

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 slum development
AiIB Financing Type:	Loan: 216.5 USD million	Co-financier(s):	WB-led
E&S category:	B	Borrower:	Republic of Indonesia
Red Flags Assigned:	0 (Q1: 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 Ankur Agrawal, Investment Operations Specialist – Urban Jinghui Li, Project Assistant		
Completed Site Visits by AIIB:	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) Aug, 2021 Aug 11-Sep 30 (virtual)		
Planned Site Visits by AIIB:	Jun, 2022		

2. Project Summary and Objectives

The overall project objective is to improve access to urban infrastructure and services in targeted slums (154 cities (including DKI Jakarta) in the central and eastern parts of the country) 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 (AIIB financing: USD216.5 million, 15.2% of the total cost).

The Project consists of the following five components:

- Component 1: Institutional and Policy Development. Support institutional strengthening and capacity building of central government ministries and agencies, which are responsible for the management of the national slum upgrading program.
- Component 2: Integrated Planning Support and Capacity Building for Local Governments and Communities. Provide for the recruitment and deployment of experts and community facilitators to support the capacity of governments and communities in selected cities to design and implement slum improvements, including the development of Slum Improvement Action Plans (SIAPs) and Community Settlement Plans (CSPs).
- Component 3: Urban Infrastructure and Services in Selected Cities. Carry out sub-projects to support primary and secondary infrastructure improvement and site development as well as construction of connecting infrastructure in selected Cities as identified in SIAPs; and Provide Kelurahan Grants to Participating Kelurahan

to fund Sub-projects for tertiary infrastructure upgrading in selected cities based on a community-driven approach as well as for strengthening community-based livelihoods through the construction of livelihood-enabling facilities and services that are important for slum prevention.

- Component 4: Implementation Support and Technical Assistance. Provide technical support, management, advisory services and training for project management and stakeholder collaboration at national, provincial and city levels, as well as monitoring and evaluation.
- Component 5: Contingency for Disaster Response, also referred to as the Contingent Emergency Response Component (CERC). Provide preparedness and rapid response measures to address disaster, emergency and/or catastrophic events, as needed, through carrying out sub-projects and/or using the project implementation arrangements. The CERC was activated in November 2018 to support recovery to a series of earthquakes in 2018 in Lombok and Central Sulawesi.

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:	184.1	d) Most recent disbursement: (amount / date)	17.5, Sep. 2, 2021
e) Undisbursed:	32.4	f) Disbursement Ratio(%) ¹ :	85

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, 7.2 million of people have been provided with improved infrastructure, 7,565 hectares of slum areas have been improved, and 92% of local task forces for slum alleviation have been established and are functioning. The implementation of primary/secondary infrastructure is on track to finish by June 2022.

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. The results indicators under Component 1 have been achieved. The CCMU has revised the workplan until December 2022.	n/a	Hiring of Individual consultants under ATR/BPN completed.
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of SIAPs (91.50% of LGs) and CSPs (99% of kelurahans) (on track).	n/a	n/a
Component 3: Urban Infrastructure and Services Investment Support (USD113.0 M)	Primary/secondary infrastructure 45 sub-projects in 38 cities (US\$ 71 million) have been prepared, of which 16 sub-projects were completed, 13 sub-projects are ongoing, and 16 sub-projects are under procurement process.; Support for tertiary infrastructure in 2021 has been implemented through cash-for-work, regular and DFAT schemes in 1,158 kelurahans in 143 cities.	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.	Out of 22 primary/secondary infrastructure packages to be procured in 2021, contracts for 10 packages to be signed in September and remaining activities to be advertised in September 2021.
Component 4:	n/a	n/a	Contracts for OSPs and TMCs will

Implementation Support and TA (USD21.5 M)			be extended and NMC contract already extended.
Component 5: Contingency for Disaster Response (USD41.5 M)	This component activated through GoI 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 approved.	n/a

Financial Management:

The FY 2020 audit report has been received with a clean opinion. Some ineligible expenditures identified by the auditors need to be refunded to the State Treasury Account and then to the Designated Account. The ineligible expenditures from previous years audit have been completely refunded to the Designated Account. Overall, the FM performance is rated Moderately Satisfactory, mainly due to weaknesses of community groups records, and weaknesses in payment of contractors invoices and consulting/non-consulting services.

6. Status of the Grievance Redress Mechanism (GRM)

As of July 31, 2021 the project database has recorded 118,523 inquiries/complaints, of which 99% had been resolved. Of these, 0.12% are related to safeguards, mostly requesting clarification on land status, informal settlements, public consultation, information disclosure, and disturbance of access during construction. Improvements in complaint resolution should be continuously monitored and reported.

7. Results Monitoring

As per following table:

Baseline Year: Jan. 1, 2016 End Target Year: Dec. 31, 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	-	7,267,235	
Dec. 31, 2022	7,000,000	0	

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	-	596,795	

Dec. 31, 2022	560,000	0	
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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	-	526,971	
Dec. 31, 2022	800,000	0	

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	-	4,381,844	
Dec. 31, 2022	3,700,000	0	

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	-	1,923,006	
Dec. 31, 2022	1,500,000	0	

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	-	3,070,016	
Dec. 31, 2022	2,320,000	0	

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	-	7,345	
Dec. 31, 2022	6,360	0	

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	-	94	
Dec. 31, 2022	80	0	

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	-	99	
Dec. 31, 2022	90	0	

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	-	91.5	
Dec. 31, 2022	90	0	

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	-	8,219,629	
Dec. 31, 2022	7,200,000	0	

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	-	4,356,000	
Dec. 31, 2022	3,600,000	0	

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	
Dec. 31, 2022	Yes	0	

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	-	Updated	
Dec. 31, 2022	Done/Updated	0	

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	91%	
Dec. 31, 2022	90	0	

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	99	
Dec. 31, 2022	90	0	

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	-	2	
Jan. 1, 2019	-	2	
Jan. 1, 2020	-	11	
Jan. 1, 2021	-	16	Activities under this indicator are being prioritized
Dec. 31, 2022	30	0	

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
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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	2,159	
Dec. 31, 2022	2,500	0	

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	97	
Dec. 31, 2022	90	0	

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	89	
Dec. 31, 2022	70	0	

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	96	
Dec. 31, 2022	70	0	

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	97.1	
Dec. 31, 2022	90	0	

Remarks: The project indicators have been amended as part of the project change in September 2020.