

## SBF Project Implementation Monitoring Report

### Indonesia: Strategic Irrigation Modernization and Urgent Rehabilitation Project

#### 1. Project Information

Project ID:	000060	Investment Number:	L0060A
Member:	Indonesia	Region:	South-Eastern asia
Sector:	Water	Sub-sector:	
AiIB Financing Type:	Loan: 250 USD million	Co-financier(s):	IBRD
E&S category:	B	Borrower:	Republic of Indonesia
Red Flags Assigned:	2	Monitoring Regime:	Enhanced Monitoring- Level I
Implementing Agency:	Directorate General of Water Resources (DGWR) of Ministry of Public Works (MPWH)		
Project Team Leader:	David Ginting		
Project Team Members:	Chongwu Sun, Senior Environment Consultant Jana Halida Uno, Senior Operational Policy Specialist Shonell Robinson, Financial Management Specialist Susrutha Goonasekera, Senior Social Development Specialist Bernadette Ndeda, Procurement Specialist		
Completed Site Visits by AIIB:	Dec, 2018  Feb, 2019  May, 2019  Mar, 2020  Jun, 2020 Virtual mission  Sep, 2020 Virtual mission  Dec, 2020 Virtual mission  Apr, 2021 Virtual mission		
Planned Site Visits by AIIB:	Jul, 2021 No site visit has been planned due to travel restriction by Covid-19 pandemic. A virtual mission is planned to be conducted in July 2021.		

#### 2. Project Summary and Objectives

The project aims to improve irrigation services and strengthen accountability of irrigation schemes management in selected areas. This will be achieved through rehabilitation, revitalization and modernization of water resources and irrigation systems across Indonesia (total service area of around 276,000 Ha); institutional strengthening and improved management; and operation and maintenance of these systems. The project is implemented through nine Project Implementation Units or PIUs (site-specific river basin organizations), four National PIUs or NPIUs (directorates across the Ministry of Public Works and Housings, Ministry of Agriculture and Ministry of Home Affairs), a Central PIU or CPIU (Directorate of Irrigation and Lowlands of the Ministry of Public Works and Housings), under the management of a Central Project Management Unit or CPMU (Directorate General of Water Resources of the Ministry of Public Works and Housings).

#### 3. Key Dates

Approval:	Jun. 24, 2018	Signing:	Jul. 11, 2018
Effective:	Aug. 23, 2018	Restructured (if any):	
Orig. Closing:	Jun. 30, 2024	Rev. Closing (if any):	

#### 4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	250	b) Cancellation (if any):	
c) Disbursed:	10.99	d) Most recent disbursement: (amount / date)	5, Nov. 3, 2020
e) Undisbursed:	239.01	f) Disbursement Ratio(%) <sup>1</sup> :	4.4

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

#### 5. Project Implementation Update

As of the last implementation support mission in April 2021, the project has progressed with eight civil works have been awarded (total value of USD 65 million). These civil works have been commenced and related disbursements of project fund are expected to immediately follow. NOL have been provided for two civil works packages, with a total value of USD 12 million.

Procurement of three large consultancy packages for CPMU/CPIU, (one package for a PMC and two packages for DED and work supervision) with a total value of USD 42 million, is at an advanced stage and expected to be awarded by June 2021. The delayed completion of engineering design and the succeeding procurement process (due to the limited capacity of CPMU/CPIU / delayed recruitment their main consultants) remained as the main implementation challenges.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Urgent Rehabilitation of Irrigation and Drainage System (USD98.6 million)	n/a	n/a	Six civil work packages (total contract value of USD 24.5 million) have been awarded. Three civil works packages (total value of USD 18m) and a DED consultancy package (USD 22m) are in process. Technical proposals for the consultancy work are under review.
Component 2 Strategic Modernization of Irrigation and Drainage System (USD143.0 million)	n/a	n/a	Two civil work packages (total contract value of USD 41 million) have been awarded. A civil works package (USD 2 million) and a DED consultancy package (USD 13 m) are in process. Technical proposals for the consultancy work are under review.
Component 3: Project Management (USD8.4 million)	n/a	n/a	Procurement of PMC is at contract negotiation stage.  Procurement of TA Modernization Management by NPIU OP is in process.  TAs by NPIU BangDa and NPIU BPPSDMP have been contracted.

#### Financial Management:

The CPMU continues to provide timely and accurate financial information on project implementation. The Interim Financial Report for the quarter ended December 31, 2020 was submitted in a timely manner and deemed to be acceptable.

It was noted that the 2020/2021 project budget approved by the MoF is less than the Bank approved annual work plan. As such, the CPMU is currently in the process of having the MoF budget be revised.

The CPMU has been requested to follow up on the audit report findings (FY 2019) and ensure that all ineligible expenditures are refunded to the project's Designated Account. These have been refunded to the State Treasury and will be transferred to the project's Designated Account by Q2 2021.

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

Each River Basin Organizations (as the PIUs) has existing web-based grievance system. These systems are functioning and used for the project. No grievance has been registered so far.

#### 7. Results Monitoring

At this stage, project's progress has been limited to contract awarded of few civil works and consultancy services. No update yet on the results monitoring framework. Division of responsibilities among CPMU, CPIU and NPIUs for the monitoring of the PDO indicators was agreed. National Steering Committee of Water Resources (NSCWR) chaired by Directorate of Water Resources and Irrigation of BAPPENAS plan to recruit consultants to form the Independent Monitoring and Evaluation team (IME Bappenas). Mid-Term Review (MTR) is scheduled in July 2021, and indicator progress status of PDO and intermediate indicators will be updated.

Baseline Year: Aug. 23, 2018 End Target Year: Jun. 30, 2024

#### Project Objective Indicators #1

Area provided with new/improved irrigation or drainage services (Ha)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 (baseline)	n/a	

#### Project Objective Indicators #2

Area provided with new/improved irrigation or drainage services (Ha)

Year	Target	Actual	Others, if any
Jan. 1, 2024	276,000	-	

#### Project Objective Indicators #3

Percentage of crop intensity (paddy)

Year	Target	Actual	Others, if any
Aug. 23, 2018	180 (baseline)	n/a	

#### Project Objective Indicators #4

Percentage of crop intensity (paddy)

Year	Target	Actual	Others, if any
Jan. 1, 2024	200	-	

#### Project Objective Indicators #5

with clear allocation of responsibilities implemented (Number)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 (baseline)	n/a	

#### Project Objective Indicators #6

with clear allocation of responsibilities implemented (Number)

Year	Target	Actual	Others, if any
Jan. 1, 2024	9	-	

#### Project Objective Indicators #7

Asset management systems with transparent budget allocation operational (Number)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 (baseline)	n/a	

#### Project Objective Indicators #8

## Asset management systems with transparent budget allocation operational (Number)

Year	Target	Actual	Others, if any
Jan. 1, 2024	9	-	

## Intermediate Result Indicators #1

## Annual performance report of irrigation service providers published (Component A)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 baseline	n/a	

## Intermediate Result Indicators #2

## Annual performance report of irrigation service providers published (Component A)

Year	Target	Actual	Others, if any
Jun. 30, 2024	8	-	

## Intermediate Result Indicators #3

## Irrigation Commission (KOMIR) established and operational (Component A)

Year	Target	Actual	Others, if any
Aug. 23, 2018	8 (baseline)	n/a	

## Intermediate Result Indicators #4

## Irrigation Commission (KOMIR) established and operational (Component A)

Year	Target	Actual	Others, if any
Jun. 30, 2024	20	-	

## Intermediate Result Indicators #5

## Number of farmer households provided with improved irrigation services (Component A) (thousand)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 (baseline)	n/a	

## Intermediate Result Indicators #6

## Number of farmer households provided with improved irrigation services (Component A) (thousand)

Year	Target	Actual	Others, if any
Jun. 30, 2024	300	-	

## Intermediate Result Indicators #7

## Annual performance report of irrigation service providers published (Component B)

Year	Target	Actual	Others, if any
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Aug. 23, 2018	0 (baseline)	n/a	
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## Intermediate Result Indicators #8

Annual performance report of irrigation service providers published (Component B)

Year	Target	Actual	Others, if any
Jun. 30, 2024	1	-	

## Intermediate Result Indicators #9

Irrigation Commission (KOMIR) established and operational (Component B)

Year	Target	Actual	Others, if any
Aug. 23, 2018	1 (baseline)	n/a	

## Intermediate Result Indicators #10

Irrigation Commission (KOMIR) established and operational (Component B)

Year	Target	Actual	Others, if any
Jun. 30, 2024	4	-	

## Intermediate Result Indicators #11

Number of farmer households provided with improved irrigation services (Component B) (thousand)

Year	Target	Actual	Others, if any
Aug. 23, 2018	0 (baseline)	n/a	

## Intermediate Result Indicators #12

Number of farmer households provided with improved irrigation services (Component B) (thousand)

Year	Target	Actual	Others, if any
Jun. 30, 2024	587	-	

**Remarks:**