

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
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 Gregor Herda, Investment Operations Specialist Antong Hu, Project Assistant		
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		
Planned Site Visits by AIB:	Dec, 2020 Dec 2020		

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 (USD million)

a) Committed:	216.5	b) Cancellation (if any):	
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c) Disbursed:	122.2	d) Most recent disbursement: (amount / date)	7.5, Sep. 8, 2020
e) Undisbursed:	94.3	f) Disbursement Ratio(%) ¹ :	56.4

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

Overall progress towards achieving the project objective is on track. As of Sep. 30, 2020, disbursement stands at USD 122.2 million (56.4%). The total disbursement up to Dec. 2020 is expected to be around USD144.7 million. All 12 project objective indicators passed the mid-term targets (2018) and are on-track to achieve end-project targets. Seven out of nine intermediate indicators have achieved their 2020 annual target. The COVID-19 pandemic and lockdown have affected project implementation, including the disruptions to local government budgets for counterpart financed activities and increasing disruptions to supply chains and contractor mobilization.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Institutional Development and Policy Development (USD1.5 M)	National, Provincial, Local TFs. Slum Inventory Database. (on track)	n/a	n/a
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of SIAPs (61% 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 (USD113.0 M)	Primary/secondary infrastructure in 2 locations, tertiary infrastructure in 1,1138 kelurahans (on track)	The compliance with ESMF of proposed sub- projects need to be verified. LARAPs/RPLs being improved.	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. National Management Consultants (NMCs); Oversight Service Providers (OSP); TMCs (Technical Management Consultant)
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 approved	EROM detailing eligible expenditures, procurement policies and implementation arrangements

Financial Management:

The project continues to submit IFR on a timely basis. The FM performance of NSUP has been rated as Moderately Satisfactory, mainly due to weaknesses in community groups' records and FM arrangements, as well as shortcomings in payment verification of consulting/non-consulting invoices. A new PIU was added during project structuring and it will follow existing FM and Disbursement arrangements. Project audit report for year 2019 has been issued with unmodified (clean) opinion.

6. Status of the Grievance Redress Mechanism (GRM)

As of April 30, 2019, the complaint handling system (CHS) has recorded 19,901 complaints, of which 99% (19,728 complaints) were resolved. About 98% of complaints were received through face-to-face community meetings, with 99% categorized as informative (including questions, seeking clarification and suggestions). The complaint handling operational guidelines are completed, and the complaint handling application is being developed based on the new categories in the operational guidelines. Development of a CHS application was delayed. The current CHS still uses manual data collection and therefore can only publish partial information, not covering the overall status of complaints.

7. Results Monitoring

N/A

Baseline Year: Jan. 1, 2016 End Target Year: Jan. 1, 2021

Project Objective Indicators	Year	Target	Actual	Others, if any
#1: No. of People provided with improved infrastructure	Jan. 1, 2018	2,900,000	2,553,225	
#1: No. of People provided with improved infrastructure	Jan. 1, 2019	N/A	2,553,225	
#1: No. of People provided with improved infrastructure	Jan. 1, 2021	7,000,000	N/A	
#2: No. of People provided with "improved water sources" under the project	Jan. 1, 2018	240,000	204,346	
#2: No. of People provided with "improved water sources" under the project	Jan. 1, 2019	N/A	204,436	
#2: No. of People provided with "improved water sources" under the project	Jan. 1, 2021	560,000	N/A	
#3: No. of People provided with "improved sanitation" under the project	Jan. 1, 2018	360,000	287,787	
#3: No. of People provided with "improved sanitation" under the project	Jan. 1, 2019	N/A	287,787	
#3: No. of People provided with "improved sanitation" under the project	Jan. 1, 2021	800,000	N/A	
#4: No. of People provided with access to all-season	Jan. 1, 2018	1,110,000	1,771,850	
#4: No. of People provided with access to all-season	Jan. 1, 2019	N/A	1,771,850	
#4: No. of People provided with access to all-season	Jan. 1, 2021	3,700,000	N/A	
#5: No. of People provided with regular solid waste collection under the project	Jan. 1, 2018	450,000	677,464	
#5: No. of People provided with regular solid waste collection under the project	Jan. 1, 2019	N/A	677,464	
#5: No. of People provided with regular solid waste collection under the project	Jan. 1, 2021	1,500,000	N/A	
#6: No. of People provided with "improved drainage" under the project	Jan. 1, 2018	1,080,000	885,954	
#6: No. of People provided with "improved drainage" under the project	Jan. 1, 2019	N/A	885,954	
#6: No. of People provided with "improved drainage" under the project	Jan. 1, 2021	2,320,000	N/A	
#7: Slum Area Alleviated (Ha)	Jan. 1, 2018	2,200	2,192	

#7: Slum Area Alleviated (Ha)	Jan. 1, 2019	N/A	2,192	
#7: Slum Area Alleviated (Ha)	Jan. 1, 2021	6,360	N/A	
#8: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)	Jan. 1, 2018	60	TBC	
#8: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)	Jan. 1, 2021	80	N/A	
#9: % of complaints resolved	Jan. 1, 2017	N/A	99	
#9: % of complaints resolved	Jan. 1, 2018	80	99.4	
#9: % of complaints resolved	Jan. 1, 2019	N/A	99.4	
#9: % of complaints resolved	Jan. 1, 2021	90	N/A	
#10: Establishment of functional TFs at local level (% of LGs)	Jan. 1, 2017	30	76	
#10: Establishment of functional TFs at local level (% of LGs)	Jan. 1, 2018	60	64	
#10: Establishment of functional TFs at local level (% of LGs)	Jan. 1, 2019	70	64	
#10: Establishment of functional TFs at local level (% of LGs)	Jan. 1, 2020	80	N/A	
#10: Establishment of functional TFs at local level (% of LGs)	Jan. 1, 2021	90	N/A	
#11: Direct project beneficiaries (Number)	Jan. 1, 2018	3,000,000	2,552,225	
#11: Direct project beneficiaries (Number)	Jan. 1, 2019	6,000,000	2,552,225	
#11: Direct project beneficiaries (Number)	Jan. 1, 2021	7,200,000	N/A	
#8: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)	Jan. 1, 2019	N/A	TBC(The result will be produced through a household survey scheduled to be carried out.)	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
#1.1: Establishment of functional TF at national level (Yes/No)	Jan. 1, 2018	N/A	Yes	
#1.1: Establishment of functional TF at national level (Yes/No)	Jan. 1, 2019	N/A	Yes 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).	
#1.1: Establishment of functional TF at national level (Yes/No)	Jan. 1, 2021	Yes	N/A	
#1.2: Establishment of slum inventory database	Jan. 1, 2017	Yes	Yes	
#1.2: Establishment of slum inventory database	Jan. 1, 2018	Yes	Yes	
#1.2: Establishment of slum inventory database	Jan. 1, 2019	N/A	Yes (updated)	
#1.2: Establishment of slum inventory database	Jan. 1, 2021	Done/Updated	N/A	
#2.1: % of LGs that have completed SIAPs which have been approved	Jan. 1, 2017	30	56	
#2.1: % of LGs that have completed SIAPs which have been approved	Jan. 1, 2018	60	68	
#2.1: % of LGs that have completed SIAPs which have been approved	Jan. 1, 2019	70	82	
#2.1: % of LGs that have completed SIAPs which have been approved	Jan. 1, 2020	80	N/A	
#2.1: % of LGs that have completed SIAPs which have been approved	Jan. 1, 2021	90	N/A	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	Jan. 1, 2017	50	59	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	Jan. 1, 2018	70	95	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	Jan. 1, 2019	80	97.2	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	Jan. 1, 2020	80	N/A	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	Jan. 1, 2021	90	N/A	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	Jan. 1, 2018	20	2	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	Jan. 1, 2019	30	2 As of June 2020, two cities have completed 100% of primary/secondary infrastructure works. While seven others are ongoing, with average of 24% progress. Seven cities are; Kota	

			Jogjakarta, Kota Gorontalo, Kota Kendari, Kab. Kolaka, Kota Samarinda, Kota Bontang, and Kota Jayapura.	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	Jan. 1, 2020	35	N/A	
#3.1: No. of cities which have completed 80% of primary/secondary infrastructure	Jan. 1, 2021	30	N/A	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	Jan. 1, 2017	1,400	45	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	Jan. 1, 2018	1,600	1,138	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	Jan. 1, 2019	2,000	1,138	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	Jan. 1, 2020	2,200	N/A	
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	Jan. 1, 2021	2,500	N/A	
#3.3: % of good quality infrastructure	Jan. 1, 2018	80	97	
#3.3: % of good quality infrastructure	Jan. 1, 2019	N/A	97	
#3.3: % of good quality infrastructure	Jan. 1, 2020	90	N/A	
#3.3: % of good quality infrastructure	Jan. 1, 2021	2500	N/A	
#3.4: % of infrastructure built that is fully functioning	Jan. 1, 2018	N/A	84	No target was set for 2018. However, the PMU through NMC will start monitoring the functionality of infrastructure built starting in 2019 until project closing.
#3.4: % of infrastructure built that is fully functioning	Jan. 1, 2021	70	N/A	
#4.1: % of LGs that have a project monitoring structure and provide regular project information	Jan. 1, 2017	20	TBD	
#4.1: % of LGs that have a project monitoring structure and provide regular project information	Jan. 1, 2018	30	35,3	The monitoring structure has yet to be developed and agreed with local governments, as part of the MIS.
#4.1: % of LGs that have a project monitoring structure and provide regular project information	Jan. 1, 2019	50	69	

#4.1: % of LGs that have a project monitoring structure and provide regular project information	Jan. 1, 2020	60	N/A	
#4.1: % of LGs that have a project monitoring structure and provide regular project information	Jan. 1, 2021	70	N/A	
#4.2: % of kelurahans with completed annual financial audits	Jan. 1, 2017	80	98 (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.)	
#4.2: % of kelurahans with completed annual financial audits	Jan. 1, 2018	80	97	
#4.2: % of kelurahans with completed annual financial audits	Jan. 1, 2019	90	99.51	
#4.2: % of kelurahans with completed annual financial audits	Jan. 1, 2020	90	N/A	
#4.2: % of kelurahans with completed annual financial audits	Jan. 1, 2021	90	N/A	
#5.1: % of housing constructed to project resilience standards	Jan. 1, 2021	70	N/A	
#5.2: % of water supply facilities have been built	Jan. 1, 2021	65	N/A	
#5.3: % of sanitation facilities have been built	Jan. 1, 2021	75	N/A	
#5.4: % of schools and higher education building rehabilitated or reconstructed to project's resilience standards	Jan. 1, 2021	75	N/A	

Remarks: N/A