

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:	Irrigation and drainage
AIB Financing Type:	Loan: 250 USD million	Co-financier(s):	IBRD
E&S category:	B	Borrower:	Republic of Indonesia
Red Flags Assigned:	2 (Q2: 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:	Bernadette Ndeda, Procurement Specialist Chongwu Sun, Senior Environment Consultant Jana Halida Uno, Senior Operational Policy Specialist Shonell Robinson, Financial Management Specialist Susurutha Goonasekera, Senior Social Development Specialist Jinghui Li, Assistant		
Completed Site Visits by AIB:	Dec, 2018 Feb, 2019 May, 2019 Mar, 2020 Jun, 2020 Virtual mission Sep, 2020 Virtual mission Dec, 2020 Virtual mission Apr, 2021 Virtual mission Aug, 2021 Virtual mission (mid-term review)		
Planned Site Visits by AIB:	Jan, 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.		

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 (million)

Currency:	USD		
a) Committed:	250	b) Cancellation (if any):	
c) Disbursed:	25.44	d) Most recent disbursement: (amount / date)	3.7, Aug. 26, 2021
e) Undisbursed:	224.56	f) Disbursement Ratio(%) ¹ :	10.2

¹ 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

The Mid-Term Review (MTR) of the project was conducted between July and August 2021. The physical progress of the ongoing works has been progressing well, and the achievement of PDO has been recorded with good progress from Climate Smart Agriculture and ongoing physical works. With the support of the PMC, the CPMU has developed and presented a project acceleration plan, including the revised disbursement and commitment projections, which have been discussed in detail and agreed upon during the MTR. This plan includes the inclusion of seven new irrigation schemes where engineering designs are available, and relatively ready for tendering. The procurement process for civil works under these schemes is expected to commence in November 2021, with a total contract value of USD 75 million. The successful implementation of this plan will be largely dependent on the effective support of the newly recruited PMC and the timely recruitment of two consultancy firms for DED works. This will be the focus of the project implementation in the coming semester, which will be reviewed in Q1 2022.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A: Urgent Rehabilitation of Irrigation and Drainage System (USD98.6 million)	n/a	Local PIUs do not have TA consultants to follow up on safeguard issues (ES consultants are available at the PMU level). While there are no major social impacts so far, safeguard management that includes documentation and reporting is still poor. The performance is expected to improve with the recent recruitment of PMC.	Eight civil works packages have been awarded (USD 30 m). One package was retendered in July 2021 and evaluation is in process. The procurement process for one DED consultancy package is ongoing and expected to be awarded by the end of 2021.
Component B Strategic Modernization of Irrigation and Drainage System (USD143.0 million)	n/a	Local PIUs do not have TA consultants to follow up on safeguard issues (ES consultants are available at the PMU level). While there are no major social impacts so far, safeguard management that includes documentation and reporting is still poor. The performance is expected to improve with the recent recruitment of PMC.	Three civil work packages (total contract value of USD 36 million) have been awarded. DED consultancy package (USD 13 m) is in an advanced stage of procurement and expected to be awarded in November 2021.
Component C: Project Management (USD8.4 million)	n/a	n/a	PMC contract has been signed and PMC has been mobilized. Procurement of TA by NPIU OP is in process. TAs by NPIU BangDa and NPIU BPPSDMP have been contracted.

Financial Management:

The audit report for the financial year ended December 31, 2020, was received after the due date (due to challenges posed by Covid-19). The auditors issued an unqualified clean opinion on the financial statements, which reconciles to the Bank's records. The auditors however highlighted a few findings in respect to overpayments on some rehabilitation works; discrepancies between the reported and actual physical progress on some packages; and delay in refunding the Designated Account which stood at IDR 161,278,566. The Banks are currently awaiting the CPMU's response on the audit observations.

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. Bi-weekly progress meetings among the CPMU, WB and AIB will be held starting in September to monitor this and other implementation-related issues.

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 in parallel with the onboarding of the PMC, and the result will be reported at the next implementation support mission (January or February 2022). An Independent Monitoring and Evaluation team will be established under Bappenas, who is also one of the National Project Implementation Unit of the Project. As the next step, it has been agreed that CPMU will develop a draft M&E plan with the assistance of the PMC and in consultation with the Bappenas by October 31, 2021.

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)	(baseline)	
Jun. 30, 2024	276,000	n/a	

Project Objective Indicators #2

Percentage of crop intensity (paddy)

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

Remarks: