

Indonesia : National Slum Upgrading

1. Project Information

Project ID:	P000004	Instrument ID:	L0004A
Member:	Indonesia	Region:	South-Eastern Asia
Sector:	Urban	Sub-sector:	Urban re-development
Instrument type:	<input checked="" type="checkbox"/> Loan:207.33 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:	Sangmoo Kim		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Odil Akbarov, OSD - Social Development Specialist; Chongwu Sun, OSD - Environment Specialist; Xiang Xu, Team Member; Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Jingrong He, OSD - Procurement Specialist; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Feb, 2017 Feb 8 – Mar 9, 2017 Nov, 2017 Nov 9 – Dec 12, 2017 Jul, 2018 Jul 30 – Sep 7, 2018 May, 2019 May 13– Jun 14, 2019 Aug, 2020 Aug 10 – Sept 30, 2020 Oct, 2020 Oct 20 – Nov 12, 2020 (virtual) Aug, 2021 Aug 11-Sep 30 (virtual) May, 2022 May 31 - Jun 30 (Hybrid) Dec, 2022 December 8 – 10		
Planned Site Visits by AIIB:	Jun, 2023 Hybrid mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/03		

2. Project Summary and Objectives

The overall project objective is to improve access to urban infrastructure and services in targeted slums (154 cities (including DKI Jakarta) in the central and eastern parts of the country) and to reconstruct and strengthen public facilities and settlements in selected disaster-affected areas in Indonesia. The Project is part of the well-developed national program called KOTAKU with USD1.42 billion (AIIB financing: USD216.5 million, 15.2% of the total cost).

The Project consists of the following five components:

Component 1: Institutional and Policy Development. Support institutional strengthening and capacity building of central government ministries and agencies, which are responsible for the management of the national slum upgrading program.

Component 2: Integrated Planning Support and Capacity Building for Local Governments and Communities. Provide for the recruitment and deployment of experts and community facilitators to support the capacity of governments and communities in selected cities to design and implement slum improvements, including the development of Slum Improvement Action Plans (SIAPs) and Community Settlement Plans (CSPs).

Component 3: Urban Infrastructure and Services in Selected Cities. Carry out sub-projects to support primary and secondary infrastructure improvement and site development as well as construction of connecting infrastructure in selected Cities as identified in SIAPs; and Provide Kelurahan Grants to Participating Kelurahans to fund Sub-projects for tertiary infrastructure upgrading in selected cities based on a community-driven approach as well as for strengthening community-based livelihoods through the construction of livelihood-enabling facilities and services that are important for slum prevention.

Component 4: Implementation Support and Technical Assistance. Provide technical support, management, advisory services and training for project management and stakeholder collaboration at national, provincial and city levels, as well as monitoring and evaluation.

Component 5: Contingency for Disaster Response, also referred to as the Contingent Emergency Response Component (CERC). Provide preparedness and rapid response measures to address disaster, emergency and/or catastrophic events, as needed, through carrying out sub-projects and/or using the project implementation arrangements. The CERC was activated in November 2018 to support recovery to a series of earthquakes in 2018 in Lombok and Central Sulawesi.

3. Key Dates

Approval:	Jun. 24, 2016	Signing:	Sep. 01, 2016
Effective:	Oct. 11, 2016	Restructured (if any):	Sep. 18, 2020
Orig. Closing:	Mar. 31, 2022	Rev. Closing (if any):	Jun. 30, 2023; Dec. 31, 2022;

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	9.17
Disbursed:	206.64	Most recent disbursement (amount/date):	1,925,000.00/May. 30, 2023
Undisbursed:	0.69	Disbursement Ratio	99.67

		(%) ¹ :	
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5. Project Implementation Update

The National Slum Upgrading Project has achieved the end target values of its key performance indicators and intermediate results indicators. About 8.6 million persons have benefited from access to improved infrastructure and 11,000 ha of slum areas have been improved. The project responded to the needs of the communities in West Nusa Tenggara and Central Sulawesi that were impacted by disasters, and supported the efforts for recovery from the COVID-19 pandemic, where labor-intensive public works provided jobs for over 86,000 people in the poorest urban communities in 114 cities. The program has introduced best practices and innovation by: providing access for persons with disabilities; gender equality; development of new green spaces; cultural heritage conservation; and better disaster preparedness.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Institutional Development and Policy Development (USD1.5 M)	Activities by Central Management Unit (CCMU), Bappenas in policy development, capacity strengthening of local governments through Local Task Forces, and policy studies completed.	n/a	Consulting firm to develop an implementation strategy for slum alleviation initiatives hired by CCMU.
Component 2: Integrated Planning Support and Capacity Building for Local Government and Communities (USD39.0 M)	Preparation and approval of Slum Improvement Action Plans (SIAPs) and Community Settlement Plans (CSPs) (99% of Kelurahan).	n/a	n/a
Component 3: Urban Infrastructure and Services Investment Support (USD113.0 M)	Out of 44 planned sub-projects for primary/secondary infrastructure) in 37 cities, all 44 sub-projects have been completed. It has benefited about 210,000 people through the improvement of 292 km of local roads; 73 km and 4 units of drainage;	The Project Environmental and Social Management Framework (ESMF) as well as the Project Operations Manuals adopted. Principles of universal design have been incorporated in all sub-projects by the PMU.	All primary/secondary infrastructure packages have been contracted. A procurement post review of selected contracts conducted by the World Bank (WB) found that the procurement process was in accordance with the provisions of the loan agreement, however some areas of improvement are

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.

	<p>a 1 km bridge; 7.5 km and 177 units of sanitation facilities; 644 units of solid waste facilities, 31.4 km and 29 units of water supply facilities, and 51,700 m2 of open public space. Support for tertiary infrastructure has been implemented in 2021 through Cash-for-work (CFW). The CFW activities involve maintaining and cleaning the existing infrastructures, and not building new infrastructure. The total amount of funds allocated for road and drainage in CFW activities makes up about 96% of the total allocated amount. About 86,000 workers have been employed under CFW.</p>		<p>needed in terms of documentation. The overall procurement performance has been rated as moderately satisfactory.</p>
Component 4: Implementation Support and TA (USD21.5 M)	n/a	n/a	<p>12 non-consulting services contracts (Oversight Service Providers/OSPs) ended in May 2022 and there are now five ongoing consulting services (National Management Consultant, Technical Management Consultants, Evaluation and Study Consultant), which are under extension until June 2023.</p>
Component 5: Contingency for Disaster Response (USD41.5 M)	<p>Component 5 activated through Gol request in response to earthquakes/tsunami in Central Sulawesi. It contributed to rehabilitation in Central Sulawesi through the building of 1,600 houses and settlement infrastructure (roads, drainage, water supply, sanitation, and public space facilities), education facilities, and</p>	<p>Emergency Response Operations Manual prepared; The addendum to the project's ESMF for the component adopted.</p>	<p>11 consulting services and 39 civil works contracts have been delivered.</p>

	public buildings.		
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Financial Management:

The disbursement rate is 99.67 percent of the loan (after cancellation). The project has been closed. Overall FM performance was rated as Moderately Satisfactory due to some weaknesses of delays in DIPA (annual budget) availability, delay in formal submission of IFR, slow progress on ineligible expenditures resolution, and delay in the follow-up of previous mission findings. Related controls should be strengthened to avoid similar issued in future projects.

6. Status of the Grievance Redress Mechanism (GRM)

As of June 30, 2023, the project database had recorded 200,942 inquiries/complaints, of which 100 percent have been resolved. Improvements in complaint resolution and updated cumulative inquiries or complaints should be continuously monitored and reported. The National Management Consultant (NMC) has conducted regular spot-checks on the quality and appropriateness of complaint resolution and has published the results of the spot-checks on the website.

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

As per following table:

Remarks:

n/a

Project Objective Indicators	Indicator or level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments	
			Baseline		2016		2017		2018		2019		2020		2021		2022		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
People provided with improved infrastructure under the project	Project	Number	2016	0	0	0	-	0	2,900,000.00	0	-	2,552,225.00	-	4,734,084.00	-	7,267,235.00	7,000,000.00	8,361,079.00	2023	7,000,000.00	8,361,079.00	Mid year and year	PMU, NMC and Evaluation Consultant	
People provided with "improved water sources" under the project (of which women)	Project	Number	2016	0	0	0	-	0	240,000.00	0	-	204,346.00	-	450,575.00	-	596,795.00	560,000.00	930,290.00	2023	560,000.00	930,290.00	Mid year and year	PMU, NMC and Evaluation Consultant	
People provided with "improved sanitation" under the project (of which women)	Project	Number	2016	0	0	0	-	0	360,000.00	0	-	287,787.00	-	363,013.00	-	526,971.00	800,000.00	914,007.00	2023	800,000.00	914,007.00	Mid year and year	PMU, NMC and Evaluation Consultant	
People provided with access to all-season roads within 500 meter range under the project (of which women)	Project	Number	2016	0	0	0	-	0	1,110,000.00	0	-	1,771,850.00	-	3,173,669.00	3,700,000.00	4,381,844.00	-	4,929,530.00	2023	3,700,000.00	4,929,530.00	Mid year and year	PMU, NMC and Evaluation Consultant	
People provided with regular solid waste collection under the project (of which women)	Project	Number	2016	0	0	0	-	0	450,000.00	0	-	677,464.00	-	1,923,006.00	1,500,000.00	1,923,006.00	-	2,457,491.00	2023	2,320,000.00	2,457,491.00	Mid year and year	PMU, NMC and Evaluation Consultant	
People provided with "improved drainage"	Project	Number	2016	0	0	0	0	0	1,080,000.00	0	-	885,954.00	-	1,689,216.00	-	3,070,016.00	2,320,000.00	3,656,035.00	2023	2,320,000.00	3,656,035.00	Mid year and year	PMU, NMC and Evaluation Consultant	

under the project (of which women)																								
Slum Area Alleviated	Project	Hectare	2016	0	0	0	-	0	2,200.00	0	-	2,192.00	-	4,144.00	-	7,345.00	6,360.00	11,382.00	2023	6,360.00	11,382.00	Mid year and year	PMU, NMC and Evaluation Consultant	
Percentage of slum dwellers who are satisfied with the quality of urban infrastructure and services (of which women, of which bottom 40%, of which poor)	Project	Percentage	2016	0	0	0	-	0	60.00	0	-	0	-	0	-	94.00	80.00	94.00	2023	80.00	96	Mid year and year	PMU, NMC and Evaluation Consultant	
Percentage of complaints resolved	Project	Percentage	2016	0	0	0	-	99.56	80.00	99.90	-	99.40	-	100.00	-	99.00	90.00	99.00	2023	90.00	99	Annually	PMU, NMC	
Establishment of functional task forces for slum alleviation at local level (%Local Governments)	Project	Percentage	2016	0	0	0	30.00	76.00	60.00	79.00	70.00	64.00	80.00	70.50	90.00	91.50	90.00	96.00	2023	90.00	96	Annually	PMU, LGs	
Direct project beneficiaries	Project	Number	2016	0	0	0	-	0	3,000,000.00	0	5,000,000.00	2,552,225.00	-	5,048,366.00	-	8,219,629.00	7,200,000.00	8,659,932.00	2023	7,200,000.00	8,659,932.00	Annually since the third year of intervention	PMU, NMC	
Female beneficiaries (Percentage, Custom Supplement)	Project	Percentage	2016	0	0	0	-	0	50	0	50	51.10	-	53.12	-	53.00	50	49.30	2023	50	50.00	Annually since the third year of intervention	PMU, NMC	
Direct project beneficiaries To reconstruct &	Project	Number	2016	0	0				-						40,000.00	5,695.00	40,000.00	120,824.00	2023	40,000.00	120,824.00	Annually	PMU	

been consolidated with SIAPs																									
Number of cities which have completed 80% of primary and secondary infrastructure works and services connected to slum areas	Project	Number	2016	0	0	0	0	0	20.00	0	10.00	2.00	15.00	2.00	20.00	16.00	30.00	34.00	2023	30.00	37	Annually	PMU, NMC		
Number of kelurahans that have completed 90% of tertiary infrastructure and services implemented in slum areas	Project	Number	2016	0	0	0	1,400.00	0	1,500.00	701.00	1,600.00	1,138.00	1,700.00	1,443.00	2,000.00	2,159.00	2,500.00	2,506.00	2023	2,500.00	2,506.00	Annually	PMU, NMC		
Percentage of good quality of infrastructure and services	Project	Percentage	2016	0	0	0	0	0	80.00	97.70	90.00	97.00	90.00	97.00	90.00	97.00	90.00	98.00	2023	90.00	98	Annually	PMU, NMC		
Percentage of infrastructure built that is fully functioning	Project	Percentage	2016	0	0	0	0	0	0	0	0	0	0	0	70.00	89.00	70.00	89.00	2023	70.00	89	Annually	PMU, NMC		
Percentage of local governments that have project monitoring structure and provide regular information on project implementation	Project	Percentage	2016	0	0	0	20.00	0	30.00	0	50.00	35.00	60.00	69.00	70.00	96.00	70.00	98.00	2023	70.00	98	Annually	PMU, NMC		
Percentage of kelurahans with completed annual financial audits	Project	Percentage	2016	0	0	0	80.00	84.19	80.00	98.70	90.00	99.00	90.00	99.51	90.00	97.00	90.00	99.00	2023	90.00	98	Annually	PMU, NMC		
Percentage of housing constructed to project resilience standards	Project	Percentage	2016												70.00	63.00	70.00	87.00	2023	70.00	87	Annually	PMU		
Percentage of water supply facilities has been built	Project	Percentage	2016												65.00	50.00	65.00	100.00	2023	65.00	100	Annually	PMU		
Percentage of sanitation facilities have	Project	Percentage	2016												75.00	25.00	75.00	100.00	2023	75.00	100	Annually	PMU		

