

SBF Project Implementation Monitoring Report Indonesia: National Slum Upgrading Project

1. Project Information

Project Name:	Indonesia National Slum Upgrading Project	Project No:	000004
Region/Country:	Southeast Asia / Indonesia	Sector(s):	Urban
Year of Approval:	FY 2016	Financing Type:	Loan
Financing Instrument:	IPF	Co-financier(s):	IBRD
Project Team Leader:	Sangmoo Kim	Implementing Agency:	MPWH
Field Visits	Feb 8 – Mar 9, 2017 Nov 9 – Dec 12, 2017 Jul 30 – Sep 7, 2018 May 1 – 15, 2019 (planned, mid-term review)		

2. Project Objective

To improve access to urban infrastructure and services in targeted slums* in Indonesia.

**The project covers 154 cities (including DKI Jakarta) in the central and eastern parts of the country.*

3. Key Dates

Loan Approval:	June 24, 2016	Loan Signing:	September 1, 2016
Effectiveness:	October 11, 2016	Restructuring (if any):	n/a
Orig. Closing:	March 31, 2022	Rev. Closing (if any):	n/a

4. Disbursement Summary

Approved Commitment:	USD216.5 million	Rev. Commitment (if any):	n/a
Total Disbursed Amount:	USD70.9 million	Most recent disbursement: (amount and date)	USD15.7 million (February 2019)
Undisbursed Balance:	USD145.6 million	Disbursement Ratio:	32.7%

5. Project Implementation Status

Overall progress towards achieving the project objective is on track. As of April 3, 2019, disbursement stands at 32.7% and is expected to catch up to the original projections in late 2019 once the city-level infrastructure works are commenced.

Most of the intermediate result indicators are being achieved, though a number of indicators were highlighted in September 2018 as needing special attention by MPWH/PMU: (i) #2.1: % of LGs that have completed SIAPs which have been approved (gap of 67 LGs until target); (ii) #2.2: % of kelurahans which have CSPs consolidated with SIAPs (gap of 2,309 kelurahans); (iii) #3.1: No. of cities which have completed 80% of primary/secondary infrastructure (gap of 20 LGs); (iv) #3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented (gap of 611 kelurahans – slums and non-slums); and (v) #4.1: % of LGs that have a project monitoring structure and provide regular project information (gap of 46 LGs).

Community Settlement Plans (CSPs), which have been integrated into the SIAPs, have been prepared in 1,991 kelurahans. Procurement for two packages of primary and secondary infrastructure (Component 3.1) is completed in two locations, with preparation of construction in 18 locations, totaling USD14.7 million, expected to begin implementation in 2019. 18 further locations, totaling USD13.4 million, are still preparing the DEDs with procurement

to begin in 2019. The provision of block grants for tertiary infrastructure (Component 3.2) have been allocated to 1,104 kelurahans. As of February 25, 2019, results indicators for water and sanitation had achieved 57 percent and above 100 percent of the 2018 target, respectively. Roads, solid waste and drainage stood at 53, 41 and 48 percent, respectively.

NSUP's Mid-Term Review was initially scheduled for June 2018. However, it was agreed between the Government and the World Bank to postpone the mid-term review to May 2019. The Government of Australia has provided a grant (parallel financing) of AUD10million (USD7.8 million) to support the implementation of NSUP, of which USD5.5 million will be Government Executed.

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Institutional Development and Policy Development (USD1.0 million)	National, Provincial, Local TFs. Database. (on track)	n/a	n/a	n/a
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 million)	Preparation and approval of SIAPs and CSPs (on track)	n/a	Mobilized urban planners and community facilities to help finalize SIAPs, DED, CSPs.	n/a
Component 3: Urban Infrastructure and Services Investment Support (USD155.0 million)	Primary/secondary infrastructure in 2 locations, tertiary infrastructure in 989 kelurahans (partly delayed)	The compliance with ESMF of proposed sub-projects needs to be verified.	n/a	Standard Operating Procedure for spot checking FM at community level finalized; to be conducted once OSPs are contracted.
Component 4: Implementation Support and TA (USD21.5 million)	n/a	The current SIAPs have not properly incorporated safeguards issues; capacity building and monitoring of safeguards needs to be significantly strengthened.	Procurement of NMC, OSPs and TMCs completed. ¹	FM weaknesses at community level and with regards to OSP payment verification. Overall rated as Moderately Satisfactory.
Component 5: Contingency for Disaster Response	Component 5 activated through Gol request in response to earthquakes/tsunami in Lombok and Central Sulawesi	Emergency Response Operations Manual (EROM) prepared	EROM detailing eligible expenditures, procurement policies and implementation arrangements	EROM detailing applicable FM arrangements to be followed for implementation of Component 5

¹ National Management Consultants (NMCs); Oversight Service Providers (OSP); TMCs (Technical Management Consultant)

6. Status of the Grievance Redress Mechanism (GRM)

As of February 25, 2019, complaints recorded are 16,560 with 99 percent resolved. 98 percent of complaints were received during face-to-face community meetings, and 99 percent were categorized as informative (questions, seeking clarifications and suggestions). The complaints handling mechanism operational guidelines were completed, targeting the recategorization of complaints to facilitate analysis and avoid misinterpretation. Subsequently, the Complaint Handling Application is being developed based on these new categories.

7. Results Monitoring

Project Objective Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
#1: No. of People provided with improved infrastructure	0	-	-	2,900,000	1,572,564					9,500,000	
#2: Slum Area Alleviated (Ha)	0	-	-	2,200	TBC ²					7,800	
#3: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)	0	-	-	60	TBC					80	
#4: % of complaints resolved	0	-	99	80	99					90	
#5: Establishment of functional TFs at local level (% of LGs)	0	30	76	60	90	70		80		90	
#6: Direct project beneficiaries (Number)	0	-	-	3,000,000	1,246,888	6,000,000				9,700,000	
Intermediate Result Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
#1.1: Establishment of functional TF at national level (Yes/No)	-	-	-	-	Yes					Yes	
#1.2: Establishment of slum inventory database	-	Yes	Yes	Yes	Yes					Done /Updated	
#2.1: % of LGs that have completed SIAPs which have been approved	0	30	56	60	57	70		80		90	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	0	50	59	70	93	80		90		90	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	0	-	-	20	2	30		35		40	
#3.2: No. of kelurahans that have completed 90%	0	1,400	45	1,600	1,104	2,000		2,200		2,500	

² The mid-term survey will be carried out in the 2nd quarter of 2019.

of tertiary infrastructure implemented											
#3.3: % of good quality infrastructure	0	-	-	80	98			90		90	
#3.4: % of infrastructure built that is fully functioning ³	0	-	-	-	84	-	-	-	-	70	
#4.1: % of LGs that have a project monitoring structure and provide regular project information ⁴	0	20	TBD	30	80	50		60		70	
#4.2: % of kelurahans with completed annual financial audits	0	80	98 ⁵	80	99	90		90		90	

³ No target was set until the final year. Despite this, PMU will develop an SOP to regularly monitor the functionality of infrastructure built.

⁴ The monitoring structure has yet to be developed and agreed with local governments, as part of the MIS.

⁵ Not all kelurahans received grants for 2016-2017. Thus, financial audits were only done by those who received the grants. The figures for financial audit 2017 and 2018.