

Project Implementation Monitoring Report (#19)

Reporting Period From 2024/01 To 2024/06

Indonesia : Strategic Irrigation Modernization and Urgent Rehabilitation

1. Project Information

Project ID:	P000060	Instrument ID:	L0060A
Member:	Indonesia	Region:	South-Eastern Asia
Sector:	Water	Sub-sector:	Irrigation and drainage
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 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:	PSC1		
Project Team Members:	Jinghui Li, Team Member; Jana Halida Uno, Team Member; Liu Yang, Project Counsel; Guoping Yu, SFD - Procurement Specialist; Odil Akbarov, SFD - Environment & Social Development Specialist; Asma Bachikh, Team Member; Nurul Mutmainnah, SFD - Financial Management Specialist; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	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) Apr, 2022 Virtual mission Oct, 2022 Joint implementation mission with the World Bank May, 2023 Joint implementation mission with the World Bank Oct, 2023 Joint implementation mission with the World Bank Feb, 2024 Joint implementation mission with the World Bank Jun, 2024 Joint implementation mission with the World Bank		

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Planned Site Visits by AIIB:	Oct, 2024 Joint implementation mission with the World Bank
Current Red Flags Assigned:	0
Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	0
Previous Red Flags Assigned Date:	2023/12

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). The Project is co-financed with the World Bank as the lead co-financier.

3. Key Dates

Approval:	Jun. 24, 2018	Signing:	Jul. 11, 2018
Effective:	Aug. 23, 2018	Restructured (if any):	May. 16, 2022
Orig. Closing:	Jun. 30, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:	242.00	Cancellation (if any):	0.00
Disbursed:	222.66	Latest disbursement (amount/date):	16.50/May. 10, 2024
Undisbursed:	27.34	Disbursement Ratio (%) ¹ :	89.07

5. Project Implementation Update

The Project implementation continues to display substantial progress. Three-quarters (48 out of 64) of all civil work contracts under the Project have been completed, with the remaining 16 contracts (across Components A and B) having reached an average physical progress of 92

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.

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percent. Since the last reporting cycle, the Project has made an additional USD23.25 million in disbursements, resulting in a total disbursement ratio of 89 percent. Further, the Project has made significant progress toward realizing the Project Objectives, with the end-targets of two out of four Project Objective Indicators (POIs), the remaining two POIs having reached 97 percent of the targets, and 14 out of 16 Intermediate Result Indicators being fully met. The loan closing date has been extended from June 30, 2024, to June 30, 2025, to allow the full completion of the civil works, utilization of the loan proceeds, and achievement of the Project Objective. This extended Project implementation period is also expected to allow the conclusion of strategic Project activities with impacts beyond the Project scope, including supporting the country's mid-term investment planning in irrigation, installing hydro-mechanical sensors / instrumentations, and integrating Climate-Smart Agriculture practices across participating River Basin Organizations.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A: Urgent Rehabilitation of Irrigation and Drainage System (USD98.6 million)	98% (of all civil work contracts)	Complied. Continuous improvements in compliance with the environmental and social safeguards, as outlined in the Project's Environmental and Social Management Framework, have been observed. To date, no significant environmental and social issues have been encountered during the implementation, and no significant issues are anticipated going forward. Environmental permit documents, Contractors' Environmental Management Plans, and related implementation documents have been prepared in a timely manner.	The 46 civil works contracts envisaged under the component have been awarded, of which 38 have been completed, and 8 are targeted for completion in December 2024.
Component B Strategic Modernization of Irrigation and Drainage System (USD143.0 million)	90% (of all civil work contracts)	Same as the above.	The 18 civil works contracts envisaged under the component have been awarded, of which 10 have been completed, and 8 are targeted for completion in December 2024.
Component C: Project Management (USD8.4 million)	n/a	n/a	Out of 37 consultancy contracts envisaged under the component, 28 contracts have been

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			<p>completed, and 9 are under implementation. These ongoing contracts are namely for the Project's technical and management support and evaluation and monitoring, all of which are required until the loan closing.</p>
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Financial Management:

The Project maintains timely submission of its audit report and quarterly IFRs. The next IFR submission (for Q2 2024) is scheduled for August 15, 2024. Ineligible expenditure indicated in the 2023 Audit Report (amounting to USD1.7 million) is scheduled to be returned to the Project's Designated Account by October 31, 2024. A Project Budget (DIPA) of around USD70 million was granted for the Project implementation in 2024 (against the initial request of USD100 million). CPMU has started the administrative process of increasing the 2024 DIPA, as USD46.25 million (two-thirds of this year's budget) has been utilized by June 30, 2024 (half of which was disbursed from AIIB's loan).

6. Status of the Grievance Redress Mechanism (GRM)

The Project has received 841 complaints and requests, of which 839 have been resolved. These complaints were about construction-related issues, such as requests for employment opportunities for local communities, complaints on temporary access disturbances during construction, dust pollution, disposal of sediment on private properties, etc. Two complaints about temporary access disturbance due to civil works were under resolution (as of June 2024).

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

The Project has made significant progress toward realizing the Project Objectives, with the end-targets of two out of four Project Objective Indicators (POIs), the remaining two POIs having reached 97 percent of the targets, and 14 out of 16 Intermediate Result Indicators being fully met.

The Project Management Consultant (PMC) is performing the Monitoring and Evaluation (M&E) role on behalf of the CPMU. An independent M&E team has been contracted under Bappenas (as one of the National PIUs) to conduct independent verification.

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments				
			Baseline		2018		2019		2020		2021		2022		2023		2024		End Target								
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual			
Area provided with new/improved irrigation or drainage services	Project	Ha	2018	0	0		n/a		n/a		n/a		n/a	62,621	118,893	178,291	253,102	244,803		253,102							
Percentage of crop intensity	Project	paddy	2018	180	180		n/a		n/a		n/a		n/a	186	196	194	200	194		200							
Irrigation service agreements with clear allocation of responsibilities implemented	Project	Number	2018	0	0		n/a		n/a		n/a		n/a	6	6	11	9	12		9							
Asset management systems with transparent budget allocation operational	Project	Number	2018	0	0		n/a		n/a		n/a		n/a	6	6	11	9	15		9							

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values															Frequency	Responsibility	Comments							
			Baseline	2018	2019	2020	2021	2022	2023	2024	End Target																

			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual			
Annual performance report of irrigation service providers published (Component A)	Project	Number	2018	0	0		n/a		n/a		n/a	0	n/a	8	8	11		8				
Irrigation Commission (KOMIR) established and operational (Component A)	Project	Number	2018	8	8		n/a		n/a		n/a	16	n/a	25	24	27		24				
Participatory Irrigation Development and Management (PPISP) included in planning documents (Component A)	Project	Number	2018	9	9		n/a		n/a		n/a	19	n/a	30	19	30		19				
WUAs with trained members in decision making (Component A)	Project	Number	2018	-	-		n/a		n/a		n/a	794	n/a	1,207	390	1,207		390				
WUAs with trained female members in decision making (Component A)	Project	Number	2018	-	-		n/a		n/a		n/a	50%	n/a	66%	50%	66		50%				
Number of WUAFs established and operational (Component A)	Project	Number	2018	-	-		n/a		n/a		n/a	68	n/a	136	90	136		90				

Establishment and operationalization of grievance mechanism for water users in delivery of irrigation services (Component A)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	0	n/a	10	6	11	6						
Number of farmer households provided with improved irrigation services (Component A)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	204,000	n/a	n/a	429,000	422,000	429,000						
Annual performance report of irrigation service providers published (Component B)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	0	n/a	1	1	1	1						
Irrigation Commission (KOMIR) established and operational (Component B)	Project	Number	2018	1	1	n/a	n/a	n/a	n/a	1	n/a	3	3	3	3						
Participatory Irrigation Development and Management (PPISP) included in planning documents (Component B)	Project	Number	2018	1	1	n/a	n/a	n/a	n/a	2	n/a	4	2	4	2						
WUAs with trained members in decision making (Component B)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	1,826	n/a	1,826	480	1,826	480						

WUAs with trained female members in decision making (Component B)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	81%	n/a	100%	50%	100	50%					
Number of WUAFs established and operational (Component B)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	22	n/a	163	160	163	160					
Establishment and operationalization of grievance mechanism for water users in delivery of irrigation services (Component B)	Project	Number	2018	-	-	n/a	n/a	n/a	n/a	0	n/a	1	1	1	1					
Number of farmer households provided with improved irrigation services (Component B)	Project	Number	2018	0	0	n/a	n/a	n/a	n/a	64,000	n/a	213,000	362,000	342,000	362,000					