

SUPPLEMENTARY DOCUMENT 5

EXPERTS REQUIRED TO INITIALLY SUPPORT INFRASTRUCTURE FINANCING AND PLANNING ACTIVITIES

Expert	Indicative Tasks
National Municipal Bond Specialist	<ul style="list-style-type: none"> • Review all the necessary legal documents (e.g. the bond prospectus and term sheet) and perform financial due diligence of specific subnational governments (SNGs) • Assess the state of readiness of SNGs to issue municipal bonds following review of required regulations of Indonesia Stock Exchange (IDX), Indonesia Central Securities Depository (KSEI) and Otoritas Jasa Keuangan (OJK) • Support SNGs for the stages of bond issuance namely: (i) pre-launch: structuring, appointment of parties including legal counsel and lead managers, review of legal documentation and due diligence; (ii) launch: term sheet, fees, informing clearing systems and listing authority, negotiating the terms of the issue; and (iii) issue, signing and closing
International and National Infrastructure Finance Specialist(s)	<ul style="list-style-type: none"> • Undertake a detailed diagnostic exercise to determine the expansion of political (and other) risk guarantee products and their value-addition in the Indonesian market from the perspective of existing lenders, borrowers (project special purpose vehicles) and sponsors • Review new government regulations and initiatives to determine the scope for non-bank infrastructure financing institutions (NBFIs) to expand their capabilities and provide long term infrastructure financing • Following detailed analyses of possible structures, provide options on how the guarantees may be implemented (e.g. for support during the lifetime of the project cycle including the construction phase, support from commercial operations date only) • Assess market perception of new guarantee products in terms of: (i) liquidity of the capital markets; (ii) appetite of institutional investors for investing in credit-enhanced bonds; and (iii) capacity of rating agencies to support them • Provide detailed guidance and implementation requirements for pricing methodology and structuring of guarantees • Provide detailed implementation requirements to NBFIs for risk management criteria in line with global standards • Provide detailed guidance and implementation requirements to NBFIs on internal controls and risk management tools required to standardize guarantees in the local market • Provide structuring expertise to NBFIs for shadow, pilot and actual transactions • Provide detailed implementation expertise on loan (and other debt instrument) documentation required to support NBFIs

Expert	Indicative Tasks
	<ul style="list-style-type: none"> • Review existing capital market products and provide recommendations on additional products along with their structures that can be introduced into the domestic market • Analyze hedging instruments including foreign exchange and interest rate swaps available and recommend products that will be required to increase foreign investment in infrastructure projects • Provide concrete recommendations on reforms that ADB can support in this space over the next 3-4 years • Review constraints and potential for ADB lending to subnational governments and utilities at local government level
International and National Housing Market Specialists	<ul style="list-style-type: none"> • Analyze the housing landscape, identifying key suppliers or builders of various types of housing and the role of public and private institutions • Analyze factors responsible for weak outreach to lower-end housing segments • Undertake analysis of income streams of lower-end borrowing categories in the housing sector (agricultural workers, industrial workers, construction and migrant workers, etc.) • Provide design of housing schemes for specific housing categories (above) based on an analysis of income streams • Provide comparative analysis between existing housing products (schemes) and new proposed schemes • Provide ballpark estimates of potential expansion of housing finance based on availability of new housing finance products • Assess potential and capability to absorb ADB line of credit or co-financing options
International Risk Management Expert (Housing)	<ul style="list-style-type: none"> • Analyze housing finance landscape • Provide risk analysis of portfolio of existing low-income housing assets of specialized housing financiers • Provide guidance on optimal portfolio diversification models to de-risk low-income housing pools for sale to secondary mortgage financiers • Study the past issuance of mortgage backed securities by secondary housing mortgage financiers to understand the challenges and potential to increase volume of securitization. • Evaluate risk mitigation options for securitized bonds • Provide guidance on percentage of risk cover on asset pools potentially provided by primary lenders for sale of asset pools to secondary mortgage financiers for further developing securitized bonds/ covered bond issuances based on risk covered asset pools

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	<ul style="list-style-type: none"> • Provide risk based financial model on risk coverage required for securitized or covered bond type issuances, with underlying low-cost housing assets • Examine scope for ADB re-guarantee facility to partially cover risk exposure to guarantors on account of exposure to low-income housing assets
National Contingent Liability Management Expert	<ul style="list-style-type: none"> • Evaluate requests for government guarantee • Review drafts of loan and guarantee agreements, including supporting the negotiation of guarantee terms to mitigate risks • Monitor state-owned enterprises (SOEs) and project performance through risk mitigation plans submitted by SOEs • Monitor Indonesia Infrastructure Guarantee Fund (IIGF) and other infrastructure financing SOEs related to their financing capabilities including guarantees • Review drafts of regulations related to provision of government guarantees for infrastructure projects and other regulations to strengthen fiscal risk management arising from government support to infrastructure projects • Review and update valuation of fiscal risk sources arising from government support to infrastructure projects and reflect associated risks in annual fiscal risk assessments
International Islamic Finance Structure Specialist	<ul style="list-style-type: none"> • Provide input to recommendations based on best practices in other countries with more developed Islamic finance sectors • Provide analysis on how green corporate sukuk can play a role in infrastructure finance based on experience in other countries • Lead preparation and coordination of study visit to a country with more developed Islamic finance/corporate sukuk market • Provide advice on structuring of green corporate sukuk for infrastructure finance, including the potential role for ADB to develop lending products
National Islamic Finance Specialist	<ul style="list-style-type: none"> • Review relevant laws and regulations related to Islamic finance in particular green corporate sukuk and identify gaps and provisions that may hinder development of the market • Lead and coordinate engagement with domestic private sector at least once every 2 months to understand challenges for sukuk issuance and development of green corporate sukuk market • Develop simulation to understand cost of issuance and tax implications for green corporate sukuk issuances

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	<ul style="list-style-type: none"> • Provide policy advice on issues related to Islamic finance, particularly on the enabling regulatory environment for green corporate sukuk market • Support Ministry of Finance (MOF) and OJK to draft regulations to develop corporate sukuk, including on issues of tax neutrality as necessary • Provide input to international consultant on local characteristics that may impose challenges for the use of corporate sukuk and green sukuk for infrastructure finance (including analysis of the green bond [sukuk] regulations issued by OJK in 2018) • Provide advice and recommendations to MOF and OJK on relevant areas for the development of Islamic finance as necessary
International and National Disaster Risk Insurance Specialists	<ul style="list-style-type: none"> • Support establishment and operations for disaster risk insurance pooling fund in at least one of the following areas: (i) SNG asset evaluation, (ii) catastrophe modelling, (iii) financial structuring, (iv) economic and actuarial modelling, and (v) reinsurance procurement • Organize ongoing training and workshops to strengthen capacity of SNG officials in disaster risk insurance
National Gender Specialist	<ul style="list-style-type: none"> • Review gender policies and plans/legal framework, and provide gender responsive recommendations, as necessary • Assist executing agency and/or implementing agency to integrate gender responsive design features in the physical and non-physical component of projects • Organize/facilitate meetings, public consultations and focus group discussions with relevant government agencies, women and men in local communities, nongovernment organizations and development partners to obtain inputs on issues and the needs of women • Assess and identify potential gender-differentiated impacts of the project • Collect sex-disaggregated baseline data that could be used to monitor potential project gender benefits and impacts. • Provide necessary support to the executing agency and/or implementing agency for Gender Action Plan (GAP) implementation, including orientation and training on gender and the GAP • Provide training for project staff at all levels on implementation of GAP activities and maintain the desired level of gender awareness. • Conduct regular field visits to monitor GAP implementation, collect data reflecting progress on GAP targets and indicators, and prepare progress reports

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National Disability Specialist	<ul style="list-style-type: none"> • Review policies and plans/legal framework and provide recommendations to expand inclusion of disabled populations • Identify disability related issues in activities and subprojects • Organize/facilitate meetings, public consultations, focus group discussions with relevant government agencies, disabled persons' organizations, nongovernment organizations, and development partners to obtain inputs on issues and the needs of people with disability • Assess and identify the different needs of people with disability • Collect baseline data that could be used to monitor the potential project benefits and impacts on people with disability • Assist the executing agency and/or implementing agency to integrate accessibility design features in infrastructure projects • Provide training and briefing on disability related issues for project staff, the executing agency and/or implementing agency
International/National Safeguards Specialists	<ul style="list-style-type: none"> • Provide support in strengthening existing safeguards divisions in key agencies • Prepare capacity development program related to protection of biodiversity and management of hazardous waste and pollution • Prepare strategy for increasing number of qualified national safeguards experts • Prepare proposal for civil society organizations' capacity development in safeguards preparation and implementation • Undertake assessment to promote the use of international safeguards standards and practices for the Ministry of Public Works and Housing and Ministry of Transportation • Support the establishment of geographic information system for monitoring safeguards • Assess current laws and regulations related to Indigenous Peoples safeguards, and provide gap filling measures that can be addressed by relevant agencies
International and National Procurement Experts	<ul style="list-style-type: none"> • Propose improvements to draft procurement law with a focus on sustainable procurement and PPPs • Prepare implementation strategy of e-government procurement systems reflecting user needs, requirements for interoperability with other systems, security and sustainability plans • Review the overall capacity development roadmap, including current e-learning system and other capacity

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	development systems, and develop action plans and recommendations for enhancement
International and National Energy Sector Experts	<ul style="list-style-type: none"> • Provide support to Ministry of Energy and Mineral Resources to ensure update of strategic energy sector plan (RENSTRA) and improve delivery and implementation of energy policies • Using Reference Electrification Model, train Bappenas, Ministry of Energy and Mineral Resources and PLN in planning and implementing grid extension, mini-grids, and solar home systems to fully electrify Indonesia on a least-cost and high sustainability basis • Provide support to electricity system planning including through support for strengthening Electricity Supply Business Plan (RUPTL)
International and National Transport Sector Experts	<ul style="list-style-type: none"> • Conduct initial assessment of (i) feasibility of select railway projects in the national railway masterplan, based on the available data, site visits and discussions with Directorate General Rail (DGR) and relevant provincial governments, (ii) social and economic impact of such railway projects in accordance with applicable laws and regulations and ADB's Social Safeguard Policy (2009), (iii) alignment of such railway projects with operational priorities of ADB's Strategy 2030, and (iv) potential of mobilizing private financial resources for construction, operations and/or maintenance of such railway projects • Summarize findings with recommendations on further studies, surveys and required inputs to prepare the select railway projects • Conduct training sessions for DGR on the planning and preparation of investment projects
International and National Water Resources Experts	<ul style="list-style-type: none"> • Provide support to Directorate General of Water Resources (DGWR) to ensure update of strategic sector plan (RENSTRA) and to improve delivery and implementation of water security program • Work with DGWR on planning of land acquisition and resettlement towards improved implementation of water resources infrastructure development • Support DGWR in advancing preparation of ADB-funded investments in the sector, including recommendations on further studies, surveys, and strategic planning • Analyze potential for private investments for water resources development, with a focus on raw water supply
International and National Urban Sector Experts	<ul style="list-style-type: none"> • Undertake a review of existing initiatives using big data as well as geospatial data for infrastructure and urban sector planning in Indonesia (particularly within the framework of

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	<p>smart cities) and map the key stakeholders for data provision and utilization</p> <ul style="list-style-type: none">• Identify relevant regulatory and institutional frameworks for use of big data• Identify possible gaps and entry points for complementary work by ADB to enhance the use of big data for infrastructure planning in urban sector and prepare recommendations for relevant ministries and government agencies• Recommend how ADB can support usage of big data for urban sector planning (including support to technical, financial and institutional aspects) over the next 3 years through its loans, grants and technical assistance support