

## SBF Project Implementation Monitoring Report

### Indonesia: National Slum Upgrading Project

#### 1. Project Information

Project ID:	000004	Investment Number:	L0004A
Member:	Indonesia	Region:	Southeast Asia
Sector:	Urban	Sub-sector:	Infrastructure
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
Borrower:	Republic of Indonesia		
Implementing Agency:	Ministry of Public Works and Housing		
Project Team Leader:	Sangmoo Kim		
Site Visits:	Feb 8 – Mar 9, 2017   Nov 9 – Dec 12, 2017   Jul 30 – Sep 7, 2018   May 13– Jun 14, 2019		

#### 2. Project Summary and Objectives

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 count*

#### 3. Key Dates

Approved:	June 24, 2016	Signed:	September 1, 2016
Effective:	October 11, 2016	Restructured (if any):	n/a
Orig. Closing:	March 31, 2022	Rev. Closing (if any):	n/a

#### 4. Disbursement Summary (USD million)

a) Committed:	216.5	b) Cancelled (if any):	n/a
c) Disbursed:	82.9	d) Most recent disbursement: (amount /date)	12 / May 2019
e) Undisbursed:	133.6	f) Disbursement Ratio (%) <sup>1</sup> :	38.3%

#### 5. Project Implementation Update

Overall progress towards achieving the project objective is on track. As of October 10, 2019, disbursement stands at 38.3% and is expected to catch up to the original projections in late 2019 once the city-level infrastructure works are commenced. The total disbursement up to December 2019 is expected to be about USD 115 million.

Four out of twelve outcome targets and seven out of ten intermediate result targets set for December 31, 2018 have been met. The outcome targets on people provided with improved access to all-season roads within 500 m range under the project, regular solid waste collection, complaints resolved, and establishment of functional task forces for slum alleviation at local government, have been achieved. The other key outcome indicators remain behind schedule, in the range of 70%-80% of the target. The intermediate result targets that have been met are: establishment of functional task force for slum alleviation at national level, slum inventory database established, kelurahans which have CSPs (community settlement plans) consolidated with SIAPs (slum improvement action plans), infrastructure is of good quality, and completed independent audits of kelurahans. The other three indicators were behind target, which include

<sup>1</sup> 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.,  $f = c / (a - b)$

number of kelurahans that have completed tertiary infrastructure, functionality of the infrastructure, and number of cities that have completed primary and secondary infrastructure. One intermediate result indicator, the number of cities which have completed 80% of primary and secondary infrastructure works and services connected to slums, is significantly behind the target at 10% of the target. The reason for this delay is due to prolonged preparation of the detailed design including the process of securing the land.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Institutional Development and Policy Development (USD1.0 M)	National, Provincial, Local TFs. Slum Inventory Database. (on track)	n/a	n/a	The interim financial report (IFR) for quarter ended 9/30/2019 has been timely provided to WB/AIIB. Cumulative project expenditures is USD153.66 million which are financed by WB and AIIB. An additional advance of USD35 million loan proceeds (WB and AIIB is 50/50) is requested based on the forecast of next two quarters and will be released soon.
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of SIAPs (73% of LGs) and CSPs (95% of kelurahans) (on track)	n/a	Mobilized urban planners and community facilities to help finalize SIAPs, DED, CSPs	
Component 3: Urban Infrastructure and Services Investment Support (USD155.0 M)	Primary/secondary infrastructure in 2 locations, tertiary infrastructure in 1,138 kelurahans (on track)	The compliance with ESMF of proposed sub-projects need to be verified.	n/a	
Component 4: Implementation Support and TA (USD21.5 M)	n/a	Capacity building and monitoring of safeguards need to be significantly strengthened.	Procurement of NMC, OSPs and TMCs completed. <sup>2</sup>	
Component 5: Contingency for Disaster Response (See Section 10 on in-progress reallocation of USD50 M)	Component 5 activated through Gol request in response to earthquakes/tsunami in Lombok and Central Sulawesi	Emergency Response Operations Manual (EROM) prepared; The addendum to the project's ESMF for the component approved	EROM detailing eligible expenditures, procurement policies and implementation arrangements	

\* USD3 million financed by the Swiss State Secretariat for Economic Affairs (SECO) through the World Bank

## 6. Status of the Grievance Redress Mechanism (GRM)

The complaint handling system developed by the Government is robust and captures even small issues. 98 percent of complaints were received during face-to-face community meetings, and 99 percent were categorized as informative (questions, seeking clarifications and suggestions). Most of the complaints recorded have been resolved. The unresolved complaints are mostly information seeking, not related to critical issues. The complaints handling mechanism operational guidelines were completed, targeting the recategorization of complaints to facilitate analysis and avoid misinterpretation. Subsequently, the

<sup>2</sup> National Management Consultants (NMCs); Oversight Service Providers (OSP); TMCs (Technical Management Consultant)

Complaint Handling Application is being developed based on these new categories. A monthly update report is available in the Project's website.

## 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	2,552,225	-	-	-	-	9,500,000	
#2: Slum Area Alleviated (Ha)	0	-	-	2,200	2,192	-	-	-	-	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 <sup>3</sup>	-	-	-	-	80	
#4: % of complaints resolved	0	-	99	80	99,4	-	-	-	-	90	
#5: Establishment of functional TFs at local level (% of LGs)	0	30	76	60	64	70	-	80	-	90	
#6: Direct project beneficiaries (Number)	0	-	-	3,000,000	2,552,225	6,000,000	-	-	-	9,700,000	
Intermediate Result Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
#1.1: Establishment of functional TF at national level (Yes/No)	-	-	-	-	Yes <sup>4</sup>	-	-	-	-	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	-	30	56	60	68	70	-	80	-	90	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	-	50	59	70	95	80	-	80	-	90	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	0	-	-	20	2 <sup>5</sup>	30	-	35	-	40	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	0	1,400	45	1,600	1,138	2,000	-	2,200	-	2,500	
#3.3: % of good quality	0	-	-	80	97	-	-	90	-	2,500	

<sup>3</sup> The result will be produced through a household survey scheduled to be carried out in Q4 2019.

<sup>4</sup> Steering Committee of the National Task Force has been assigned in January 2017, to lead the program. The operational level of Task Force (Echelon II) has been in place since February 2018 and has led the day-to-day operation of the Central Collaboration Management Unit (CCMU).

<sup>5</sup> The number of cities to undergoing primary/secondary infrastructure works by December 2018 was set for 20 cities. As of April 2019, two cities have completed 80% of primary/secondary infrastructure works.

infrastructure											
#3.4: % of infrastructure built that is fully functioning <sup>6</sup>	0	-	-	-	84	-	-	-	-	70	
#4.1: % of LGs that have a project monitoring structure and provide regular project information <sup>7</sup>	0	20	TBD	30	35,3	50	-	60	-	70	
#4.2: % of kelurahans with completed annual financial audits	0	80	98 <sup>8</sup>	80	97	90	-	90	-	90	

*\*pipeline under development, hence no actual monitoring data recorded for 2017*

**Remarks:**

n/a

<sup>6</sup> No target was set until the final year. Despite this, PMU will develop an SOP to regularly monitor the functionality of infrastructure built.

<sup>7</sup> The monitoring structure has yet to be developed and agreed with local governments, as part of the MIS.

<sup>8</sup> 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.