

Indonesia : Strategic Irrigation Modernization and Urgent Rehabilitation

1. Project Information

Project ID:	P000060	Instrument ID:	L0060A
Member:	Indonesia	Region:	South-Eastern Asia
Sector:	Water	Sub-sector:	Irrigation and drainage
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 USD million <input type="checkbox"/> Guarantee	Co-financier(s):	Not Applicable
ES category:	B	Borrower:	Republic of Indonesia
Implementing Entity:	Ministry of Public Works and Housings, Indonesia		
Project Team Leader:	David Ginting		
Project Team Members:	Jinghui Li, Team Member; Jana Halida Uno, Team Member; Liu Yang, Project Counsel; Shonell Robinson, OSD - Financial Management Specialist; Susrutha Goonasekera, OSD - Social Development Specialist; Chongwu Sun, OSD - Environment Specialist; Bernadette Ndeda, OSD - Procurement Specialist;		
Completed Site Visits by AIIB:	Dec, 2018 Feb, 2019 May, 2019 Dec, 2020 Virtual mission Jun, 2020 Virtual mission Mar, 2020 Sep, 2020 Virtual mission Apr, 2021 Virtual mission Aug, 2021 Virtual mission (mid-term review)		
Planned Site Visits by AIIB:	Feb, 2022 No site visit has been planned due to travel restrictions by the Covid-19 pandemic. A virtual mission will be held in January/February 2022.		
Current Red Flags Assigned:	2		
Current Monitoring Regime:	Enhanced Monitoring- Level I		
Previous Red Flags Assigned:	2		
Previous Red Flags Assigned Date:	2021 Q3		

2. Project Summary and Objectives

The project aims to improve irrigation services and strengthen the 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 expected to benefit about 887,000 farmer households through the improvement of irrigation services, and governmental agencies and farmers associations through comprehensive capacity building. 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 (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	36.44	Most recent disbursement (amount/date):	11.00/Nov. 30, 2021
Undisbursed:	213.56	Disbursement Ratio (%) ¹ :	14.60

5. Project Implementation Update

The project implementation of Q4 2021 was focused on the project's acceleration plan and targets agreed during the Mid-Term Review (MTR) in August 2021; and on preparing project activities for 2022 (finalizing the 2022 Annual Work Plan and its corresponding project budgets). The disbursement target for 2021, set during the MTR was achieved, as the cumulative disbursement level (from all financiers) reached USD 72 million by December 31, 2021. Further, the project progressed by awarding seven civil works contracts in Q4 2020 (USD 32 million) which have been started immediately. The progress of the acceleration plan will be closely reviewed in the upcoming project implementation mission, scheduled in February 2022. The recruitment of two consultancy firms for DED works is entering the final phase and is expected to be concluded by the next mission.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component A: Urgent Rehabilitation of Irrigation and Drainage System (USD98.6 million)	n/a	E&S performance is Moderately Unsatisfactory (WB). While so far there are no major impact social impacts, safeguard management that includes documentation and reporting is still poor. Until the MTR, the follow-up actions agreed during the supervision mission(s) to meet	Fifteen civil works packages (around USD 55 million) have been awarded. The procurement process for one DED consultancy package (USD 22 million) is in an advanced stage.	The project maintains its compliance with the timely submission of the interim financial report. The audit report for the financial year ended December 31, 2020, was submitted to the Bank and deemed to be acceptable. The FY 2021 audit report will become due by June 30th,

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

		the ESMF requirements are mostly delayed.		2022. It is expected that the audit matters raised during the 2020 audit will be addressed prior to the completion of the FY 2021 report.
Component B Strategic Modernization of Irrigation and Drainage System (USD143.0 million)	n/a	E&S performance is Moderately Unsatisfactory (WB). While so far there are no major impact social impacts, safeguard management that includes documentation and reporting is still poor. Until the MTR, the follow-up actions agreed during the supervision mission(s) to meet the ESMF requirements are mostly delayed.	Three civil work packages (total contract value of USD 36 million) have been awarded. The procurement of the DED consultancy package (USD 13 m) is in an advanced stage.	
Component C: Project Management (USD8.4 million)	n/a	n/a	<p>PMC contract has been signed and PMC has been mobilized.</p> <p>Procurement of TA by NPIU OP is in process.</p> <p>TAs by NPIU BangDa and NPIU BPPSDMP have been contracted.</p>	

6. Status of the Grievance Redress Mechanism (GRM)

GRM is under review by the World Bank. All PIUs under the project have their own built-in internal grievance registration and handling system as required by the national law, to which local inhabitants can channel their project-related complaints. These systems work under a uniform standard operation procedure, with some still require manual submission and in-person interaction and some are more advanced with a dedicated webpage at the RBOs' website. WB is in close communication with CPMU and PIUs to ensure full compliance of these existing mechanisms with the requirements of WB's ESSP, namely related to reporting format, classification of grievances, treatment of Gender-based Violence grievances, public socialization, handling protocol, etc. CPMU has mobilized safeguard specialists of its PMC to closely coordinate with the PIUs to ensure full compliance and operation of these systems in alignment with WB's requirements. This issue will be revisited in the upcoming mission in February 2022.

7. Results Monitoring

The progress in meeting the Project Objective and Intermediate Result has been limited to the few civil works and consultancy contracted. The monitoring of these achievements has just been started recently, in parallel with the onboarding of the PMC. An Independent Monitoring and Evaluation team will be established under Bappenas, who is also one of the National Project Implementation Unit of the Project. CPMU, with the assistance of the PMC and in consultation with Bappenas, is drafting an M&E plan which will be discussed in the next mission in February 2022.

Project Objective Indicators #1

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0 (baseline)	(baseline)	
Jun. 30, 2024	276,000	n/a	

Project Objective Indicators #2

Percentage of crop intensity (paddy)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	180	(baseline)	
Jun. 30, 2024	200	n/a	

Project Objective Indicators #3

Irrigation service agreements with clear allocation of responsibilities implemented (Number)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	9	n/a	

Project Objective Indicators #4

Asset management systems with transparent budget allocation operational (Number)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	9	n/a	

Intermediate Result Indicators #1

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0 (baseline)	(baseline)	

Jun. 30, 2024	8	n/a	
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Intermediate Result Indicators #2

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	8	(baseline)	
Jun. 30, 2024	20	n/a	

Intermediate Result Indicators #3

Participatory Irrigation Development and Management (PPISP) included in planning documents (Component A)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	9	(baseline)	
Jun. 30, 2024	20	n/a	

Intermediate Result Indicators #4

WUAs with trained members in decision making (Component A)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	270	n/a	

Intermediate Result Indicators #5

WUAs with trained female members in decision making (Component A), in percentage

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	50	n/a	

Intermediate Result Indicators #6

Number of WUAFs established and operational (Component A)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	90	n/a	

Intermediate Result Indicators #7

Establishment and operationalization of grievance mechanism for water users in delivery of irrigation services (Component A)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	6	n/a	

Intermediate Result Indicators #8

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	300000	n/a	

Intermediate Result Indicators #9

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	1	n/a	

Intermediate Result Indicators #10

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	1	(baseline)	
Jun. 30, 2024	4	n/a	

Intermediate Result Indicators #11

Participatory Irrigation Development and Management (PPISP) included in planning documents (Component B)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	1	(baseline)	
Jun. 30, 2024	4	n/a	

Intermediate Result Indicators #12

WUAs with trained members in decision making (Component B)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	480	n/a	

Intermediate Result Indicators #13

WUAs with trained female members in decision making (Component B), in percentage

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	50	n/a	

Intermediate Result Indicators #14

Number of WUAFs established and operational (Component B)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	160	n/a	

Intermediate Result Indicators #15

Establishment and operationalization of grievance mechanism for water users in delivery of irrigation services (Component B)

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	9	n/a	

Intermediate Result Indicators #16

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

Year	Target	Actual	Comments, if any
Aug. 23, 2018	0	(baseline)	
Jun. 30, 2024	587000	n/a	

Remarks: