

### Regional Infrastructure Development Fund Project

#### 1. Project Information

Project Name:	Regional Infrastructure Development Fund Project	Project No:	000012
Region/Country:	Southeast Asia / Indonesia	Sector(s):	Urban
Year of Approval:	FY 2017	Financing Type:	SBF
Financing Instrument:	IPF	Co-financier(s):	World Bank
Project Team Leader:	Sangmoo Kim	Implementing Agency:	PT SMI
Field Visits	December 18-23, 2017   November 6-17, 2017 (planned)		

#### 2. Project Development Objectives

To increase access to infrastructure finance at the subnational level through a sustainable financial intermediary.

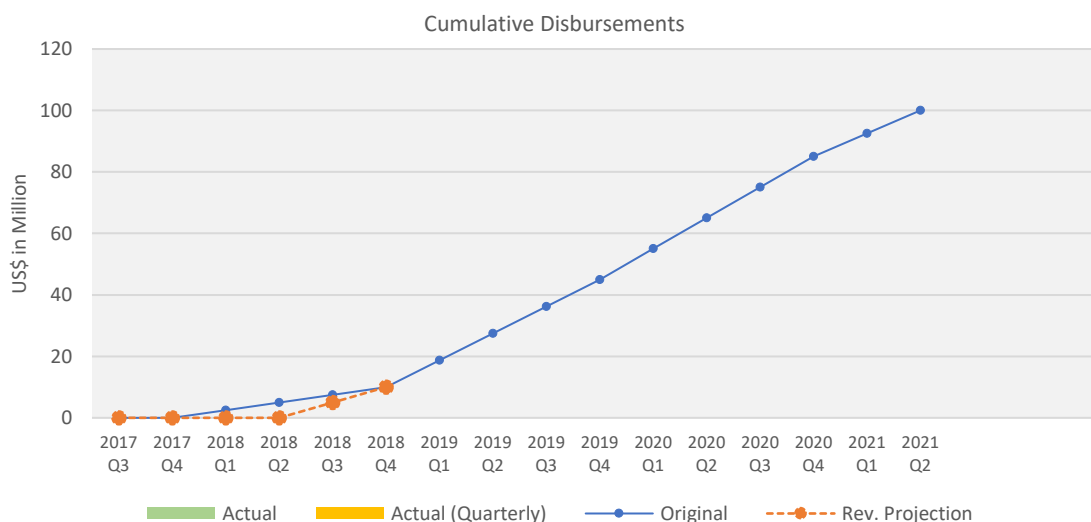
The Project supports the structuring and operationalization of RIDF as a retail domestic financial intermediary to finance investment and technical assistance programs for: (i) urban transport systems; (ii) urban water supply and sanitation; (iii) drainage, flood and hazard risk; (iv) solid waste management systems; (v) slum upgrading and affordable housing; and (vi) primary healthcare and education facilities.

#### 3. Key Dates

Loan Approval:	March 22, 2017	Loan Signing:	June 7, 2017
Effectiveness:	September 28, 2017	Restructuring (if any):	n/a
Orig. Closing:	December 31, 2020	Rev. Closing (if any):	n/a

#### 4. Disbursement Summary

Net Commitment:	US\$100 M	Rev. Amount (if any):	n/a
Disbursed Amount:	US\$0 M	Disbursed (last quarter):	US\$0 M
Undisbursed Balance:	US\$100 M	Disbursement Ratio:	0 %



## 5. Project Implementation Status

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Capital Support for RIDF (US\$100 M)	0%	n/a	n/a	n/a
Component 2: RIDF Project Development Facility*	0%	n/a	n/a	n/a

\* US\$6 million financed by the Swiss Secretariat for Economic Affairs (SECO) and World Bank.

## 6. Key Issues and Complaints Received, and Actions

### Key Issues

The project is at the very beginning of implementation. The project loan was effective on September 28, 2017 after delays in fulfilling the effectiveness conditions: (i) execution of the subsidiary loan agreements (SLAs); (ii) issuance of the ministerial regulation (PMK) on intercepts of fiscal transfers to subnational governments; and (iii) issuance of legal opinions related to the project's legal agreements. The disbursement projection has been revised reflecting the delays in the loan effectiveness. The disbursement will catch up when actual construction works start in late 2018.

Going forward, building the pipeline of sub-projects is an immediate and high priority for project implementation. PT.SMI is putting greater efforts to build this pipeline, including: (i) recent and planned socialization events with subnational governments; (ii) activities of the Project Development Facility (PDF) team to provide direct support to subnational governments in sub-project preparation; and (iii) steps being taken to ensure better coordination among the Ministry of Finance, the Ministry of Home Affairs, and PT. SMI for financing of subnational infrastructure.

### Complaints

No.

Actions	Responsible Party	Target Date	Status
Fully executed SLAs; Issuance of PMK on intercept of fiscal transfers; Issuance of legal opinions on the project's legal agreements	MoF/PT.SMI	August 10, 2017	Completed
Issuance of the PMK on the contingency fund	MoF/PT.SMI	September 30, 2017	Completed
Review of safeguards documents for two pipeline sub-projects	PT.SMI	November 30, 2017	In progress

## 7. Results Monitoring

Project Development Objective Indicators	Baseline 2017	2018		2019		2020		Others, if any
		Target	Actual	Target	Actual	Target	Actual	
Indicator 1: Number of subnational governments receiving RIDF loans	5	11		18		25		
Indicator 2: Average loan size approved by RIDF	≥100	≥120		≥150		≥150		
Indicator 3: Average tenor of loans approved by RIDF	5.0	6.5		8.0		8.0		
Indicator 4: Return on RIDF assets	≥1 %	≥1 %		≥1 %		≥1 %		
Indicator 5: Non-performing loans (NPLs)	<5 %	<5 %		<5 %		<5 %		

Indicator 6: Proportion of the total loan portfolio concentrated in a single sector	≤50 %	≤45 %		≤40 %		≤40 %		
Result Indicators	Baseline (2017)	2018		2019		2020		Others, if any
		Target	Actual	Target	Actual	Target	Actual	
Indicator 1: Amount of capital raised	100	200		300		400		
Indicator 2: Number of subproject loans appraised	≥5	≥15		≥25		≥40		
Indicator 3: Percentage of subproject-specific complaints received that are addressed / followed-up by subnational governments	80 %	90 %		100 %		100 %		