

# **INDONESIA INFRASTRUCTURE FINANCE DEVELOPMENT – IIFD**

## **TERMS OF REFERENCE**

### **WASTE MANAGEMENT SECTOR REVIEW**

#### **FOR PUBLIC PRIVATE PARTNERSHIP**

##### **A. BACKGROUND**

1. The Government of the Republic of the Indonesia is committed to implement public–private partnerships (PPP) in Indonesia for attracting private investment in infrastructure. The Directorate of Government Support and Infrastructure Financing Management (DGSIFM) was established at 2015 in Directorate General of Budget Finance and Risk Management, Ministry of Finance (MoF) to be Indonesia PPP unit. The role of the DGSIFM is to boost PPP development by giving government support, undertake PPP awareness campaign and provide capacity building to the Government Contracting Agency (GCA) and other relevant stakeholders.
2. As part of its proposed plan for the next five years, the DGSIFM aims to focus its attention and accelerate PPP transactions in Urban Transport, Water Supply and Waste Water, Solid Waste Management, Health, Housing and Energy. As the follow up of determination those priority sectors, some of sectors have been prepared a sector review by Core Advisory and Management Support consultants - PT Deloitte Consultant Indonesia specifically Water, Transportation, Urban Infrastructure, Energy, Health, and Education sector review, however several sectors review are still needed such as Gas Distribution and Waste Management sector.
3. This Term of Reference will mainly explain on Waste Management Sector Consultant for conducting sector review and describes the objectives and scope of the required services, the envisaged outputs, and consultancy inputs, the reporting requirements and the arrangements of the services. The consultant is expected to provide a systematic knowledge and review about the sectors in order to provide a meaningful insight for DGSIFM personnel on aspects related to Waste Management. The consultant is also expected to have intensive discussion in issues related to the sector during the assignment. This is aimed at supporting DGSIFM on some initiatives/involvement in the prospective project pipeline.
4. Waste Management Sector Review Consultant is a complement to DGSIFM’s previous procurement; Waste Management Specialist. Whilst, Waste Management Specialist’s service focus on developing manual (which is a user-friendly reference for GCA in preparing the project study especially thus intends to propose Project Development Facility), the current procurement is aimed providing a reference of some PPP best

practices in the sector and a thorough analysis on policy and strategy of the sector in Indonesia and how it can contribute to achieve National Development Plan.

5. This assistance is expected to be supported by the Indonesia Infrastructure Finance Development (IIFD) for PPPs. The IIFD is a multi-donor trust fund, being managed by the World Bank, with funding support from the Department of Foreign Affairs and Trade for Development (DFATD) of the Government of Canada (IIFD TF). The trust fund (TF) was launched in April 2015 and is being implemented through a Bank-Executed Trust Fund (BETF) and a Recipient Executed Trust Fund (RETF) up to year 2021. The MOF's PPP Unit is the recipient for the RETF. The outcome of this activity closely links to the objective of the IIFD, which is to accelerate the implementation of PPP projects and contribute to the efficient and effective infrastructure spending.

## **B. OBJECTIVES**

6. The objectives of the Waste Management Sector Review Consultant's services are as follow:
  - a. provide services to DGSIFM on developing the waste management sector review regarding to the overall waste management ecosystem;
  - b. present a comprehensive analysis on areas that should be addressed in delivering services related to waste management based on international best practices;
  - c. present a robust analysis on regulatory and institutional framework, technical option, economic and financial assessment, and market analysis related to sector; and
  - d. provide a policy and technical recommendation in implementing PPP scheme within the sector.

## **C. SCOPE OF ACTIVITIES AND OUTCOMES**

7. The scope of the services of the Waste Management Sector Review Consultant will include but not necessarily be limited to the following:
  - a. Provide an analysis regarding international best practices to create an enabling environment for Public Private Partnerships (PPP) in the Solid Waste Management Sector; This should cover experiences from at least 3-4 countries with successful programs. This should include, among others, the following:
    - 1) Regulatory and institutional arrangements;
    - 2) Salient features of the PPP business model, including operational performance, economic and financial aspects, risk analysis, project structure, market analysis and;
    - 3) Benchmarking of government's role and responsibility during transaction and post transaction activities (licensing, performance management, technical and economic regulation, etc.);
    - 4) Technical option and output specification used on the project;
    - 5) Side products and residual product treatment best practices;

- 6) Key success factors and pitfalls;
- 7) Fiscal affordability issues (experience in relation to subsidies).
- b. The consultant should incorporate input on national best practices mentioned in the solid waste sector manual produced by the solid waste sector manual specialist.
- c. Provide recommendation towards the implementation of PPP scheme in Solid Waste Management Sector in Indonesia. This should include, among others, the following:
  - 1) Key stakeholders in the solid waste management segment;
  - 2) Key policy actions and roadmap to be taken during the Strategic Plan 2020 – 2024;
  - 3) Key activities to be undertaken by the PPP unit during the Strategic Plan 2020 – 2024;
  - 4) Practical PPP project structures that could be implemented;
  - 5) Key performance standards for the PPP project;
  - 6) Tariff issues;
  - 7) Managing affordability and fiscal risk issues;
  - 8) Working arrangements and coordination among or between Local Governments since many solid waste projects in Indonesia covers more than 1 local governments;
  - 9) Other critical aspects to make the PPP projects successful in solid waste management.
- d. Provide strategic recommendation based on the international based practice on the technology choices, improvements of the supply chains from collections to sanitary landfill, strategic input for the potential outputs to be used for energy (electricity) or cement industry e.g. RDF, SRF etc.
- e. Interactive sessions and knowledge-sharing with DGSIFM personnel related to Solid Waste Management Sector issues; and
- f. Provide advice to the DGSIFM on project related ad-hoc assignments.

#### D. DELIVERABLES

8. The Sector Review Consultant is expected to deliver as per following schedule:

Outcome/Deliverables	Timeline after Contract Signing	Weight
a. Inception Report <i>Including, Report Outline, Methodology and Work Plan</i>	1 month	10%
b. Sector Review Phase I Report <i>Synthesis of global experience in implementing PPPs in Solid Waste Management Sector (output related to scope of work C.7.a)</i>	2 months	20%
c. Sector Review Phase II Report <i>Policy actions and road map for implementing PPPs in solid waste management in Indonesia (output related to scope of work C.7.c)</i>	2 months	25%
d. Sector Review Final Report <i>A full report addressing the comments and inputs from various stakeholders, including from the World Bank</i>	1 month	20%

<p>e. Knowledge-sharing and interactions <i>The consultant shall undertake at least four sessions of interactive sessions and knowledge-sharing with DGSIFM personnel related to Solid Waste Management Sector issues</i></p>	<p>(in parallel with the preparation of Phase I, II, Final Report)</p>	<p>15%</p>
<p>f. Project Paper <i>The consultant shall provide inputs/advise to DGSIFM on ad-hoc tasks assignment in relation to prospective solid waste management PPP projects, upon specific request from DGSIFM.</i></p>	<p>(open ended work stream but would get limited by the overall duration of the assignment)</p>	<p>10%</p>

*The Sector Review consultant needs to coordinate outputs with the DGSIFM to ensure the substance of the sector review and delivery timelines The payments will be made in installments based upon outputs and upon work as per work plan agreed by the DGSIFM.*

**E. QUALIFICATIONS AND EXPERIENCE REQUIRED**

- 9. The Waste Management Sector Review Consultant will be open for national or international specialist which possess the following minimum qualifications:
  - a) Minimum Bachelor level degree in engineering, planning, economics, public administration or related areas.
  - b) The candidate must have an overall experience of at least 10 years in development, financing, construction or advisory services related to infrastructure development.
  - c) Of the above, at least 2 years of specific experience in planning, project preparation, construction and/or project management of infrastructure projects related to *waste management sector* is required.
  - d) Familiarity with the *waste management sector* issues and key stakeholders, is preferable.
  - e) Registration/membership with the relevant professional association/organization in the national level if applicable (Certified as sector expertise in related sector), is preferable.
  - f) Strong analytical, drafting and communication skills.
  - g) Proven ability in writing report, compilation data, and making conclusion.
  - h) Fluent in English and preferable in Bahasa. (speaking, reading and writing).

**F. EXPECTED OUTCOME**

- 10. A key outcome of the advisory services shall be the strengthened capacity of the DGSIFM through comprehensive sector’s insights and information, into easily accessible and understandable knowledge product/document that can be accessed by any personnel in DGSIFM.

**G. DURATION, BUDGET PLAN AND LOCATION OF ASSIGNMENT**

- 11. The Sector Review Consultant will perform his/her tasks for the period of **8 Months** with possibility of extension subject to the needs of The DGSIFM and the funding support

available from the World Bank, the sector consultant's performance, and availability of the budget. The total budget plan for this assignment is IDR 500,000,000.

## **H. ACTIVITY MANAGEMENT**

12. The Sector Review Consultant will work under the supervision of the DGSIFM. The Sector Review Consultant may also need to coordinate with other government agencies and non-government stakeholders at national and sub-national level. In addition to support to the DGSIFM, as requested in the TOR, the Sector Review Consultant would need to coordinate their outputs and activities with related parties, as required by the DGSIFM. The Sector Review Consultant will, on reasonable notice, participate in meetings and discussions as required by the DGSIFM. All meetings, discussions, presentations, training materials and deliverables shall be conducted in both English and Indonesian language. The Sector Review Consultant shall provide to the DGSIFM with hard and soft copies of each deliverables.