

Indonesia : Dam Operational Improvement and Safety Project Phase II

1. Project Information

Project ID:	P000010	Instrument ID:	L0010A
Member:	Indonesia	Region:	South-Eastern Asia
Sector:	Water	Sub-sector:	Water disaster resilience
Instrument type:	<input checked="" type="checkbox"/> Loan:125.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, Indonesia
Implementing Entity:	Ministry of Public Works and Housings, Indonesia		
Project Team Leader:	David Ginting		
Project Team Members:	Asma Bachikh, Team Member; Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Susrutha Goonasekera, OSD - Social Development Specialist; Chongwu Sun, OSD - Environment Specialist; Yangzom Yangzom, OSD - Procurement Specialist; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Feb, 2018 May, 2018 Nov, 2018 Feb, 2019 Jun, 2019 Jun, 2020 virtual mission Mar, 2020 Oct, 2020 virtual mission Jul, 2021 virtual mission Mar, 2021 virtual mission Nov, 2021 virtual mission May, 2022		
Planned Site Visits by AIIB:	Nov, 2022 November/December 2022		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/03		

2. Project Summary and Objectives

The Project objective is to increase the safety and functionality of existing dams in selected locations and strengthen the operation and management capacity for dam safety. The beneficiaries of the Project include over 11

million people who will not only be better protected against dam failure or flooding but also from the improved performance of the dams, largely used for irrigation supply.

3. Key Dates

Approval:	Mar. 22, 2017	Signing:	May. 29, 2017
Effective:	Aug. 04, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2023	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	96.38	Most recent disbursement (amount/date):	10.00/Sep. 06, 2022
Undisbursed:	28.62	Disbursement Ratio (%) ¹ :	77.10

5. Project Implementation Update

The implementation of the project continues to improve. Substantial progress was made on procurement, with 98% of the loan being committed into packages scheduled to be completed before the loan closing. A non-material Project Change was completed in July 2022 to match the Results Framework with the actual implementation progress. A mission is planned to be undertaken in November/December 2022, largely focused on evaluating the progress of civil works, safeguard action plans, and preparation towards loan closing.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Dam Operational Improvement and Safety Works and Studies (USD67.48 million)	62%	During the last mission (May 2022), the team conveyed the message that resolving the outstanding safeguards issues before the project closing is critical. The team has agreed on the actions that are required to address the safeguards concerns and to upgrade the safeguards rating. The progress in the implementation will be monitored through the bi-weekly implementation progress review meetings.	Under this component, 132 contracts have been completed, 80 are under implementation, and 2 are under process.
Component 2: Operations and Maintenance Improvement and	n/a	See above	Under this component, 25 contracts have been completed and 1 is under implementation.

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.

Capacity Building (USD9.62 million)			
Component 3: Reservoir Sedimentation Mitigation (USD22.95 million)	83%	See above	Under this component, 15 contracts have been completed and 12 are under implementation.
Component 4: Dam Safety Institutional Improvement (USD 10.34 million)	n/a	See above	Under this component, 51 contracts have been completed and 5 are under implementation.
Component 5: Project Management (USD14.61 million)	n/a	See above	Under this component, 2 contracts have been completed and 10 are under implementation.

Financial Management:

The disbursement as of Oct 12, 2022, reaches 77% of the loan amount. The project maintains its good performance on the timeliness of financial reporting submission and follow-up of audit findings. Timeliness of the project budget (DIPA) availability and revision remain challenging. The outstanding ineligible expenditures from FY2020 amounting to about USD 39,000 was fully refunded to the designated account. The FY2021 audit report has been timely submitted to the Bank, the ineligible expenditure of appropriately about USD267,000 identified by auditors is requested to be refunded to both WB and AIIB.

6. Status of the Grievance Redress Mechanism (GRM)

Each River Basin Organization (as the PIUs) has an existing web-based grievance system. These systems are functioning and used for the project. The PIUs will ensure that the adopted mechanism is accessible to communities surrounding the project sites, in the sites of construction works, and at the sites where community participation occurs.

7. Results Monitoring

The project development objectives are expected to be met by the project closing. A non-material Project Change was completed in July 2022 to match the Results Framework with the actual implementation progress (with observed cost escalations), including amending Project Objective Indicators #1, #2, and Intermediate Result Indicators #3.

Project Objective Indicators #1

Overall risk reduction of all dams under project (%)

Year	Target	Actual	Comments, if any
Aug. 04, 2017	4 (baseline)	n/a	
Dec. 31, 2018	4	4	
Dec. 31, 2019	6	7.47	
Dec. 31, 2020	10	8.12	
Dec. 31, 2021	15	8.3	
Dec. 31, 2022	18	14.19	

Project Objective Indicators #2

Number of dams with individual hazard reduced by > 20% of risk score.

Year	Target	Actual	Comments, if any
Aug. 04, 2017	16 (baseline)	n/a	
Dec. 31, 2018	16	16	
Dec. 31, 2019	21	22	
Dec. 31, 2020	31	25	
Dec. 31, 2021	60	28	
Dec. 31, 2022	75	60	

Project Objective Indicators #3

River Basin Organizations (Balai) with need-based O&M budget and plan operationalized within a national dam asset management system

Year	Target	Actual	Comments, if any
Aug. 04, 2017	0 (baseline)	n/a	
Dec. 31, 2018	0	0	
Dec. 31, 2019	0	0	
Dec. 31, 2020	2	0	
Dec. 31, 2021	4	3	
Dec. 31, 2022	13	5	

Project Objective Indicators #4

Issuance of regulation on dam safety

Year	Target	Actual	Comments, if any
Aug. 04, 2017	0 (baseline)	n/a	
Dec. 31, 2021	2	2	
Dec. 31, 2022	3	3	

Project Objective Indicators #5

Project beneficiaries (million people)

Year	Target	Actual	Comments, if any
Aug. 04, 2017	2.3 (baseline)	n/a	
Dec. 31, 2021	9.9	16.59	
Dec. 31, 2022	11.2	21.55	

Project Objective Indicators #6

Project beneficiaries, of which female (percent)

Year	Target	Actual	Comments, if any
Aug. 04, 2017	50	n/a	
Dec. 31, 2021	50	50	
Dec. 31, 2022	50	50	

Intermediate Result Indicators #1

Number of dams rehabilitated

Year	Target	Actual	Comments, if any
Aug. 04, 2017	24(baseline)	n/a	
Dec. 31, 2018	60	24	
Dec. 31, 2019	24	27	
Dec. 31, 2020	105	33	
Dec. 31, 2021	120	35	
Dec. 31, 2022	140	66	

Intermediate Result Indicators #2

Number of dams with BDSF operational

Year	Target	Actual	Comments, if any
Aug. 04, 2017	9 (baseline)	n/a	
Dec. 31, 2018	25	19	
Dec. 31, 2019	65	22	
Dec. 31, 2020	95	16	
Dec. 31, 2021	124	27	
Dec. 31, 2022	140	66	

Intermediate Result Indicators #3

Number of dams where emergency action plans updated and disseminated

Year	Target	Actual	Comments, if any
Aug. 04, 2017	44 (baseline)	n/a	
Dec. 31, 2018	70	44	
Dec. 31, 2019	78	-	
Dec. 31, 2020	98	65	
Dec. 31, 2021	120	65	
Dec. 31, 2022	140	92	

Remarks:

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