

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	Lead 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		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Asma Bachikh, Team Member; Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Jingrong He, OSD - Procurement Specialist; Odil Akbarov, OSD - Environment & Social Development Specialist; Asma Bachikh, Back-up PTL; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Feb, 2018 May, 2018 Nov, 2018 Feb, 2019 Jun, 2019 Mar, 2020 Jun, 2020 virtual mission Oct, 2020 virtual mission Mar, 2021 virtual mission Jul, 2021 virtual mission Nov, 2021 virtual mission May, 2022 virtual mission Dec, 2022 Jun, 2023		
Planned Site Visits by AIIB:	Nov, 2023 November 2023		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags	2023/03		

Assigned Date:

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):	Jul. 14, 2022
Orig. Closing:	Jun. 30, 2023	Rev. Closing (if any):	Dec. 31, 2023

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	125.00	Most recent disbursement (amount/date):	7.62/Oct. 11, 2023
Undisbursed:	0.00	Disbursement Ratio (%) ¹ :	100.00

5. Project Implementation Update

The Project implementation is approaching its closing, with 100% of the loan proceeds having been awarded into contracts. The Project has disbursed the entire loan proceeds, with a balance of USD 7.6 million in the Designated Account to be used and documented against eligible expenditures incurred, mainly for expenses from the remaining civil works (reservoir sedimentation management) and consultancy services (project management). All goods and non-consulting services contracts have been completed. A mission will be undertaken in November 2023, focussing on evaluating the progress of the remaining civil works (primarily located within the work area of River Basin Organization of Nusa Tenggara I), safeguards action plans, and preparation of the Project Completion Note.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Dam Operational Improvement and Safety Works and Studies (USD67.48 million)	100%	As of June 2023, the performance of environmental safeguards has improved since the last reporting cycle. The submission of all environmental and social documents/reports is almost completed. Out of 195 required, 187 are completed (96%). The remaining reports (Environmental Audits/Due Diligence Reports) are in the finalization stage. The	All contracts under this component has been awarded and completed.

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.

		Contractor's Environmental Management Plans that are already completed have reached 72 out of 82 (76%). The CPMU will keep the existing safeguard specialists until the project closing date to ensure that the monitoring and reporting activities, including preparing the Project Completion Note, are properly conducted.	
Component 2: Operations and Maintenance Improvement and Capacity Building (USD9.62 million)	100%	See above.	All contracts under this component has been awarded and completed.
Component 3: Reservoir Sedimentation Mitigation (USD22.95 million)	87%	See above.	Under this component, 26 contracts have been completed, and 10 are in the final stage of implementation.
Component 4: Dam Safety Institutional Improvement (USD 10.34 million)	100%	See above.	All contracts under this component has been awarded and completed.
Component 5: Project Management (USD14.61 million)	n/a	See above.	Under this component, 6 contracts have been completed, and 9 are in the final stage of implementation.

Financial Management:

The Project has disbursed the entire loan proceeds, with a balance of USD 7.6 million in the Designated Account to be used and documented against eligible expenditures incurred. The fiscal year 2022 audit report has been completed on time and shared with the Bank through WB. A clean/unqualified opinion was given to the project's financial report. However, a few shortcomings were reported, including suboptimal payment verification, insufficient supporting documentation, and non-compliance with the procurement process. This resulted in refunds required to the Designated Account of IDR 2.7 billion (around USD 170,000) and a deduction from subsequent payments to contractors totaling IDR 20.3 billion (about USD 1.3 million). The Project will continue to monitor this, including the refund processes, to allow full utilization of the funds by the closing date.

6. Status of the Grievance Redress Mechanism (GRM)

Mechanisms for filing complaints have been put in place in all PIUs. As of June 2023, 204 submissions of complaints, questions, and aspirations have been received from the communities living around 90 dams where civil works are implemented, of which 154 submissions have been resolved, and 50 are still pending resolution. They are mostly related to disturbances during construction, such as dust, noise, access disturbance, and the local communities' request to work on the Project. The PIUs have been following up on complaints and reporting to the Bank in a timely manner. Incoming complaints and their resolution status have been updated by each PIU through a shared

cloud drive, assisted by the contractors/supervision consultant. Codes of conduct of the contractors have included the sexual harassment/gender-based violence (SH/GBV) aspect. There are no SH/GBV cases reported.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

The last implementation support mission (June 2023) recorded a full accomplishment of Project Objective Indicators #4, while Project Objective Indicators #1, #2, and #3 achieved 90% of their targets. Intermediate Result Indicators #1.3, #2.1, #2.3, #3.1, #3.2, #3.3, #4.1, #4.3, and #4.4 have exceeded their targets.

Remarks:

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Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments		
			Baseline		2017		2018		2019		2020		2021		2022		2023		End Target						
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual	
Overall risk reduction of all dams under project	Project	%	2017	4	4		4		7.47		8.12		8.3		14.19		16.18	16.99		18					
Number of dams with individual hazard reduced by > 20% of risk score	Project	Number	2017	16	16		16		22		25		28		60		66	69		75					
River Basin Organizations (Balai) with need-based O&M budget plan operationalized within a national dam asset management system	Project	Number	2017	0	0		0		0		0		3		5		10	13		13					
Issuance of regulation on dam safety	Project	Number	2017	0	0		0		0		0		2		3		3	4		3					

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments		
			Baseline		2017		2018		2019		2020		2021		2022		2023		End Target						
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual	
Project beneficiaries	Project	million people	2017	2.3	2.3						6.5		16.59		21.55		21.55			11.20					
Project beneficiaries, of which female	Project	%	2017	50	50		50		50		50		50		50		50	50		50					
Number of dams rehabilitated	Project	Number	2017	35	35						38		38		66		78	80		140					
Number of dams with BDSF operational	Project	Number	2017	10	10						22		27		66		70	82		140					

Number of dams where emergency action plans updated and disseminated	Project	Number	2017	56	56						72	72		92		70	145		140				
Dam operational staff receiving annual training	Project	%	2017	0	0						100	100		100		100	100		90				
O&M Manuals (including related training) for Dams completed	Project	Number	2017	0	0						67	67		67		83	134		140				
Community-Dam Management MOUs signed on Greenbelt Management	Project	Number	2017	0	0						15	17		33		39	39		30				
Land area under sustainable landscape management practices	Project	Hectare	2017	10	10						62	62		167		722	761		300				
Communities joining catchment management activities (% of which female)	Project	%	2017	37	37						37	37		37		68	68		50				
Dams implementing at least 70% of catchment management activities	Project	Number	2017	0	0						60	60		60		63	63		60				
Dams providing real time data	Project	Number	2017	30	30						52	52		149		149	149		80				
Dam Technology Center established and operationalized	Project	Number	2017	0	0						1	1		1		1	1		1				
CDMU staff trained	Project	Number	2017	0	0						12	19		19		19	19		5				
DSU staff trained	Project	Number	2017	0	0						26	146		146		146	146		15				
INACOLD certification of Dam	Project	Persons	2017	40	40						104	1,042		1,042		1,042			240				

