

## SBF Project Implementation Monitoring Report Indonesia: National Slum Upgrading Project

### 1. Project Information

Project Name:	Indonesia National Slum Upgrading Project	Project No:	000004
Region/Country:	Southeast Asia / Indonesia	Sector(s):	Urban
Year of Approval:	FY 2016	Financing Type:	Loan
Financing Instrument:	IPF	Co-financier(s):	World Bank
Project Team Leader:	Sangmoo Kim	Implementing Agency:	MPWH
Filed Visits	Feb 8 – Mar 9, 2017   Nov 9 – Dec 12, 2017   Jul 30 – Sep 7, 2018   May 13– June 14, 2019		

### 2. Project Objective

To improve access to urban infrastructure and services in targeted slums\* in Indonesia.

*\*The project covers 154 cities (including DKI Jakarta) in the central and eastern parts of the country.*

### 3. Key Dates

Loan Approval:	June 24, 2016	Loan Signing:	September 1, 2016
Effectiveness:	October 11, 2016	Restructuring (if any):	n/a
Orig. Closing:	March 31, 2022	Rev. Closing (if any):	n/a

### 4. Disbursement Summary

Approved Commitment:	USD216.5 M	Rev. Commitment (if any):	n/a
Total Disbursed Amount:	USD82.9 M	Most recent disbursement: (amount and date)	USD12 M (May 2019)
Undisbursed Balance:	USD133.6 M	Disbursement Ratio:	38.3%

### 5. Project Implementation Status

Overall progress towards achieving the project objective is on track. As of June 30, 2019, disbursement stands at 38.3% and is expected to catch up to the original projections in late 2019 once the city-level infrastructure works are commenced. The total disbursement up to December 2019 is estimated about USD 115 million.

Four out of twelve outcome targets and seven out of ten intermediate result targets set for 31 December 2018 have been met. The outcome targets on people provided with improved access to all-season roads within 500 m range under the project, regular solid waste collection, complaints resolved, and establishment of functional task forces for slum alleviation at local government, have been achieved. The other key outcome indicators remain behind schedule, in the range of 70%-80% of the target. The intermediate result targets that have been met are: establishment of functional task force for slum alleviation at national level, slum inventory database established, kelurahans which have CSPs (community settlement plans) consolidated with SIAPs (slum improvement action plans), infrastructure is of good quality, and completed independent audits of kelurahans. The other three indicators were behind target, which include number of kelurahans that have completed tertiary infrastructure, functionality of the infrastructure, and number of cities that have completed primary and secondary infrastructure. One intermediate result indicator, the number of cities which have completed 80% of primary and secondary infrastructure works and services

connected to slums, is significantly behind the target at 10% of the target. The reason for this delay is due to prolonged preparation of the detailed design including the process of securing the land.

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management
Component 1: Institutional Development and Policy Development (USD1.0 M)	National, Provincial, Local TFs. Slum Inventory Database. <b>(on track)</b>	n/a	n/a	n/a
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of SIAPs (73% of LGs) and CSPs (95% of kelurahans) <b>(on track)</b>	n/a	Mobilized urban planners and community facilities to help finalize SIAPs, DED, CSPs.	n/a
Component 3: Urban Infrastructure and Services Investment Support (USD155.0 M)	Primary/secondary infrastructure in 2 locations, tertiary infrastructure in 1,138 kelurahans <b>(on track)</b>	The compliance with ESMF of proposed sub-projects needs to be verified.	n/a	Standard Operating Procedure for spot checking FM at community level finalized; to be conducted once OSPs are contracted.
Component 4: Implementation Support and TA (USD21.5 M)	n/a	Capacity building and monitoring of safeguards needs to be significantly strengthened.	Procurement of NMC, OSPs and TMCs completed. <sup>1</sup>	FM weaknesses at community level and with regards to OSP payment verification. Overall rated as Moderately Satisfactory.
Component 5: Contingency for Disaster Response <b>(See Section 10 on in-progress reallocation of USD50 M)</b>	Component 5 activated through GoI request in response to earthquakes/tsunami in Lombok and Central Sulawesi	Emergency Response Operations Manual (EROM) prepared; The addendum to the project's ESMF for the component approved	EROM detailing eligible expenditures, procurement policies and implementation arrangements	EROM detailing applicable FM arrangements to be followed for implementation of Component 5

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

<sup>1</sup> National Management Consultants (NMCs); Oversight Service Providers (OSP); TMCs (Technical Management Consultant)

As of February 25, 2019, complaints recorded are 16,560 with 99 percent resolved. 98 percent of complaints were received during face-to-face community meetings, and 99 percent were categorized as informative (questions, seeking clarifications and suggestions). The complaints handling mechanism operational guidelines were completed, targeting the recategorization of complaints to facilitate analysis and avoid misinterpretation. Subsequently, the Complaint Handling Application is being developed based on these new categories.

## 7. Results Monitoring

Project Objective Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
#1: No. of People provided with improved infrastructure	0	-	-	2,900,000	2,552,225	-	-	-	-	9,500,000	
#2: Slum Area Alleviated (Ha)	0	-	-	2,200	2,192	-	-	-	-	7,800	
#3: % of slum dwellers who are satisfied with the quality of urban infrastructure (of which women, of which bottom 40%, of which poor)	0	-	-	60	TBC <sup>2</sup>	-	-	-	-	80	
#4: % of complaints resolved	0	-	99	80	99.4	-	-	-	-	90	
#5: Establishment of functional TFs at local level (% of LGs)	0	30	76	60	64	70	-	80	-	90	
#6: Direct project beneficiaries (Number)	0	-	-	3,000,000	2,552,225	6,000,000	-	-	-	9,700,000	
Intermediate Result Indicators	Baseline (2016)	2017		2018		2019		2020		2021 (End Target)	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
#1.1: Establishment of functional TF at national level (Yes/No)	-	-	-	-	Yes <sup>3</sup>	-	-	-	-	Yes	
#1.2: Establishment of slum inventory database	-	Yes	Yes	Yes	Yes	-	-	-	-	Done /Updated	
#2.1: % of LGs that have completed SIAPs which have been approved	0	30	56	60	68	70	-	80	-	90	
#2.2: % of kelurahans which have CSPs consolidated with SIAPs	0	50	59	70	95	80	-	90	-	90	
#3.1: No. of cities which have completed 80% of	0	-	-	20	2 <sup>4</sup>	30	-	35	-	40	

<sup>2</sup> The result will be produced through a household survey scheduled to be carried out in Q4 2019.

<sup>3</sup> Steering Committee of the National Task Force has been assigned in January 2017, to lead the program. The operational level of Task Force (Echelon II) has been in place since February 2018, and has led the day-to-day operation of the Central Collaboration Management Unit (CCMU).

<sup>4</sup> The number of cities to undergoing primary/secondary infrastructure works by December 2018 was set for 20 cities. As of April 2019 two cities have completed 80% of primary/secondary infrastructure works.

primary/secondary infrastructure											
#3.2: No. of kelurahans that have completed 90% of tertiary infrastructure implemented	0	1,400	45	1,600	1,138	2,000	-	2,200	-	2,500	
#3.3: % of good quality infrastructure	0	-	-	80	97	--	-	90	-	90	
#3.4: % of infrastructure built that is fully functioning <sup>5</sup>	0	-	-	-	84	-	-	-	-	70	
#4.1: % of LGs that have a project monitoring structure and provide regular project information <sup>6</sup>	0	20	TBD	30	35.3	50	-	60	-	70	
#4.2: % of kelurahans with completed annual financial audits	0	80	98 <sup>7</sup>	80	97	90	-	90	-	90	

<sup>5</sup> No target was set until the final year. Despite this, PMU will develop an SOP to regularly monitor the functionality of infrastructure built.

<sup>6</sup> The monitoring structure has yet to be developed and agreed with local governments, as part of the MIS.

<sup>7</sup> Not all kelurahans received grants for 2016-2017. Thus, financial audits were only done by those who received the grants. The figures for financial audit 2017 and 2018.