7
Total Project Cost (A+B+C+D)	167,600,000.00	100.0

Source: ADB and MPWH staff estimate

^a including equipment and training and workshop incurred by the project management consultants and project preparation consultant under their respective contracts based on procurement procedures agreed between ADB and the Government and in line with the ADB's Procurement Guidelines.

^b Physical contingencies at 3%. Price contingencies are computed at 1.5% on foreign exchange costs and 4.2% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^c Any taxes and duties and financial charges during implementation will be financed by the Government. Taxes and duties are computed at 10% of the sum of the cost of the consultants, office equipment, and contingencies. Regarding the taxes on second layer consultant, referring to Minister of Finance decree 239/KMK.01/1996, and other Government's relevant regulations.

²³ It is difficult to reasonably quantify government costs associated with administration of the ESP. Hence, this cost is not reflected in the project cost estimates. Only identifiable and quantifiable government costs are reflected in this section.

B. Cost Estimates by Component

26. Cost estimates by output are in Table 4 below.

Table 4: Cost estimates by output
(figures in \$)

Item		Output 1		Output 2		Total
		Amount	%	Amount	%	
A	Consulting services	123,700,000.00	79.5	9,400,000.00 ^a	78.4	133,100,000.00
B	Contingencies	13,890,000.00	8.9	1,210,000.00	10.1	15,100,000.00
C	Taxes and duties	13,750,000.00	8.8	1,050,000.00	8.8	14,800,000.00
D	Financing charges during implementation	4,270,000.00	2.7	330,000	2.8	4,600,000.00
Total		155,610,000.00	100	11,990,000.00	100	167,600,000.00

Source: ADB and MPWH staff estimates

^a including the purchase of office equipment and furniture by project management consultant which shall not exceed \$600,000.

C. Cost estimates by funding source

27. Cost estimates by funding source are in Table 5 below.

Table 5: Cost estimates by funding source
(figures in \$)

		ADB		Government		Total
		Amount	% ^a	Amount	%	
A. Investment Costs						
1.	Consultants					
a.	Infrastructure project preparation	123,700,000.00	100	0	0	123,700,000.00
b.	ESP management and MPWH institutional strengthening	9,400,000.00	100	0	0	9,400,000.00
	Subtotal (A)	133,100,000.00	100	0	0	133,100,000.00
B. Contingencies						
	Subtotal (B)	15,100,000.00	100	0	0	15,100,000.00
C. Tax and Duties						
	Subtotal (C)	0.00	0	14,800,000.00	100	14,800,000.00
D. Financing Charges During Implementation						
	Interest during implementation	0.00	0	4,600,000.00	100	4,600,000.00
	Subtotal (D)	0.00	0	4,600,000.00	100	4,600,000.00
Total Project Cost (A+B+C+D)		148,200,000.00	88.4	19,400,000.00	11.6	167,600,000.00

Source: ADB and MPWH staff estimates

^a Net of taxes and duties that will be covered by the Government

D. Allocation and Withdrawal of Loan Proceeds

28. Allocation and withdrawal of loan proceeds is in Table 6.

Table 6. Allocation and Withdrawal of Loan Proceeds
(figures in \$ million)

Category	ADB Financing (\$ million)	Percentage and basis for withdrawal from loan account
1 Consulting services, office equipment and furniture	148.2	100% of total expenditure claimed*
Total	148.2	

Source: ADB and MPWH staff estimates

*Exclusive of local taxes and duties within the territory of the borrower.

E. Detailed Cost Estimates by Year

29. Breakdown of costs by year is in Table 7. The expected contract awards and loan disbursement S curves is in Figure 1. The annual amounts are in Table 8.

Table 7. Cost Estimates by Year (US\$ million)

	2017	2018	2019	2020	2021	2022	Total
A. Consultants							
1. Infrastructure project preparation	0.66	0.88	9.37	4.25	78.12	30.42	123.7
2. ESP management and MPWH institutional strengthening ^a	0.37	1.28	2.35	2.20	2.90	0.30	9.40
B. Contingencies	0.11	0.53	4.94	5.52	3.80	0.20	15.10
C. Taxes and duties	0.10	0.53	4.80	6.37	3.80	0.20	14.80
D. Financing charges	0.03	0.16	1.13	1.28	1.00	1.00	4.60
Total	1.27	3.38	22.59	19.62	87.92	32.12	167.60

Source: ADB and MPWH staff estimates

^a Provision for trainings and workshops; and office furniture and equipment will be a part of contracts with the PMC firms. Expenditure will be incurred by the PMC firms in accordance with procedure agreed between ADB and MPWH.

F. Contract Awards and Disbursement S-curve

Figure 1. Contract awards²⁴ and loan disbursement S curve
(figures in thousand \$; cumulative; number of X axis refer to quarters of years)

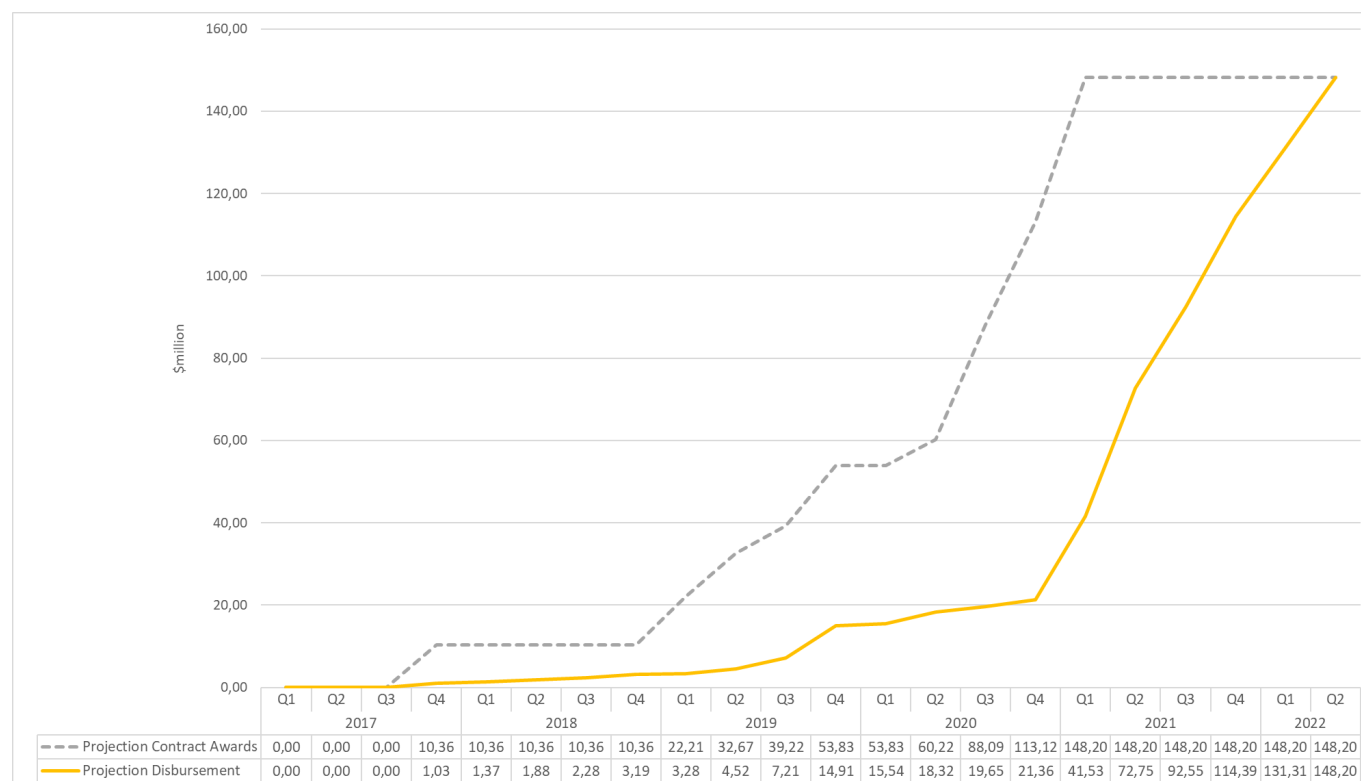


Table 8. Estimated annual contract awards and loan disbursements
(figures in million \$)

	2017	2018	2019	2020	2021	2022
Expected annual contract awards	10.36	0	43.46	59.28	35.1	0
Expected annual loan disbursement	1.03	2.16	11.72	6.45	93.02	33.81

Table 9: Estimated quarterly contract awards and loan disbursements
(figures in million \$)

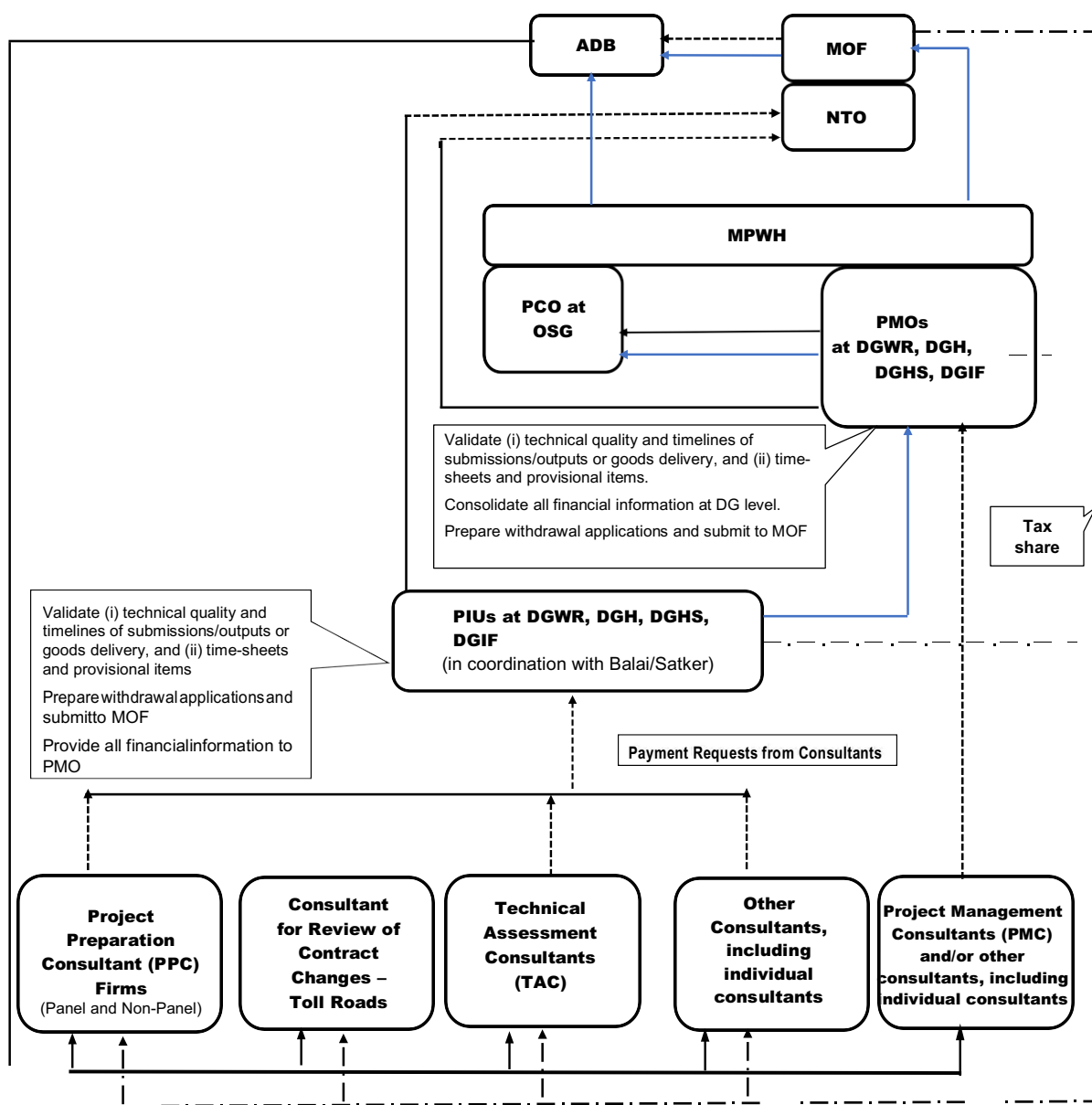
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Contract awards	10.36	0	0	0	0	11.85	10.45	6.54	14.61
Loan disbursement	1.03	0.34	0.51	0.40	0.91	0.08	1.24	2.68	7.70

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Contract awards	0	6.39	27.86	25.03	35.08	0	0	0	0	0
Loan disbursement	0.62	2.78	1.33	1.70	20.16	31.22	19.80	21.84	16.92	16.89

²⁴ Contract awards reflect project costs net of financing charges during implementation and taxes. Hence, total contract awards equal to \$148.2 million (\$167.6 million less \$19.4 million for financing charges and taxes).

G. Fund Flow Mechanisms

Figure A: General Fund Flow Diagram



MOF = Ministry of Finance, NTO = National Treasury Office, MPWH = Ministry of Public Works and Housing, PCO = Project Coordination Office, OSG = Office of the Secretary General, PMO = Project Management Office, PIU = Project Implementation Unit, DGWR = Directorate General of Water Resources, DGH = Directorate General of Highways, DGHS = Directorate General of Human Settlements, DGIF = Directorate General of Public Works and Housing Infrastructure Financing

→ Flow of ADB Loan Funds

→ Flow of Counterpart Funds (payment of taxes or reimbursement of taxes to the consultants as certified by PMO/PIU)

→ Payment Requests by PIU/PMO to MOF and MOF to ADB

→ Regular Financial Reporting

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

30. The financial management assessment was conducted to determine the robustness of the accounting, financial controls and internal audit arrangements, and the capability of the DGs to meet all the fiduciary requirements which are set out in the loan agreement, and other project documents. The assessment also reviewed the project financial arrangements and financial responsibilities, as well as the perceived financial risks and risk management measures. The assessment concludes that the overall project financial management risk is **moderate**. The key risks, activities to mitigate risks, responsibilities to address these risks and a timeline are summarized in the table below:

Key Risks	Mitigation Activities	Timeline	Responsibility
Project specific risks			
Insufficient experience of the PCO, PMOs and PIUs with implementation of ADB-funded projects, including with financial management arrangements under ADB-funded projects	<ul style="list-style-type: none"> Recruitment of an ESP-financed project management consultant firms to support the PMOs and PIUs with implementation of the ESP, including assistance in financial management Recruitment of a TA-financed international and national project implementation specialists to provide safeguarding support to the PCO, PMOs and PIUs in ensuring compliance with ADB financial management requirements 	<p>Soon after loan effectiveness</p> <p>May 2016</p>	<p>PMO</p> <p>ADB, PCO</p>
Lack of experience of PMOs and PIUs with administration of lump-sum contracts	<ul style="list-style-type: none"> Recruitment of an ESP-financed project management consultant firms to support the PMOs and PIUs with implementation of the ESP, including assistance in financial management and contract administration Recruitment of a TA-financed international and national project implementation specialists to provide safeguarding support to the PCO, PMOs and PIUs in ensuring compliance with ADB financial management Capacity building by ADB on consultant selection guidelines and lump-sum contract management Use of direct payment procedure 	<p>Soon after loan effectiveness</p> <p>May 2016</p> <p>During implementation</p> <p>During implementation</p>	<p>PMOs, ADB</p> <p>ADB, PCO</p> <p>TA consultants and PMC firms</p> <p>PMOs, PIUs</p>
Inadequate coordination and inefficient information flow	<ul style="list-style-type: none"> Establishment of the ESP's steering committee to ensure regular coordination to address issues, resolve it within a short 	Aug 2016	SG, in consultation with DGs

Key Risks	Mitigation Activities	Timeline	Responsibility
between the PMOs, PIUs and Satkers (including Satkers at local offices of MPWH)	time span and communicate it to the PCO, PMOs, and PIUs.		
Generic PFM risks			
Introduction of accrual-based accounting may impact preparation of financial management reports.	Strengthening of the PMOs and PIUs capacity in preparing the financial management reports	After the establishment of PCO, PMOs and PIUs	ADB, TA-financed consultants, project management consultant firms
Weak internal controls and internal audit capabilities and reconciliations.	<p>Coordinate with Inspectorate General of MPWH (with guidance from BPKP, if needed) to address internal control system issues specific for the project.</p> <p>As part of the project management consultant firm, recruit financial management consultants and provide guidance to improve project staff capacity in internal control and audit.</p>	<p>After the establishment of PMOs and PIUs</p> <p>After loan effectiveness</p>	<p>MPWH, ADB</p> <p>PMOs and ADB</p>
Inadequate segregation of duties in bank reconciliations	<p>Establish clear organizational structure of the ESP.</p> <p>Reflect this aspects clearly in the TORs of financial management consultants to be recruited as part of the project management consultant team to support each DG with ESP implementation</p>	To be reflected in PAM	PCO, PMOs, PIUs, and ADB
Reliance on excel spreadsheets (and the associate risks) for preparation of financial statements	Develop accounting and financial management manuals to empower accounting system; strengthen the internal audit function; and put in place the system to ensure data reliability.	After PMOs' establishment.	PMO, with support of ADB

31. A financial management assessment (FMA) was undertaken for DGIF as an additional IA. Based on the FMA that was conducted in accordance with the ADB's Financial Management Technical Guidance Note (May 2015), the overall financial management risk is assessed as low. To mitigate the anticipated risks due to lack of experience in managing an ADB financed project, ADB will provide customized training to nominated DGIF staff on financial management and disbursement procedures. Such nominated staff will assume overall financial accountability on the use of project funds. A financial management specialist to be hired through PMC will assist PIUs in managing day-to-day project implementation, including in handling of financial management issues. Moreover, the financial management consultant embedded in the PCO through TA 9778-INO: Innovative Infrastructure Financing, Infrastructure Planning, and Program Management Support will support DGIF as well three existing IAs on financial management issues as needed.

32. **Conclusion.** The assessment indicates that, as a whole, the government's prevailing

financial, accounting, auditing rules and systems meet the generally acceptable international accounting and auditing standards. The Government has adequate internal control systems and financial reporting arrangements. The EA has worked in the past with ADB and is implementing well, the on-going ADB-funded projects. The overall performance of the EA in implementing financial management of the on-going project is acceptable. The MPWH's Directorates General of Water Resources, Highways, Human Settlements, and Infrastructure Financing have been in charge of implementing a number of World Bank and ADB funded projects. They have substantial and relevant experience in implementing externally financed subprojects and in managing ADB loan disbursements.

33. The TA loan and nature of the project expenditures (i.e. no civil works and no major procurement of goods), the provision of PMC support to all DGs involved in the ESP, and the relative strength of the country's public financial management systems, suggest that overall the MPWH can be considered as **capable** of implementing the ESP, with the overall project financial management risk being assessed as **moderate**.

B. Fund Flow/Disbursement Arrangements

34. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time),²⁵ and detailed arrangements agreed upon between the Government and ADB in the ESP's project administration manual. The DGWR, DGHS, DGH, and DGIF involved in the implementation will maintain separate accounts and records for the ESP. Project staff will avail of the ADB's disbursement training to help ensure efficient disbursement and fiduciary control.²⁶

35. The ESP will have four (4) budget users: the DGWR, DGH, DGHS, and DGIF. Each budget holder will establish a project management office (PMO), which will be headed by a commitment officer (PPK).²⁷ The PPK at PMOs at DGWR, DGH, DGHS, and DGIF will be responsible for procurement (i.e., selection of the project management consultants, selection of the panel of consultants, and procurement of goods when applicable) and managing the payment for all goods and consultant services procured under the ESP. The PPK at PIUs at directorates of DGWR, DGH, and DGHS, will be responsible for selection of consultants from the panels, in consultation with the relevant Satkers. Cost estimates by budget user, as per the Green Book of the government, are in Table 9 below:

Table 9: Cost Estimates by Budget User²⁸
(figures in \$)

	Indicated Cost	% of Total Cost
A. Directorate General of Water Resource (DGWR)	85,335,132	50.91
B. Directorate General of Highwayes (DGH)	25,490,059	15.20
C. Direcotrate General of Human Settlements (DGHS)	25,190,660	15.03
D. Directorate General of Public Works and Housing Infrastructure Financing (DGIF)	12,184,147	7.26
E. Taxes and Duties	14,800,000.00	8.83
F. Financing Charges During Implementation	4,600,000.00	2.74
Total Project Cost	167,600,000.00	100.00

²⁵ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>.

²⁶ Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning.

²⁷ PPK = *pejabat pembuat komitmen* - commitment officer.

²⁸ Final allocation cost is finalized in the Project Completion Report (PCR)

36. **Direct payment procedure.** The ESP, due to its TA loan nature, will use the direct payment procedure of ADB. The payments to the consultants will be made directly by ADB, based on the payment requests of the DGWR, DGH, DGHS, and DGIF (in the form of withdrawal applications along with the necessary supporting documents), submitted through the MOF. The Government will cover the tax share of the consultant contracts through payment to the consultants or through other allowed means in line with Indonesia's taxation framework.

37. Before the submission of the first withdrawal application request, the borrower will submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is set in accordance with the "Loan Disbursement Handbook". Individual payments below this amount will be paid by the IAs and subsequently claimed to ADB through reimbursement.

38. The PMOs, with assistance from the PIUs, will be responsible for preparing the annual contract awards and disbursement projections; and requesting budgetary allocations for counterpart funds. The PMOs shall be responsible for preparing and submitting the withdrawal applications to ADB through MOF for payments to the PMC firms and to other consultants, including individual consultants, if any, engaged directly by them. The PIUs shall be responsible for preparing and submitting the withdrawal applications to ADB through MOF for payments to the PPC firms, TAC consultants and to other consultants, including individual consultants, engaged directly by them. The PMOs and the PIUs shall be responsible in collecting and maintaining supporting documents for the project expenditures they have incurred. The PIUs shall provide all financial information and reports, but not limited to disbursements, financial accounting and all procurement related information to the PMOs (i.e., information on withdrawal applications, financial reports, audits, bank account statements, etc., by the PMO). The PMOs shall consolidate the financial and other project related information at DG level. The PMOs shall submit regular financial reports to the PCO at the Office of the Secretary, per the format and frequency to be agreed between the PCO and each PMOs. The PMC firms shall assist the PIUs and PMOs in discharging all these duties and functions.

39. Sample forms for withdrawal applications of loan proceeds can be downloaded from the ADB website.²⁹

C. Accounting Policies and Procedures

40. In accordance with Minister of Finance Decree No. 215/PMK/2016 (on the Government accounting system and financial reporting)³⁰, the EA has an accounting system that allows for the proper recording of financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds.

41. The PMOs at DGWR, DGH, DGHS, and DGIF will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. The PMOs at DGWR, DGH, DGHS, and DGIF will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Reporting, Auditing and Public Disclosure

42. **Auditing Requirements.** The PMOs at DGWR, DGH, DGHS, and DGIF will maintain, or cause to be maintained, separate books and records by funding source for all expenditures

²⁹ Available at: http://www.adb.org/documents/handbooks/loan_disbursement/default.asp

³⁰ The government system is in line with the International Financial Reporting Standards will be applied for project reporting (as required by ADB's Guidelines on Financial Management and Analysis of Projects).

incurred on the ESP. The PCO at SG will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

43. The PCO will cause the detailed consolidated project financial statements to be audited annually by an independent auditor acceptable to the ADB based on standardized TORs on external audit of ADB-funded projects agreed upon between ADB and Audit Board of Indonesia (BPK) in 2014 (Appendix 8 of the PAM).³¹ The independent auditor will also review ESP records and financial reports at PMOs of DGWR, DGH, DGHS, and DGIF, as part of the annual audit of the ESP. The MPWH will allocate adequate budget to properly audit the ESP. The PCO will submit the audited project financial statements in English to ADB within six months of the end of the fiscal year.

44. Per the TOR, the auditor will prepare the annual audit report for the project accounts, which will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

45. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor.

46. The Government and the MPWH's SG and DGs have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.³² ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

47. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).³³ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The audit management letter will not be disclosed.

³¹ The audit will follow the standardized TORs agreed with the BPK as reflected in BPK's letter to ADB dated 19 June 2014 (No. 294/S/X/06/2014). The MOF's no objection on the standardized TORs was communicated through their letter to ADB dated 18 July 2014 (No. S-561/PU.2/2014).

³² ADB Policy on delayed submission of audited project financial statements: When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.

a. When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.

b. When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

³³ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Procurement

48. All advance contracting will be undertaken in conformity with *ADB's Guidelines on the Use of Consultants* (March 2013, as amended from time to time)³⁴ and *ADB's Procurement Guidelines* (April 2015, as amended from time to time).³⁵ The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower and DGWR, DGH, and DGHS have been advised that approval of advance contracting does not commit ADB to finance the Project. ADB financing is subject to the government's compliance of the relevant provisions of the loan agreement and ADB guidelines. The Government was also advised that ADB would not finance expenditures incurred by the government prior to loan effectiveness, even if advance contracting is approved by ADB.

49. The following steps for the recruitment of consultants can be concluded in advance: (i) submission to ADB for review and approval of the terms of reference, cost estimates and shortlisting evaluation criteria, (ii) advertisement, (iii) shortlisting of consulting firms, (iv) issuance of the request for proposals, (v) evaluation of technical proposals, and (vi) evaluation of financial proposals and final ranking. The DGWR, DGH, DGHS, and DGIF will advertise all consulting opportunities in Consulting Services Recruitment (Notice at www.adb.org and on the Government's electronic procurement system (SPSE).

50. To facilitate rapid start-up, the Government and ADB agreed that advance action would be undertaken for the (i) selection of panels of consultant firms for DGWR, DGH and DGHS (ii) selection of project management consultant firms to support DGWR, DGH, and DGHS with implementation of the ESP, and (iii) selection of consultant firm for the preparation of the Jragung multi-purpose dam project and technical assessment consultants. This is necessary to ensure (i) timely availability of the panels for selecting consultant firms for infrastructure project preparation for DGWR, DGH and DGHS, and technical assessment consultants (ii) project management consultants are mobilized as soon as the loan becomes effective. The advance action will be subject to ADB Management approval after signing of the MOU/confirmation of Aide Memoire by MPWH. Prior to the initiation of advance procurement, the DGWR, DGH, and DGHS will establish the PMOs and tender committees for selection of panels and PMC firms. Also DGWR will establish a tender committee for the advance procurement of the preparation consultant of the Jragung multipurpose dam project.

B. Procurement of Goods, Works and Consulting Services

51. All procurement of goods (office equipment and furniture) will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) through project management consultants.³⁶ For packages of \$100,000 equivalent or less, shopping method may be used.

52. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (March 2013, as amended from time to time).³⁷ The principles of the quality based selection (QBS) method will be followed for selection of panel of consultants on the basis of the ADB's Expression

³⁴ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

³⁵ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

³⁶ The amount of \$200,000 is allocated for equipment for each DG.

³⁷ Implementation at: <http://www.adb.org/documents/handbooks/project-impleMarchmentation/>

of Interest form specifically adjusted for the purposes of selection of firms for a panel. Notwithstanding the foregoing, panel arrangement will not apply for consultants to be recruited by DGIF. The default method for selection of consultants, based on full technical proposal (FTP), shall be:

- (i) for selection of consultants from the panels for call-down assignments, either 90 (quality) and 10 (cost) based selection (QCBS), or the 100 (quality) and 0 (cost) based selection (FBS) as appropriate shall be used;
- (ii) for the selection of consultants for Jragung multi-purpose dam project, quality (90%) and cost (10%) based selection (QCBS) shall be used;
- (iii) for selection of technical assessment consultants (TAC), either quality (90%) and cost (10%) based selection (QCBS) or consultants' qualifications selection (CQS) shall be used;
- (iv) for the selection of Final Business Case preparation consultants, quality (90%) and cost (10%) based selection (QCBS).
- (v) for the selection of the project management consultant (PMC) firms and other approved selection packages as indicated in the procurement plan, quality (80%) and cost (20%) based selection (QCBS) shall be used; and
- (vi) For the selection of contract review consultant, quality (90%) and cost (10%) based selection (QCBS).

53. During the implementation of ESP, it may also become necessary for the PMOs and the PIUs to engage consultants, at short notice, to supplement the tasks of various consultants or to assist in monitoring various tasks and implementation of various components of ESP or to provide independent services/opinions or for peer review of various documents or as resource persons. Under these situations, it would be advisable to engage individual consultants who can be selected and mobilized for the required services at a much shorter time. The PMOs and PIUs may prepare the position-based TORs and select the individual consultants based on individual consultant selection procedure. ADB's standard template for individual consultants shall be used to sign contracts with the above individual consultants.

54. The firms (associations of firms) selected for the panel will sign indefinite delivery contracts with the PMO of the relevant DG, based on template agreed by ADB. The firms selected from the panels for call-down assignments, Final Business Case preparations under DGIF, Design and Development of JAKI 2.0 under DGH and for Jragung multi-purpose dam project under DGWR will normally be engaged on lump-sum contracts³⁸ based on ADB's template for lump-sum contracts or other type of contracts such as partial lump sum contract (similar to the contract already developed and used under ESP) or performance-based contracts pursuant to fit for the purpose basis. The project management consultant firms, Toll Roads Contract Review and Technical Audit Consultant and the TAC will be engaged on time- based contracts based on ADB's template for time-based contracts. All the consultants engaged by MPWH will need to comply with the MPWH's regulation on gratification³⁹.

55. The process of recruitment of project preparation consulting (PPC) firms under panel arrangement will involve two stages: **Stage-1**: empanelment of PPC firms by the PMOs [**empanelment stage**], and **Stage-2**: selection of firms by the PIUs from the panel for preparation of specific public investment projects [**call-down stage**]. At the **empanelment stage**, indefinite

³⁸ When deliverables, timelines, and a payment schedule of the call-down assignment can be clearly defined, the consultants will be engaged under lump sum contracts. Use of lump sum contracts will allow a more flexible use of strong national experts, who can be members of several firms' teams at the same time. At the same time, lump sum contracts will ensure that the firm is fully accountable for its deliverables. Lump sum contracts will be considered for project preparation only. Consultants for construction supervision and technical audit during construction will be engaged through time-based contracts.

³⁹ MPWH regulations no 14/PRT/M/2016 about Gratification can be found at <http://birohukum.pu.go.id/uploads/DPU/2016/PermenPUPR14-2016.pdf>

delivery contracts (IDC)⁴⁰ will be signed by the PMOs of the respective directorate generals with every empaneled firm (single firm or association of firms). Such PMOs shall be the 'Client' under the IDCs and shall monitor the panel arrangements. At the **call-down stage**, Assignment Contracts shall be signed between the PIUs of the respective directorate generals and the PPC firm selected from the panel for individual projects for project preparation activities. Such PIUs shall be the 'Client' under the Assignment Contracts and shall monitor the project preparation activities, with the assistance from the Balai/Satkars. The PMOs shall play an oversight role throughout the infrastructure project development stage.

56. REOs for selection of consultants under the ESP, including on the selection of the panels and for selection of the project management consultant firms, will be posted on ADB's consulting services recruitment notice (CSRN) and the web-sites of LKPP's SPSE and INAPROC. All expressions of interest and consultants' technical and financial proposals will be received only at LKPP SPSE platform, with ADB having been granted the audit function to be able to review the submitted EOIs, RFPs, and their processing status. Each DG will get registered and will obtain authorized access to ADB's CMS to post REOs. The terms of reference for selection of project management consulting firm and for the panel of consultants⁴¹ for provision of consulting services, for each of the DG is enclosed in Appendix 2.

57. At the call-down stage, the PIUs, at their discretion, will send the RFPs to either **all** or **selected** number of panel members. Where the RFPs are proposed to be issued only to **selected** number of firms in the Panel, the following principles must be adhered to: (i) RFPs are sent to at least 1/3 of panel members, (ii) adequate geographic spread⁴² among the panel members, to which the RFPs are sent, to ensure no preference is given to any particular country, (iii) performance of the panel members (responsiveness to RFPs, submission of quality RFPs, and satisfactory performance under signed contracts, if any), (iv) number of on-going ESP assignments of the panel members not to affect the consultants' work under on-going contracts and (v) any other matter, that in the opinion of the project management office(PMO)/project implementation unit (PIU) issuing the RFP, raises concerns on the ability of a panel member to undertake work outlined in the RFP. Draft procedures in this regard are in Appendix 2.14.⁴³ Prior to issuing to the panel members, the draft RFP and list of the to-be-invited panel members will be reviewed by ADB, as agreed with the Government.

⁴⁰ Indefinite delivery contracts are used when the client needs to have quick and continuing access to "on call" specialized advisory services for a particular activity, the extent and timing of which cannot be defined in advance. In accordance with ADB's *Guidelines on the Use of Consultants (2013)*, the consulting firms shall be pre-qualified and retained under indefinite delivery contracts for 3 years without any commitment. As and when the services of the consultants are required for infrastructure project preparation support, a consultant will be selected from the empanelled firms and a call-down assignment contract shall be signed with such firm.

⁴¹ For the selection of Panel, the evaluation criteria originally included in the draft REOI (*please refer to the PAM finalized during loan negotiations*) were subsequently modified. Specific changes made include: (a) changes in assessment criteria for firm's similar experience (col.4) to reduce the requirement of no. of assignments; (b) change in sub-marks for evaluation criteria no.2 to give more weightage for experience outside Indonesia for highways sector (applicable for DGH Panel); (c) changes in assessment criteria (col. 4) for assessment of key personnel (evaluation criteria no.3) and (iv) reducing qualifying marks from 70 to 50. These changes were made, as advised by ADB, to ensure that sufficient number of experienced firms are included in the Panel. These updated REOs as issued via ADB CMS and SPSE are available with the PMOs. Subsequently, during the ADB's inception mission, it was also agreed between ADB and MPWH that **except** evaluation criteria under col.2 and maximum marks in col.6, appropriate changes in other criteria (such as in col.3 to col.5) may be carried out by the PMO at the time of updating of Panel, depending upon the requirements, subject to prior approval of ADB.

⁴² Geographic spread among panel members means that the panel shall have a balanced representation from regions consisting of Oceania (Australia-New Zealand), North America, Europe and the Asia Pacific region, in addition to the borrower country.

⁴³ These procedures were finalized by the PMOs, notified through SPSE for the information of the consultants and included as part of the REOs and IDCs. These procedures were further updated during the ADB's inception mission and the updated Attachment 2.14 is attached to the revised PAM (8 January 2018).

58. Under the contracts at the call-down stage, the project preparation consultant (PPC) firms will be normally paid on a lump sum basis, or other type of contract such as partial lump sum or performance-based contract pursuant to fit for the purpose basis. The total fees shall be paid based on various defined milestones achieved. The detailed structure of the payment milestones, including the maximum timeframe for such release by the client, shall be prescribed in the RFP at call-down stage. Payments to consultants shall be made in accordance with *ADB Loan Disbursement Handbook* (2012, as amended from time to time). The payment shall be released based on the approval of the Project Team and the concerned PIU (and also based on the confirmation of the relevant local office or Balai/Satker) about the deliverables/outputs submitted by the PPC firms. PIU shall accord this approval after ensuring that the outputs delivered by the consultants / all other deliverables conform to the requirements of the contract. In the case of time-based contracts, the payments shall be made based on approval of time sheets and linked deliverables, if any, as per the procedure described above. The payment shall be certified and made within the lapsing time periods per milestone defined in the RFPs/Assignment Contracts for a specific assignment. Payments to the consultants will be made by ADB, upon receipt of an endorsed direct payment request from the respective PIUs, through the MOF's Treasury Office (KPPN).

59. The project preparation firms will be paid upon approval of the deliverable (or time-sheet, as the case may be) by the concerned PIU or by end of a certain time period after submission of the complete deliverable to the concerned PIU, whichever is earlier. The lapsing time periods per milestone will be defined in the RFPs of the project specific assignments. This is to increase certainty and attract a larger set of consultant firms to participate in the ESP. The consultants will be paid by ADB, upon receipt of an endorsed direct payment request from the PIU of the concerned DG, through the MOF's Treasury Office (KPPN).

60. In case of a significant delayed payment, the PPC firms will be able to communicate with the concerned PIU, with copy to PMO, SG and ADB.

61. While lump-sum contracts will be default type of contracts at call-down stage, the relevant PIU may decide for time-based or other types of contracts in accordance with ADB's *Guidelines on the Use of Consultants*, based on specifics of the project and/or the envisaged consultant assignment. In all such cases, the PIUs will seek views of ADB prior to taking the decision on the type of contract. If time-based contracts are used, payments to the PPC shall be first endorsed by the concerned Project Team, and then approved by the relevant PIU, who shall then prepare withdrawal applications and submit to ADB through MOF for direct payments to the consultants. The submitted time-sheet shall be deemed approved by the Project Team and the PIU if the PPC firm does not receive an objection within 30 calendar days after submission of such time-sheet.

62. The scope of project preparation assignments will be decided by the concerned PIU and may comprise a combination of areas. In the latter case the PIUs will ensure that the PPC firms are aware of the provisions of the ADB's *Guidelines on the Use of Consultants* related to (i) conflict of interest [paras 1.10 and 1.11 of the guidelines], and (ii) unfair competitive advantage [para 1.12 of the guidelines].

63. The Project Team will review—with support of the project management consultant firms—the submitted milestone deliverables of the project preparation consultants, such as master plans, pre-feasibility and feasibility studies, AMDAL, LARAP, DED, final business case, and bidding documents.⁴⁴ Specifically,

⁴⁴ Inclusion of AMDAL, along with other deliverables highlighted in this paragraph, in the scope of work of the project preparation consultant firm does not represent a conflict of interest per section (b) of para 1.11 of ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). Specifically, it does not represent a conflict among consulting assignments as AMDAL and other deliverables would be in the scope of work of the same consulting contract, and AMDAL—carried out by government agencies as part of preparation of their infrastructure projects—is not an independent environmental assessment.

the Project Team will review and endorse (pre) feasibility study (before the project preparation consultants proceed with DED) and the environmental and social safeguards assessments prepared by the project preparation consultants. If such reviews conclude that a project has insufficient feasibility or highly adverse environmental and social impact, then the project preparation consultants will not proceed to the next relevant milestone and their contracts will be adjusted accordingly.

64. A procurement risk assessment for the executing and implementing agencies has been completed by ADB.⁴⁵ The assessment suggested that the overall risks associated with the procurement capacity of MPWH are manageable, with most risk criteria rated as “low” or “medium”. The legal and regulatory framework for public procurement is sound and the MPWH’s Directorates General are reasonably experienced in procurement of goods, works and consultant services under self-financed and foreign-assisted projects. In fiduciary issues. DGH, DGHS, DGWR, and DGIF will be comprehensively supported by the project management consulting firms engaged (Output 2) for the duration of the ESP. In addition, to support efficient and effective oversight and institutional coordination, the SG will be supported by the PCO Consultants.

65. The ESP’s overall procurement classification is assessed as medium risk. The ESP’s integrated benefits and impacts are expected to outweigh its costs. Major risks and mitigating measures agreed to ensure good quality and timeliness of procurement under the ESP are presented below:

Risk Description	Risk Assessment	Mitigation Measures	Responsibility
Delayed selection of project preparation consultant firms due to (i) novelty of the panel approach for the MPWH, and (ii) first-time use of the SPSE for consultant selection under an ADB-funded project	High	<ul style="list-style-type: none"> Advance capacity building of MPWH staff and tender committees involved or responsible on the two-phase consultant selection arrangement – (i) selection of panels of firms, and (ii) selection of firms from the panel for project preparation assignments. This advance capacity building will be delivered by consultants engaged by ADB under various Technical Assistances. During implementation, capacity building and advisory assistance to each directorate general of the MPWH will be provided through the PMC firms that will be engaged under the ESP to support the DGWR, DGH, DGHS, and DGIF of the MPWH with ESP implementation. Procurement quality assurance and strengthening support will be also provided through consultants funded under ADB technical assistance. The SPSE is being adjusted to accommodate the structure of the panel approach, i.e., selection and retirement of firms for 3 years, selection of firms from the panels for call-down assignments and for selection of firms through regular short-listing using ADB’s guidelines. The SPSE adjustment work, which is nearing completion, is being done by LKPP based on an assessment of the SPSE by an ADB-recruited e-procurement consultant under close guidance and in 	<p>ADB</p> <p>PMC Firms (Under Output 2)</p> <p>PCO Consultants</p> <p>ADB LKPP MPWH/ PUSDATIN</p>

⁴⁵ ADB. 2014. *Guide on Assessing Procurement Risks and Determining Project Procurement Classification*. Manila

		<p>coordination with LKPP and the MPWH's Center for Data and Information Technology. LKPP is providing training to MPWH tender committee members on SPSE through simulation of panel and short-listing arrangements.</p> <ul style="list-style-type: none"> During ESP implementation, all issues related to the SPSE (including related to newer versions of the SPSE) will be addressed with support from the PMC firms that will be engaged to support the DGWR, DGH, DGHS, and DGIF with ESP implementation. The ADB project team will closely coordinate with LKPP on SPSE upgrades to help provide a seamless transition without interruptions to the consultant selection process. In-country support and advice from the ADB project team leader and senior procurement officer located within the Indonesia Resident Mission and close coordination with the procurement specialist of ADB's Operations Services and Financial Management Department will be provided to MPWH. 	<p>LKPP PMC Firms (under Output 2)</p> <p>ADB LKPP</p> <p>ADB</p>
Insufficient experience of the PMOs and PIUs with administration of large consultant (lump-sum) contracts	Low	<ul style="list-style-type: none"> Capacity building and advisory assistance of PMO and PIU staff in contract administration. The PMC firms that will be engaged under the ESP will provide this assistance to their concerned directorate generals. Contract administration support will be also provided through consultants funded under ADB technical assistance Close administration support from the ADB project team leader, senior procurement officer, and PAU head within the Indonesia Resident Mission 	<p>PMC Firms (under Output 2)</p> <p>PCO Consultants</p> <p>ADB</p>
The addition of the ADB-funded ESP procurements to the Directorates General's workload will stretch the existing resources.	Medium	<ul style="list-style-type: none"> Advisory assistance of PMO and PIU staff of each DG in contract administration through experienced PMC firms that will be engaged under the ESP to (i) assist with the procurements and project management functions; (ii) ease the contract administration burden on the DGs; (iii) provide formal training in ADB procedures, bidding documents and bid evaluation procedures and (iv) provide counterpart on-the-job training. ADB will engage procurement consultants to strengthen capacity of DGs in consultant selection and management. Procurement consultants will be part of the TORs of PMC firms who will provide operational support to DGs with processing and administering consultants engaged for project preparation purposes. 	<p>PCO Consultants</p> <p>PMC Firms (under Output 2)</p>
Risks relating to the accountability of procurements within each Directorate Generals	Medium	<ul style="list-style-type: none"> Enforce application of the code of conduct and procurement ethics by each Directorate General. Procurement quality assurance and strengthening support in transparency issues related to consultant selection and management will be provided on a full-time basis to the OSG of the MPWH through consultants funded under ADB technical assistance.. Timely conduct and monitoring of follow-up actions of independent audit of the ESP. Project management consultants will support DGs in preparation and follow-up of the annual audit of the ESP per the independent audit TORs agreed between MPWH and ADB. 	<p>MPWH</p> <p>PCO Consultants</p> <p>MPWH PMC Firms (Under Output 2)</p>

Procurement reputational risk (bidders only want to participate in agencies which they are familiar with and have the connections causing limited competition)	Medium	<ul style="list-style-type: none"> • ADB will support Pusdatin of MPWH and LKPP to improve its monitoring function, and use the MPWH/SPSE e-procurement generated data/information to enforce the monitoring and publication function more widely • MPWH will maintain regular dialogues with professional associations of consultants. • The use of the panel method will attract more consultants to participate in bidding. • The PMC firms will facilitate interaction with the country's consulting industry in general and with the empaneled firms in particular. 	ADB LKPP MPWH/ PUSDATIN PMC Firms (Under Output 2)
Limited interest of national and international consulting firms in the ESP due to apprehension of working under government contracts	Low	<ul style="list-style-type: none"> • Consultations with the country's consultant community and improvement of the ESP's consultant selection mechanism during implementation. The PMC firms will facilitate interaction with the country's consulting industry in general and with the empaneled firms in particular. • Application of ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), a clear statement in the terms of reference on the review role of ADB in the procurement process and direct payment by ADB to the consultants, and use of sizable (lump-sum) contracts with clear timelines for government action are expected to address the apprehensions of the consultant firms. 	PMC Firms (Under Output 2) ADB PCO Consultants PMC Firms (Under Output 2)

66. A procurement capacity assessment was undertaken for DGIF as an additional IA for this project. Based on the procurement risk assessment (PRA) which was conducted in accordance with the Guides on Assessing Procurement Risks and Determining Project Procurement Classification, the overall procurement classification was assessed as moderate. Given its recent establishment, DGIF staff have limited capacity and lack exposure to ADB procedures for consultant selection. To help DGIF accelerate consultant selection process, ADB will provide customized training on consulting services procedures supplemented by procurement clinics as needed. A procurement specialist to be hired through PMC will assist PMO and PIUs in managing day-to-day procurement and contract administration activities.

67. The LKPP's SPSE has been assessed by ADB for use under the ESP (Appendix 4.1). Overall, the assessment concludes that the LKPP's SPSE can be used for the panel arrangement for recruitment of project preparation consultants. The SPSE has been also assessed for standard (non-panel) selection of consultant firms, such as PMC firms and the firm for the preparation of the Jragung multi-purpose dam project. LKPP, in coordination with ADB and MPWH/PUSDATIN, has made the required adjustments in the SPSE to cater to the consultant selection, in accordance with ADB's guidelines. The system was jointly review by LKPP, ADB, and MPWH/PUSDATIN. ADB also conducted review of the adjustments to the national e-procurement system (SPSE) for conformity with the consultant selection requirements under the proposed ESP and issued no objection through letter dated 24 August 2016 for using the adjusted SPSE for the selection of consulting firms under the ESP. After the respective tender committees have been constituted, the SPSE platform shall be used for issuance of REOs for selection of consultants for panel and PMC assignments.

68. The SPSE system does not define the requirements for specific packages, only displays the information made available by the tender committee and allows registered bidders to download the bidding document and upload their response (one or two envelop as specified by the tender committee) and controls when a tender committee may open the responses. The SPSE will also manage the bidding process in accordance to the schedule of activities defined by the tender committee. The bidding requirements, any qualification requirements, validation and evaluation of the content of consultants' responses will be defined by the tender committees that shall be guided by ADB's *Guidelines on the Use of Consultants*. Overall, LKPP SPSE will only support the consultant selection process as e-procurement platform, and the consultant selection will follow ADB's *Guidelines on the Use of Consultants*.

69. The “SPSE User Guide” on the use of the LKPP’s SPSE for the selection of consultants under the ESP, including for the selection of firms for the panels, is in Appendix 4.2. The REOs and RFPs will be submitted electronically (through LKPP SPSE) per the requirements described in the REOs and RFPs.

70. The SPSE and the provisions in the EOs and RFPs will have no restrictions on registration and submission of EOs and RFPs by the consultant firms. The restrictions pertain, but are not limited to, to the need to (i) have a representative office in Indonesia, (ii) have a local partner, and (iii) be physically present at the government agency to obtain the relevant identification and registration numbers necessary for submission of EOs. Relevant registration and business permit requirements may be relevant at the stage of signing contract for a particular assignment. ADB and the MPWH will review such requirements and agree on their applicability under the ESP.⁴⁶

C. Procurement Plan

Procurement and Consulting Methods and Thresholds

71. Except as the ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Method	Threshold	Comments
Procurement of Goods		
Shopping for Goods	≤\$100,000	Goods will be part of the PMC firms’ contracts. Prior review by ADB of technical specifications and list of price quotations prior to issuance of a purchase order.
Consulting Services		
Quality Based Selection	N/A	Principles of this method will be followed for selection of the panels of consultants for DGWR, DGHS, DGH Selection and updates to the panels will be on prior reviewed by ADB
Quality and Cost Based Selection (QCBS)	above \$200,000	90% for quality and 10% for cost. Default method for selecting consulting firms (i) from the panels for call-down assignments, (ii) for the Jragung multi-purpose dam project, (iii) as technical assessment consultants (TAC), and (iv) for final business case preparation consultants. First selection from each panel will be prior reviewed by ADB. Selection of consultants for Jragung Dam Project, final business case preparation, and TAC will be on prior review basis.

⁴⁶ At the empanellement stage, foreign consulting firms are not required to have obtained License for Foreign Construction Services Representative from Indonesia Investment Coordinating Board (Izin Usaha Perwakilan Badan Usaha Jasa Konstruksi Asing; *IPBUJKA*). However, at the call-down stage, the panel members, to whom the RFP has been issued, will need to submit to the tender committee—along with their technical and financial proposals—either the IPBUJKA or an evidence that the panel member has initiated the process to obtain the IPUJKA. In any instance, the IPBUJKA must be obtained prior to signing of the contract at call-down stage.

		<p>For all selections from the panels, RFPs to be prior reviewed by ADB before issuance to the panel members. For this, the PIUs will submit submission 1 form to ADB. Except for the first selection from each panel, technical and financial evaluation and contract negotiations' results will be on post- review basis.⁴⁸</p> <p>After the first year of implementation of the ESP ADB and the MPWH will jointly assess the status and performance of the panel arrangement. If this joint assessment finds no major issues with selection at the call-down stage, then ADB may consider applying post review also to the RFP stage of call-down selections.</p> <p>Under the post-review arrangement, the DGs—before proceeding to the next phase in the selection process—will submit the required submission package to ADB, but will not wait for ADB's approval.</p> <p>Specifically: before proceeding with opening of financial proposal, the DGs will need to submit to ADB the submission 2 form on the results of technical evaluation. Similarly, before proceeding with contract negotiations, the DGs will need to submit to ADB the submission 3 form on results of the evaluation of financial proposals. Finally, before signing the contract, the DGs will need to submit submission 4 form to ADB. In each case, the submissions will need to be submitted to ADB 5 working days before the DGs conduct the next step in the consultant selection process.</p>
Quality and Cost Based Selection	above \$200,000	<p>80% for quality and 20% for cost.</p> <p>Default method for standard selection of consultant firms (such as project management consulting firms to support DGs with ESP implementation and capacity building in public investment management and the construction supervision consultants) and development of IT application/system.</p> <p>Selection of all these firms will be on prior review basis.</p>

⁴⁸ Under post review arrangement in the ESP, the ADB will review DGs' submissions at each step in the consultant selection process, but the DGs may proceed from one step to another (including award of contract) without waiting for the outcome of the ADB review.

Consultants Qualifications Selection (CQS)	Up to \$200,000	<p>Optional method for selecting consulting firms for TAC (if the value of the contract is within the prescribed threshold).</p> <p>Under this method, the PIU shall (i) prepare the TOR, (ii) request amplified EOLs and information on the consultants' experience and competence relevant to the assignment, (iii) establish a shortlist of at least three firms, and (iv) select the firm with the most appropriate qualifications and references based on the EOLs. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.</p> <p>Selection of all these firms will be on prior review basis.</p>
Individual Consultant Selection (ICS)	As agreed between ADB and MPWH upon submission of TOR and cost estimate	<p>For selection of consultant to supplement the tasks of various experts, or to assist the project management and implementation, or to provide independent services/opinion or for peer review of various documents or as resource persons, the PMOs and PIUs may engage individual consultants. ADB's standard procedures and template for individual consultants shall be used to sign contracts with the above individual consultants. Section of individual consultants shall be on prior review basis</p>

72. The steps and timelines (calendar days) of the selection of the consultant firms under the ESP are presented in the flowcharts below. The ADB and MPWH will ensure best effort to adhere to these timelines.

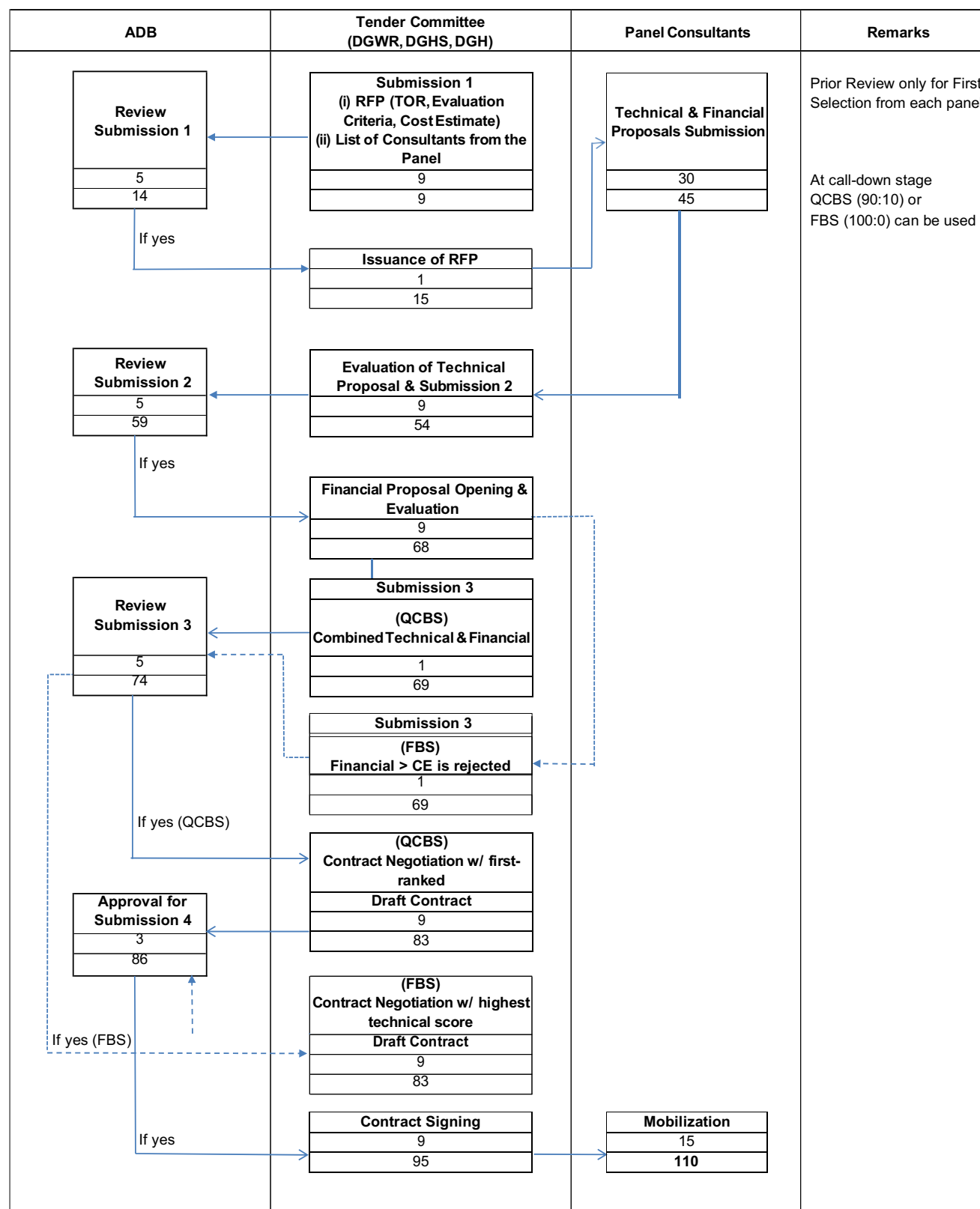
73. At the empanelment and call-down stages, as well as during conduct of conventional selection of consultant firms, the responses to the consultants' queries will be provided, through SPSE, to all consultants participating in the selection within 3 calendar days upon receipt of the query. The PCO consultants and/or the PMC firms shall support the PMOs and PIUs in preparation of the responses. Wherever required, the PIUs and PMOs may seek ADB's views on draft responses before communicating with the consultants. In such cases, ADB will provide views on the draft responses within 1 business day upon receipt of the request from the concerned PIU and/or PMO.

74. ADB loan will not finance expenditures for consulting services if the consultants have not been selected in accordance with the provisions of the PAM and ADB Guidelines on the Use of Consultants (2013, as amended from time to time). If recruitment is not carried out as agreed, ADB will declare misprocurement. This will normally result in cancelation of the portion of the financing allocated to the services that have been misprocured. In appropriate cases, ADB may agree to re-issue the RFP after declaring misprocurement. ADB may, in addition, exercise other remedies provided for in the ESP's Loan Agreement. Even if a contract is awarded after obtaining a "no objection" from ADB, ADB reserves the right to declare misprocurement if it concludes that the "no objection" was issued on the basis of incomplete, inaccurate or misleading information, or that the terms and conditions of the contract had been substantially modified without ADB's approval.

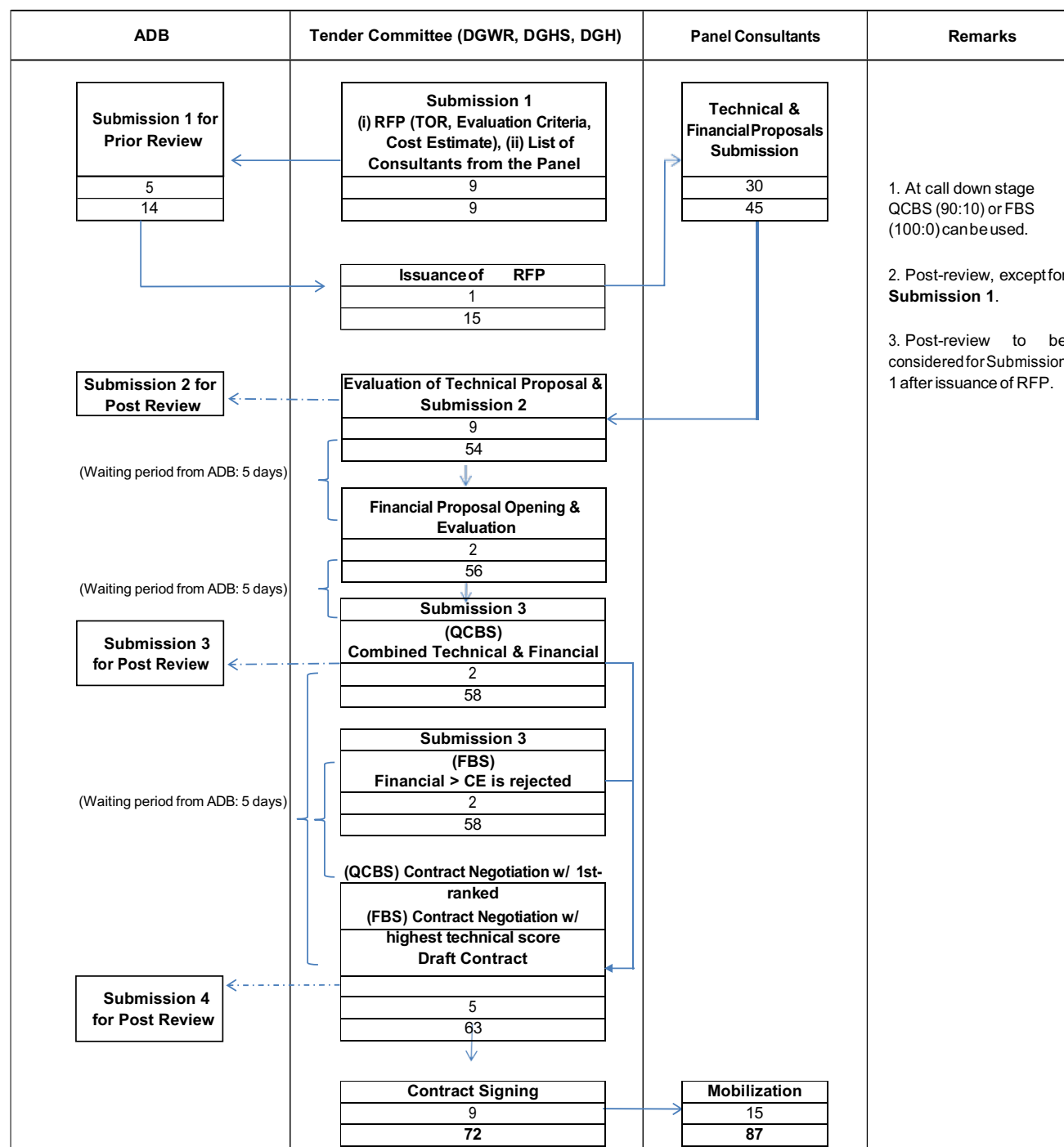
Selection of Consultant Firms for Panel
Steps and Time-Lines

ADB	Procurement Committee (DGWR, DGHS, DGH)	CONSULTANT (S)	REMARKS
<div> <div>Approval</div> <div>5</div> <div>12</div> </div> <div> <div>TOR Preparation</div> <div>7</div> <div>7</div> </div> <div> <div>Issuance of REOI</div> <div>3</div> <div>15</div> </div> <div> <div>EOI Submission</div> <div>30</div> <div>45</div> </div> <div> <div>EOI Evaluation</div> <div>14</div> <div>59</div> </div> <div> <div>IDC Signing</div> <div>5</div> <div>71</div> </div> <div> <div>Review of Evaluation</div> <div>7</div> <div>66</div> </div> <p>If yes</p> <p>If yes</p>			<p>IDC - Indefinite Delivery Contract Interest TOR - Terms of Reference</p>

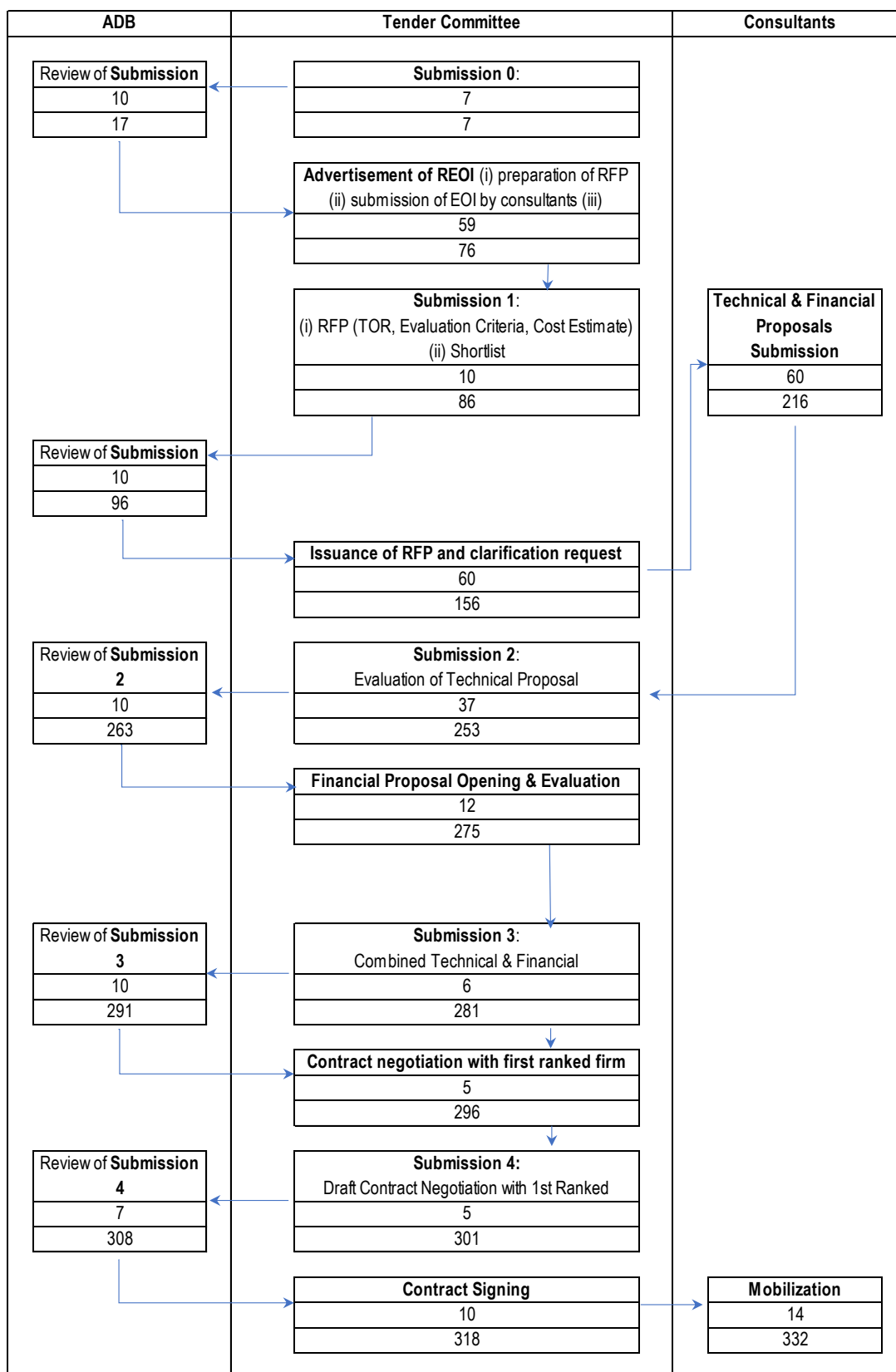
Selection of Consultant Firms from Panel
Mile-Stones and Time-Lines (*Prior Review by ADB*)



Selection of Consultant Firms from Panel
Mile-Stones and Time-Lines (Post Review by ADB)



Selection of Consultant Firms for Final Business Case Preparations under DGIF
Mile-Stones and Time-Lines (Prior Review by ADB)



A. Methods, Thresholds, Review and 18-Month Procurement Plan

75. An 18-month procurement plan indicating threshold and review procedures, and consulting service contract packages are presented below.

1. Project Procurement Thresholds and Methods

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds and methods shall apply to procurement of goods and consultant services under the ESP.

Procurement of Goods		
Method	Threshold	Comments
Shopping	Below \$100,000	IT and other office equipment and furniture

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS) or Consultants Qualifications System (CQS) or Individual Consultants Selection	<p>Selection of all consultant firms under the ESP:</p> <ul style="list-style-type: none"> (i) for selection of consultants from the panels for call-down assignments, either 90 (quality) and 10 (cost) based selection (QCBS), or the 100 (quality) and 0 (cost) based selection (FBS) as appropriate shall be used; (ii) for the selection of consultants for Jragung multi-purpose dam project, quality (90%) and cost (10%) based selection (QCBS) shall be used; (iii) for the selection of Final Business Case preparation consultants, quality (90%) and cost (10%) based selection (QCBS). (iv) for selection of technical assessment consultants (TAC), either quality (90%) and cost (10%) based selection (QCBS) or consultants' qualifications selection (CQS) shall be used; (v) for the selection of the project management consultant (PMC) firms and other approved selection packages as indicated in the procurement plan, quality (80%) and cost (20%) based selection (QCBS) shall be used; and (vi) for selection of individual consultants, individual consultant selection (ICS) shall be used

2. Goods and Works Contracts Estimated to Cost More Than \$1 Million

There are no such contracts envisaged under the project.

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

PROCUREMENT PLAN

No.	General Description	Estimated Value [net of taxes]	Recruitment Method	Review (Prior/ Post)	Advertise-ment date (quarter/y ear)	Type of pro- posal	Comments	Remarks
Standard Process of Selection of Consultant Firm								
1.	Project management consultant firm to support DGH with ESP implementation and institutional strengthening	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGH • International and national consultant firms • Ratio is 80:20 • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior review of TORs, cost estimate, and submitted CVs by ADB before engagement of consultants.⁴⁹ 	<ul style="list-style-type: none"> • Awarded on 5 Dec 2017 • Contract amount: \$3,239,731
2.	Project management consultant firm to support DGHS with ESP implementation and institutional strengthening	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGHS • International and national consultant firms • Ratio is 80:20 • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior 	<ul style="list-style-type: none"> • Awarded on 6 Nov 2017 • Contract amount: \$3,060,626

⁴⁹ Once ADB approval is obtained, the contract variation will be processed to include the selected international or consultant in the team of the PMC and reallocate required budget from the provision sum category to the consultant's category. This procedure will apply to all PMCs under the ESP.

							review of TORs, cost estimate, and submitted CVs by	
							<ul style="list-style-type: none"> • ADB before engagement of consultants. 	
3.	Project management consultant firm to support DGWR with ESP implementation and institutional strengthening	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGWR • International and national consultant firms • Ratio is 80:20 • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior review of TORs, cost estimate, and submitted CVs by ADB before engagement of consultants. 	<ul style="list-style-type: none"> • Awarded on 6 Dec 2017 • Contract amount: \$2,299,244
4.	Project management consultant firm to support DGIF with ESP implementation and institutional strengthening	\$798,993	QCBS	Prior	3/2020	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGIF • International and national consultant firms • Ratio is 90:10 • Time-based contract 	<ul style="list-style-type: none"> • Awarded on 24 Jun 2021 • Contract amount: \$792,347
5.	Consultant firm for preparation of Jragung multipurpose dam project (dam design; topographic and hydrometric surveys; hydrological analysis; geological and geotechnical investigations; model test; land acquisition and resettlement assessment, plans, and permit facilitation; dam	\$1,910,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PIU at Center for dams at DGWR • International and national consultant firms • Ratio is 90:10 • Lumpsum contract 	<ul style="list-style-type: none"> • Awarded on 6 Oct 2017 • Contract amount: \$1,673,018

	operational simulation; certification of design)							
6.	Technical Audit Consultant (TAC)	\$1,326,064	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 90:10 • Time-based contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants 	<ul style="list-style-type: none"> • Awarded on 31 May 2021 • Contract amount: \$1,462,483
7.	Design and Development Jalan Kita 2.0	\$621,000	QCBS	Prior	3/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 80:20 • Lump sum contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants 	<ul style="list-style-type: none"> • Awarded on 31 Mar 2021 • Contract amount: \$589,647
8.	Toll Roads-Contract Changes Review and Technical Audit	\$2,027,000	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 90:10 • Time-based contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before 	<ul style="list-style-type: none"> • Awarded on 18 Dec 2020 • Contract amount: \$1,518,164

							engagement of consultants	
9.	Toll Roads and Bridges Final Business Case and Bidding Documents Development	\$4,437,016	QCBS	Prior	3/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGIF • Selection from International and National Consultants firms • Ratio is 90:10 • Lumpsum contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants • Includes development of FBC and bidding documents for toll roads and bridges 	<ul style="list-style-type: none"> • Awarded on 9 Jul 2021 • Contract amount: \$4,441,772
I. Engagement of Consultant Firms for Preparation of Infrastructure Projects Following the Panel Arrangement								
11.	Selection of the panel of project preparation firms (consortia of firms) for DGHS	N/A	N/A	Prior	4/2017	EOI	<ul style="list-style-type: none"> • Selection led by PMO at DGHS • Selection with follow principles of quality based selection method • International and national consultant firms • Panel members to be retained on non-committal basis for 3 years under indefinite delivery contracts • <u>First selection from the panel will be on prior review basis</u> • <u>All call downs to follow 90:10 ratio for quality and cost; or 100:0 ratio for quality and cost</u> 	

12.	Preparation of Bekasi City Wastewater System Development	\$927,909	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract⁵⁰ • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 26 Apr 2019 • Contract amount: \$832,024
13.	Preparation of Mataram City Wastewater System Development	\$921,950	QCBS	Post	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 4 Oct 2019 • Contract amount: \$857,556
14.	Preparation of Pontianak City Wastewater System Development	\$1,642,880	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 3 May 2019 • Contract amount: \$1,467,142

⁵⁰ Lump sum contracts will be used only when deliverables, timelines, and a payment schedule of the call-down assignment can be clearly defined. Otherwise, the PIU may use other contract types, such as time-based contract, for which the PIU will obtain specific approval of ADB. This applies to all packages in this procurement plan, where lump sum contracts are currently identified as the type of contracts.

15.	Preparation of Semarang City Wastewater System Development	\$1,562,151	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 26 Apr 2019 • Contract amount: \$1,483,261
16.	Preparation of Benteng Kobema Water Supply Development (Bengkulu Tengah, Kota Bengkulu, Seluma)	\$1,355,352	QCBS	Prior	2/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 20 Jun 2019 • Contract amount: \$1,187,652
17.	Preparation of Majene-Polewali Mandar Water Supply Development	\$1,346,915	QCBS	Prior	2/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 20 Jun 2019 • Contract amount: \$1,191,604
18.	Preparation of West Indonesia Water Supply Development	\$5,039,000	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel 	<ul style="list-style-type: none"> • Awarded on 27 Nov 2020 • Contract amount: \$4,799,319

							<ul style="list-style-type: none"> • RFP to be prior reviewed by ADB before issuance to the panel • Contract Covers: Stage 1: Master Plan for 4. locations; Stage 2: Feasibility Studies for 3 locations; Stage 3 DED, AMDAL/UKL-UPL, LARAP, etc. where coverage of subsequent stages is subject to outcomes of previous stage 	
19.	Preparation of East Indonesia Water Supply Development	\$6,423,000	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Contract Covers: Stage 1: Master Plan for 4 locations; Stage 2: Feasibility Studies for 4 locations; Stage 4 DED, AMDAL/UKL-UPL, LARAP, etc. where coverage of subsequent stages is subject to outcomes of previous stage 	<ul style="list-style-type: none"> • Awarded on 27 Nov 2020 • Contract amount: \$5,990,762
20.	Central Sulawesi Water Supply System	\$1,400,000	QCBS	Prior	1/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before 	<ul style="list-style-type: none"> • Awarded on 27 Jul 2020 • Contract amount: \$1,193,700

							issuance to the panel <ul style="list-style-type: none"> • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	
21.	Selection of the panel of project preparation firms (consortia of firms) for DGH	N/A	N/A	Prior	3/2016	EOI	<ul style="list-style-type: none"> • Selection led by PMO at DGH • Selection with follow principles of quality based selection method • International and national consultant firms • Panel members to be retained on non-committal basis for 3 years under indefinite delivery contracts • <u>First selection from the panel will be on prior review basis</u> • <u>All call downs to follow 90:10 ratio for quality and cost</u> 	
22.	Development of Bridge PPC 5 (Locations: Aceh and North Sumatra)	\$3,560,786	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 27 Apr 2020 • Contract amount: \$3,245,628
23.	Development of Bridge PPC 7 (Locations: West Java, D.I. Yogyakarta, East Java, and Bali)	\$3,350,080	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 27 Apr 2020 • Contract amount: \$2,991,400

24.	Development of Road PPC 1 (Locations: Sumatra and Java)	\$2,020,857	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 27 Nov 2020 • Contract amount: \$1,865,412
25.	Development of Road PPC 3A (Location: Central Kalimantan, South Kalimantan, West Kalimantan)	\$1,993,214	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 11 Jan 2021 • Contract amount: \$1,908,047
26.	Development of Road PPC 3B (Location: Central Kalimantan, South Kalimantan, West Kalimantan)	\$1,953,786	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 11 Jan 2021 • Contract amount: \$1,8884,355
27.	Development of Road PPC 4 (Location: Java)	\$3,067,978	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 17 Jan 2019 • Contract amount: \$2,974,421
28.	<i>Selection of the panel of project preparation firms (consortia of firms) for DGWR</i>	<i>N/A</i>	<i>N/A</i>	<i>Prior</i>	<i>3/2016</i>	<i>EOI</i>	<ul style="list-style-type: none"> • <i>Selection led by PMO of DGWR</i> • <i>Selection with follow principles of quality based selection method</i> • <i>International and national consultant firms</i> • <i>Panel members to be retained</i> 	

							<i>on non-committal basis for 3 years under indefinite delivery contracts</i> <u>First selection from the panel will be on prior review basis</u> <ul style="list-style-type: none"> • <u>All call downs to follow 90:10 ratio for quality and cost</u> 	
29.	Development of Irrigation System in Asahan Phase I (Asahan Phase 1)	\$4,455,620	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 28 Oct 2019 • Contract amount: \$4,227,292
30.	Development of Irrigation Systems in Walimpong and Boya in Southern Sulawesi (Walimpong and Boya)	\$3,214,317	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 18 Sep 2019 • Contract amount: \$3,105,942
31.	Development of Irrigation Systems in Rongkong and Pelosika in Southern Sulawesi (Rongkong and Pelosika)	\$3,476,373	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel 	<ul style="list-style-type: none"> • Awarded on 18 Sep 2019 • Contract amount: \$3,269,782

							<ul style="list-style-type: none"> • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	
32.	Development of Irrigation System in Merauke District Phase I (Kab. Merauke Phase 1)	\$8,815,486	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 17 Jun 2020 • Contract amount: \$8,342,482
33.	Development of Irrigation System in Way Sekampung (Way Sekampung)	\$3,969,855	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount: \$3,774,546
34.	Development of Irrigation System in Wadasalintang (Wadaslintang)	\$2,823,515	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount: \$2,591,585

							studies, and surveys	
35.	Development of Irrigation System in Mrican (Mrican)	\$2,588,765	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount: \$2,337,633
36.	Development of Irrigation System in Sadang (Sadang)	\$4,445,419	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 24 Apr 2019 • Contract amount: \$4,081,338
37.	DED of Reconstruction and Rehabilitation of Irrigation in Gumbasa Scheme and Supporting Development Facilities (Location: Palu, Central Sulawesi)	\$3,866,505	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of Detail Engineering Design and supporting development facilities (LIDAR) 	<ul style="list-style-type: none"> • Awarded on 3 Sep 2020 • Contract amount: \$3,995,818

38.	Preparation of Seluna River Basin Flood Management Project (Seluna)	\$2,385,427	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 2 May 2019 • Contract amount: \$2,468,454
39.	Preparation of Cimanuk-Cisanggarung River Basin Flood Management Project (Cimanuk-Cisanggarung)	\$2,385,427	QCBS	Post	2/2019	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 11 Nov 2019 • Contract amount: \$2,444,602
40.	Preparation of Belawan-Ular Padang River Basin Flood Management Project (Belawan-Ular-Padang)	\$2,168,570	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 31 Jul 2019 • Contract amount: \$2,130,694
41.	Preparation of Mahakam River Basin Flood Management Project (Mahakam)	\$2,168,570	QCBS	Post	2/2019	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before 	<ul style="list-style-type: none"> • Awarded on 1 Jul 2020 • Contract amount: \$1,875,522

							issuance to the panel <ul style="list-style-type: none"> • Lump sum contract • Covers development of feasibility studies and surveys 	
42.	Master Plan of Sustainable Raw Water Supply System	\$1,999,337	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 12 Aug 2019 • Contract amount: \$1,926,507
43.	Raw Water Supply Engineering Readiness (Package 1)	\$2,774,371	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, feasibility study, DED, and surveys 	<ul style="list-style-type: none"> • Awarded on 10 Nov 2020 • Contract amount: \$2,725,359
44.	Raw Water Supply Engineering Readiness (Package 2)	\$2,534,936	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, 	<ul style="list-style-type: none"> • Awarded on 10 Nov 2020 • Contract amount: \$2,547,799

							feasibility study, DED, and surveys	
45.	Raw Water Supply Engineering Readiness (Package 3)	\$2,610,382	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, feasibility study, DED, and surveys 	<ul style="list-style-type: none"> • Awarded on 10 Nov 2020 • Contract amount: \$2,278,483
46.	Rehabilitation of Pasigala Raw Water Supply System in Palu	\$661,318	QCBS	Post	2/2019	BTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 8 Nov 2019 • Contract amount: \$451,922

47.	Preparation of Warsamson Dam in Manokwari District, West Papua	\$2,823,972	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 23 Oct 2020 • Contract amount: \$2,693,619
48.	Preparation of Surumana Dam of Donggala District, Central Sulawesi	\$2,091,631	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 23 Oct 2020 • Contract amount: \$1,868,944
49.	Preparation of Rongkong Dam of Luwu Utara District, South Sulawesi	\$2,773,262	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 23 Oct 2020 • Contract amount: \$2,642,663

50.	Preparation of Digoel Dam of Boven Digoel District, Papua Province	\$2,682,128	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 23 Oct 2020 • Contract amount: \$2,625,472
51.	Strategic Planning for Sustainable Water Resources Management in Priority: Toba, Maninjau (West)	\$3,899,652	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 21 Oct 2020 • Contract amount: \$4,353,570
52.	Strategic Planning for Sustainable Water Resources Management in Priority Lakes: Tondano, Cascade Mahakam (East)	\$3,332,635	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 21 Oct 2020 • Contract amount: \$3,335,289
No.	General Description	Estimated Value [net of taxes]	Recruitment Method	Review (Prior/Post)	Advertise-ment date (quarter/year)	Type of proposal	Comments	Remarks
Standard Process of Selection of Consultant Firm								
10.	Project management consultant firm to	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGH 	<ul style="list-style-type: none"> • Awarded on 5 Dec 2017

	support DGH with ESP implementation and institutional strengthening						<ul style="list-style-type: none"> • International and national consultant firms • Ratio is 80:20 • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior review of TORs, cost estimate, and submitted CVs by ADB before engagement of consultants.⁵¹ 	<ul style="list-style-type: none"> • Contract amount: \$3,239,731
11.	Project management consultant firm to support DGHS with ESP implementation and institutional strengthening	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGHS • International and national consultant firms • Ratio is 80:20 • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior review of TORs, cost estimate, and submitted CVs by • ADB before engagement of consultants. 	<ul style="list-style-type: none"> • Awarded on 6 Nov 2017 • Contract amount: \$3,060,626
12.	Project management consultant firm to support DGWR with ESP implementation and institutional	\$4,000,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGWR • International and national consultant firms • Ratio is 80:20 	<ul style="list-style-type: none"> • Awarded on 6 Dec 2017 • Contract amount: \$2,299,244

⁵¹ Once ADB approval is obtained, the contract variation will be processed to include the selected international or consultant in the team of the PMC and reallocate required budget from the provision sum category to the consultant's category. This procedure will apply to all PMCs under the ESP.

	strengthening						<ul style="list-style-type: none"> • Time-based contract • \$500,000 provisional sum allocated for international and national consultants based on ad-hoc project or sector needs upon request of PIU and PMO. Prior review of TORs, cost estimate, and submitted CVs by ADB before engagement of consultants. 	
13.	Project management consultant firm to support DGIF with ESP implementation and institutional strengthening	\$798,993	QCBS	Prior	3/2020	FTP	<ul style="list-style-type: none"> • Selection by PMO at DGIF • International and national consultant firms • Ratio is 90:10 • Time-based contract 	
14.	Consultant firm for preparation of Jragung multipurpose dam project (dam design; topographic and hydrometric surveys; hydrological analysis; geological and geotechnical investigations; model test; land acquisition and resettlement assessment, plans, and permit facilitation; dam operational simulation; certification of design)	\$1,910,000	QCBS	Prior	3/2016	FTP	<ul style="list-style-type: none"> • Selection by PIU at Center for dams at DGWR • International and national consultant firms • Ratio is 90:10 • Time-based contract 	<ul style="list-style-type: none"> • Awarded on 6 Oct 2017 • Contract amount: \$1,673,018
15.	Technical Audit Consultant (TAC)	\$1,326,064	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 90:10 	

							<ul style="list-style-type: none"> • Time-based contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants 	
16.	Design and Development Jalan Kita 2.0	\$621,000	QCBS	Prior	3/2020	STP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 80:20 • Lump sum contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants 	
17.	Toll Roads-Contract Changes Review and Technical Audit	\$2,027,000	QCBS	Prior	2/2020		<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from International and National Consultants firms • Ratio is 90:10 • Time-based contract • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants 	
18.	Toll Roads and Bridges Final Business Case and Bidding Documents Development	\$4,437,016	QCBS	Prior	3/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGIF • Selection from International and National Consultants firms • Ratio is 90:10 • Lumpsum contract 	

							<ul style="list-style-type: none"> • Prior review of REOI, RFP, TORs, cost estimate, and submitted CVs by ADB before engagement of consultants • Includes development of FBC and bidding documents for toll roads and bridges 	
II. Engagement of Consultant Firms for Preparation of Infrastructure Projects Following the Panel Arrangement								
11.	<i>Selection of the panel of project preparation firms (consortia of firms) for DGHS</i>	N/A	N/A	Prior	4/2017	EOI	<ul style="list-style-type: none"> • <i>Selection led by PMO at DGHS</i> • <i>Selection with follow principles of quality based selection method</i> • <i>International and national consultant firms</i> • <i>Panel members to be retained on non-committal basis for 3 years under indefinite delivery contracts</i> • <u><i>First selection from the panel will be on prior review basis</i></u> • <u><i>All call downs to follow 90:10 ratio for quality and cost; or 100:0 ratio for quality and cost</i></u> 	
12.	Preparation of Bekasi City Wastewater System Development	\$927,909	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel 	<ul style="list-style-type: none"> • Awarded on 26 Apr 2019 • Contract amount: \$832,024

							<ul style="list-style-type: none"> • Lump sum contract⁵² • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	
13.	Preparation of Mataram City Wastewater System Development	\$921,950	QCBS	Post	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 4 Oct 2019 • Contract amount: \$857,556
14.	Preparation of Pontianak City Wastewater System Development	\$1,642,880	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 3 May 2019 • Contract amount: \$1,467,142
15.	Preparation of Semarang City Wastewater System Development	\$1,562,151	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 26 Apr 2019 • Contract amount: \$1,483,261

⁵² Lump sum contracts will be used only when deliverables, timelines, and a payment schedule of the call-down assignment can be clearly defined. Otherwise, the PIU may use other contract types, such as time-based contract, for which the PIU will obtain specific approval of ADB. This applies to all packages in this procurement plan, where lump sum contracts are currently identified as the type of contracts.

							<ul style="list-style-type: none"> • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	
16.	Preparation of Benteng Kobema Water Supply Development (Bengkulu Tengah, Kota Bengkulu, Seluma)	\$1,355,352	QCBS	Prior	2/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 20 Jun 2019 • Contract amount: \$1,187,652
17.	Preparation of Majene-Polewali Mandar Water Supply Development	\$1,346,915	QCBS	Prior	2/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 20 Jun 2019 • Contract amount: \$1,191,604
18.	Preparation of West Indonesia Water Supply Development	\$5,039,000	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Contract Covers: Stage 1: Master Plan for 4. locations; Stage 2: Feasibility Studies for 3 locations; 	

							Stage 3 DED, AMDAL/UKL-UPL, LARAP, etc. where coverage of subsequent stages is subject to outcomes of previous stage	
19.	Preparation of East Indonesia Water Supply Development	\$6,423,000	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Contract Covers: Stage 1: Master Plan for 4 locations; Stage 2: Feasibility Studies for 4 locations; Stage 4 DED, AMDAL/UKL-UPL, LARAP, etc. where coverage of subsequent stages is subject to outcomes of previous stage 	
20.	Central Sulawesi Water Supply System	\$1,400,000	QCBS	Prior	1/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGHS • Selection from DGHS panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers F/S, DED, AMDAL/UKL-UPL, LARAP, DED review, etc. 	<ul style="list-style-type: none"> • Awarded on 27 Jul 2020 • Contract amount: \$1,193,700
21.	<i>Selection of the panel of project preparation firms</i>	<i>N/A</i>	<i>N/A</i>	<i>Prior</i>	<i>3/2016</i>	<i>EOI</i>	<ul style="list-style-type: none"> • <i>Selection led by PMO at DGH</i> 	

	(consortia of firms) for DGH						<ul style="list-style-type: none"> • Selection with follow principles of quality based selection method • International and national consultant firms • Panel members to be retained on non-committal basis for 3 years under indefinite delivery contracts • <u>First selection from the panel will be on prior review basis</u> • <u>All call downs to follow 90:10 ratio for quality and cost</u> 	
22.	Development of Bridge PPC 5 (Locations: Aceh and North Sumatra)	\$3,560,786	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 27 Apr 2020 • Contract amount: \$3,245,628
23.	Development of Bridge PPC 7 (Locations: West Java, D.I. Yogyakarta, East Java, and Bali)	\$3,350,080	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 27 Apr 2020 • Contract amount: \$2,991,400
24.	Development of Road PPC 1 (Locations: Sumatra and Java)	\$2,020,857	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	

25.	Development of Road PPC 3A (Location: Central Kalimantan, South Kalimantan, West Kalimantan)	\$1,993,214	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	
26.	Development of Road PPC 3B (Location: Central Kalimantan, South Kalimantan, West Kalimantan)	\$1,953,786	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	
27.	Development of Road PPC 4 (Location: Java)	\$3,067,978	QCBS	Prior	3/2018	FTP	<ul style="list-style-type: none"> • Selection led by concerned PIU of DGH • Selection from DGH panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract 	<ul style="list-style-type: none"> • Awarded on 17 Jan 2019 • Contract amount: \$2,974,421
28.	Selection of the panel of project preparation firms (consortia of firms) for DGWR	N/A	N/A	Prior	3/2016	EOI	<ul style="list-style-type: none"> • Selection led by PMO of DGWR • Selection with follow principles of quality based selection method • International and national consultant firms • Panel members to be retained on non-committal basis for 3 years under indefinite delivery contracts • <u>First selection from the panel will be on prior review basis</u> • <u>All call downs to follow 90:10</u> 	

							<i>ratio for quality and cost</i>	
29.	Development of Irrigation System in Asahan Phase I (Asahan Phase 1)	\$4,455,620	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 28 Oct 2019 • Contract amount: \$4,227,292
30.	Development of Irrigation Systems in Walimpong and Boya in Southern Sulawesi (Walimpong and Boya)	\$3,214,317	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 18 Sep 2019 • Contract amount: \$3,105,942
31.	Development of Irrigation Systems in Rongkong and Pelosika in Southern Sulawesi (Rongkong and Pelosika)	\$3,476,373	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 18 Sep 2019 • Contract amount: \$3,269,782

32.	Development of Irrigation System in Merauke District Phase I (Kab. Merauke Phase 1)	\$8,815,486	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 17 Jun 2020 • Contract amount: \$8,342,482
33.	Development of Irrigation System in Way Sekampung (Way Sekampung)	\$3,969,855	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount: \$3,774,546
34.	Development of Irrigation System in Wadasalintang (Wadaslintang)	\$2,823,515	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount: \$2,591,585
35.	Development of Irrigation System in Mrican (Mrican)	\$2,588,765	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel 	<ul style="list-style-type: none"> • Awarded on 1 Mar 2019 • Contract amount:

							<ul style="list-style-type: none"> • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	\$2,337,633
36.	Development of Irrigation System in Sadang (Sadang)	\$4,445,419	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 24 Apr 2019 • Contract amount: \$4,081,338
37.	DED of Reconstruction and Rehabilitation of Irrigation in Gumbasa Scheme and Supporting Development Facilities (Location: Palu, Central Sulawesi)	\$3,866,505	QCBS	Prior	2/2019	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of Detail Engineering Design and supporting development facilities (LIDAR) 	<ul style="list-style-type: none"> • Awarded on 3 Sep 2020 • Contract amount: \$3,995,818
38.	Preparation of Seluna River Basin Flood Management Project (Seluna)	\$2,385,427	QCBS	Post	3/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before 	<ul style="list-style-type: none"> • Awarded on 2 May 2019 • Contract amount: \$2,468,454

							issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys	
39.	Preparation of Cimanuk-Cisanggarung River Basin Flood Management Project (Cimanuk-Cisanggarung)	\$2,385,427	QCBS	Post	2/2019	FTP	• Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys	• Awarded on 11 Nov 2019 • Contract amount: \$2,444,602
40.	Preparation of Belawan-Ular Padang River Basin Flood Management Project (Belawan-Ular-Padang)	\$2,168,570	QCBS	Post	4/2018	FTP	• Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys	• Awarded on 31 Jul 2019 • Contract amount: \$2,130,694
41.	Preparation of Mahakam River Basin Flood Management Project (Mahakam)	\$2,168,570	QCBS	Post	2/2019	FTP	• Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Covers development of feasibility studies and surveys	• Awarded on 1 Jul 2020 • Contract amount: \$1,875,522

42.	Master Plan of Sustainable Raw Water Supply System	\$1,999,337	QCBS	Post	4/2018	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of master plans, feasibility studies, and surveys 	<ul style="list-style-type: none"> • Awarded on 12 Aug 2019 • Contract amount: \$1,926,507
43.	Raw Water Supply Engineering Readiness (Package 1)	\$2,774,371	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, feasibility study, DED, and surveys 	
44.	Raw Water Supply Engineering Readiness (Package 2)	\$2,534,936	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, feasibility study, DED, and surveys 	

45.	Raw Water Supply Engineering Readiness (Package 3)	\$2,610,382	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of Master plan, feasibility study, DED, and surveys 	
46.	Rehabilitation of Pasigala Raw Water Supply System in Palu	\$661,318	QCBS	Post	2/2019	BTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	<ul style="list-style-type: none"> • Awarded on 8 Nov 2019 • Contract amount: \$451,922
47.	Preparation of Warsamson Dam in Manokwari District, West Papua	\$2,823,972	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	

48.	Preparation of Surumana Dam of Donggala District, Central Sulawesi	\$2,091,631	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	
49.	Preparation of Rongkong Dam of Luwu Utara District, South Sulawesi	\$2,773,262	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	
50.	Preparation of Digoel Dam of Boven Digoel District, Papua Province	\$2,682,128	QCBS	Prior	1/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	

51.	Strategic Planning for Sustainable Water Resources Management in Priority: Toba, Maninjau (West)	\$3,899,652	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	
52.	Strategic Planning for Sustainable Water Resources Management in Priority Lakes: Tondano, Cascade Mahakam (East)	\$3,332,635	QCBS	Prior	2/2020	FTP	<ul style="list-style-type: none"> • Selection by concerned PIU of DGWR • Selection from DGWR panel • RFP to be prior reviewed by ADB before issuance to the panel • Lump sum contract • Includes development of feasibility studies and surveys 	

1. Goods Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18months.

Goods								
No	General Description	Estimated Value	No. of Contracts	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
1.	Office equipment and furniture	\$200,000	3	Shopping	Prior	min. 3 quotations	1/2017	<ul style="list-style-type: none"> • To be procured under the project management consultant firms' contracts

4. Goods Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18months.

Goods								
No	General Description	Estimated Value	No. of Contracts	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/ year)	Comments
1.	Office equipment and furniture	\$200,000	3	Shopping	Prior	min. 3 quotations	2/2018	<ul style="list-style-type: none"> To be procured under the project management consultant firms' contracts
2.	Individual Consultants	below \$100,000 per contract	TBD	ICS	Prior	ICS	TBD	EOI, TOR, and cost estimate shall be prior ADB's approval

C. Non-ADB Financing

None

D. Consultant's Terms of Reference

76. Foreign consultant firms will be encouraged to associate with qualified national firms to complement their respective areas of expertise, strengthen the technical responsiveness of their proposals, and make available bigger pools of experts, and provide better approaches and methodologies. Such an association may be in the form of a joint venture⁵³ or a sub-consultancy agreement for the period of the panel. If the association in the form of a joint venture, the association will appoint one of the firms to represent the association; all members of the joint venture shall sign the contract and shall be jointly and severally liable for the entire assignment.

77. Depending upon the project and the scope of services required, the requirement of various national and international consultants⁵⁴ for various expertise will be prescribed in the RFP at the call-down stage. All the following specialists shall have experience of working in similar projects in Asia and the Pacific, preferably experience of working in similar projects in Indonesia, including possessing country-specific knowledge. The international and national experts having country-specific experience and knowledge of the sector and regulatory issues involved in Indonesia and the initiatives taken by the Government of Indonesia will be given higher preference

78. Due to their size, the detailed TORs of all consultants to be engaged under the ESP are presented in Appendix 2.

⁵³ The nationality of the joint venture (JV) for the purpose of shortlisting will be defined by the nationality of the firm representing the JV.

⁵⁴ Per ADB's Guidelines on The Use of Consultants (2013), "International Consultant" means any consulting firm established or incorporated in any ADB member country, including the borrower's country, or a person who is a citizen of any ADB member country, including the borrower's country; and "National Consultant" means any consulting firm or individual from the borrower's country that is established or incorporated and has a registered office in the borrower's country, or a person who is a citizen of such country" (footnotes 5 and 6 on page 2 of the guidelines).

VII. SAFEGUARDS

A. Environmental Safeguards

79. The environmental safeguards classification for the ESP is confirmed as category C as there will be no direct financing for infrastructure project or any type of civil works that may pose environment threat. Therefore, there will be no impact on environment arising from implementation of this TA loan funded project.

B. Involuntary Resettlement Safeguards

80. The involuntary resettlement safeguards classification for the ESP is confirmed as category C as there will be no direct financing for infrastructure projects or any type of civil works. Therefore, there will be no resettlement impact arising from implementation of this TA loan funded project.

C. Indigenous Peoples

81. The indigenous people classification for the ESP is confirmed as category C as there will be no impacts on indigenous people arising from implementation of this TA loan funded project. Indigenous people are not specifically targeted and the project neither affects the dignity, human rights, livelihood system or culture of indigenous peoples nor affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or assets.

D. Safeguards support through PMC firms

82. Social and environment safeguards consultants will be part of the PMC firms engaged by each PMO under the ESP. These safeguards consultants shall support the PIUs of the relevant DGs to prepare the land acquisition and resettlement plans (LARPs) as per provisions of the Indonesian land acquisition law and regulations, in consultation with relevant provincial and district land agencies, and project affected people.⁵⁵ The LARP shall refer to the regional spatial planning and the development priority as stated in the Midterm Development Plan (RPJMN), the Strategic Plan, and the Working Plan of the MPWH. The LARP shall be prepared based on the feasibility study that may include (i) social economic survey; (ii) location feasibility; (iii) analysis of cost and development benefit to the area and community; (iv) estimated land value; (v) environmental impacts and social impacts that may arise out of the land acquisition of land and construction; (vi) other study as necessary. Moreover, the LARP preparation will ensure that appropriate measures are taken to mitigate any negative social impacts including special measures for land acquisition, compensation, and to ensure full implementation to improve the participation of women and other disadvantaged groups as beneficiaries as required in the government's law and regulations or other applicable procedures.

83. The safeguards specialists of the PMC firms will also help DGs ensure gender consideration in planning and implementation of the land acquisition and resettlement is adequately addressed. The safeguard specialists of the PMC firms will help the PIUs to provide facilitation of obtaining relevant permits including project location determination issued by the Governor for selected projects, environmental permit, and forestry permit. An *Analisa Mengenai Dampak Lingkungan* (AMDAL -Environmental Impact Assessment) or UKL/UPL study will be prepared for each project in accordance with government law and regulations. AMDAL/UKL-UPL will be the basis for the issuance of environment permits, forestry permits for projects located in the forestry areas, and other required permits.⁵⁶ (Presidential Regulation No. 71/2012 or any changes that can be amended from time to time)

⁵⁵ See Appendix 5 on the overview of Indonesia's land acquisition framework

⁵⁶ See Appendix 5 on the overview of Indonesia's land acquisition framework.

84. The safeguard specialists of the PMC firms will support the DGs to implement capacity building in safeguards. The capacity building is to ensure the environmental and social safeguards are properly prepared and implemented as per applicable laws, regulations, and procedures. Capacity building will be provided in the forms of capacity building training on safeguards and transfer of assets, improvement of regulation or procedure for environmental and social safeguards, and strengthening safeguard units, task force, safeguards focal points for coordination and monitoring. See Appendix 7 on the assessment of safeguards systems of DGH, DGHS, and DGWR and capacity building measures to be supported under the ESP.

E. Prohibited Investment

85. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),⁵⁸ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

⁵⁸ Available at: <http://www.adb.org/sites/default/files/pub/2009/Safeguard-Policy-Statement-June2009.pdf>

VIII. GENDER AND SOCIAL DIMENSIONS

86. The ESP supports institutional strengthening and preparation of public investment projects. Hence, there is no direct adverse impact on gender inequality or a negative impact on women. Nevertheless, the ESP will ensure gender inequality and impact on women will be suitably mainstreamed in the scope of work of consultants that will be engaged under the ESP for preparation of MPWH's infrastructure projects.

87. The direct beneficiaries of the ESP will be MPWH staff at central and local levels (in terms of capacity building, institutional strengthening, and know-how transfer) and the consultants that will be engaged under the ESP for project preparation (in terms of income generated from the contracts financed from the ESP). Indirect beneficiaries of the ESP will be contractors and private enterprises that will benefit from construction and supply contracts arising from the project preparation work done under the ESP.

88. The ESP will ultimately positively affect the consumers, employees, and the poor in general, as they suffer the most from lack of economic infrastructure. Enterprises will benefit from better competitiveness due to better infrastructure and reduced logistics costs. Consumers will gain from greater domestic competition because it will lower prices and improve services (e.g., in the tourism sector due to better connectivity). Employees will gain from easier access to work and increased income opportunities, including the construction and operation of infrastructure facilities and in better-paid jobs such as in manufacturing. The poor, especially in low-income regions, will benefit because improved connectivity allows them to participate in wealthier urban markets.

89. Overall, the ESP is pro-poor as it will directly support the government to achieve the RPJMN infrastructure development goals reflected through pro-poor preparation as well as timely and adequate delivery of public infrastructure to the beneficiaries. Improved infrastructure will help reduce the vulnerability of the poor or the likelihood that the near-poor will fall into poverty as a result of shocks, which remains an issue in Indonesia.

90. The labor and consumer good markets will be among the most important channels: (i) higher basic infrastructure investments will directly and indirectly create more decent and productive jobs in tourism, agriculture, and manufacturing; and (ii) reduced logistics costs will lead to lower consumer prices and a better variety of products. The growth of sectors such as tourism and agriculture—which are labor intensive, linked to other economic sectors, and are geographically spread across Indonesia—will reduce poverty and improve food security through better water delivery.

91. Under output 1 of the ESP, the adequate analysis of the gender, labor, HIV/AIDs, and other social risks will be mainstreamed in the TORs of the project preparation consultants that will be financed under the ESP.⁵⁹ The PIUs, in coordination with the PMOs, will be responsible to ensure that relevant sections of the TORs and consultant budgets adequately reflect the social and gender aspects to be assessed and considered in project preparation. The PIUs will also ensure that project preparation consultants properly analyze and incorporate core labor standards and health and environmental conditions at worker camps in relevant project documents. Under output 2, social experts will be part of the project management consultant teams and will ensure on-the-job capacity building to the staffs of the PIUs and Satkers on social and gender

⁵⁹ *Briefing Note: Project Gender Action Plans*: <http://www.adb.org/Documents/Brochures/Project-Gender-Action-Plans/default.asp>, and *Updated Gender Mainstreaming Categories of ADB Projects*: <https://lpedgedmz.adb.org/lnadbg1/ocs0178p.nsf/0/37CC7D6E8E3CC57D482576E20083C156?OpenDocument>

issues. Qualified social and environmental safeguards experts of the PMC firms will support the PIUs and Satkers in supervision of the preparation and implementation of the LARPs. The PIUs will monitor and report to there event PMOs on all social and environmental safeguards activities.

92. The project will—indirectly and with some lag—contribute to improving gender equity in Indonesia through mainstreaming of gender responsiveness in the preparation and implementation of public investment projects in accordance with the country’s legislation and international best practice, including ADB gender guidelines.⁶⁰

93. Consultation and participation will be also mainstreamed in the TORs and budgets of the project preparation consultants that will be financed under the ESP. When and where applicable, the consultation and participation during project preparation will draw on ADB’s principles on consultation and participation.⁶¹ The PIUs, in coordination with the PMOs, will be responsible to ensure that relevant sections of the TORs and consultant budgets adequately reflect consultation and participation activities during project preparation.

94. The PMOs will be primarily responsible for monitoring of incorporation of gender, social and consultation and participation dimensions during implementation during project preparation by the ESP-engaged consultants.

⁶⁰ For example, the Philippine experience of mainstreaming gender responsiveness in ODA-funded projects will be considered for appropriate adoption under the project.

⁶¹ *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp> and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Project Design and Monitoring Framework⁶²

Impact the Project is aligned with:			
Infrastructure objectives of the MPWH's Strategic Development Plan, 2015–2019 attained ^a carried over to 2020-2024 ^b			
Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Capacity of MPWH's DGWR, DGH, DGHS, and DGIF strengthened to efficiently design and implement MPWH's public investment program	By April 2022: a. Absorption of MPWH infrastructure budget increased to at least 97% (2015 base-line: 92%) b. At least 30% of MPWH's annual infrastructure budget is committed by end January each year ^c (2015 base-line: 10%)	a. MPWH annual performance reports b. MPWH annual performance reports	Natural calamities or external shocks Reduction of MPWH capital budget
Outputs 1. Quality and timely start-up of infrastructure projects improved	By April 2022: 1a. Feasibility studies, detailed engineering designs, EIA and LARP compliant with government and ADB's requirements and improved standards, and bidding documents developed for 16 national road links and 7 bridges of DGH; 15 projects of DGWR in the irrigation, flood management, bulk water, and dam sectors, and 9 water supply and sanitation projects of DGHS (2015 base-line: N/A) ^d 1b. Improved construction supervision and technical and financial assessment conducted for 1 infrastructure projects of DGH (2015 base-line: N/A) Revised: New Output 1 c: 1c. Final Business Cases for 1 PPP projects of DGIF (2020 base-line: N/A)	1a. MPWH reports and ADB administration missions 1b. MPWH reports and ADB administration missions 1c. MPWH reports and ADB administration missions	Delayed selection of consultants due to disruption of SPSE's operation and establishment of procurement committees Delayed implementation of viable ESP-prepared projects due to delayed action by local governments
2. Capacity in public investment management strengthened	By April 2022: 2a. Project staff of DGWR, DGH, and DGHS at central and local levels successfully trained in priority areas of public investment management (2015	2a. MPWH website, reports and ADB administration missions	Change in MPWH's organizational structure

⁶² As per revised extension memo dated 10 August 2020

Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	base-line: NA) 2b. Action plans on strengthening master planning and public investment management systems in DGWR, DGH, and DGHS implemented (2015 base-line: NA)	2b. DGWR, DGH, and DGHS reports	Resistance to change due to vested interests or lack of capacity

Key Activities with Milestones

Output 1: Quality and timely start-up of infrastructure projects improved

- 1.1 Adopt ESP implementation structure (MPWH steering committee, PMOs, PIUs) (Q3 2016)
- 1.2 For each project preparation assignment, establish a project team to review consultant outputs (Q4 2016 – Q4 2020)
- 1.3 Establish panels of project preparation consultant firms for DGWR, DGH, and DGHS (Q4 2016)
- 1.4 Recruit consultants for preparation of (i) feasibility studies, (ii) detailed engineering designs, (iii) plans and compliance documents on land acquisition, resettlement, and environmental impact, and (iv) bidding documents and other project start-up activities (Q4 2016 – Q1 2021)
- 1.5 Review the studies and other deliverables of the project preparation consultants, undertake advance procurement and other project start-up actions (Q4 2017 – Q4 2021)
- 1.6 Conduct a survey of the engineering consultant industry and recommend MPWH-relevant actions to improve the quality of the recruited consultants (Q2 2017)
- 1.7 For selected projects, recruit and administer consultants and technical assessment during construction (Q2 2020 – Q4 2021)
- 1.8 Recruit consultants for preparation of Final Business Cases for PPP projects of DGIF (Q3 2020-Q1 2021)

Output 2: Capacity in public investment management strengthened

- 2.1 Recruit project management consultant firms to support the PMOs and PIUs at DGWR, DGH, and DGHS (Q4 2016)
- 2.2 Provide operational support to PMOs and PIUs at DGWR, DGH, and DGHS with implementation of the ESP (Q4 2016 – Q2 2022)
- 2.3 Conduct assessment of DGWR, DGH, and DGHS public investment management systems and capacity development needs (e.g., master planning, identification, prioritization, preparation, approval, budgeting, procurement and contract management, implementation monitoring, impact evaluation of infrastructure projects, and mainstreaming of value engineering in project preparation) (Q4 2018)
- 2.4 Develop and implement DGWR, DGH, and DGHS' plan on improvement of public investment management systems, including capacity building of project staff in priority areas (Q4 2021)
- 2.5 Capacity building of DGWR's, DGH's, and DGHS' procurement service units (Q2 2018) and DGIF (2020)
- 2.6 Capacity building on safeguards of the MPWH's safeguards units and technical staff (Q2 2018)

Inputs:

ADB: \$148,200,000

Government: \$19,400,000

Assumptions for Partner Financing

NA

Source: Asian Development Bank.

ADB = Asian Development Bank, DGWR = Directorate General of Water Resources, DGH = Directorate General of Highways, DGHS = Directorate General of Human Settlements, EIA = environmental impact assessment, ESP = Accelerating Infrastructure Delivery through Better Engineering Services Project, LARP = land acquisition and resettlement plan, MPWH = Ministry of Public Works and Housing, NA = not applicable, PIU = project implementation unit, PMO = project management office, Q = quarter, SPSE = Sistem Pengadaan Secara Elektronik (government e-procurement system).

^a Government of Indonesia, Ministry of Public Works and Housing. *Strategic Plan of MPWH for Years 2015 to 2019*. Jakarta. MPWH Regulation No. 13.1/PRT/M/2015

^b Government of Indonesia, Ministry of Public Works and Housing. *Strategic Plan of MPWH for Years 2020 to 2024*. Jakarta. MPWH Regulation No. 23/PRT/M/2020.

^c This will require that by November of the preceding year (i) the bid documents have been launched, and (ii) land has been transferred to the MPWH for project purposes. Achieving design readiness is a prerequisite for meeting procurement readiness. Design readiness means completion of either (i) a detailed engineering design suitable for preparing and launching construction bidding documents; or (ii) a preliminary design and specifications suitable for preparing and launching bidding documents for (a) construction contracts that include detailed design as its part; and/or (b) turnkey or engineering,

procurement, and construction contracts. For both (i) and (ii), completion of an environmental impact assessment and required clearances as well as completion of land acquisition procedures up to compensation payment will be also required.

^d Indicative list of projects is in appendix 1 of the PAM. List of projects may change subject to agreement between the MPWH and ADB

B. Monitoring

95. **Project performance monitoring** will be done via quarterly and annual progress reports prepared by the PIUs of each DG. The PIUs will then submit the reports to PMOs who will consolidate PIU's reports with their own reports of monitoring and evaluation. The PMC firms shall assist the PIUs and PMOs in preparing all these reports. These reports by PMOs will be submitted to PCO to be consolidated with PCO's report of overall ESP monitoring and evaluation. The template for the quarterly progress report is in Appendix 3 of the PAM. The PCO will submit the consolidated ESP-whole progress reports to ADB within 10 working days after the end of the quarter, for which the progress report is issued. The progress report will be structured following the ESP's Design and Monitoring Frameworks (DMF) and will also provide actual versus planned status of activities in the project implementation plan and the procurement plan. Project progress reports will indicate the status of preparation and implementation of LARPs and AMDALs supported under the ESP, highlighting projects that (may) face significant social or environmental issues during implementation. The reports shall have a special section on issues and proposed solutions.

96. **Compliance monitoring.** The ESP will be reviewed jointly by the SG, DGs and ADB twice a year during ADB's administration missions that will assess implementation progress and compliance with loan agreement's covenants. Compliance will be also monitored through quarterly progress reports submitted by DGs and ESP-whole reports submitted by SG, as well as through review of project accounts and procurement procedures.

97. The DGs, in coordination with the PCO at SG, will ensure that (i) ESP funding is utilized based on procurement and financial management procedures agreed by the Government and ADB, (ii) all viable ESP-prepared projects are prioritized for inclusion in the MPWH's capital budget for the year, in which the commencement of the civil works is expected to start, and (iii) all ESP-prepared projects that have been or are close to completion of civil works receive adequate O&M budget financing.

98. In end 2018, a midterm review will be carried out by the MPWH and ADB to (i) evaluate the scope, design, and implementation arrangements of the project; (ii) evaluate the progress of the institutional development and capacity of the implementing agencies; (iii) identify changes needed in any of the areas mentioned above; (iv) assess the implementation performance against agreed project indicators and targets; (v) review and establish compliance with the loan covenants; and (vi) identify critical issues, problems, constraints, and need for additional finance, ⁶³ and, if necessary, recommend adjustments in ESP's design or implementation arrangements.

⁶³ For example, per the Blue Book issued by Bappenas in October 2015 the financing amounts of engineering services projects under the various programs of DGWR are significantly larger than DGWR's financing under the ESP. Hence, there is a space for topping up the ESP, subject to satisfactory performance of the ESP, Government's request and concurrence by ADB.

C. Evaluation

99. Within 6 months of physical completion of the ESP, the DGWR, DGH, DGHS, and DGIF will submit project completion reports to the PCO for consolidation and further submission to ADB.⁶⁴ The PMC firms will support the DGs will collecting the relevant data and drafting their project completion reports.

D. Reporting

100. The DGWR, DGH, DGHS and DGIF—through the PCO at SG—will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a completion report within 6 months of completion of project preparation work for a project. Project accounts and the executing agency AFS, together with the associated auditor's report, should be adequately reviewed. The template for the quarterly progress report is in Appendix 3.

E. Stakeholder Communication Strategy

101. Key immediate stakeholders include MPWH (its directorates general and local offices), government agencies at local level (local land agency, local planning office, provincial, district or city government) and the project preparation consultants. On a wider basis, beneficiaries will include the development partners, consultants, contractors and suppliers under the public investment projects, and infrastructure related CSOs. Participation of stakeholders during project implementation will be facilitated through interaction during administration missions and ESP-associated events. Given the ESP's institutional and project preparation support focus, no direct participation by the infrastructure project stakeholders is envisaged.

102. The PMOs of DGWR, DGH, DGHS and DGIF will be responsible for implementing and monitoring information dissemination and disclosure with regards to its respective DG, and will identify a focal point that will be designated for regular contact with interested stakeholders.

103. **Delivering information.** Information about the ESP will be delivered through ESP dashboard website⁶⁰ that describes the project's objectives, components, and activities. The PMCs will provide the required inputs to the dashboard, whose preparation and disclosure will be led by the PCO at SG. Written in Bahasa and English, the dashboard, which will be updated annually, will make the project comprehensible to a wide range of stakeholder groups. In addition to the dashboard, the MPWH will also consider options to allocate—within 6 months after loan effectiveness—a web page for the ESP that will disclose status of ESP implementation. Pursuant to ADB's *Public Communications Policy*, all requisite project documents will be posted on the ADB website.

104. **Obtaining Feedback.** The PIB will indicate where stakeholders can get in touch with ESP implementers. Stakeholder meetings will ensure that accurate and sufficient feedback will be received from stakeholder groups.

⁶⁴ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

⁶⁰ Can be accessed at: <http://www.sim-esp.id/>

X. ANTICORRUPTION POLICY

105. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the ESP.⁶⁵ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB- financed activity and may not be awarded any contracts under the ESP.⁶⁶ To support these efforts, relevant provisions are included in the loan agreement/regulations and the bidding documents for the Project.

106. The *ADB's Anticorruption Policy* (1998, as amended to date) was explained to and discussed with the MOF, Bappenas, SetJen, DGWR, DGH, DGIF and DGHS. ADB will require the Borrower to institute, maintain, and comply with internal procedures and controls following international best practice standards for the purpose of preventing corruption or money laundering activities or the financing of terrorism and covenant with ADB to refrain from engaging in such activities. Consistent with its commitment to good governance, accountability, and transparency, ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project. In particular, all contracts financed by ADB in connection with the ESP shall include provisions specifying the right of ADB to audit and examine the records and accounts of the DGWR, DGH, DGIF and DGHS and all contractors, suppliers, consultants, and other service providers as they relate to the ESP. Any allegations of corruption can be reported to the PMOs and PCO, who will report these to the Secretary General and the ESP Steering Committee.

107. The MPWH will ensure that all its staff involved in the ESP are fully aware of and comply with the Government's and ADB's procedures, including procedures for implementation, procurement, use of consultants, disbursement, reporting, monitoring, and prevention of fraud and corruption.

108. The MPWH will consider options to establish—within 6 months after loan effectiveness—a web-page for the ESP that will disclose the ESP implementation status and will also provide a link to LKPP's SPSE. This web-page may cover such areas as (i) the panels consultant firms (associations of firms) for preparation of projects of DGWR, DGH, and DGHS, (ii) indicative list of contract packages under each panel per the procurement plan agreed with the ADB, (iii) list of participating bidders for each project preparation assignment under each panel, (iv) the name of the winning consultant for the project preparation assignment, (v) the amount of the contract awarded, and (vi) contract mile-stones and the expected completion of the contract.

XI. ACCOUNTABILITY MECHANISM

109. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.⁶⁷

⁶⁵ Available at: http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies_Strategies.pdf

XII. RECORD OF PAM CHANGES

110. All revisions/updates during course of implementation should retain in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

a. *During the ESP Inception Mission (17 November 2017 – 8 January 2018) (intermittent), changes were incorporated in various sections, which include the following **key revisions**/updating:*

- (i) Updating the person-in-charge in each PMO and PIU;
- (ii) Provision of other for selection method that fit for the purposes at the call-down stage, i.e., Fixed budget selection (FBS) and other selection methods such as (a) Consultants' Qualifications Selection (CQS) for construction supervision and TFAC and (b) individual consultant selection for specific tasks;
- (iii) Provision of other type of contract that fit for the purposes in call-down stage, i.e., partial lump sum or performance-based contracts;
- (iv) Updating of list of packages, procurement plan, contract award and disbursement projections, overall project implementation plan, etc.;
- (v) Change in the procedure for preparation of withdrawal applications and submission to MOF directly by the respective PIUs for disbursements to PPC firms, construction supervision consultants, TFAC and individual consultants engaged by the PIUs and not by the PMO as prescribed earlier;
- (vi) Explanation for changes made in the criteria for evaluation of EOIs for the first-time selection of Panel and for updating of Panel.

• *During the Mid-term review Mission (18 October 2018 - 31 March 2019) (intermittent), changes were incorporated in various sections, which include the following **key revisions**/updating*

- (i) Overall Implementation Plan (Page 13)
- (ii) Updating the person-in-charge in each PMO and PIU;
- (iii) Table 9: Estimated annual contract awards and loan disbursements (page 35)
- (iv) Procurement Plan (page 60), para 72.3
- (v) Structure organization by adding road preservation
- (vi) (deleting) Supervision SBSN and revised Technical Assessment Consultant (previously TFAC)
- (vii) Package list

- *During extension of the loan closing date, Steering Committee Meeting 2020, and project review mission (26 August 2020 – 19 November 2020):*

- (i) Updating of project output 1 by adding DGIF.
- (ii) Updating of list of packages, procurement plan, estimated annual contract awards and loan disbursements, and overall project implementation plan.
- (iii) Updating of Design Monitoring Framework.
- (iv) Inclusion of DGIF as new IA
 - a. Updating of organizational structure
 - b. Updating of procurement plan
 - c. Updating of DMF