

SBF Project Implementation Monitoring Report

Indonesia: National Slum Upgrading Project

1. Project Information

Project ID:	000004	Investment Number:	L0004A
Member:	Indonesia	Region:	South-Eastern asia
Sector:	Urban	Sub-sector:	Urban Infrastructure
AIB Financing Type:	Loan: 216.5 USD million	Co-financier(s):	WB-led
E&S category:	B	Borrower:	Republic of Indonesia
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Ministry of Public Works and Housing		
Project Team Leader:	Sangmoo Kim		
Project Team Members:	Michaela Sara Bergman, Principal Social Development Specialist Chongwu Sun, Sr. Environmental Specialist Yangzom Yangzom, Procurement Specialist (Operations) Yi Geng, Sr. Financial Management Specialist Haiyan Wang, Sr. Finance Officer Anne Ong Lopez, Young Professional		
Completed Site Visits by AIB:	Feb, 2017 Feb 8 – Mar 9, 2017 Nov, 2017 Nov 9 – Dec 12, 2017 Jul, 2018 Jul 30 – Sep 7, 2018 May, 2019 May 13– Jun 14, 2019 Aug, 2020 Aug 10 – Sept 30, 2020 Oct, 2020 Oct 20 – Nov 12, 2020 (virtual)		
Planned Site Visits by AIB:	Dec, 2021 Dec 2021		

2. Project Summary and Objectives

The overall project objective is to improve access to urban infrastructure and services in targeted slums* and to reconstruct and strengthen public facilities and settlements in selected disaster-affected areas in Indonesia. The Project is part of the well-developed national program called KOTAKU with USD1.42 billion (AIB financing: USD216.5 million, 15.2% of the total cost).

The Project consists of the following five components:

- Component 1: Institutional and Policy Development.
- Component 2: Integrated Planning Support and Capacity Building for Local Governments and Communities.
- Component 3: Urban Infrastructure and Services in Selected Cities.
- Component 4: Implementation Support and Technical Assistance.
- Component 5: Contingency for Disaster Response, also referred to as the Contingent Emergency Response Component (CERC).

3. Key Dates

Approval:	Jun. 24, 2016	Signing:	Sep. 1, 2016
Effective:	Oct. 11, 2016	Restructured (if any):	Sep. 18, 2020
Orig. Closing:	Mar. 31, 2022	Rev. Closing (if any):	Dec. 31, 2022

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	216.5	b) Cancellation (if any):	
c) Disbursed:	145.6	d) Most recent disbursement: (amount / date)	8.9, Feb. 1, 2021
e) Undisbursed:	70.9	f) Disbursement Ratio(%) ¹ :	67.3

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The project is on track to achieve all end of project targets for key performance indicators and intermediate results. To date, 6.7 million of people have been provided with improved infrastructure, 6,787 hectares of slum areas have been improved, and 86% of local task forces for slum alleviation have been established and are functioning. The project change (to extend the loan closing date and reallocate disbursement categories to respond to COVID-19) was completed on September 30, 2020. Given the improved likelihood of achieving the Project Development Objectives (PDO) by the revised loan closing date, the World Bank has upgraded PDO rating to "Satisfactory".

The results indicators under Component 1 have been achieved. Some modifications need to be made to Component 1 activities due to the COVID-19 restrictions, e.g., the use of virtual methods in place of face-to-face meetings and socialization. For Component 2 (Community and Local Government Capacity Building), Slum Improvement Actions Plans (SIAPs) are well progressing in cities/regencies, and will exceed the expected KPI for 2020.

For Component 3 (Infrastructure Investments), overall implementation of infrastructure investments has shown good physical and financial progress. For Component 4 (Technical Assistance), various technical assistance packages – comprising consultant packages as well as non-consulting packages procured by the MPWH and Bappenas – are being implemented.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Institutional Development and Policy Development (USD1.5 M)	Activities by CCMU Bappenas in policy development, capacity strengthening of local governments through Local Task Forces, and policy studies completed; Ministry of Agrarian and Spatial Planning (MASP) formally assigned as a new PIU	n/a	Consulting firm to develop an implementation strategy for slum alleviation initiatives hired by CCMU
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of SIAPs (86% of LGs) and CSPs (95% of kelurahans) (on track)	n/a	n/a
Component 3: Urban Infrastructure and Services Investment Support (USD113.0 M)	Completion of construction of primary and secondary infrastructure sub-projects by 40 cities by end-2021; cash-for-work construction activities ongoing in 190 kelurahans in 63 cities with an average physical progress of over 80% (on track)	Incorporation of principles of universal design as described in Permen PUPR No. 14/2017 needs to be ensured in all sub-projects by the PMU	5 sub-projects completed, 14 under construction, 4 under procurement and 17 under preparation out of estimated 43 sub projects.
Component 4: Implementation Support and TA (USD21.5 M)	n/a	n/a	Procurement of NMC, OSPs and TMCs completed.
Component 5: Contingency for Disaster Response (USD41.5 M)	Component 5 activated through Gol request in response to earthquakes/tsunami in Central Sulawesi	Emergency Response Operations Manual (EROM) prepared; The addendum to the project's ESMF for the component	n/a

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Financial Management:

The FY 2019 audit report was received on time with a clean opinion.

Ineligible expenditures of IDR 818,689,914 identified by the audit need to be refunded to the State Treasury Account and then to the Designated Account.

Overall, the FM performance is rated Moderately Satisfactory, mainly due to the issues with DIPA, coordination issues on IFR submission, weaknesses in records of community groups, and weaknesses in payment verification of the invoices for consulting/non-consulting services.

6. Status of the Grievance Redress Mechanism (GRM)

The complaint handling system developed by the Government is robust and captures even small issues. 96 percent of complaints were received during face-to-face community meetings, and 96 percent were categorized as informative (questions, seeking clarifications and suggestions). As of September 23, 2020, the project complaints handling system recorded a total of 74,100 inquiries/complaints, of which 99% had been resolved. Of these, 0.9% are related to safeguards, mostly requesting clarification on land status, informal settlements, public consultation, information disclosure, and disturbance of access during construction. The project is in compliance with public disclosure of all relevant safeguard instruments. A monthly update report is available in the Project's website.

7. Results Monitoring

N/A

Baseline Year: Jan. 1, 2016 End Target Year: Jan. 1, 2022

Project Objective Indicators #1

#1: No. of People provided with improved infrastructure

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	2,900,000	2,553,225	
Jan. 1, 2019	-	2,553,225	
Jan. 1, 2020	-	6,730,090	
Jan. 1, 2021	7,000,000		

Project Objective Indicators #2

#2: No. of People provided with "improved water sources" under the project

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	240,000	204,346	
Jan. 1, 2019	-	204,346	
Jan. 1, 2020	-	564,389	
Jan. 1, 2021	560,000		

Project Objective Indicators #3

#3: No. of People provided with "improved sanitation" under the project

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	360,000	287,787	

Jan. 1, 2019	-	287,787	
Jan. 1, 2020	-	506,165	
Jan. 1, 2021	800,000		

Project Objective Indicators #4

#4: No. of People provided with access to all-season roads within 500 m range under the project

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	1,110,000	1,771,850	
Jan. 1, 2019	-	1,771,850	
Jan. 1, 2020	-	4,132,723	
Jan. 1, 2021	3,700,000		

Project Objective Indicators #5

#5: No. of People provided with regular solid waste collection under the project

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	450,000	677,464	
Jan. 1, 2019	-	677,464	
Jan. 1, 2020	-	1,923,006	
Jan. 1, 2021	1,500,000		

Project Objective Indicators #6

#6: No. of People provided with "improved drainage" under the project

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	1,080,000	885,954	
Jan. 1, 2019	-	885,954	
Jan. 1, 2020	-	2,919,332	
Jan. 1, 2021	2,320,000		

Project Objective Indicators #7

#7: Slum Area Alleviated (Ha)

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	2,200	2,192	
Jan. 1, 2019	-	2,192	
Jan. 1, 2020	-	6,787	

Jan. 1, 2021	6,360		
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Project Objective Indicators #8

#8: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	60	TBC	
Jan. 1, 2019	-	TBC	
Jan. 1, 2020	-	94	
Jan. 1, 2021	80		

Project Objective Indicators #9

#9: % of complaints resolved

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	99	
Jan. 1, 2018	80	99.4	
Jan. 1, 2019	-	99.4	
Jan. 1, 2020	-	99	
Jan. 1, 2021	90		

Project Objective Indicators #10

#10: Establishment of functional TFs at local level (% of LGs)

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	30	76	
Jan. 1, 2018	60	64	
Jan. 1, 2019	70	64	
Jan. 1, 2020	80	86	
Jan. 1, 2021	90		

Project Objective Indicators #11

#11: Direct project beneficiaries (Number)

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	3,000,000	2,552,225	
Jan. 1, 2019	6,000,000	2,552,225	
Jan. 1, 2020	-	6,730,090	
Jan. 1, 2021	7,200,000		

Project Objective Indicators #12

#12: Female beneficiaries (%)

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2020	-	3,428,204	
Jan. 1, 2021	3,600,000	-	

Intermediate Result Indicators #1

#1.1: Establishment of functional TF at national level (Yes/No)

Year	Target	Actual	Others, if any
Jan. 1, 2016	-	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	-	Yes	
Jan. 1, 2019	-	Yes	
Jan. 1, 2020	-	Yes	
Jan. 1, 2021	Yes		

Intermediate Result Indicators #2

#1.2: Establishment of slum inventory database

Year	Target	Actual	Others, if any
Jan. 1, 2016	-	-	
Jan. 1, 2017	Yes	Yes	
Jan. 1, 2018	Yes	Yes	
Jan. 1, 2019	-	Yes(updated)	
Jan. 1, 2020	-	Updated	
Jan. 1, 2021	Done/Updated		

Intermediate Result Indicators #3

#2.1: % of LGs that have completed SIAPs which have been approved

Year	Target	Actual	Others, if any
Jan. 1, 2016	-	-	
Jan. 1, 2017	30	56	
Jan. 1, 2018	60	68	
Jan. 1, 2019	70	82	
Jan. 1, 2020	80	85.6	
Jan. 1, 2021	90		

Intermediate Result Indicators #4

#2.2: % of kelurahans which have CSPs consolidated with SIAPs

Year	Target	Actual	Others, if any
Jan. 1, 2016	-	-	

Jan. 1, 2017	50	59	
Jan. 1, 2018	70	95	
Jan. 1, 2019	80	97.2	
Jan. 1, 2020	80	99	
Jan. 1, 2021	90		

Intermediate Result Indicators #5

#3.1: No. of cities which have completed 90% of primary/secondary infrastructure and services connected to slum areas

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	20	2	
Jan. 1, 2019	30	2	
Jan. 1, 2020	35	11	
Jan. 1, 2021	30		

Intermediate Result Indicators #6

#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure works and services implemented in slum area

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2017	1,400	45	
Jan. 1, 2018	1,600	1,138	
Jan. 1, 2019	2,000	1,138	
Jan. 1, 2020	2,200	1,477	
Jan. 1, 2021	2,500		

Intermediate Result Indicators #7

#3.3: % of good quality infrastructure

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	80	97	
Jan. 1, 2019	-	97	
Jan. 1, 2020	90	97	
Jan. 1, 2021	90		

Intermediate Result Indicators #8

#3.4: % of infrastructure built that is fully functioning

Year	Target	Actual	Others, if any
Jan. 1, 2016	0	-	
Jan. 1, 2017	-	-	
Jan. 1, 2018	-	84	

Jan. 1, 2019	-	-	
Jan. 1, 2020	-	-	
Jan. 1, 2021	70		

Intermediate Result Indicators #9

#4.1: % of LGs that have a project monitoring structure and provide regular project information

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2017	20	TBD	
Jan. 1, 2018	30	35,3	
Jan. 1, 2019	50	69	
Jan. 1, 2020	60	85	
Jan. 1, 2021	70		

Intermediate Result Indicators #10

#4.2: % of kelurahans with completed annual financial audits

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2017	80	98	
Jan. 1, 2018	80	97	
Jan. 1, 2019	90	99.51	
Jan. 1, 2020	90	90.72	
Jan. 1, 2021	90		

Intermediate Result Indicators #11

#5.1: % of housing constructed to project resilience standards

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2021	70	n/a	

Intermediate Result Indicators #12

#5.2: % of water supply facilities have been built

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2021	65	n/a	

Intermediate Result Indicators #13

#5.3: % of sanitation facilities have been built

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2021	75	n/a	

Intermediate Result Indicators #14

#5.4: % of schools and higher education building rehabilitated or reconstructed to project's resilience standards

Year	Target	Actual	Others, if any
Jan. 1, 2016	0		
Jan. 1, 2021	75	n/a	

Remarks: N/A