

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 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	Not Applicable
ES category:	B	Borrowing Entity:	Ministry of Finance, Indonesia
Implementing Entity:	Ministry of Public Works and Housings, Indonesia		
Project Team Leader:	David Ginting (DG: Rajat Misra; Responsible Department: INF1)		
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; Jinghui Li, Project admin;		
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) Apr, 2022 Virtual mission		
Planned Site Visits by AIIB:	Jul, 2022 Due to travel restrictions by the Covid-19 pandemic, no site visit has been planned.		
Current Red Flags Assigned:	2		
Current Monitoring Regime:	Enhanced Monitoring- Level I		
Previous Red Flags Assigned:	2		
Previous Red Flags Assigned Date:	2021/12		

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). The Project is co-financed with the World Bank as the lead co-financier.

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:	46.56	Most recent disbursement (amount/date):	10.13/Mar. 18, 2022
Undisbursed:	203.44	Disbursement Ratio (%): ¹ :	18.63

5. Project Implementation Update

The project displayed significant progress in terms of procurement and disbursements in the past six months, with contracts amounting to nearly USD90 million awarded in Q1 2022. This includes awarding two major consultancy engineering contracts (value of USD39.8 million). The engineering consultants have been mobilized in February 2022. In close coordination with the Project Management Consultant, is expected to further accelerate the finalization of all detailed engineering designs under the project and the procurement of civil works. The project implementation will continue to focus on the project's action plans and targets agreed upon during the Mid-Term Review (MTR) in Q3 2021.

Components	Physical Progress	Environmental & Social Compliance	Procurement
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 the ESMF requirements are mostly delayed.	Twenty civil works contracts (around USD 115 million) and four consultancy contracts (around USD24 million) have been awarded. The procurement process for four civil works contracts (USD 26 million) and a consultancy contract (around USD6 million) is in an advanced stage.
Component B Strategic Modernization of Irrigation and	n/a	E&S performance is Moderately Unsatisfactory (WB). While so far there are no major impact social impacts, safeguard management	Three civil work packages (about USD38 million) and two consultancy packages (about USD21 million)

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.

Drainage System (USD143.0 million)		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.	have been awarded. The procurement of two civil work packages (about USD39 million) 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 mobilized.</p>

Financial Management:

The project displays good performance in financial management, including timeliness of IFR submission and follow-up audit findings. The IFR Q4 2021 was submitted on time and was in good shape. All findings from the FY2020 audit were fully complied with, including a refund of the outstanding ineligible expenditures and POM revision. For the FY2021 audit, the project has prepared an unaudited financial report in accordance with the Project Operation Manual, and the audit report is expected to be finalized on June 30, 2022.

Additionally, with respect to budget allocation, the CPMU is expected to continue working with all work units and DG Budget of MOF to ensure the adequacy of budget allocation for the project's annual work plan for 2022.

6. Status of the Grievance Redress Mechanism (GRM)

GRM has been operationalized, and grievances are recorded and shared with the World Bank (WB) as the lead co-financier. 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 requiring manual submission and in-person interaction, and some are more advanced with a dedicated webpage on the RBOs' website. WB is continuously engaged 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, and 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.

7. Results Monitoring

The monitoring of PDO and intermediate result indicators have only started at the end of 2021, 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 July 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)	

Dec. 31, 2021	n/a	14,262	
Mar. 31, 2022	n/a	34,172	
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)	
Dec. 31, 2021	n/a	184	
Mar. 31, 2022	n/a	186	
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)	
Mar. 31, 2022	n/a	4	
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)	
Dec. 31, 2021	n/a	1	
Mar. 31, 2022	n/a	3	
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	

Intermediate Result Indicators #2

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

Year	Target	Actual	Comments, if any
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Aug. 23, 2018	8	(baseline)	
Mar. 31, 2022	n/a	15	
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)	
Mar. 31, 2022	n/a	18	
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)	
Mar. 31, 2022	n/a	137	
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)	
Mar. 31, 2022	n/a	16	
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)	
Mar. 31, 2022	n/a	52	
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	
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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)	
Mar. 31, 2022	n/a	71,000	
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)	
Mar. 31, 2022	n/a	1	
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)	
Mar. 31, 2022	n/a	1	
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)	
Mar. 31, 2022	n/a	270	
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)	
Mar. 31, 2022	n/a	37	
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)	
Mar. 31, 2022	n/a	15	
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)	
Mar. 31, 2022	n/a	47,000	
Jun. 30, 2024	587000	n/a	

Remarks:
