

SBF Project Implementation Monitoring Report

Indonesia: Regional Infrastructure Development Fund

1. Project Information

Project Name:	Regional Infrastructure Development Fund	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	Dec 18-23, 2017 Nov 6-17, 2017 Mar 27-Apr 13, 2018 Oct 15 – Nov 2, 2018 Apr 22 - May 3, 2019 (planned)		

2. Project Objective

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

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

Approved Commitment:	USD100.0 million	Rev. Commitment (if any):	n/a
Total Disbursed Amount:	USD11.6 million	Most recent disbursement: (amount and date)	USD11.6 million (Dec 18, 2018)
Undisbursed Balance:	USD88.4 million	Disbursement Ratio:	11.6%

5. Project Implementation Status

The project has made steady but slower than expected progress towards achieving its project objective. As of April 3, 2019, USD11.6 million (11.6%) has disbursed. While project implementation lags behind the originally envisioned schedule, mainly due to sub-project readiness at the local level, disbursement is expected to catch up with its original projection from late 2019.

The current RIDF portfolio includes five subprojects in four sub-national governments (54.5 percent of the 2018 target of 11) worth IDR 688 billion (USD49.14 million) with average loan size of IDR118 billion (USD8 million) and average loan tenor of 5 years including: Central Lombok (public market), South Halmahera (two subprojects - roads and public market), Ogan Komering Ulu (hospital), and North Sulawesi (general hospital and eye hospital). Loan agreements have been signed and procurement processes are underway for all four sub-national governments.

In addition, there are currently nine subprojects worth around IDR 1,336 billion (USD 91.5 million) in the RIDF pipeline. Seven subproject loans have been appraised, four projects have been prepared with assistance from the RIDF PDF, and 18 SNGs have applied for Project Development Facility (PDF) services. The PDF has contributed to improving project preparation (including FS, DED, and ESIA documents) for RIDF.

Building the portfolio and pipeline of RIDF subprojects remains a high priority for project implementation and the World Bank team continues to support PT SMI through PDF services, coaching clinics, and socialization efforts.

Components	Physical/Financial Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Capital Support for RIDF (USD100 million)	4 SNGs with RIDF loans, 3 additional SNGs LGs received financing offer letters	Extensive capacity-building provided at SGN level	Underway for 4 SNGs	Audits undertaken according to regular audit cycle
Component 2: RIDF Project Development Facility (PDF)*	PDF support for four sub-projects, 18 requested	n/a	n/a	n/a

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

6. Status of the Grievance Redress Mechanism (GRM)

Since no subproject has started implementation, GRM has not been set up at the project level yet. Once the subprojects commence implementation, GRM will be established at the local level.

7. Results Monitoring

Project Objective Indicators	Baseline (2016)	2017		2018		2019		2020		Others, if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Indicator 1: Number of sub-national governments receiving RIDF loans	0	5	0	11	4	25				
Indicator 2: Average loan size approved by RIDF (IDR bn)	0	≥100	-	≥120	118	≥150				
Indicator 3: Average tenor of loans approved by RIDF (years)	0	5	-	6.5	5.0	8.0				
Indicator 4: Return on RIDF assets	0	≥1 %	-	≥1 %	0	≥1 %				
Indicator 5: Non-performing loans	0	<5 %	-	<5 %	0	<5 %				
Indicator 6: Proportion of the total loan portfolio concentrated in a single sector	0	≤50 %	-	≤45 %	61%	≤40 %				
Result Indicators	Baseline (2016)	2017		2018		2019		2020		Others, if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Indicator 1: Amount of capital raised (USD million)	0	100		200	39.2	400				
Indicator 2: Number of sub-project loans appraised	0	≥5		≥15	8	≥40				

Indicator 3: Percentage of sub-project specific complaints received that are addressed / followed-up by sub-national governments	0	80 %		90 %	0	100 %				
----------------------------------------------------------------------------------------------------------------------------------	---	------	--	------	---	-------	--	--	--	--

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