

**TERMS OF REFERENCE
FOR INTERNATIONAL URBAN DEVELOPMENT ECONOMIST
& DOMESTIC CONSULTANTS (WATER SUPPLY AND SANITATION SPECIALIST AND
URBAN DEVELOPMENT SECTOR SPECIALIST)**

1. This terms of reference needs to be read in conjunction with the Approach Paper for the evaluation.

A. Background

2. IED is undertaking a special evaluation study (SES) on the performance of "multisector" projects of ADB's assistance in the urban services and water supply and sanitation sectors. This SES is intended to be forward-looking and provide directions for future ADB policies, programs and projects to improve the "multisector" in Indonesia, and expect to shed some reference to other developing member countries which ADB has multisector projects.

3. Learning will be based on ADB OED/IED's impact evaluation studies, CAPEs, and CSPs in the past, lending and nonlending operations during 1995 – 2008, its existing strategy and policies (Strategy 2020, Urban Development Policy, Water Supply and Sanitation Policy). The experiences of other multilateral development banks (MDBs) and other relevant bilateral donors in specific issues and methodologies in relation to multisector would be also considered. The SES will also review ADB's strategy statements, country strategy and program (CSP) documents, project documents, etc, as well as recently discussed initiatives between ADB program missions and the Government of Indonesia ("the Government" thereafter). The SES would be essentially to understand more closely the following:

- (i) The type of interventions ADB made in Indonesia since 1999, and to discern apparent trends regarding the "multisector" projects, and water supply and sanitation projects; and
- (ii) The level of thoroughness on the part of ADB in terms of internal knowledge and processes, and the ability to intensify and improve the impact and outcome results of ADB's portfolio.

The proposed SES's main coverage will be 1999–2009 (after the above-mentioned two study periods), but projects that had been ongoing (i.e. under implementation) at the time, and those for which impact assessment had not been done (projects that were processed between 1995 and 1999) would be included (see Appendix 1 for list of loans and TAs under the evaluation).

4. The main objective of the SES is to derive lessons and good practices to guide future ADB support in the sector in the country. The SES will focus its evaluation on the three key criteria: (i) Relevance to the Government and ADB strategies and policies, the context provided by the international development assistance community, (ii) Responsiveness in terms of the objectives of ADB's recent initiatives such as "poverty focus", "results based management", and "inclusive growth", and (iii) The Implications for Results – both from ongoing projects as well as projects in the pipeline.

Methodology of the Sector Evaluations

5. The main objective of the SES is to derive lessons and good practices to guide future ADB support in the sector in the country. The SES will focus its evaluation on the three key criteria: (i) Relevance to the Government and ADB strategies and policies, the context provided

by the international development assistance community, (ii) Responsiveness in terms of the objectives of ADB's recent initiatives such as "poverty focus", "results based management", and "inclusive growth", and (iii) The Implications for Results – both from ongoing projects as well as projects in the pipeline.

6. The Special Evaluation Study (SES) should be based on the review of the ADB's multi-sector operations in Indonesia mainly during 1999 – 2008, as the previous IED impact evaluation study on Urban Development and Housing Sector in December 1997, and WSS sector in Indonesia in September 1999. This will represent 66% of the multisector lending portfolio and 60% of non-lending multisector portfolio from ADB's multi-sector operations started in 1975. The CSPs and multisector (or Urban Development sector) strategies of Indonesia will be reviewed to evaluate the strategic focus and relevance to effective implementation and development impact of the multisector. The policy dialogue promoted by ADB and other key donors in the sectors through technical assistance and program loans will also be reviewed in the context of the incremental impact of improving the performance of the sector.

7. The SES will assess ADB's contribution to outcomes through a combination of perception assessments, data analyses, and literature reviews involving desk studies at ADB headquarters and field visits that are necessary to evaluate the project impact. The SES will undertake:

- a. Literature and secondary data reviews,
- b. Stakeholder perception surveys,
- c. Statistical analysis,
- d. Evaluation of completed projects through document review,
- e. Impact of policy-oriented ADTA and capacity building support, and
- f. Field visits to selected projects and geographical areas. This would allow validation of some of the key messages coming from the desk review.

B. Cross-cutting Themes

4. The following cross-cutting themes should be addressed in all sector evaluation (except in sectors where clearly and explicitly, those are not relevant). The cross cutting themes in each sector evaluation will be closely coordinated with the overview evaluation.

- (i) Capacity Building
- (ii) Governance (including fiduciary safeguards, anti-corruption)
- (iii) Environment including natural disasters
- (iv) Role of private sector
- (v) Civil society and non-government organization (NGOs), as partners and service providers
- (vi) Harmonization of development assistance, program coherence in the sector related to technical assistance, policy dialogues and engineering elements in urban and WSS sectors
- (vii) Results focus in aide programs (attention to results monitoring, evaluation, evidence-based policy systems)
- (viii) Gender
- (ix) Transaction costs

C. Special focus of the sector evaluations

Key issues that will be looked at in the SES Multisector (of Urban Services and WSS sector focus) will be as follows:

- (i) Did Multisector projects, since 1999, improve on the geographical and vertical integration to induce synergy effects as being "multi-sub-component projects"?
- (ii) Did the main subcomponents received adequate funding to achieve the original intended impact?
- (iii) Was there clear delineation and mandate for relevant government ministries and agencies so that there were no confusion and turf dispute in carrying out the implementation?
- (iv) Did the decentralization movement brought forward by the central government really provide boost to the "multisector" projects?
- (v) Did the PDAM and water supply tariff reforms recommended by donors community and endorsed by the Government came into reality?
- (vi) Did the participatory or CDD approach really came into effects in ADB projects, and enhanced in the impact achievement?
- (vii) Through the ADB intervention, did the assistance on unaccounted-for-water really made some consistent effects in the PDAM operations, and improve the financial sustainability?
- (viii) Did the balance between water supply and sanitation change or gradually there in the course of ADB's loans?
- (ix) Private Sector Participation (PSP) has been the key slogan until the Asian financial crisis hit the country in 1997, but there are some signs of revived enthusiasm. Are ADB support and the Government legal and physical environment conducive to the re-emphasizing this area in ADB operations in the sector?

Additional questions will be as follows:

- (i) One of the projects Loan 1511: Metropolitan Bogor, Tangerang & Bekasi Urban Development (Sector) Project has been evaluated by IED earlier this year. Some of the issues and problems need to be verified by looking at other projects in the same country, by comparing the change of impact from the same and different attributes. One of the issues are the decision making power between the central government and the CPMU in West Java Province.
- (ii) Whether there is Indonesian specific attributes for challenges in the environmental impact assessment and preparation of resettlement plan, which leads to project implementation delays. The SES tries to explore corrective measures and suggestions for improvement.
- (iii) Water and sanitation tariff increase projection and affordability against other public services (e.g. electricity and telecommunication), water increase approval mechanism, and effectiveness of newly introduced sectoral regulatory system and any reviving of meaningful private sector participation in the WSS sector.
- (iv) Project monitoring system in Indonesia and perception and reality surrounding ADB and other donors' efforts in establishing development impact monitoring and evaluation system.

D. Timing and Main Deliverables

5. For the International Urban Development Economist and Indonesia-based domestic consultants (the three consultants will be termed as “Consultant Team” hereafter), the period of data and documents collection, preliminary perception surveys, and field observation to selected site visits are from July to August. ADB IED staff and Evaluation Research Associate will also assist the Visiting Consultants for data and documents collection from central files, Resident Mission and SERD. International Consultant and Manila-based Research Associate will draft the perception survey to be sent in July to past Project Directors and MoC officials for how they perceived and implemented the ADB Multi-sector projects in the past, and what are the lessons learned for future projects. Based on extensive review of past project files and PPR and other database available at HQ, plus interviews to Regional Department staff, the Manila-based consultants (both international and domestic) will list difficulties and challenges faced by target projects, major questions and investigation points, and priority project towns to be visited should be compiled and presented as Inception report within 2-3 weeks assuming the post in Manila. Based on the desk-review, draft initial report on major findings will be drafted by the third-fourth week. Based on reaction from SERD and IED management, the International Consultant and the IED staff will plan their visit to Indonesia during the second – fourth week of August 2009. During the July, Indonesia-based domestic consultants will help the Manila-based with needed information, data, and follow-up on perception surveys and arranging the scheduled visits for Indonesia field trips and surveys. The draft final SES report (or consultant write-up contribution) should be compiled and sent to IED by the first week of September. The international Urban Development Economist will lead and coordinate the compilation of the draft SES reports.

E. Organization of the main report output

6. The output will be a concise main report (expected length of around 30 pages) with appropriate use of annexes, and a summary of not more than four pages. The main text should be formatted in the following structure, but general guidance should be under the ADB’s Guidelines for the Preparation of Country Assistance Program Evaluation Reports (February 2006) for the structure and the flow of the discussion:

- (i) **Introduction:** purpose of the evaluation, country context, background to the sector, importance of the sector
- (ii) **The development context and government priorities:** short description of the basic context within which ADB’s urban and WSS sector strategies and programs were developed, country’s economic and social situation, and short overview of program formulation.
- (iii) **Urban and WSS sector strategy and program:** description of ADB’s urban and WSS programs in the CSPs covered under the SES, assessment of partnership with other donors on coordination and resources mobilization. Characteristics of ADB inputs and sector and thematic coverage (evolving strategy, lending and non-lending programs, supporting assistance).
- (iv) **Program implementation – results achieved and performance:** This is in terms of relevance, effectiveness, efficiency, sustainability and impact.
- (v) **Performance assessment:** An overall sector program performance assessment is made and a concise summary of the principal factors will be provided.
- (vi) **Conclusions, lessons, and recommendations:** Relevance and position of ADB programs in the sector, efficiency, effectiveness, and sustainability of outcomes; special impacts, recommendations that will have a direct impact on future ADB operations in the sector.

F. Confidentiality

7. All evaluation staff and consultants working on the sector evaluation will be bound by the confidentiality requirements of ADB, other donors and the Government (if any sensitive information is obtained).

G. Disclosure

8. The consultant report should be prepared to a standard content and form that would permit IED to share with the government (other donors if requested) and subsequent disclosure. Such disclosure would depend, however, that the evaluation meets reasonable evaluative and professional standards.

H. International Consultant: Urban Development Economist

9. **Key Qualifications.** The assignment requires a qualified and experienced urban planning and finance expert with a minimum of 12 years of experience in the field. Extensive experience in Asia is required, particularly in Southeast Asia is preferable. Ability to work under pressure and tight deadlines is a must. Experience with water supply and sanitation projects with international development assistance is must, particularly with multilateral financing institutions.

10. **Inputs.** The total duration of the assignment is 2 months or 60 calendar days; 3 weeks will be spent in Indonesia and 5 weeks (on intermittent basis) in the consultant's home base.

11. **Scope.** A mainly bottom-up assessment of program performance in the sectors of urban development and water supply & sanitation (including those categorized under WSS, Multi-sector and a few in Law, Economic Management and Public Policy), and feed-in contribution (i.e. document categorization, data recording and major findings listing, conducting interviews and discussion with other donors active in Indonesia urban and WSS sector) for top-down assessment for the sectors relevant.

12. **Duties and Responsibilities.** Under the formal guidance of the team leader, the consultant will provide technical and intellectual leadership in the evaluation. A main focus will be the assessment of ADB projects and approach in terms of its relevance and positioning, Multisector program contribution to (i) Relevance, (ii) Responsiveness and (iii) Implication for Results. The duties will include, though not be limited to, the following (timing and deliverables are already listed under para 5 of Section D):

- (i) Assist the IED Senior Evaluation Specialist (Mission Leader) in carrying out a rapid sector assessment and advise on the workplan for the evaluation, and help guide the domestic consultant(s/firm);
- (ii) Prepare a Inception report for IED based on a review of ADB documents related to the Project, including the Report and Recommendation of the President, appraisal report, loan and project agreements, back-to-the-office reports of review missions (BTOR), Project completion report, consultant report outputs, and IEM findings (PPER and SES).
- (iii) Assist the Mission Leader in the review of ADB-financed urban development and WSS-related loans and technical assistance;
- (iv) Prepare for the IEM by reading a number of documents supplied by IED and going through files in ADB's resident mission in Jakarta (if not available at HQ);

- (v) Carry out a rapid sector assessment by formulating the questions to be used in the key informant interviews, focus group discussion/beneficiaries' perception survey: in consultation with the Team Leader, select and plan the itinerary for the observation visits to some of the Project towns (the initial aim is to cover at least one or two towns in Java and Sumatra each;
 - (vi) Prepare and organize focus group discussion (FGD) interviews in the visiting towns, as required, to discuss with Executing Agencies (EAs) and other government and non-government entities, development issues and concerns, including outcome and impact of ADB assistance before being fielded in Indonesia, and once arriving in Indonesia, provide guidance and quality control on the data collection and analysis;
 - (iv) Identify institutional issues affecting the implementation the Project based on a review of project implementation documents, evaluation reports, and feedback from relevant Government entities, EA and project staff;
 - (vii) Identify critical factors affecting EA capacity and performance in urban areas at central, provincial government and project implementing unit (including WSCs), and related Government capacity development efforts at the individual, organizational, networking and policy levels;
 - (viii) Conduct assessment of technical components before the main IEM arrives, record and brief all major developments with completed and ongoing projects, coordinate and join the main IEM mission for policy discussion and sector-specific common lessons to be learned in the sector, and contribute and assist the preparation of a mission Aide Memoire submitted to the Government of Indonesia by the end of the IEM;
 - (ix) Assess how ADB's operations have contributed to socio-economic development, environment, governance and decentralization efforts in Indonesia;
 - (x) draft a framework and main discussion points for assessing the development effectiveness of urban and WSS sector intervention;
 - (xi) Coordinate and lead the preparation of Workshop(s) which will invite past project team leaders, MPW, MOIA and other relevant ministry officials, and MOF/BAPEENAS for provisional Independent Evaluation Mission findings and the expected SES report conclusions. The workshop is expected to happen in the eighth week of the Consultant Team's visit in Indonesia before the team's departure from Indonesia; and
 - (xi) Prepare reports on findings to an outline agreed with the IEM team leader, Evaluation Officer and evaluation in a prescribed format (more info under paragraph 5); Coordinate and lead the task of SES report drafting in the agreed format and style. The structure of the report is to follow that of IED's standard SES and the contents is to follow that of IED's guidelines on CAPE.
 - (xii) Perform other tasks as required by the Evaluation Team Leader in the context of the SES.
13. **Reporting Relationship.** The consultant will report to the Mission Leader for the SES.
14. **Output.** The consultant will deliver a final report in hard and soft copy.
15. **Timing and Duration of the Assignment.** The consultant is expected to start on 29 June and complete the assignment by latest 10 September 2009. The contract will be on intermittent basis.

I. Domestic Consultant - Indonesia: (i) Water Supply and Sanitation Consultant, and (ii) Urban Development Sector Specialist

16. **Key Qualifications.** The assignment requires a qualified and experienced, respectively for (i) WSS specialist and (ii) Urban Development Specialist with a minimum of 15 years of experience in the field, with special attention to issues related to financing of urban investment, governance and safeguards. Extensive experience in Indonesia's Urban Development and WSS sectors is required; particularly experience in the international development assistance activity is desirable, with some knowledge of ADB procedures and practices.

17. **Base Station.** Jakarta, Indonesia.

18. **Inputs.** For the **Domestic WSS Specialist**, the total duration of the assignment is 2 months or 60 calendar days; 3 weeks (21 days) will be spent in outside Jakarta in Indonesia and 5 weeks (on intermittent basis) in the consultant's home base. For the **Domestic Urban Development Sector Specialist**, the duration is 3 weeks in Jakarta.

19. **Scope.** The consultants will conduct mainly the bottom-up evaluation of ongoing and completed ADB projects, including a mainly bottom-up assessment of program performance in the sectors of urban development and water supply & sanitation (including those categorized under Multi-sector and Law, Economic Management and Public Policy) in Jakarta and outside: with added attention for issues relating to urban infrastructure financing, governance, and safeguards (environment, indigenous people and resettlement). Some other projects of main development partners will also be reviewed.

20. **Duties and Responsibilities.** Under the formal guidance of the mission leader, the consultant will engage on the following (though not limited to) duties:

J. Detailed Terms of Reference for (i) Domestic Water Supply and Sanitation Consultant and (ii) Domestic Urban Development Sector Specialist

21. The tasks of the domestic consultant would be the following:

- (i) Familiarization with the evaluation.
- (ii) Preparation for a field trip of ADB projects and the projects of other agencies those are relevant to the subject.
- (iii) Assessment of importance of ADB program in the urban/WSS sector in light of the overall public services, public hygiene and health, livelihood at municipality level situation in the country.
- (iv) Assessment of (likely) relevance, efficiency, effectiveness, sustainability, and impact of ADB interventions in the sector those were ongoing in the period 1995-2008, and to a lesser extent of overall donor's aid in the sectors.
- (v) Assessment of issues in the sector such as capacity building, governance, environment, role of private sector, civil society and NGOs, program coherence, results focus in aid programs (attention to results, monitoring and evaluation, evidence-based policy systems), gender, and transaction costs.
- (vi) Obtaining views from Government staff and Provincial/Municipal officials on ADB's program and other donors that are active in the target sectors. Assess and compare issues if harmonization and alignment, conformity between international practice and Government standard and procedures.

- (vii) Actively contribute and supervise (formulate, distribute and collect) the perception questionnaire/surveys to the EA, consultants and beneficiaries associated with the selected projects.
 - (viii) Assessment of the performance of ADB and the Government in relation to the ADB funded projects, TAs and other assistance (including RETA, SSTA workshops and seminars), and in relation to the performance of some other major donors.
 - (ix) Presentation of the preliminary findings, observation points particularly on technical/engineering elements (including referral to Government's standard regulation and yardsticks) at the end of visits and IEM missions.
 - (x) Preparation of a final report including a set of issues, lessons, and recommendations for the SES.
 - (xi) Incorporation of comments on the final report from the mission leader and resubmission to ADB.
 - (xii) Prepare for the IEM by reading a number of documents supplied by IED prior to the start of the field missions (3 days).
 - (xiii) Search and collect all necessary government data and statistics relevant to indicators which should have been collected in the BME reports but not been gathered during the Project implementation period. Visit and collect all relevant statistics at town-disaggregated level on public health, socio-economic survey, water supply and sanitation, and PDAM financial standing (including tariff, revenue and NRW data)
 - (xiv) Focus on the water supply and sanitation components of the Project in the towns to be visited, gather views of beneficiaries, and conduct visits to the urban public services stakeholders. The consultant will help support the IED staff and International consultant in prioritizing the towns to be visited, and logistical coordination of visits and observations, including local transport and accommodation arrangements, and the preparation of the Workshop.
 - (xv) Overall coordination for the local survey, key informant interviews, and Focus Group discussions.
 - (xvi) Act as translator for the IEM mission members, when in need of local translation between English and Bahasa-Indonesia during meetings, and analysis of reports and findings.
 - (xvii) Prepare report or parts of draft SES reports, or appendices for the SES report, especially in the area of technical outputs and impact of the selected projects and visited towns. The latest submission should be before the Workshop takes place in Indonesia, where major findings will be presented to the stakeholders. The structure of the report is to be determined in consultation with the mission team leader, in consultation with the International Urban Development Economist.
 - (xviii) Perform other tasks as required by the Evaluation Team Leader in the context of the SES.
22. **Reporting Relationship.** The consultant will report to the Mission Leader for the SES.
23. **Output.** The consultant will deliver a final report in hard and soft copy.
24. **Timing and Duration of the Assignment.** The consultant is expected to start on 29 June and complete the assignment by latest 10 September 2009. (The contract will be on intermittent basis)

K. IED Research Analyst/Evaluation Officer (for background studies and support to the Mission)

25. **Qualifications Required.** The research analyst should have a master's degree, experience with quantitative analysis of project documentation, and preferably a good understanding of ADB systems and procedures.

26. **Duty Station.** Manila, ADB Headquarters, and if the IEM mission requires additional support for visits and focus group discussion, the Evaluation Officer will join the mission in Indonesia.

27. **Inputs.** The total duration of the assignment is 2.5 months in intermittent basis.

28. **Scope and Reporting Relationship.** The main task will be to collect and analyze information from internal ADB reports regarding the urban sector and WSS in Indonesia. This will be done under the guidance of the Mission Leader.

L. Terms of Reference for Domestic Evaluation Research Associate - Manila

29. **Key Qualifications.** The domestic evaluation assistant analyst should have a master's degree (preferably in Economics), experience with quantitative analysis of project documentation, and preferably a good understanding of ADB systems and procedures.

30. **Inputs.** The total duration of the assignment is 2 months or 60 calendar days; in Manila.

31. The tasks of the domestic assistant would be the following:

32. **Reporting Relationship.** The consultant will report to the Mission Leader for the SES.

33. **Output.** The consultant will deliver a final report in hard and soft copy.

34. **Timing and Duration of the Assignment.** The consultant is expected to start on 22 June, and complete the assignment by latest 25 September 2009. (The contract will be on intermittent basis.)

- (i) Source relevant ADB program and project documents;
- (ii) Assist team leader and the coordinating consultant in carrying out supplementary analyses of reform and portfolio issues as needed;
- (iii) Assist team members in sourcing ADB data and documents;
- (iv) Assist in mapping sector outputs and outcomes of ADB assistance;
- (v) Assist in the administration of consultant and translator contracts (especially in Indonesia);
- (vi) Undertake other assignments related to the SES, as required by the team leader.