

## COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

**Table A1.1: Progress Toward the Millennium Development Goals and Targets**

Goals and Targets		Indicators	1990	2002	2015	Country Status
<b>Goal 1</b>	<b>Eradicate Extreme Poverty and Hunger</b>					
Target 1	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1/day. <sup>1</sup>	1. Proportion of population below the national poverty line (%)		16.70 <sup>2</sup>		Although Indonesia is on track for achieving target 1, current trends suggest that achieving target 2 will be difficult without concerted efforts to improve access to water and sanitation as diarrhea is one of the main causes of malnutrition.
Target 2	Halve, between 1990 and 2015, the proportion of people who suffer from hunger.	2. Poverty gap ratio (incidence x depth of poverty) (%)	2.71	2.89 <sup>2</sup>		
		3. % share of poorest quintile in national consumption	9.30	9.10		
		4. Prevalence of underweight children (% children under-5 years of age).	37.47 <sup>3</sup>	27.30	17.00	
		5. Proportion of population below minimum level of dietary energy consumption (%)	69.50	64.58	37.00	
<b>Goal 2</b>	<b>Achieve Universal Primary Education</b>					
Target 3	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	6. Net primary enrolment ratio (% of relevant age group)	88.70 <sup>4</sup>	92.70	100.0	May be achieved
	7. % of grade 1 cohort reaching grade 5	74.70 <sup>5</sup>	82.20	100.0		
	8. Literacy rate of 15–24 year olds (%)	96.58 <sup>2</sup>	98.67	100.0		
<b>Goal 3</b>	<b>Promote Gender Equality and Empower Women</b>					Parity has been reached at the elementary and junior secondary level although improvements are required at the senior secondary and tertiary level. The main issue is in the workplace where women face higher levels of unemployment and lower wages than men even controlling for education and experience.
Target 4	Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.	9. Ratio of girls to boys: primary education (%)	100.60 <sup>4</sup>	100.10		
		10. Ratio of girls to boys: junior secondary education (%)	101.30 <sup>4</sup>	102.60		
		11. Ratio of girls to boys: senior secondary education (%)	98.00 <sup>4</sup>	97.10		
		12. Ratio of girls to boys: tertiary education (%)	85.10 <sup>4</sup>	92.80		
		13. Ratio of literate females to males of 15–24 year olds (%)	97.90 <sup>4</sup>	99.80		
		14. Share of women in wage employment in the nonagriculture sector (%)	29.20 <sup>4</sup>	28.30		
		15. Proportion of seats held by women in national parliament (%)	12.50 <sup>6</sup>	8.80 <sup>7</sup>		

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<b>Goal 4</b>	<b>Reduce Child Mortality</b>					
Target 5	Reduce by two thirds, between 1999 and 2015, the under-5 mortality rate.	13. Under-5 mortality rate (per 1,000 live births) 14. Infant mortality rate (per 1,000 live births) 15. Proportion of 1-year-old children immunized against measles (% of children under 1 year)	44.50 <sup>5</sup>	46.00 <sup>8</sup> 35.00 <sup>8</sup> 63.0	28.0	Indonesia is on track for goal 4.
<b>Goal 5</b>	<b>Improve Maternal Health</b>					
Target 6	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.	16. Maternal mortality ratio (per 100,000 births) 17. Proportion of births attended by skilled health personnel (mothers of children under 5 years old) (%) 18. Contraceptive prevalence rate among married women (15–49 years old)	415 40.70 <sup>4</sup> 50.50 <sup>4</sup>	307 68.40 54.20	113.0 90.00 <sup>9</sup>	Despite the apparent recent improvements in the maternal mortality ratio, measurement is still imprecise and considered to underestimate the true incidence. Concerted efforts are required for Indonesia to achieve this goal.
<b>Goal 6</b>	<b>Combat HIV/AIDS, Malaria, and other Diseases</b>					
Target 7	Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	19. HIV prevalence among 15–24 year old pregnant women (%) 20. Condom use prevalence rate (% women 15–49) 21. Number of children orphaned by HIV/AIDS	1.30 <sup>4</sup>	0.40		In recent years the number of HIV cases in Indonesia has grown exponentially among high risk behavior groups and the country has passed concentrated epidemic level of 0.1% and is now on the edge of a generalized epidemic.
Target 8	Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases	22. Malaria related mortality rate (per 100,000) (male = M, female = F) 23. Malaria cases per 100,000 people 24. Incidence of tuberculosis (per 100,000) 25. Tuberculosis cases per 100,000 26. Proportion of tuberculosis cases cured under DOTS (directly observed treatment short course) (%)		11-M <sup>b</sup> 8-F <sup>5</sup> 850.00 <sup>5</sup>		Malaria is endemic to most areas outside the cities and is being reported in several places where it was earlier unknown. Drug resistance is also being reported.  Tuberculosis kills the most adults after cardiovascular diseases. It is the largest killer among communicable diseases.

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Goal 7	Ensure environmental sustainability				
Target 9	Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.	27. % of forest and to total land area 28. Land area protected to maintain biological diversity (% of total land area) 29. Gross domestic product per unit of energy use (energy efficiency) (purchasing power parity \$ per/kilogram oil equivalent) 30. Carbon dioxide emissions (ton per capita) (Plus two figures of global atmospheric pollution: ozone depletion and the accumulation of global warming gases)	65.2 10.6 3.5 2.54	58.0 16.0 4.2 2.25 <sup>10</sup>	Many environmental indicators show significant deterioration. Concerns regarding governance and capacity in the context of decentralization require to be addressed on priority.
Target 10	Halve, by 2015, the proportion of people without sustainable access to safe drinking water.	29. % of population with sustainable access to an improved water source rural (R) and urban (U)	55.80 <sup>4</sup> (R) 35.30 <sup>4</sup> (U)	68.50 (R) 91.40 (U)	Data show a trend of improvement for both sanitation and water supply. However, as in the case of health and education, concerted efforts by regional governments will be necessary to active targets by 2015.
Target 10	Halve, by 2015, the proportion of people without sustainable access to basic sanitation.	30. % of population with sustainable access to basic sanitation	36.90 <sup>1</sup>	58.80 <sup>12</sup>	
Target 11	By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.	31. % of population with access to improved sanitation 32. % of population with access to secure tenure	87.69 <sup>4</sup>	40.40 <sup>12</sup> 83.52 <sup>5</sup>	

HIV/AIDS = human immunodeficiency virus/ acquired immunodeficiency syndrome.

Notes:

1. For monitoring country poverty trends, indicators based on national poverty lines should be used, where available, United Nations. 2001. *Road Map Towards the Implementation of the United Nations Millennium Declaration: Report of the Secretary General*. CITY.
2. Data for 2004.
3. Based on Susenas 1989.
4. Data for 1992.
5. Data for 2001.
6. 1992–1997.
7. 1999–2004.
8. 1998–2003.
9. Goal for 2010.
10. Estimation for year 2000.
11. Data for 1993.
12. Data for 2003.

Table A1.2: Country Economic Indicators

Item	Fiscal Year						
	1997	1998	1999	2000	2001	2002	2003
<b>A. Income and Growth</b>							
1. GDP per Capita (\$, current)	1,105	482	698	728	684	816	968
2. GDP Growth (% in constant prices)	4.7	(13.1)	0.3	4.9	3.8	4.3	4.5
Agriculture	1.0	(1.3)	2.2	1.1	4.1	2.8	3.1
Industry	5.2	(14.0)	2.0	6.1	2.7	4.4	3.6
Services	5.6	(16.5)	(1.0)	5.2	5.0	4.7	6.2
<b>B. Saving and Investment</b>							
	(% of GDP)						
1. Gross Domestic Investment	31.8	16.8	11.4	16.1	17.8	14.3	16.0
2. Gross National Saving	31.5	26.5	19.5	25.6	25.9	21.1	21.5
<b>C. Money and Inflation</b>							
	(annual % change)						
1. Consumer Price Index <sup>a</sup>	6.2	58.5	20.5	3.7	11.5	11.9	6.6
2. Total Liquidity (M2)	23.2	62.3	11.9	15.6	13.0	4.7	8.1
<b>D. Government Finance</b>							
	(% of GDP)						
1. Revenue and Grants	17.9	16.5	18.6	16.2	20.4	18.6	19.1
2. Expenditure and Onlending	17.4	18.1	21.1	17.5	22.8	20.3	21.21
3. Overall Fiscal Surplus (Deficit)	0.5	(1.5)	(2.5)	(1.3)	(2.3)	(1.7)	(2.1)
<b>E. Balance of Payments</b>							
1. Merchandise Trade Balance	4.6	18.9	14.6	15.7	15.5	12.6	11.6
(% of GDP)							
2. Current Account Balance (% of GDP)	(2.3)	4.3	4.1	5.3	4.8	4.5	3.6
3. Merchandise Export (\$) Growth	12.2	(10.5)	1.7	27.6	(12.3)	(3.1)	(6.9)
(annual % change)							
4. Merchandise Import (\$) Growth	4.5	(30.9)	(4.2)	31.9	(14.1)	(2.8)	(10.9)
(annual % change)							
<b>F. External Payments Indicators</b>							
1. Gross Foreign Assets Outstanding, including gold, \$ million <sup>b</sup>	17.5	23.8	27.1	29.4	28.1	32.0	36.3
months of current year's imports of non-oil and gas goods <sup>d</sup>	3.0	5.2	6.0 <sup>1</sup>	5.3	5.7	6.3	6.8
2. External Debt Service (% of exports of goods and services)	37.8	46.8	65.8	41.3	36.0	32.1	26.5
3. Total External Debt (% of GDP)	63	158	106	94	93	76	65
<b>G. Memorandum Items</b>							
1. GDP (current prices, Rp trillion)	609.3	901.9	1,016.0	1,172.8	1,405.6	1,555.5	1,707.1
2. Exchange Rate (Rp/\$, average)	2,909	1,0014	7,855	8,422	1,0261	9,311	8,577
3. Population (million) <sup>c</sup>	195.3	198.0	200.7	206.3	209.0	212.0	215.2

GDP = gross domestic product.

<sup>a</sup> Annual percentage change (period average). For 2001–2003 use 2000 as the base year.

<sup>b</sup> Since January 1998, the official foreign exchange reserve position has been replaced by gross foreign assets. 1995–1999 data are from United Nations. 2001. *Common Country Assessment for Indonesia*. City.

<sup>c</sup> Using 1.35% as annual average of growth for 1990–2000.

<sup>d</sup> United Nations, 2001. *Common Country Assessment for Indonesia*. City.

Sources: Central Bureau of Statistics, Ministry of Finance, Bank of Indonesia.

**Table A1.3: Country Poverty and Social Indicators**

Item	Period		
	1985	1990	Latest Year
<b>A. Population Indicators</b>			
1. Total Population (million) <sup>a</sup>	164.6	179.4	211.1 (2002)
2. Annual Population Growth Rate (% change) <sup>a</sup>	2.2	2.0	1.25
<b>B. Social Indicators</b>			
1. Total Fertility Rate (births/woman) <sup>a</sup>	3.1 (1987)	3.0 (1991)	2.8 (1997)
2. Maternal Mortality Ratio (per 100,000 live Births) <sup>a</sup>	360 (1984–1988)	390(1990–1994)	307(2002–2003)
3. Infant Mortality Rate (below 1 yr/1,000 live Births) <sup>a</sup>	67.4(1987)	67.8	45.7(1997)
4. Life Expectancy at Birth (years) <sup>a</sup>			
Female	61.5	61.5	68.2 (2002)
Male	57.9	57.9	64.3 (2002)
5. Adult Literacy (%) <sup>b</sup>	69(1980)	84	87.3 (2003)
Female	66 (1980)	79	82.9 (2003)
Male	83 (1980)	90	91.8 (2003)
6. Primary School Gross Enrollment (%) <sup>b</sup>			105.8 (2003)
Female	114	110	105.6 (2003)
Male	120	115	106.0 (2003)
7. Junior Secondary School Gross Enrollment (%) <sup>b</sup>		61.1 (1993)	81.1 (2003)
Female	—	60.0 (1993)	82.4 (2003)
Male	—	62.2 (1993)	79.9 (2003)
8. Child Malnutrition (% below age 5) <sup>c</sup>	51 (1986)	44 (1989)	28.2 (2003)
9. Population with Access to Safe Water (%) <sup>b</sup>	—	60.3 (1993)	75.0 (2003)
10. Population with Access to Sanitation (%) <sup>b</sup>	—	36.9(1993)	58.8 (2003)
11. Public Education Expenditure (% of GDP)	1.5	1.0	1.3(1999)
12. Human Development Index <sup>d</sup>	0.578	0.618	0.692(2002)
Rank	81	89	111(2002)
13. Gender-Related Development Index <sup>d</sup>	—	—	0.685 (2002)
Rank	—	—	90 (2002)
<b>C. Poverty Indicators</b>			
1. Poverty Incidence (national poverty line) <sup>e</sup>	21.6	15.1	16.7 (2004)
2. Percent of Poor to Total Population <sup>e</sup>	21.6	15.1	16.7(2004)
3. Poverty Gap <sup>e</sup>	—	2.68(1990)	2.89 (2004)
4. Poverty Severity Index <sup>e</sup>	—	0.74(1990)	0.78 (2004)
5. Inequality (Gini Ratio) <sup>e</sup>	.33 (1984)	0.32(1990)	0.32 (2003)
6. Human Poverty Index Value <sup>d</sup>	—	27.6	17.8 (2002)
7. Human Poverty Index Rank <sup>d</sup>	—	—	33 (2002)

— = not available, GDP = gross domestic product.

<sup>a</sup> Central Statistical Agency, Ministry of Health, National Family Planning Coordination Board, and Macro International Demographic and Health Survey, 1994 and 2003. Some data are estimated through indirect means hence refer to earlier periods. Note that the error associated with the maternal mortality ratio (MMR) is as much as 65% at the 95% confidence interval, therefore the 2003 MMR may not be significantly different from that of 1994.

<sup>b</sup> Central Statistical Agency, national socioeconomic survey data various years

<sup>c</sup> BPS Social Welfare statistics underweight for age (% under age 5) includes both moderate and severely malnourished; safe water means piped, pumped, or protected well or spring.

<sup>d</sup> [http://hdr.undp.org/statistics/data/country\\_fact\\_sheets/cty\\_fs\\_IDN.html](http://hdr.undp.org/statistics/data/country_fact_sheets/cty_fs_IDN.html) for latest and [http://globalis.gvu.unu.edu/indicator\\_detail.cfm?Country=ID&IndicatorID=15](http://globalis.gvu.unu.edu/indicator_detail.cfm?Country=ID&IndicatorID=15) for human development index in 1985 and 1990.

<sup>e</sup> BPS Research center

Table A1.4: Country Environment Indicators

Indicator	Earlier Year	Latest Year
<b>A. Energy Efficiency of Emissions</b>		
1. GDP/Unit of Energy Use (PPP\$/kgoe)	4.2 (2000) <sup>a</sup>	3.7 (2002) <sup>b</sup>
2. Traditional Fuel Use (% of total energy use)	29.3 (1997) <sup>c</sup>	24.8 (2001) <sup>d</sup>
3. Carbon Dioxide Emissions		
a. Million tons	251.5 (2001) <sup>a</sup>	275.2 (2002) <sup>b</sup>
b. Tons per capita	1.2 (1999) <sup>e</sup>	1.3 (2002) <sup>b</sup>
<b>B. Water Pollution: Water and Sanitation</b>		
1. % Urban Population with Access to Safe Water	90 (2000) <sup>a</sup>	90 (2002) <sup>b</sup>
2. % Rural Population with Access to Safe Water	69 (2000) <sup>a</sup>	69 (2002) <sup>b</sup>
3. % Urban Population with Access to Sanitation	61 (2000) <sup>a</sup>	69 (2002) <sup>b</sup>
<b>C. Land Use and Deforestation</b>		
1. Forest Area (million hectares)	105 (2000) <sup>e</sup>	105 (2002) <sup>b</sup>
2. Average Annual Deforestation		
a. square kilometers	13,124 (2000) <sup>a</sup>	13,124 (2002) <sup>b</sup>
b. % change	1.2 (1999–2000) <sup>e</sup>	1.2 (1999–2000) <sup>b</sup>
3. Rural Population Density (people/km <sup>2</sup> of arable land)	591 (2001) <sup>e</sup>	591 (2001) <sup>f</sup>
4. Arable Land (% of total land)	11.3 (2000) <sup>a</sup>	11.3 (2001) <sup>f</sup>
5. Permanent Cropland (% of total land)	7.2 (2000) <sup>a</sup>	7.2 (2001) <sup>f</sup>
<b>D. Biodiversity and Protected Areas</b>		
1. Nationally Protected Area		
a. million hectares	35.74 (2001) <sup>a</sup>	37.2 (2002) <sup>b</sup>
b. % of total land	19.7 (2001) <sup>a</sup>	20.6 (2002) <sup>b</sup>
2. Mammals (number of threatened species)	147 (2001) <sup>e</sup>	147 (2002) <sup>b</sup>
3. Birds (number of threatened species)	114 (2001) <sup>e</sup>	114 (2002) <sup>b</sup>
4. Higher Plants (number of threatened species)	264 (2002) <sup>g</sup>	525 (2003) <sup>h</sup>
5. Reptiles (number of threatened species)	31 (1999) <sup>g</sup>	32 (2003) <sup>h</sup>
6. Amphibians (number of threatened species)	22 (1997) <sup>g</sup>	—
<b>E. Urban Areas</b>		
1. Urban Population		
a. Million	87.78 (2001) <sup>e</sup>	91.03 (2002) <sup>b</sup>
b. % of total population	42 (2001) <sup>e</sup>	43 (2002) <sup>b</sup>
2. Per Capita Water Use (liters/day)		
3. Wastewater Treated (%)		
4. Solid Waste Generated Per Capita (kg/day)	0.66 (1998) <sup>i</sup>	0.66 (1998) <sup>i</sup>

— = not available, kg = kilogram, kgoe = kilograms of oil equivalent, km<sup>2</sup> = square kilometer, PPP = purchasing power parity, .

Sources:

<sup>a</sup> World Bank. 2003. *World Development Indicators 2003*. City.

<sup>b</sup> World Bank. 2004. *The Little Green Data Book 2004*. City.

<sup>c</sup> United Nations Development Programme. 2002. *Human Development Report, 2002*. City.

<sup>d</sup> United Nations Development Programme. 2004. *Human Development Report, 2004*. City.

<sup>e</sup> World Bank. 2003. *The Little Green Data Book 2003*. City.

<sup>f</sup> World Bank. 2004. *World Development Indicators 2004*. City.

<sup>g</sup> As reported in Asian Development Bank. 2003. *Country Strategy and Program Update: Indonesia*. Manila.

<sup>h</sup> World Conservation Union (IUCN). 2003. *IUCN Red Lists of Threatened Species*. City. ([www.redlist.org](http://www.redlist.org), downloaded 1 August 2004).

<sup>i</sup> World Bank. 2003. *Indonesia Environment Monitor*. City. The data refer to Jakarta/Java.

**Table A1.5: Development Coordination Matrix**

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Agriculture and Natural Resources	<ul style="list-style-type: none"> <li>• Sustainable Aquaculture for Poverty Reduction</li> <li>• Agriculture Productivity Enhancement</li> <li>• Natural Resource Management in a Decentralized Environment (ADTA)</li> <li>• Improving Market Access for Agriculture Project (ADTA)</li> <li>• Flood Management in Selected River Basins in Java</li> <li>• Integrated Fisheries and Coastal Resource Management</li> <li>• Rural Micro Finance.</li> </ul>	<p>AusAid</p> <ul style="list-style-type: none"> <li>• Coral Reef Rehabilitation Management Project (COREMAP)</li> </ul> <p>CIDA</p> <ul style="list-style-type: none"> <li>• Drought Management</li> <li>• District-Level Environmental Management</li> </ul> <p>JBIC</p> <ul style="list-style-type: none"> <li>• Rural Infrastructure Development 2</li> <li>• Marine Education and Training Improvement Project</li> </ul> <p>European Union</p> <ul style="list-style-type: none"> <li>• Support to Biodiversity Conservation</li> <li>• Social and Community Forestry</li> <li>• River Basin Water Resource Based Poverty Alleviation Program</li> <li>• East Kalimantan Natural Resources Management Project</li> </ul> <p>GTZ</p> <ul style="list-style-type: none"> <li>• Environmental Policy Advisory Program</li> </ul> <p>USAID</p> <ul style="list-style-type: none"> <li>• Empowerment of Coastal Communities</li> <li>• Food Policy and Management Development of Environmental Organizations</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• COREMAP II</li> <li>• Watershed Management</li> <li>• Marginal Fishery Communities Development</li> <li>• Water Resource Irrigation Management Sector Project 2</li> <li>• West Java Environment Project</li> <li>• Sustaining Microfinance Project</li> <li>• Catchment Protection</li> <li>• Farmer Empowerment Agriculture Technology</li> </ul>

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Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Industry and Trade	<ul style="list-style-type: none"> <li>• Provincial SME and Industrial Development</li> </ul>	CIDA <ul style="list-style-type: none"> <li>• Private Enterprise Project (Small and Medium Enterprise)</li> </ul> GTZ <ul style="list-style-type: none"> <li>• SME Policy Development</li> </ul> JBIC <ul style="list-style-type: none"> <li>• Small and Medium Corporations</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Decentralized Senior Secondary Education</li> <li>• Madrasah Education Development</li> </ul>	AUSAID <ul style="list-style-type: none"> <li>• Vocational and Technical Training</li> <li>• NTT Primary Education Project</li> <li>• Virtual Colombo Plan and other Education interventions</li> <li>• Learning Assistance Project for Islamic Schools</li> </ul> CIDA <ul style="list-style-type: none"> <li>• Higher Islamic Education</li> </ul> European Union <ul style="list-style-type: none"> <li>• Good Governance for the Improvement of Basic Education</li> </ul> GTZ <ul style="list-style-type: none"> <li>• Vocational Training</li> <li>• Science Education Quality Improvement Project</li> </ul> JBIC <ul style="list-style-type: none"> <li>• Regional Education Support</li> <li>• Higher Education Resources</li> <li>• National Islamic Medical Faculty</li> </ul> USAID <ul style="list-style-type: none"> <li>• Basic Education Project</li> </ul> World Bank <ul style="list-style-type: none"> <li>• Basic Education 4</li> <li>• Global Development Learning Project</li> <li>• Higher Education Reform</li> </ul>

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Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Health, Nutrition, and Social Protection	<ul style="list-style-type: none"> <li>• Sustainable Social Protection</li> <li>• Urban Nutrition Project</li> <li>• Community Water Services and Health</li> </ul>	<p>AUSAID</p> <ul style="list-style-type: none"> <li>• Women and Children's Health</li> <li>• HIV/AIDS Prevention and Care</li> <li>• Decentralized Health</li> <li>• Bali Health Assistance</li> </ul> <p>CIDA</p> <ul style="list-style-type: none"> <li>• Health Planning</li> <li>• Management and Monitoring System</li> <li>• Tuberculosis Project</li> </ul> <p>European Union</p> <ul style="list-style-type: none"> <li>• Good Governance for the Improvement of Basic Education</li> </ul> <p>KfW</p> <ul style="list-style-type: none"> <li>• HIV/AIDS Prevention</li> </ul> <p>USAID</p> <ul style="list-style-type: none"> <li>• Child Health Improvement</li> <li>• Preventive and Emergency Health Care</li> <li>• Improvement of Health Database</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Fighting HIV/AIDS</li> <li>• Provincial Health Project 2 (Nutrition)</li> </ul>
Water Supply, Sanitation, and Waste Management	<ul style="list-style-type: none"> <li>• Water Supply and Sanitation</li> <li>• Metropolitan Health and Sanitation</li> </ul>	<p>AUSAID</p> <ul style="list-style-type: none"> <li>• Water Supply and Sanitation (WASPOLA &amp; WSSLIC II)</li> </ul> <p>JBIC</p> <ul style="list-style-type: none"> <li>• Umbulan Water Supply Project</li> <li>• Solid Waste Management</li> <li>• Makassar Water Supply Project</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Community-Based Urban Project</li> <li>• Urban Poverty Project III</li> <li>• Urban Poverty Project IV</li> </ul>

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Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<ul style="list-style-type: none"> <li>• Urban Sector Development Reform Project</li> <li>• Indonesia Sanitation Fund</li> <li>• Water Supply and Sanitation for Low Income Community Project III (WSSLIC)</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• Rural Electrification</li> <li>• Renewable Energy</li> <li>• Gas Transportation through Public-Private Partnership</li> <li>• Power Transmission</li> <li>• Regional Power and Gas Infrastructure</li> <li>• Clean Transportation Fuel</li> <li>• Clean Development Mechanism</li> </ul>	<p>USAID</p> <ul style="list-style-type: none"> <li>• Energy Sector Restructuring</li> <li>• Clean Energy</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Gas Distribution</li> <li>• Gas Utilization and Pricing</li> </ul> <p>JBIC</p> <ul style="list-style-type: none"> <li>• Gas Transmission</li> <li>• Geothermal Energy</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• Interurban and Strategic Road Development</li> <li>• Interisland Transport Development (Port and Airport)</li> <li>• Private Sector Participation in the Port and Airport Sectors</li> <li>• Urban Transport and Environment</li> <li>• Regional Infrastructure Projects</li> </ul>	<p>GTZ</p> <ul style="list-style-type: none"> <li>• Urban Railway</li> </ul> <p>JBIC</p> <ul style="list-style-type: none"> <li>• Improvement of Railway Management</li> <li>• Port Development</li> <li>• Airport Development</li> <li>• Interurban Transport Development</li> <li>• Urban Railway</li> <li>• Urban Road Development</li> <li>• Sea Transport Financing System</li> </ul> <p>KfW</p> <ul style="list-style-type: none"> <li>• Interisland Ferry</li> <li>• JABOTABEK Railway Network</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Eastern Indonesia Roads II</li> <li>• Strategic Roads Infrastructure</li> <li>• Sumatra Roads Development</li> <li>• Papua Regional Development</li> </ul>

*Continued on the next page*

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Finance	<ul style="list-style-type: none"> <li>• Rural Micro Finance</li> <li>• Capital Market Development</li> </ul>	<p>AUSAID</p> <ul style="list-style-type: none"> <li>• Implementation of Anti-Money-Laundering Law</li> <li>• Debt Management</li> <li>• Financial Sector Reform</li> <li>• Tax Reform</li> </ul> <p>CIDA</p> <ul style="list-style-type: none"> <li>• Pension and Insurance Reform</li> </ul> <p>KfW</p> <ul style="list-style-type: none"> <li>• Rural Microfinance 2</li> </ul> <p>GTZ</p> <ul style="list-style-type: none"> <li>• Rural Microfinance 2</li> </ul> <p>JBIC</p> <ul style="list-style-type: none"> <li>• Microfinance Project</li> <li>• Support for Bank Perkreditan Rakyat</li> </ul> <p>IMF/World Bank</p> <ul style="list-style-type: none"> <li>• Bank and Corporate Restructuring</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Tax and Customs Administration</li> </ul>
Law, Economic Management, and Public Policy	<ul style="list-style-type: none"> <li>• Local Government Financing</li> <li>• Institutional and Regulatory Framework for Private Sector Participation in Local Government Development</li> <li>• Strengthening the Capacity of Commission for Eradication of Corruption in Indonesia.</li> <li>• Access to Justice the Poor</li> </ul>	<p>AUSAID</p> <ul style="list-style-type: none"> <li>• Legal and Justice Reform</li> <li>• Civil Society Empowerment</li> <li>• Area Development</li> </ul> <p>CIDA</p> <ul style="list-style-type: none"> <li>• Fiscal Decentralization and Framework</li> <li>• Civil Service Reform</li> <li>• Local Governance Project</li> <li>• Gender Issues in Local Government Development</li> </ul> <p>European Union</p> <ul style="list-style-type: none"> <li>• Support to Good Governance in the Judiciary</li> <li>• Institutional Support for Local Democracy</li> </ul>

*Continued on the next page*

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>USAID</p> <ul style="list-style-type: none"> <li>• Fiscal Decentralization</li> <li>• Local Governance and Capacity Building</li> <li>• Building Sustainable and Independent Associations for Local Governance</li> </ul> <p>World Bank</p> <ul style="list-style-type: none"> <li>• Kecamatan Development Project 4</li> <li>• NTB Poverty Project</li> <li>• East Java Development Reform Program</li> <li>• Government Financial Management</li> <li>• Initiatives for Local Governance Reform</li> </ul> <p>GTZ</p> <ul style="list-style-type: none"> <li>• Integrated Local Economic Development Program (NTB, NTT, Sumatra)</li> </ul> <p>UNDP</p> <ul style="list-style-type: none"> <li>• Building and Reinventing Decentralized Governance (BRIDGE)</li> </ul>

ADTA = advisory technical assistance, AUSAID= Australian Agency for International Development, CIDA= Canadian International Development Agency, COREMAP = Coral Reef Rehabilitation and Management Program, GTZ = German Agency for Technical Cooperation, IMF = International Monetary Fund, JBIC = Japan Bank for International Cooperation, KfW = Kreditanstalt fur Wiederaufbau, UNDP = United Nations Development Programme, USAID = United States Agency for International Development  
 Source: Asian Development Bank

**Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2004)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>											
	(\$ million)	(% )	(no.)	(% )	Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem <sup>b</sup>		At Risk <sup>c</sup>	
					(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )	(no.)	(% )
Agriculture and Natural Resources	571.4	16.6	14	35.9	-	-	10	71.4	2	14.3	2	14.3	-	-	4	28.6
Education	298.1	8.7	2	5.1	-	-	2	100.0	-	-	-	-	-	-	-	-
Energy	703.2	20.4	4	10.3	-	-	3	75.0	1	25.0	-	-	-	-	1	25.0
Finance	42.9	1.2	1	2.6	-	-	-	-	1	100.0	-	-	-	-	1	100.0
Health, Nutrition, and Social Protection	243.2	7.1	4	10.3	-	-	2	50.0	-	-	2	50.0	-	-	2	50.0
Industry and Trade	285.0	8.3	2	5.1	-	-	1	50.0	1	50.0	-	-	-	-	1	50.0
Law, Economic Management and Public Policy	761.7	22.1	5	12.8	-	-	4	80.0	1	20.0	-	-	-	-	1	20.0
Transport and Communication	190.0	5.5	1	2.6	-	-	1	100.0	-	-	-	-	-	-	-	-
Water Supply, Sanitation & Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multisector	350.0	10.2	6	15.4	-	-	4	66.7	-	-	2	33.3	-	-	2	33.3
<b>Total</b>	<b>3,445.6</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>69.2</b>	<b>6</b>	<b>15.4</b>	<b>6</b>	<b>15.4</b>	<b>0</b>	<b>0.0</b>	<b>12</b>	<b>30.8</b>

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

**Table A1.7: Portfolio Indicators - Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2004)

<b>Disbursements and Transfers</b>	<b>OCR</b>	<b>ADF</b>	<b>Total</b>
Disbursements <sup>a</sup>			
Total Funds Available for Withdrawal (\$ mn)	3,586.7	591.0	4,177.7
Disbursed Amount (\$m, cumulative)	2,377.1	165.7	2,542.8
Percentage Disbursed (disbursed amt/total available)	66.3	28.0	60.9
Disbursements (\$m, latest year)	539.9	53.6	593.5
Disbursement Ratio (%) <sup>b</sup>	29.3	11.6	25.7
Net Transfer of Resources (\$ mn)			
2000	19.7	11.3	31.0
2001	(47.9)	4.4	(43.5)
2002	121.6	1.0	122.6
2003	(431.5)	30.1	(401.4)
2004 <sup>c</sup>	(418.2)	19.1	(399.1)

ADF = Asian Development Fund, OCR = ordinary capital resources.

<sup>a</sup> Includes ongoing loans and loans with disbursements in 2004.

<sup>b</sup> Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

<sup>c</sup> As of 30 November

Source: Asian Development Bank

**Table A1.8: Portfolio Indicators—Evaluation Rating by Sector**  
(1996–2003)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.00	5	55.60	2	22.20	2	22.20	0	0.00	9	100.00
Energy	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Finance	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Industry and Nonfuel Minerals	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Multisector	0	0.00	1	100.00	0	0.00	0	0.00	0	0.00	1	100.00
Others	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Social Infrastructure	1	11.10	6	66.70	2	22.20	0	0.00	0	0.00	9	100.00
Transport and Communications	3	37.50	5	62.50	0	0.00	0	0.00	0	0.00	8	100.00
<b>Total</b>	<b>4</b>	<b>14.80</b>	<b>17</b>	<b>63.00</b>	<b>4</b>	<b>14.80</b>	<b>2</b>	<b>7.40</b>	<b>0</b>	<b>0.00</b>	<b>27</b>	<b>100.00</b>

Source: Operations Evaluation Department/Postevaluation Information System.

**Table A1.9: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2004)

No.	Sector	Loan No.	Title	Net Loan Amount (\$ million)		Approval Date	Effectivity Date	Closing Date		Progress (% complete)	Cumm. Contracts/Commnt (\$ million)	Cumm. Disbs. (\$ million)	IP	DO	Rating	
				OCR	ADF			Original	Revised						Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
1	ANR	1258	Sustainable Agriculture Development Project In Irian Jaya		18.0	26 Oct 93	28 Dec 93	30 Sep 00	30 Jun 03	97	17.3	17.3	S	S	No	No
2	ANR	1469	Integrated Pest Management For Smallholder Estate Crops Project	40.2		26 Sep 96	07 Jan 97	30 Sep 04	-	76	18.5	22.6	S	S	No	No
3	ANR	1475	Segara Anakan Conservation And Development Project	19.1		17 Oct 96	06 Jan 97	30 Sep 02	30 Sep 04	73	10.7	12.8	S	PS	No	Yes
4	ANR	1476	Segara Anakan Conservation & Development Project		23.0	17 Oct 96	06 Jan 97	30 Sep 02	30 Sep 04	73	8.7	3.7	S	PS	No	Yes
5	ANR	1479	South Java Flood Control Sectorproject	88.2		07 Nov 96	27 Jan 97	30 Sep 03	30 Sep 05	64	56.0	40.4	S	S	No	No
6	ANR	1526	Participatory Dev of Agri. Technology	60.2		01 Jul 97	27 Aug 97	30 Sep 04	-	74	28.3	33.6	S	S	No	No
7	ANR	1570	Coastal Commty Dev & Fisheries Resource Mgmt Proj	19.3		04 Nov 97	21 Apr 98	31 Dec 03	31 Dec 04	73	11.5	10.2	S	S	No	No
8	ANR	1571	Coastal Commty Dev & Fisheries Resource Mgmt Proj		15.8	04 Nov 97	21 Apr 98	31 Dec 03	31 Dec 04	73	7.1	5.5	S	S	No	No
9	ANR	1579	Northern Sumatra Irrigated Agri Sect Proj	68.2		13 Nov 97	23 Feb 98	31 Oct 04	-	30	35.3	13.5	PS	S	No	Yes
10	ANR	1605	Central Sulawesi Integrated Area Dev & Cnservtn Project	23.1		27 Jan 98	15 May 98	30 Sep 05	-	55	11.3	12.1	S	PS	Yes	Yes
11	ANR	1613	Coral Reef Rehabilitation & Management	6.8		26 Mar 98	06 Aug 98	31 Oct 01	30 Jun 03	100	6.1	6.6	S	S	No	No
12	ANR	1770	Marine And Coastal Resources Management Project		57.1	26 Oct 00	27 Sep 01	30 Jun 07	-	14	13.9	5.2	S	S	No	No
13	ANR	1909	Poor Farmer Income Improvement Through Innovation Project		62.4	15 Aug 02	17 Jul 03	30 Jun 08	-	5	0.0	2.5	S	S	No	No
14	ANR	1962	Coral Reef Rehabilitation and Management II		37.2	06 Dec 02	07 Nov 03	31 Dec 09	-	3	0.0	0.0	S	S	No	No
15	ANR	2064	Participatory Irrigation Sector Project		19.7	19 Dec 03	-	30 Jun 11	-	0	0.0	0.0	S	S	No	No
16	ANR	2065	Participatory Irrigation Sector Project	54.0		19 Dec 03	-	30 Jun 11	-	0	0.0	0.0	S	S	No	No
17	ED	1519	Development of Madrasah Aliyahs Project	82.5		25 Mar 97	19 Jun 97	30 Apr 03	30 Jun 04	87	52.5	58.3	S	S	No	No
18	ED	1792	Technological And Professional Skills Development Sector Project	180.0		29 Nov 00	04 Jun 01	30 Jun 07	-	50	107.2	29.8	HS	S	No	No
19	ED	1863	Decentralized Basic Education		114.4	29 Nov 01	20 May 02	31 Dec 08	-	22	14.5	13.6	HS	S	No	No
20	EN	1271	Power XXIII Project	201.9		25 Nov 93	26 May 94	31 Dec 00	31 Dec 04	71	177.2	131.5	PS	S	Yes	Yes
21	EN	1357	Gas Transmission and Distribution Project	218.0		08 Jun 95	23 Feb 96	31 Mar 99	31 May 05	60	185.4	203.1	PS	S	No	Yes

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22	EN	1674	Capacity Bldg for Establishment of a Competitive Elctrcty Mkrt Renewable Energy Development Sector Project	9.6	23 Mar 99	23 Mar 99	01 Oct 02	01 Oct 04	10	8.1	6.9	S	S	No	No
23	EN	1982	Power Transmission Improvement Sector Project	161.0	19 Dec 02	-	30 Sep 08	-	no input	0.0	0.0	U	S	No	Yes
24	EN	1983	Capacity Building for Financial Governance	140.0	19 Dec 02	-	30 Sep 08	-	no input	0.0	0.0	U	S	No	Yes
25	FIN	1620	Financial Governance and Social Security Reform	42.9	25 Jun 98	26 Jun 98	14 Feb 02	30 Jun 04	73	38.0	32.9	PS	S	Yes	Yes
26	FIN	1965	Intensified Communicable Diseases Control Project	250.0	10 Dec 02	19 Dec 02	31 Dec 03	-	program loan	100.0	102.5	PS	PS	No	Yes
27	HNS	1523	Decentralized Health Services Project	69.4	19 Jun 97	17 Sep 97	01 Mar 03	31 Mar 04	87	47.5	49.6	S	S	No	No
29	HNS	1810	2nd Decentralized Health Services Project (DHS2)	74.2	14 Dec 00	25 Jun 01	30 Sep 06	-	20	14.1	9.6	S	S	No	No
30	HNS	2074	2nd Decentralized Health Services Project (DHS2)	64.8	19 Dec 03	-	31 Dec 10	-	no input	0.0	0.0	S	S	No	No
31	HNS	2075	Industrial Competitiveness of Small & Medium Enterprise Dev Prog	36.3	19 Dec 03	-	31 Dec 10	-	no input	0.0	0.0	S	S	No	No
32	LEP	1738	Small & Medium Enterprise Export Development Project	200.0	16 Mar 00	29 Mar 00	31 Mar 02	31 Dec 03	program loan	148.0	150.0	PS	PS	Yes	Yes
33	FIN	1978	Commty & Local Gov't Support Sect Dev Program (CLGSSDP)	85.0	17 Dec 02	-	-	-	dfi	0.0	0.0	U	S	No	Yes
35	LEP	1678	State-Owned Enterprise Governance and Privatization Program	86.4	25 Mar 99	25 Mar 99	30 Sep 03	31 Mar 05	75	57.6	56.1	S	S	No	No
37	LEP	1866	Sustainable Capacity Building for Decentralization	400.0	04 Dec 01	18 Dec 01	31 Dec 04	-	program loan	146.0	150.0	S	S	No	No
38	LEP	1964	Rural Income Generation	47.5	10 Dec 02	05 Sep 03	30 Jun 09	-	30	0.0	0.0	S	HS	No	No
40	FIN	1583	Rural Income Generation	20.4	25 Nov 97	18 Jun 98	30 Sep 05	-	credit loan	18.0	20.1	S	S	No	No
41	FIN	1583	Metropolitan Medan Urban Development Project	41.9	25 Nov 97	18 Jun 98	30 Sep 05	-	89	9.8	17.5	S	S	No	No
42	WSW	1587	Community Empowerment for Rural Development	82.8	08 Dec 97	30 Mar 98	30 Sep 03	31 Dec 05	33	40.8	22.4	S	S	No	No
43	LEP	1765	Community Empowerment for Rural Development Project	57.3	19 Oct 00	12 Mar 01	30 Jun 07	-	23	11.2	3.5	PS	S	No	Yes
44	LEP	1766	Neighborhood Upgrading and Shelter Sector Project	65.0	19 Oct 00	12 Mar 01	30 Jun 07	-	23	17.7	10.5	PS	S	No	Yes
45	IT	2072	Neighborhood Upgrading and Shelter Sector Project	68.6	19 Dec 03	-	31 Dec 09	-	credit loan	0.0	0.0	S	S	No	No
46	IT	2073	Shelter Sector Project	20.6	19 Dec 03	-	31 Dec 09	-	no input	0.0	0.0	S	S	No	No
47	TC	1798	Road Rehabilitation (Sector) Project	190.0	11 Dec 00	28 Sep 01	31 Mar 05	-	8	31.3	15.7	S	S	No	No
48	LEP	2126	State Audit Reform Sector Dev. Prog	200.0	13 Dec 04	19 Dec 04	31 Dec 06	-	Program loan	100.0		S	S	No	No
49	LEP	2127	State Audit Reform Sector Dev. Proj	25.0	13 Dec 04	19 Dec 04	31 Dec 09	-				S	S	No	No
<b>Total</b>				<b>3239.3</b>	<b>608.5</b>					<b>1449.6</b>	<b>1396.6</b>				

Continued on the next page with footnotes

ADF = Asian Development Fund; ANR = agriculture and natural resources; DO = development objectives; ED = education; EN = energy; FIN = finance; HNS = health, nutrition, and social protection; HS = highly satisfactory; IN = industry and trade; IP = implementation progress; LEP = law, economic management, public policy; No. = number; OCR = ordinary capital resources; PS = partly satisfactory; S = satisfactory; Seg = segment (pertaining to loans with more than one withdrawal authority); TC = transport and communications; U = unsatisfactory; WSW = water supply, sanitation, and waste management.

<sup>a</sup> “Yes” for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered “at risk” if it is rated as “PS” or “U” in either implementation progress or development objectives, or is a potential problem loan.

Source: Asian Development Bank

**Table A1.10: Assistance Pipeline for Lending Products, 2005**

Sector Project/Program Name	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Cost (\$ million)					
					Total	ADB		Total	Gov't	Cofinan- cing
						OCR	ADF			
<b>Firm Loans</b>										
<i><b>Low Case</b></i> <sup>a/</sup>										
<b>Transport</b>										
1. Road Rehabilitation II	GI	SEG	SEID	2002	219	153	0	153	66	0
<b>Water Supply, Sanitation, and Waste Management</b>										
1. Community Water Services and Health	TI	ISD	SESS	2002	97	34	31	65	22	10
<b>Subtotal Low Case</b>					<b>316</b>	<b>187</b>	<b>31</b>	<b>218</b>	<b>88</b>	<b>10</b>
<i><b>Medium Case</b></i> <sup>b/</sup>										
<b>Finance</b>										
1. Local Government Finance and Governance Reform Program	GI	GOV	SEGF	2002	198	150	40	190	8	TBD
2. Rural Micro Finance	TI	SEG	SEGF	2001	40	10	20	30	10	0
<b>Law, Economic Management, and Public Policy</b>										
1. Private Sector Participation Development Facility for Urban Infrastructure	GI	PSD	SESS	2001	13	10	0	10	3	TBD
<b>Agriculture and Natural Resources</b>										
1. Sustainable Aquaculture for Poverty Reduction	TI	SEG	SEAE	2003	93	36	35	71	22	TBD
<b>Subtotal Medium Case</b>					<b>344</b>	<b>206</b>	<b>95</b>	<b>301</b>	<b>43</b>	<b>0</b>
<b>Subtotal Low and Medium Cases</b>					<b>660</b>	<b>393</b>	<b>126</b>	<b>519</b>	<b>131</b>	<b>10</b>

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Sector Project/Program Name	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Cost (\$ million)					
					Total	ADB		Total	Gov't	Cofinan- cing
						OCR	ADF			
<b>Standby loans</b>										
<b>Agriculture and Natural Resources</b>										
1. Flood Management in Selected River Basins in Java	TI	ES	SEAE	2003	214	150	0	150	64	TBD
<b>Transport</b>										
1. Interisland Transport (Port) Subregional Project	TI	SEG	SEID	2002	71	50	0	50	21	0
<b>Law, Economic Management, and Public Policy</b>										
1. Private Sector Support	GI	SEG	SEID		200	200		200		
<b>Total Standby</b>					<b>485</b>	<b>400</b>	<b>0</b>	<b>400</b>	<b>85</b>	<b>0</b>

Note:

a/ Low Case means a high probability that the projects will be fully processed in 2005

b/ Medium Case means a lower but still good probability that projects will be fully processed in 2005

ADB = Asian Development Bank, ADF = Asian Development Fund, GI = General Intervention, GOV = Governance; ES = Environmental Sustainability; ISD = Inclusive Social Development; OCR = ordinary capital resources, PSD = Private Sector Development; SEAE = Southeast Asia Regional Department, Agriculture, Natural Resource, and Environment Division; SEG=Sustainable Economic Growth; SEGF = Southeast Asia Regional Department Governance, Finance, and Trade Division; SEID = Southeast Asia Regional Department, Infrastructure Division; SESS = Southeast Asia Department, TBD = To be decided, TI = Targeted Intervention,

Source: Asian Development Bank

**Table A1.11: Assistance Pipeline for Non-lending Products and Services, 2005**

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>Agriculture and Natural Resources</b>							
1	Decentralized Natural Resource Management.	SEAE	ADTA	TASF	600	TBD	600
	<b>Subtotal</b>				<b>600</b>		<b>600</b>
<b>Transport</b>							
1	Public Private Partnership for Medan Airport Development	SEID	PPTA	JSF		TBD	800
	<b>Subtotal</b>						<b>800</b>
<b>Finance</b>							
1	Rural Micro Finance (piggybacked)		ADTA	JSF	600		600
	<b>Subtotal</b>	SEAE			<b>600</b>		<b>600</b>
<b>Health, Nutrition, and Social Protection</b>							
1	Prevention of HIV /AIDS in Transport				500		
	<b>Subtotal</b>	SESS	ADTA	TASF	<b>500</b>		
<b>Water Supply, Sanitation, and Waste Management</b>							
1	Metropolitan Sanitation Management and Health	SESS	PPTA	TASF	1200	TBD	1200
	<b>Subtotal</b>				<b>1200</b>		<b>1200</b>
<b>Law, Economic Management, and Public Policy</b>							
1	Community and Local Government Support II	SESS	PPTA	TASF	600	TBD	600
2	City Alliance Support	SESS	ADTA			CIDA	150
3	Legal Administrative Framework for Land Acquisition and Resettlement	SESS	ADTA	TASF	400		400
4	Integrated Regional Development for Urban Services	SESS	PPTA	TASF	1000	TBD	1000
5	Decentralized Pro Poor Budgeting for Poverty Reduction	SESS	ADTA	TASF	1800	TBD	1800
6	Monitoring and Managing for Development Results	IRM	ADTA	TASF	800		800
	<b>Subtotal</b>				<b>4600</b>	<b>150</b>	<b>4750</b>

*Continued on the next page*

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>Multisector</b>							
1	Formulation and Implementation of Tsunami Emergency Program	IRM	ADTA		TBD	4300	4300
2	Support for Extended Mission in Medan	IRM	ADTA			1000	1000
<b>Subtotal</b>						<b>5300</b>	<b>5300</b>
<b>Total</b>						<b>7500</b>	<b>13500</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA= Advisory Technical Assistance, BAPPENAS: National Development Planning Agency, CIDA = Canadian International Development Agency, IRM = Indonesia Resident Mission, JSF = Japan Special Fund; PPTA= Project Preparatory Technical Assistance, SEGF = Southeast Asia Regional Department Governance, Finance, and Trade Division; SEID = Southeast Asia Regional Department, Infrastructure Division; SESS = Southeast Asia Department, TASF = Technical Assistance Special Fund, TBD = To be decided.

Source: Asian Development Bank

## CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products:

- (i) Table A2.1: Road Rehabilitation Project 2
- (ii) Table A2.2: Community Water Services and Health
- (iii) Table A2.3: Local Government Financing and Governance Reform Program
- (iv) Table A2.4: Rural Micro Finance
- (v) Table A2.5: Private Sector Participation Development Facility for Urban Infrastructure
- (vi) Table A2.6: Sustainable Aquaculture for Poverty Reduction
- (vii) Table A2.7: Flood Management in Selected River Basins in Java
- (viii) Table A2.8: Interisland Transport (Port)

**Table A2.1: Road Rehabilitation Project 2  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other: (specify, e.g., loan financed project preparatory, project implementation, or advisory activities)</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>											
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport, Subsector: Road, regional cooperation</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subthemes: Fostering Physical Infrastructure Development</p>				<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability										
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation										
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development											
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>											
<p><b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Regional Department.</p>											
<p><b>5. Responsible ADB officer:</b> M. Rehman</p>											
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional/interregional strategy:</b> Due to the 1997–1999 financial crisis, the road sector has received insufficient allocation of public expenditures, and the road network has suffered considerably from lack of adequate routine and periodic maintenance. The project is the second sector loan formulated to help the Government (i) rehabilitate high-priority links of the road network to facilitate economic recovery and reduce poverty, and (ii) implement road traffic and transport policies formulated under the first sector loan.</p> <p><b>b. Goal and purpose:</b> The goal is to help improve critical road infrastructure in Indonesia and contribute to long-term growth of the economy. It could also help promote regional transport cooperation, particularly Indonesia and Malaysia regional cooperation.</p> <p><b>c. Components and outputs:</b> The detailed components and outputs will be determined after the first sector loan is implemented and lessons learned identified. The project is expected to increase the overall coverage of road rehabilitation to areas not covered under the first loan.</p> <p><b>d. Expected results and deliverables:</b> The project will reduce transport costs, and facilitate economic recovery. Apart from benefiting direct users of roads, it will help pro-poor growth by providing the poor with</p>											

<p>employment opportunities and better access to markets and health and education facilities.</p> <p><b>e. Social or environmental issues or concerns:</b> The project is not expected to have social or environmental concerns as it will focus mainly on rehabilitations of roads rather than new construction.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined during processing.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Directorate General of Regional Infrastructure, Ministry of Public Works</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The Fact-Finding Mission visited the proposed road links in the islands of Kalimantan and Sumatra to hold discussions with the local government officials and meet with officials from the Directorate General of Road Infrastructure (Ministry of Public Works), Directorate General of Land Communications (Ministry of Communications), BAPPENAS, Ministry of Finance, Coordinating Ministry of the Economy in Jakarta on the nature, extent, and beneficiary involvement in the proposed project.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2002 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance(s) Lending: 2005–2009 Nonlending: 2002–2003</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$153 million.  <input type="checkbox"/> Asian Development Fund: \$  <input type="checkbox"/> Other (Specify):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: \$  <input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table 2.2: Community Water Services and Health  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Non-lending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>											
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the              Sectors: Health, nutrition, and social protection              Subsectors: Health programs and health systems.</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Human Development</p>				<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability										
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation										
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development											
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>											
<p><b>4. Responsible division/department:</b> Social Sectors Division, Southeast Asia Regional Department</p>											
<p><b>5. Responsible ADB officer:</b> A. Weitz</p>											
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Communicable diseases related to unclean water are among the diseases that most affect poor populations. This burden can easily be reduced by providing clean water supply. A project linking water supply and health will not only address the essential need for clean water for the population, but will help promote healthy behaviors and emphasize prevention of waterborne diseases.</p> <p>With decentralization, delivery of basic public services in Indonesia, including water supply and health services, is now the responsibility of local governments. Indonesia's decentralization program is founded on the premise that devolving responsibility for local service delivery will improve service delivery performance. This will only happen if local governments receive additional specialist technical support, improve their governance and management performance, and mobilize financial resources (access to municipal credit and other mobilization mechanisms). Without external support, these essential requirements are unlikely to be met. The project will help meet these requirements in partnership with reform-minded local governments. The Project will target low income rural and peri-urban communities. The project supports the following CSP thematic foci (i) improving governance; and (ii) supporting decentralization and meeting local needs.</p> <p><b>b. Goal and purpose:</b> The goal is to have households in low income rural and urban communities enjoying</p>											

<p>improved health status and living conditions by having easy access to clean water supply. The project purpose is to help local governments in rural and urban areas ensure the delivery of clean water to the population. This will require establishing and operating an appropriate water delivery system (facilities, technology, personnel) and programs (funded plans and strategies, regulations, public-private partnership). The project will include a component targeting waterborne diseases with local health services, including prevention, healthy behavior, and treatment of communicable waterborne diseases. Participation of the population in identifying the needs, finding and implementing locally appropriate solutions, and monitoring sustainability of the system is a project priority.</p> <p><b>c. Components and outputs:</b> The essential project component will focus on water supply. By involving the local health services (prevention, education, and health care services delivery), a clear link will be established with delivery and use of clean water and better health status.</p> <p><b>d. Expected results and deliverables:</b> The project will result in physical and financial access to clean water supply for rural and peri-urban populations, and healthy behaviors related to the prevention of waterborne diseases and reduction of morbidity and mortality related to waterborne diseases.</p> <p><b>e. Social or environmental issues or concerns:</b> The project specifically addresses social and environmental concerns.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Directorate General of Communicable Diseases Control and Environmental Health, Ministry of Health as executing agency; and participating local governments as implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Ongoing, in the context of existing projects and TAs.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval  Lending: 2005  Nonlending (project preparatory): 2002  Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance  Lending: 2005–2010  Nonlending: 2003–2004</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$34 million  <input checked="" type="checkbox"/> Asian Development Fund: \$31 million  <input type="checkbox"/> Other: Grant-based cofinancing \$</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: \$  <input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.3: Local Government Financing  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector: National and Sub National Government Administration.</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Promoting Economic Efficiency and Enabling Markets</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Governance, Finance, and Trade Division, Southeast Asia Regional Department</p>								
<p><b>5. Responsible ADB officer(s):</b> D. Kertzman and R. Subramaniam</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> With the introduction of regional autonomy, existing mechanisms for local and international lending to local governments are inadequate. Reforming the municipal finance system is a long-term process involving a number of interrelated components, including the development of local government capacity, private sector participation in service delivery and infrastructure financing, and institutional strengthening of the banking system. The CSP includes a range of loan and TA projects that will assist in developing a new, functioning municipal finance system.</p> <p><b>b. Goal and purpose:</b> This loan is the second phase of assistance in the development of a functioning municipal credit market in Indonesia in which local governments can finance their infrastructure through public and private borrowing, as well as through the issuance of bonds. Building on lessons learned from the pilot phase, the purpose of the loan is to expand the development of the municipal finance system, including the development of a municipal bond market. The loan will cover the development and expansion of options under the pilot phase, including (i) local government borrowing from regional or national banks, (ii) borrowing through syndication of loans, (iii) securitization of a portfolio of municipal loans, (iv) development of a municipal</p>								

development fund for poorer local governments, and (v) issuance of bonds.

**c. Components and outputs:** The loan will cover (i) institutional development and capacity building for additional lending institutions, (ii) expansion of capacity building in financial management to other municipalities, (iii) institutional development and capacity building for a credit-rating agency, and (iv) start-up finance for selected local infrastructure investments.

**d. Expected results and deliverables:** The project will result in strengthened municipal finance institutions ;fully functioning debt and financial management units at provincial and local governments; a credit-rating system for local governments; additional investment projects including private sector participation; and an emerging municipal bond market.

**e. Social or environmental issues or concerns:** To be determined.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** Directorate General of Treasury, Ministry of Finance; and Directorate General of Regional Financial Management, Ministry of Home Affairs.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The loan will build on previous assistance, in particular incorporating lessons learned from the Local Government Financing TA and other TA during 2002–2004.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RSCP, RSCP update, or interregional work plan: 2002

b. Expected date of submission for approval  
 Lending: 2005  
 Nonlending (project preparatory): 2004  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending: 2006–2009  
 Nonlending: 2004, 6 months

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$150 million
  - Asian Development Fund: \$40 million
  - Other: Grant-based co-financing \$ -

If co-financing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.4: Rural Micro Finance  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p>Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other (specify e.g., loan-financed project preparatory, project implementation or advisory activities)</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other (specify)</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Finance Subsector: Micro Finance</p> <p>b. For project preparatory and lending, classification (check one)</p> <p><input checked="" type="checkbox"/> Targeted intervention</p> <p><input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Sustainable economic growth</p> <p><input type="checkbox"/> Inclusive social development</p> <p><input type="checkbox"/> Governance</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input checked="" type="checkbox"/> Private sector development</p> <p>Subtheme(s): Promoting Economic Efficiency and Enabling Markets.</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Agriculture and Natural Resource and Environment Division, Southeast Asia Regional Development.</p>
<p><b>5. Responsible ADB officer:</b> M. Ehsan Khan</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The central objective of the ADB country strategy for Indonesia is reducing poverty and regional inequity. In the context of relatively high levels of poverty and large numbers entering the labor force, self-employment and micro enterprises continue to play an important role in the country's overall program for poverty reduction. The project will support improving access of the rural poor to financial and related services.</p> <p><b>b. Goal and purpose:</b> The long-term goal is to reduce poverty and regional inequity. The project purpose is to improve and create an enabling environment for rural micro finance institutions to grow and increase their outreach programs and help the rural poor develop the capacities to gain access to rural micro finance services.</p> <p><b>c. Components and outputs:</b> Subject to confirmation by the detailed feasibility study, the project components will include (i) strengthening selected rural financing institutions to provide financial services for the development of micro enterprises; (ii) strengthening the capacity of rural communities to access micro finance services,</p>

<p>manage credit funds, mobilize savings, empower themselves, and improve their creditworthiness; and (iii) providing financial support to the rural financing institutions for a viable credit program.</p> <p><b>d. Expected results and deliverables:</b> The project is expected to result in increased employment and income opportunities for the rural poor.</p> <p><b>e. Social or environmental issues or concerns (if any):</b> No major social or environmental issues anticipated.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be developed under the feasibility study.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Director General of Agriculture Facilities, Ministry of Agriculture will be the Executing Agency. Bank Mandiri and Penanaman Nasional Madani will be implementing agencies.</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> The institutions involved in conceptualizing the project and preparing the scope and terms of reference of the TA are the Ministry of Finance, Bank Indonesia, Bank Rakyat Indonesia, and Ministry of Agriculture. Potential beneficiaries were consulted during TA fact-finding.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2002 Nonlending (other than project preparatory)</p> <p>c. Period and duration of assistance Lending: 2005–2010 Nonlending: 2002–2003</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending</p> <p><input checked="" type="checkbox"/> Ordinary capital resources: \$56 million</p> <p><input type="checkbox"/> Asian Development Fund: \$10 million</p> <p><input type="checkbox"/> Other: Grant-based cofinancing \$</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table 2.5: Private Sector Participation Development Facility for Urban Infrastructure Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, economic management, and public policy Subsector: Subnational government administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Sustainable economic growth</p> <p><input type="checkbox"/> Inclusive social development</p> <p><input type="checkbox"/> Governance</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input checked="" type="checkbox"/> Private sector development</p> <p>Subtheme(s): Fostering physical infrastructure development, developing urban areas.</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Social Sectors Division, Southeast Asia Regional Department.</p>
<p><b>5. Responsible ADB officer:</b> M. Linfield</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> With the introduction of regional autonomy in January 2001, local governments are now in charge of planning, financing, and managing their own investment and service priorities. The backlog in the delivery of urban infrastructure and services is substantial, and demand continues to grow rapidly. However, local governments lack the capacity and financial resources to manage all these responsibilities. As a result, the Government is promoting private sector participation (PSP) in the infrastructure sector to address the backlog of investments, relieve pressure on public funds, free budget resources for social and environmental projects that cannot achieve cost recovery, and increase the efficiency of local service delivery.</p> <p><b>b. Goal and purpose:</b> The TA loan will provide financial resources for local governments to finance consulting services for soliciting and managing PSP in urban infrastructure projects. The goal of the PSP development facility for urban infrastructure is to increase PSP in the provision of urban infrastructure investments and services; promote good governance, competition, and transparency in the selection of project sponsors; and develop a local government credit market.</p> <p><b>c. Components and outputs:</b> The project will cover institutional development and capacity building for the new facility; capacity building at the municipal level to develop and manage PSP project proposals; financing of a</p>

selected number of pilot consulting services for soliciting and managing PSP projects; and development of a local government credit market.

**d. Expected results and deliverables:** The project will result in the establishment of a revolving facility on a sustainable basis, and project proposals that are attractive to the private sector (including feasibility studies and tender documents).

**e. Social or environmental issues or concerns:** To be determined.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** National Development Planning Agency (BAPPENAS)

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The project preparatory TA in 2002 is being prepared in close cooperation with the executing agency, Center for Infrastructure Investment and Development, which receives support from the Government's Interdepartmental Committee for Acceleration of Infrastructure Development.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RSCP update, or interregional work plan: 2001

b. Expected date of submission for approval  
 Lending: 2005  
 Nonlending (project preparatory): 2001  
 Nonlending (other than project preparatory):

c. Period and duration of assistance  
 Lending: 2005–2008  
 Nonlending: 2002, 6 months

**10. Financing Plan**

- a. For lending
- Ordinary capital resources: \$10 million
  - Asian Development Fund: \$ -
  - Other: Grant-based cofinancing \$ -

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.6: Sustainable Aquaculture Development for Poverty Reduction  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>											
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and natural resources Subsector: Fishery</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Promoting Economic Efficiency and Enabling Markets, Fostering Physical Infrastructure Development</p>				<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability										
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation										
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development											
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>											
<p><b>4. Responsible division/department:</b> Agriculture, Natural Resources, and Environmental Division / Southeast Asia Regional Department</p>											
<p><b>5. Responsible ADB officer:</b> W. Zhou</p>											
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Environmental degradation and overfishing has damaged coastal ecosystems and depleted fish stock along the coasts of Indonesia's populous islands. The Government's initiatives to improve the coastal environment by reducing fishing pressure have been affected by the lack of alternative livelihood opportunities among the fishing communities, most of whom are poor and disadvantaged. With fishing the occupation of last resort, the number of fishers has increased by 50% over the last decade, further depleting the resource base. Aquaculture is an effective means of reducing pressure on natural stock and improving incomes. Aquaculture development has been constrained by the lack of dissemination of location-specific technology, improper environmental management, and lack of financial support. The project will assist the Government in addressing these issues and design a project for sustainable aquaculture development for poor coastal communities.</p> <p>Previous studies include feasibility reports, completion reports, and performance reports of several projects in the aquaculture sector financed by ADB and other agencies. The sector status, issues, and development potentials will be updated during the first phase of the project preparatory TA. ADB has extensive experience in implementing fisheries and aquaculture development projects in Indonesia. The results of previous projects (8</p>											

<p>projects) are mixed, and lessons learned will guide the design of the proposed project</p> <p><b>b. Goal and purpose:</b> The TA will assist the Government in addressing these issues and design a project for sustainable aquaculture development for the poor coastal communities.</p> <p><b>c. Components and outputs:</b> To be determined.</p> <p><b>d. Expected results and deliverables:</b> To be determined.</p> <p><b>e. Social or environmental issues or concerns:</b> Social issues affecting the communities include dwindling fish stock in coastal and inland waters because of overfishing, degradation of natural fish habitats, and water pollution.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Marines and Fisheries, Directorate General of Aquaculture</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> TBD</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2003–2004 Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance(s) Lending: 2005–2009 Nonlending: 2003–2004</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending</p> <p><input checked="" type="checkbox"/> Ordinary capital resources: \$27 million</p> <p><input checked="" type="checkbox"/> Asian Development Fund: \$26 million</p> <p><input type="checkbox"/> Other: {specify} \$</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \${amount}</p> <p><input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table 2.7: Flood Management in Selected River Basins in Java  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other: {specify, e.g., loan-financed project preparatory, project implementation, or advisory activities}</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other: {specify}</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture, natural resources Subsector: Water resources management</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input checked="" type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Natural Resource Conservation , Environmental Policy and legislation</p>	<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input checked="" type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Agriculture and Natural Resource Division, Southeast Asia Regional Department</p>								
<p><b>5. Responsible ADB officer:</b> T. Miyazato</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Recurrence of major floods has increased in Java in recent years with heavy losses to the economy. The effectiveness of fragmented flood control works has been reduced necessitating an integrated approach to flood management within a river basin. In addition to improving the flood discharge carrying capacity of the river and protecting vulnerable sites from erosion through structural measures, the impact of watershed denudation and the loss of natural flood retention areas and drainage routes to urban and industrial belts and infrastructure need to be assessed and corrective measures built in the flood management plan.</p> <p>Preparatory works initiated by the Directorate General of Water Resources are at an initial stage of assessment on watershed based on satellite imageries in progress. ADB has been involved in water resources development, including flood control in the major river basins, in Java.</p>								

<p><b>b. Goal and purpose:</b> The project will provide for preparation and phased implementation of a comprehensive flood management program taking into account the spatial dimensions of the existing and future development activities within the basin.</p> <p><b>c. Components and outputs:</b> To be determined.</p> <p><b>d. Expected results and deliverables:</b> To be determined.</p> <p><b>e. Social or environmental issues or concerns:</b> Unsustainable economic activities in the watershed by local communities, and legal and management issues relating to lands designated within forest estates.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>
<p><b>Proposed executing/implementing agencies:</b> Ministry of Public Works, Directorate General of Water Resources</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> To be decided.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval  Lending: 2005  Nonlending (project preparatory): 2003  Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance{s}  Lending: 2006–2009  Nonlending: 2003–2004</p>
<p><b>10. Financing Plan</b></p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$150 million  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input type="checkbox"/> Grant TA funds</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table 2.8: Interisland Transport (Ports) Subregional Project  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>									
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communications Subsector: Port, Waterways, and Shipping</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme: Fostering development of physical infrastructure.</p>		<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability								
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation								
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development								
<input type="checkbox"/> Gender and development									
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>									
<p><b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Regional Department</p>									
<p><b>5. Responsible ADB officer:</b> O. Norojono</p>									
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Sea transport is important in eastern Indonesia, particularly for moving cargo despite the declining role for passenger transport because of competition from air transport services. Port infrastructure development in the main logistics corridor is needed to achieve planned port hierarchy to strengthen the logistics chain in eastern Indonesia. Port expansion is also required to improve port productivity and efficiency, and to accommodate the growing demand for transport. However, the physical development will only be effective if the Government also addresses (i) institutional, legal, and regulatory framework, including port tariffs determination and adjustment mechanisms to promote private sector involvement in port investment and operation; (ii) port security system; and (iii) sea transport and port sector reform, particularly providing clear guidelines for the Government, port operators, regional governments, and the private sector role in developing and financing ports, and optimizing ferry and sea transport operation.</p> <p>The existing ports of Balikpapan and Jayapura are inadequate to handle the current and long-term predicted container throughput. At the macro level, the development of Balikpapan and Jayapura ports was recommended under the ADB TA to prepare the Interisland Transport Project. The Balikpapan Port subproject is of priority as (i) it will enhance the northern logistics corridor ports, and (ii) Balikpapan City is designed as the growth pole for the Samarinda-Balikpapan integrated economic development zone, as well as a BIMP-EAGA port. Jayapura Port</p>									

development is deemed necessary as it (i) plays an important role for the northern, central, and southern logistics corridor; and (ii) will support a sea linkage to Sorong Port as an important gateway to Papua Province. The Project will significantly contribute to enhancing ADB's strategic focus of assistance for Indonesia.

**b. Goal and purpose:** The primary objective is to (i) increase sea cargo mobility, (ii) increase port performance and productivity by expanding and modernizing port infrastructure of Balikpapan and Jayapura ports, and (iii) improve the port business environment. The project will help implement the Government's strategy in enhancing the sea transport subsector and stimulating economic growth in eastern Indonesia.

**c. Components and outputs:** The project comprises four components: (i) port development, (ii) port sector reform, (iii) capacity building and training, and (iv) TA for Banjarmasin Port. The port development component consists of the construction and extension of Balikpapan and Jayapura ports including procurement and operation of container handling equipment. A private sector participation scheme will be developed to procure and operate container-handling equipment for Balikpapan Port. Port sector reform will identify the action framework for policy changes in the port sector and for optimizing ferry and sea transport services and infrastructure. Capacity building and training targets improvement of port management and operation, and port security of Balikpapan and Jayapura ports. TA will prepare the Banjarmasin Port development project.

**d. Expected results and deliverables:** The project will (i) deliver a new container terminal at Balikpapan and an expanded multipurpose terminal at Jayapura; (ii) create better port operation and management; (iii) support private sector investment in port operation; and (iv) result in improved, sustainable, and efficient operation of Balikpapan and Jayapura ports.

**e. Social or environmental issues or concerns: Environment.** Assessed as environmental category A under ADB's Environmental Assessment Guidelines (2003), the Project encompasses major construction of port facilities, and other supporting facilities and equipment. The Government will conduct environmental impact assessments for both ports. **Land Acquisition and Resettlement.** Land for Balikpapan Port was acquired in 1997; therefore land acquisition and resettlement are not required. The expansion of Jayapura Port does not require land acquisition or resettlement.

**f. Plans for disseminating results/deliverables:** To be decided.

**7. Proposed executing/implementing agency or agencies:** Ministry of Communications

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The ADB TA to prepare the Interisland Transport Project produced an interisland transport master plan for eastern Indonesia and prioritizes projects for investment based on agreed criteria. Regional and national workshops were organized to discuss the TA findings and agree on prioritized projects. The TA also produced an economic and financial assessment of the prioritized projects and confirmed their feasibility to be funded by ADB assistance. PELINDO IV, a port state-owned enterprise, which under the current law, will become the port operator, has included this investment plan in its corporate plan. The Ministry of State-Owned Enterprises, to which PELINDO IV is financially accountable, has principally agreed on the proposed project to be funded under the government equity-sharing scheme.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004
- b. Expected date of submission for approval
  - Lending: October 2005
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending: 2005–2007
  - Nonlending: 2003–2005

**10. Financing Plan**

a. For lending

- Ordinary capital resources: \$50 million
- Asian Development Fund:
- Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
If known, provide cost estimates and financing arrangements.

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds: \$1,000,000
- Other:

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

## CONCEPT PAPERS FOR NONLENDING PRODUCTS

This appendix contains concept papers for the following projects:

1. Table A3.1: Natural Resources Management in a Decentralized Environment
2. Table A3.2: Public-Private Partnership for Medan Airport Development
3. Table A3.3: City Alliance Support
4. Table A3.4: Decentralized Budgeting and Delivery for Poverty Reduction
5. Table A3.5: Prevention of HIV/AIDS in Transport
6. Table A3.6: Metropolitan Health and Sanitation Project
7. Table A3.7: Community and Local Government Support II
8. Table A3.8: Regional Economic Development
9. Table A3.9: Legal and Administrative Framework for Land Acquisition and Resettlement
10. Table A3.10: Support for Results Based Management in BAPPENAS

**Table A3.1: Natural Resources Management in a Decentralized Environment  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Environmental Sustainability Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area</p> <p><input type="checkbox"/> Sustainable economic growth</p> <p><input type="checkbox"/> Inclusive social development</p> <p><input type="checkbox"/> Governance</p> <p><input type="checkbox"/> Gender and development</p> <p><input checked="" type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Private sector development</p> <p>Sub-theme: natural resources conservation, environmental policy and legislations.</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Regional <input type="checkbox"/> Interregional <input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> Agriculture and Natural Resources Division, Southeast Asia Regional Department..</p>
<p><b>5. Responsible ADB officer:</b> M. J. Rahman</p>
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Indonesia's rich and unique natural resources are significant assets and provide important support to its economy. Its forests and marine and coastal resources are of global importance because of their rich biological diversity. However, all resources—water, marine and coastal resources, forests, and land—are under severe stress. Inadequate management and overexploitation have caused resource depletion and environmental degradation. While these resources are still substantial and Indonesia's economy will remain natural resource-dependent in the short-term, unsustainable management of these resources will aggravate environmental degradation and adversely affect the livelihood of many people, particularly the poor. The ongoing administrative and fiscal decentralization provides opportunities for increased local participation in development activities and increased transparency in resource allocation and management. The capacities of local governments and sector agencies need to be enhanced to implement a sustainable development program.</p> <p>b. <b>Goal and purpose:</b> The State Policy Guidelines, adopted by the People's Consultative Assembly in 1999, dictate that natural resources should be managed to ensure that their carrying capacity is preserved for the welfare of present and future generations, and to protect the national wealth of biodiversity. The guidelines require enacting legislation to provide for gradually delegating authority for managing rural resources to the local level. The guidelines give special attention to the empowerment of local communities, and traditional and</p>

nongovernment institutions for natural resources management. The Government's 5-year plan, *Propenas 2000–2004*, builds on these guidelines, requiring transparency in the allocation and management of natural resources, and increasing community participation in decision making.

**Components and outputs:** The major components of the TA include (i) building capacity of sector agencies and local governments for environmental protection and natural resources management; (ii) promoting community and civil society participation in resource assessment, allocation, and uses; (iii) restoring degraded resource base and measures to reduce pollution; and (iv) strengthening policy and regulatory framework and enforcing laws in recognition of the crucial role of good governance.

**Expected results and deliverables:** Natural resources will be managed by strong and efficient local government and sector agencies with the participation of local communities, and non government organizations.

e. **Social or environmental issues or concerns:** To be determined.

f. **Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** To be determined.

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** To be determined

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): 2003

c. Period and duration of assistance

Lending:

Nonlending: 2003, 6 months

**10. Financing Plan**

a. For lending

Ordinary capital resources: \$

Asian Development Fund: \$

Other: Grant-based cofinancing \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements.

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds \$200,000

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.2: Public-Private Partnership for Medan Airport Development  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>	
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communications Subsector: Civil Aviations</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>    <input checked="" type="checkbox"/> Sustainable economic growth</p> <p>    <input type="checkbox"/> Inclusive social development</p> <p>    <input type="checkbox"/> Governance</p> <p>    <input type="checkbox"/> Gender and development</p> <p>    <input type="checkbox"/> Environmental sustainability</p> <p>    <input type="checkbox"/> Regional cooperation</p> <p>    <input checked="" type="checkbox"/> Private sector development</p> <p>Subthemes: Fostering physical infrastructure development, public-private partnership.</p>	
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>	
<p><b>4. Responsible division/department:</b> Infrastructure Division, Southeast Asia Regional Department</p>	
<p><b>5. Responsible ADB officer:</b> P. Poinignon</p>	
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The TA Facilitating Limited Recourse Financing in the Civil Aviation Sector, approved on 8 December 1997, was completed in September 2000. The TA prepared a pilot project for development of a new airport in Medan, North Sumatra, through public-private partnership, and provided capacity building in the development of transparent bidding and award processes for private sector participation in the transport sector.</p> <p>The Project is in line with the country strategy for Indonesia, which supports increased private sector participation in infrastructure development. Medan being an international airport, it will also promote regional cooperation in the Indonesia-Malaysia-Thailand Growth Triangle region.</p> <p><b>b. Goal and purpose:</b> The goal of the Project is to facilitate increased private sector participation in airport development in Indonesia by implementing successfully a pilot public-private financing approach for the development of the new Medan airport.</p> <p><b>c. Components and outputs:</b> The proposed structure for the Project is for the public sector to develop the airside facilities, and for the private sector to be invited to develop the terminal and landside facilities. Operation of the airport facilities will be carried out under a public-private partnership framework. The loan will finance the public sector component, i.e., civil works, equipment, and detailed design and construction supervision for the airside facilities.</p>	

<p><b>d. Expected results and deliverables:</b> See b. and c.</p> <p><b>e. Social or environmental issues or concerns:</b> Environment category A (new airport). Resettlement at the airport site was carried out by the Government in 1997. It is still needed out for the airport toll access road.</p> <p><b>f. Plans for disseminating results/deliverables:</b> To be determined.</p>
<p><b>7. Proposed executing/implementing agencies:</b> Directorate General of Air Communications, Ministry of Communications</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> During implementation of TA Facilitating Limited Recourse Financing in the Civil Aviation Sector, consultations were held with the Ministry of Finance, Ministry of State-Owned Enterprises, National Development Planning Agency (BAPPENAS), Bina Marga, Ministry of Communications, DGAC, and Angkasa Pura I and II.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RSCP, RSCP update, or interregional work plan: 2002.</p> <p>b. Expected date of submission for approval  Lending: 2006  Nonlending (project preparatory):  Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance  Lending: 2007–2010  Nonlending:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input checked="" type="checkbox"/> Ordinary capital resources: \$100 million  <input type="checkbox"/> Asian Development Fund: \$  <input type="checkbox"/> Other: \$</p> <p>If cofinancing is required indicate sources, and amount sought: Japan Bank for International Corporation (JBIC) expressed interest for the Project during implementation of the TA.  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing): The TA estimated the project cost at around \$600 million, including the airport access road. However, this cost estimate needs to be updated.</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: \$  <input type="checkbox"/> Grant TA funds: \$400,000?</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, DGAC = Directorate General of Air Communications, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.3: City Alliance Support  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other: {specify}</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban Subsector: Housing</p> <p>b. For project preparatory and lending,</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>    <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country    <input type="checkbox"/> Subregional    <input type="checkbox"/> Interregional    <input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> SESS</p>								
<p><b>5. Responsible ADB officer(s):</b> Michael Lindfield , Almud Weitz</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b></p> <p>Housing is a major component of the country portfolio with the current Neighborhood Upgrading and Shelter Sector Project loan and the forthcoming Integrated Settlements Development Project. The proposed project responds to the wishes of the GOI to address structural issues in the housing finance sector in addition to those issues, focused on the poor and lower income groups, addressed in the current program. The project builds on preliminary work on wholesale markets in housing finance undertaken by USAID. Opportunities for inclusion of PSOD finance will be explored</p> <p><b>b. Goal and purpose:</b></p> <p>The goal of the project would be to strengthen the wholesale markets in the housing finance sector. The purpose of the project will be to design and structure the finance of a wholesale housing finance facility. This activity will include consideration of a range of options such as rediscount facilities and process of transition to a full secondary mortgage market.</p> <p><b>c. Components and outputs:</b></p> <p>The major components of the TA will provide support to: (i) design of the organizational and financial structure for wholesale facilities appropriate to the circumstances of the Indonesian housing finance market; (ii) analysis of potential markets and 'deal flow' for such a facility; and (iii) the preparation of documentation suitable for securing</p>								

<p>finance for such a facility.</p> <p><b>d. Expected results and deliverables:</b> The TA will:</p> <p>Undertake activities under the above headings produce (i) required legal framework; (ii) required operating documentation; and (iii) detailed capacity building and institutional strengthening plans for the organizations involved.</p> <p>Prepare for each of the participating financial institutions (i) projections of programmed disbursement; and (ii) assessment of the financial viability of participating organizations.</p> <p><b>e. Social or environmental issues or concerns:</b> TBD</p> <p><b>f. Plans for disseminating results/deliverables:</b> TBD</p>	
<b>7.</b>	<b>Proposed executing/implementing agencies:</b> Ministry of Public Works
<b>8.</b>	<b>Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> TBD
<b>9.</b>	<p><b>Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): Nonlending (other than project preparatory): Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance{s} Lending: 5 years Nonlending: Activities financed by JFICT or JFPR:</p>
<b>10.</b>	<p><b>Financing Plan</b></p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other: {specify} \${amount}</p> <p>If cofinancing is required indicate sources, and amount sought: To be determined  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget: \$  <input checked="" type="checkbox"/> Grant TA funds  <input checked="" type="checkbox"/> TA Special Fund: \$ 1,000,000  <input type="checkbox"/> Japan Special Fund: \$  <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds): \$</p> <p>If co-financing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by  <input type="checkbox"/> JFICT: \${amount}  <input type="checkbox"/> JFPR: \${amount}</p> <p>If cofinancing is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table 3.4: Decentralized Pro-Poor Budgeting and Service Delivery  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input checked="" type="checkbox"/> Other: Capacity building, support for policy formulation</p>
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Economic management and public policy Subsector(s):</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s) {check more than one category, if applicable}</p> <p><input checked="" type="checkbox"/> Sustainable economic growth      <input type="checkbox"/> Environmental sustainability</p> <p><input checked="" type="checkbox"/> Inclusive social development      <input type="checkbox"/> Regional cooperation</p> <p><input checked="" type="checkbox"/> Governance      <input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Gender and development</p>
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country      <input checked="" type="checkbox"/> Subregional      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p><b>4. Responsible division/department:</b> SESS/SERD</p>
<p><b>5. Responsible ADB officer(s):</b> Karin Schelzig</p>
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The current Country Strategy and Program for Indonesia recognizes the critical need to promote good governance, to support local needs through implementation of decentralization, and to facilitate human development in Indonesia. A key objective of decentralization is to improve the delivery of public services. Since 1999 the Government has embarked on reforms aimed at improving transparency and accountability of the budget processes and overall public expenditure management (PEM). The current CSP additionally has the goal of reducing poverty and inequalities. The fiscal capacities of regional governments vary considerably, and many governments in regions with large numbers of poor people have inadequate resources. Effective pro-poor planning and budgeting at the regional level remains a major challenge. Activities under this TA follow on from TA 3042 INO (Capacity Building for Decentralized Social Services), TA 3957 INO (Managing Regional Disparities in Economic and Poverty Reduction Programs under Decentralization), and will coordinate closely with RETA 6170 (Institutionalizing Civil Society Participation to Create Local Pro-Poor Budgets) and RETA 6218 (Decentralization in Social Sectors).</p> <p><b>b. Goal and purpose:</b> To support to the development of pro-poor budgets at the central and local levels by linking pro-poor planning (e.g. poverty reduction strategy papers) and budgeting. Local governments become more responsive to their constituents.</p> <p><b>c. Components and outputs:</b></p> <p>(i) evaluation of information available to planners at the local level; (ii) assistance in the preparation of local poverty</p>

<p>reduction plans, and linking these to budgeting (with a tighter linkage between the general development objectives and the articulation of pro-poor fiscal priorities); (iii) appraisal of current challenges, needs, and programs of decentralized social service delivery at the local levels; (iv) assessment of how pro-poor fiscal priorities are integrated at the central level in one key portfolio (e.g. education, health); (v) capacity building for formulating and costing pro-poor budgets in pilot provinces and districts.</p> <p><b>d. Expected results and deliverables:</b> Improved planning, policy formulation, and pro-poor budgeting at central and local levels; capacity building support for effective pro-poor budgeting in selected districts of 2 provinces.</p> <p><b>e. Social or environmental issues or concerns:</b> None: the TA will help address key social concerns.</p> <p><b>f. Plans for disseminating results/deliverables:</b> Regional and national workshops, seminars, and publication of reports.</p>					
<p><b>7. Proposed executing/implementing agency or agencies:</b> Bappenas (Deputy of Regional Development) in coordination with Ministry of Finance (MOF) and Ministry of Home Affairs (MOHA)</p>					
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Several Government institutions have been active in the finalization of the Poverty Reduction Strategy Paper (PRSP), including MOF, MOHA and Bappenas at the central level. ADB staff have held discussions at senior levels (Minister of Finance, Directors General of key departments in MOF, Bappenas and MOHA) on the need for effectively integrating pro-poor elements in planning and budgeting.</p>					
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): June 2005</p> <p>c. Period and duration of assistance: Lending: Nonlending: 18 Months</p>					
<p><b>10. Financing Plan</b></p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$1,300,000</p> <p><input checked="" type="checkbox"/> Other: \$500,000 DFID cofinancing</p> <p>If cofinancing is required, indicate amount and sources sought: \$500,000 from DFID. If known, provide cost estimates and financing arrangements.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td><b>Source Amount (\$)</b></td> </tr> <tr> <td>ADB Financing \$1,000,000</td> </tr> <tr> <td>Government Financing \$300,000</td> </tr> <tr> <td>Other Financing 500,000</td> </tr> <tr> <td><b>Total Cost \$1,800,000</b></td> </tr> </table> <p>Source:</p>	<b>Source Amount (\$)</b>	ADB Financing \$1,000,000	Government Financing \$300,000	Other Financing 500,000	<b>Total Cost \$1,800,000</b>
<b>Source Amount (\$)</b>					
ADB Financing \$1,000,000					
Government Financing \$300,000					
Other Financing 500,000					
<b>Total Cost \$1,800,000</b>					

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.5: Prevention of HIV/AIDS in Transport  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or sub-sector, specify the Sector(s): Health, Nutrition, and Social Protection. Subsector(s): Health Programs (HIV / AIDS)</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Targeted intervention</p> <p><input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Other vulnerable groups</p>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sectors Division , Southeast Asia Regional Department</p>								
<p><b>5. Responsible ADB officer:</b> Lisa Kulp</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Mitigate potentially negative impact of infrastructure projects.</p> <p><b>b. Goal and purpose:</b> The goal of the TA is to prevent an increase in poverty by reducing potential negative social impacts associated with the implementation and operation of Road Rehabilitation Project 2 in an HIV/AIDS prevalent area. The specific purpose is to reduce the risk of transmission of HIV and STIs among construction workers and local resident communities, particularly the vulnerable poor. Key outputs will include (i) increased understanding of risks of HIV/AIDS and other STI transmission in communities affected by RR2P and of transmission risks in the construction industry; (ii) increased awareness about HIV/AIDS and STIs among local communities, road contractors and construction workers, and the road transport business communities; (iii) behavior change among road contractors and construction workers and local communities; and (iv) increased capacity of local civil society members to advocate prevention of HIV/AIDS and STI transmissions.</p> <p><b>c. Components and outputs:</b> This program would complement existing and planned HIV/AIDS awareness and prevention, care, treatment, and support programs, as well as HIV/AIDS-related policy development and advocacy projects implemented by the Government and development agencies. The TA will consist of three</p>								

main components: (i) information and education campaigns on HIV/AIDS and STI prevention, (ii) capacity building of local HIV/AIDS civil society institutions, and (iii) project performance and management systems through monitoring indicators.

**Expected results and deliverables:** Expected results include (i) effective dissemination of information concerning HIV/AIDS transmission risks, and gain acceptance of need to adopt safe sex practices among project workers, including managers and supervisors, and local communities; (ii) dissemination and gaining acceptance of the importance of adopting company-wide HIV/AIDS policies among companies involved in RR2P; and (iii) identification and training of peer educators from among the workers and local population (peer educators will be equipped with information about VCT sites their colleagues can visit that are nearest to the camp or home area); (iv) improvement of the capacity of local AIDS commission and community-based organizations through enhanced understanding of HIV and other STI transmission and prevention; and (v) use of behavior surveillance system maintained by the Central Bureau of Statistics for monitoring project's effectiveness in affecting behavioral changes.

**e. Social or environmental issues or concerns:** Addressed as part of deliverables.

**f. Plans for disseminating results/deliverables:** Addressed as part of deliverables.

**7. Proposed executing/implementing agency or agencies:** Directorate General of Regional Infrastructure Ministry of Public Works and Ministry of Health

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Ministry of Public Works; National AIDS Commission; United Nations AIDS program; Aksi Stop AIDS (United States Aid for International Development); Indonesia HIV/AIDS Prevention and Care Project (Australian Aid for International Development); Komite Kemanusiaan Indonesia (Indonesian Humanitarian Committee); The Global Fund for HIV/AIDS, Tuberculosis, and Malaria; International Labor Organization; Indonesian chambers of commerce; DKT Indonesia; Yayasan Spiritua.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2005
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2005–2006

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$
  - Other:

If cofinancing is required, indicate amount and sources sought: \$ \_\_\_\_\_, from \_\_\_\_\_.  
If known, provide cost estimates and financing arrangements.

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds
  - Other: \$500,000 cofinanced by DFID

ADB = Asian Development Bank, CSP = country strategy and program, DFID = Department for International Development of the UK, HIV/AIDS = human immunodeficiency virus / acquired immunodeficiency virus, RCSP = regional cooperation strategy and program, STI = sexually transmitted infection, TA = technical assistance.

**Table A3.6: Metropolitan Sanitation Management and Health Project  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector(s): Water Supply, Sanitation, and waste management Subsector(s): Water Supply and Sanitation</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): human development, developing urban areas</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> SESS/SERD</p>								
<p><b>5. Responsible ADB officer(s):</b> R. Frauendorfer</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Indonesia is urbanizing rapidly. The urban population has been growing at about 4% annually during the last decade, compared with average annual national growth of about 1.7%. Indonesia's urban population is projected to increase from the current 45% of total population to 60% by 2025, and is expected to double in absolute terms to reach 160 million by then. Basic urban services, including water supply and sanitation, are in crisis, and cannot catch up with rapid population growth.</p> <p>Poor sanitation services are the cause of severe urban pollution, with severe impact on health and well being of the population. Formal sewerage systems in Indonesia have been constructed in selected areas of a few large cities; but planned benefits of these systems have not been realized. Most are under-utilized and under funded, and generally the whole sanitation sector is virtually unmanaged. Overall sewerage coverage is about 3% of the urban population. The vast majority of citizens rely on on-site sanitation (communal septic tanks, individual septic tanks, and pit</p>								

latrines); many other low-income families rely on grossly polluted drains and urban waterways. Sludge from septic tanks is removed by small private operators and mostly discharged into the nearest drain or river because treatment facilities are either unavailable or else too far away. ADB country strategy focuses on improved environmental conditions, especially urban areas, and it intends to target communities exposed to health risks. The proposed project responds to these objectives.

**b. Goal and purpose:** The goal is to provide enhanced sanitation services in urban areas, thus improving the livelihood and health of citizens, particularly the urban poor, and to support the Government in its efforts to achieve the related MDG target.<sup>12</sup> The purpose is for selected metropolitan areas to (i) reduce exposure of urban communities, particularly the low-income groups, from health risks associated with the discharge of raw or partially treated sewage into city drains and rivers, (ii) contribute to a significant reduction of polluting load into water bodies, (iii) contribute to improved local urban environments and overall reduction of environmental pollution, and (iv) address serious institutional constraints affecting the sector.

**c. Components and outputs:** Components for each city would comprise (i) improved on-site sanitation for households, (ii) collectors, sewer lines and pumping stations, (iii) treatment and disposal facilities, and (iv) improved institutional arrangements and capacity development aiming at sector reform.

**d. Expected results and deliverables:** The proposed project will collect wastewater within a city, and convey it to a safe place for treatment and disposal. It would allow communities to decide on their preferred choice of sanitation from an informed menu of suitable systems including (i) formal sewerage with all wastewater connected to a separate sewer line, (ii) retaining existing septic tanks and improving local drainage systems, and (iii) community-based solutions for low-income areas. The target cities would include those where existing sewerage systems can be modified and upgraded (e.g. Bandung, Yogyakarta), and other major urban areas (e.g. Palembang) without existing sewer systems. A loan of about US\$ 100 million for 3-4 cities is anticipated. It is assumed that the funds would be provided by the central government to the cities on a grant basis, probably in the form of a national project.

**e. Social or environmental issues or concerns:** The project will contribute to significantly improved local urban environments. Possible resettlement will be assessed by the TA.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agency or agencies:** Directorate General for Urban and Rural Development (DGURD).

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** To be determined.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory): Q1 2005
  - Nonlending (other than project preparatory):
- c. Period and duration of assistance
  - Lending:
  - Nonlending: QIII 2005 – QII 2006, 10 months

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$
  - Other: \$

<sup>12</sup> Goal 7 – Ensure Environmental Sustainability, Target 10 – Halve, by 2015, the portion of people without sustainable access to safe drinking water and basic sanitation.

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: \_\_\_\_\_

b. For nonlending

- No resources required, other than ADB staff  
 ADB's administrative budget: \$1 million  
 Grant TA funds  
 Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.  
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
<b>Total Cost</b>	

Source: \_\_\_\_\_

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.7: Community and Local Government Support II**  
**Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>								
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law Economic Management and Public Policy Subsector(s): Subnational Government administration.</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Targeted intervention</p> <p>    <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s) Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): Fostering physical infrastructure development, developing urban areas, human development, and public governance.</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>								
<p><b>4. Responsible division/department:</b> Social Sector Division, Southeast Asia Regional Department.</p>								
<p><b>5. Responsible ADB officer:</b> Manju Senapaty</p>								
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> In the decentralized context, local governments have assumed significant new responsibilities for the delivery of urban basic services and infrastructure. The rapid increase in urban population poses a considerable challenge to improving the standard of living, especially of the poor. The program will focus on improved local governance and better service delivery to meet the challenges of urban development in selected regions. The project is consistent with ADB's sector strategy for Indonesia as stated in the CSP 2003–05 of supporting local needs through decentralization.</p> <p><b>b. Goal and purpose:</b> The goal is to improve the quality of life of poor urban communities in Indonesia. The purpose is to improve access of selected poor communities to basic urban services and support local governments in improving management of urban services</p> <p><b>c. Components and outputs:</b> The loan will be based on lessons learned from the &lt;&lt;give full name&gt;&gt;&gt; Project and cover the following components: (i) infrastructure investment in basic services (water supply, sanitation, public market, urban roads and bridges, other public facilities); and (ii) capacity building of local government in financial management of urban services including operation and maintenance, and in monitoring and evaluation</p>								

at the local government and national levels.

**d. Expected results and deliverables:** These include expansion of urban basic services, and establishment of financial management and a monitoring and evaluation system for urban services at local and national levels.

**e. Social or environmental issues or concerns:** To be determined.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agency or agencies:** National Development Planning Agency and Ministry of Finance

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The Community and Local Government Support Program is still under implementation and will be completed in March 2005. BAPPENAS has requested another loan project of similar design based on the lessons learned.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004

b. Expected date of submission for approval

Lending: 2006

Nonlending (project preparatory): 2005

Nonlending (other than project preparatory):

c. Period and duration of assistance{s}

Lending: 2006–2009

Nonlending:

**10. Financing Plan**

a. For lending

Ordinary capital resources: \$50 million

Asian Development Fund:

Other:

If cofinancing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget: \${amount}

Grant TA funds: \$600,000?

Other: {specify}

If co-financing is required, indicate amount and sources sought: \$\_\_\_\_, from \_\_\_\_\_.

If known, provide cost estimates and financing arrangements.

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.8: Integrated Regional Development for Urban Services  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p>											
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban Subsector: Housing</p> <p>b. For project preparatory and lending,</p> <p>    <input checked="" type="checkbox"/> General intervention</p> <p>    <input type="checkbox"/> Targeted intervention</p> <p>c. Key thematic area(s) Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s): developing urban areas, fostering physical infrastructure development.</p>				<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability										
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation										
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development										
<input type="checkbox"/> Gender and development											
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Regional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>											
<p><b>4. Responsible division/department:</b> Social Sectors Division, Southeast Asia Regional Department</p>											
<p><b>5. Responsible ADB officers:</b> Michael Lindfield Almud Weitz</p>											
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Indonesia has significant disparities within and between regions. These are a source of political and social tensions which the Government of Indonesia seeks to reduce. The TA will address poverty reduction at the regional level by designing a project which will strengthen the economies of less developed regions in the areas of ADB geographic focus. The project will extend ADB's assistance to the decentralization efforts of the government, bolstering the role of the province and strengthening governance structures. It will address critical infrastructure shortfalls and promote the role of the private sector in this activity. All of these areas are focal areas in the current CSP Update (2004-2006). The project will design an institutional structure to support such activities and the required capacity building support to institutionalize them.</p> <p><b>b. Goal and purpose:</b> The Project will design mechanisms to deliver finance for pro-poor regional development. This will be achieved by (i) fostering new markets for agricultural produce in the region, in other regions of Indonesia and overseas; (ii) encouraging an increase in local retention of value added by agriprocessing industries in urban service centers; and (iii) supporting pro-poor growth in urban centers. It will assess the institutional options for channeling the required finance and recommend the level and form of ADB support for the most effective option.</p> <p><b>c. Components and outputs:</b> The major components of the TA will provide support to (i) development of provincial investments in regional physical and social infrastructure; (ii) provincial and local government</p>											

facilitation mechanisms for such investment; and (iii) financial institutions in developing appropriate lending arrangements in support of such investment. The TA will commence with a 6-month phase of detailed methodological development and testing. An overview of the methodology can be found in the final report of the TA. At base, this methodology consists of analyzing the regional economy, describing the role of the poor in the economy, and formulating the most effective interventions to foster poverty reduction. The interventions are likely to include basic infrastructure, support to employment-creating small and medium enterprises (especially in agroprocessing), and investments in human capital development (health and education). The Project will not duplicate existing initiatives, which, if present in the participating provinces, will be integrated into the project design. In this phase one province would be selected for a detailed pilot. The second phase of 4 months would see the application of this methodology to the other provinces to test the methodology.

**d. Expected results and deliverables:** The TA will undertake the described activities in four provinces and produce for each (i) regional economic development plans; (ii) regional investment plans together with proposed funding sources for priority investments and feasibility studies for investments in which ADB would participate; (iii) assessment of financial capacity of provincial and local governments and other organizations involved to undertake the investments planned; (iv) detailed capacity building and institutional strengthening plans for the organizations involved. The TA will also prepare for each of the participating financial institutions (i) projections of programmed disbursement; (ii) assessment of the financial viability of participating organizations, (iii) evaluations of representative subprojects, and (iv) detailed capacity-building and institutional strengthening plans.

**e. Social or environmental issues or concerns:** Extensive community consultation in project design is required.

**f. Plans for disseminating results/deliverables:** To be determined.

**7. Proposed executing/implementing agencies:** Directorate General of Urban and Rural Development, Ministry of Public Works

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** In preparation of the project discussions were held with, and input received from, the Directorate General of Urban and Rural Development and other directorate generals within the Ministry of Settlements and Regional Infrastructure, BAPPENAS, and the Ministry of Home Affairs. In addition, the missions consulted with stakeholders from the private sector (financiers and developers), local governments, civil society, and shelter improvement interest groups and associations both on an individual basis and in joint meetings held by IRM and DGHS. Discussions with local representatives of bilateral agencies were also held, including the United Kingdom Department for International Development, the German Technical Assistance Agency, Australian Agency for International Development, and Japanese Bank for International Cooperation.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2004

b. Expected date of submission for approval

Lending: 2007

Nonlending (project preparatory): April 2004

Nonlending (other than project preparatory):

Activities financed by JFICT or JFPR:

c. Period and duration of assistance{s}

Lending:

Nonlending: 10 months (August 2004 to May 2006)

Activities financed by JFICT or JFPR:

**10. Financing Plan**

a. For lending

Ordinary capital resources

Asian Development Fund:

Other: {specify} \${amount}

If cofinancing is required indicate sources, and amount sought: To be determined

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget: \$

- Grant TA funds
  - TA Special Fund: \$800,000
  - Japan Special Fund: \$
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, DGHS = Directorate General of Housing and Settlements, IRM = Indonesia Resident Mission, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.9: Legal & Administrative Framework for Land Acquisition and Resettlement  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>	
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector: National and Subnational Government Administration</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Targeted intervention</p> <p><input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p><input type="checkbox"/> Sustainable economic growth</p> <p><input type="checkbox"/> Inclusive social development</p> <p><input checked="" type="checkbox"/> Governance</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental sustainability</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Private sector development</p> <p>Subtheme: Public Governance</p>	
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>	
<p><b>4. Responsible division/department:</b> Infrastructure Division, South East Asia Regional Department</p>	
<p><b>5. Responsible ADB officer(s):</b> L. Blanchetti-Revelli</p>	
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> The proposal for technical assistance complements the Indonesia Country Program emphasis on improving governance, including legal and judicial reform, building human capital, and, within ADB's program of assistance, improving aid effectiveness, within the overall context of decentralization. It also complements other country-specific regional initiatives to enhance policy, legal and administrative frameworks for involuntary resettlement. The TA follows on from a key regional activity, RETA 5935 (2000-2002), in which Indonesia was a participant. The decentralization process under way since 1 January 2001 applies also to the process of land acquisition and resettlement. This will necessitate attention to the planning, financing, approval, implementation, management and monitoring for land acquisition and resettlement at the regional level if ADB infrastructure projects (and other investment projects) are to proceed without bottlenecks and delays. This requires a careful analysis of the relative roles and responsibilities of the central Government compared to the regional Governments for land acquisition and resettlement matters. Under decentralization, the central Government retains the right to stipulate the requirements and standards for granting land titles, for land reform, for land administration, land service charges and the national cadastral basic framework. BPN, the National Land Agency, has responsibility for three major land law revisions, including the Law on Land Acquisition and the Agrarian Law. Regions will make their own regulations on land use permitting and their own arrangements for land registration and other matters, and, it appears, would generally be responsible for land acquisition, compensation and financing. The regions would need assistance to build capacity to plan, budget for and manage land acquisition and resettlement.</p> <p>b. <b>Goal and purpose:</b> The overall goal is to improve living standards and to reduce the risks of impoverishment through development</p>	

induced displacement by setting standards in accordance with good international practice, supported by sound planning and consistent policy implementation. The purpose is to assist BPN and the regional governments to develop appropriate legal and regulatory documents on land management, land acquisition and resettlement, in the context of decentralized responsibility, and to build capacity at the regional level to plan and manage land acquisition and resettlement. This will help to reduce the risks and to streamline the preparation and implementation for future ADB and other nationally and internationally financed projects involving new construction or significant rehabilitation.

**c. Components and outputs:**

The TA will, first, support the emerging framework for decentralized environmental and land acquisition planning and management, assisting the central government to enhance the requisite national policies and standards for regional projects. This includes the finalization and approval of a new Law on land acquisition, which BPN has endorsed, through a process of consultation with key stakeholders at national and regional level. Second, the TA would facilitate the changes in function, organization, staffing, and capabilities required at the local government level to enable local government units (LGU) to perform against the revised mandates for land related matters. Third, it will increase awareness and strengthen the capacity of Local Government Units (LGUs) to implement and monitor the revised policy and regulatory framework. Fourth, it will build in-country capacity to conduct social and resettlement assessments, monitoring and evaluation for ADB financed projects during preparation and implementation, covering social assessment and resettlement. This will strengthen the supervision capacity of LGUs, and contribute to meet strategic objectives.

**d. Expected results and deliverables:**

- (i) Revised and enacted Land Acquisition Law, in accordance with Law 22 and 25/1999 and related laws and regulations, through consultation and workshops with central, Level I and II governments, and other key stakeholders.
- (ii) Regulations for the issuance of the Implementation Guidelines that would be used for developing decentralized land acquisition and resettlement planning and management at the regional level.
- (iii) Strategies developed and implemented for capacity building to strengthen local government organizational capabilities for planning, managing and monitoring resettlement activities, for financing these activities, and for formulating and supervising consultant contracts for specialized services, in line with the new Law and other Regulations and Implementation Guidelines.
- (iv) Capacity building plans to strengthen NGOs, universities, and research centers in conducting independent environmental and social assessments and in designing appropriate monitoring and evaluation systems for Resettlement Plans.

**e. Social or environmental issues or concerns:**

The TA will directly address ADB's poverty reduction strategy, which is central to the Indonesia country strategy, by reducing impoverishment risks in displacement. It also supports a key ADB social safeguard policy on Involuntary Resettlement. The proposed TA addresses important gaps between the existing policy and legal framework for land acquisition with ADB's Policy on Involuntary Resettlement, which reflects international standards. Presidential Decree 55/1993 and a related Government Regulation No. 51 of 1993 on Environmental Impact Assessment do not sufficiently cover the principles of replacement costs for compensation for losses (NJOP and local government assessment may result in compensation far below market rates); census survey as a basis to prepare a Plan; specificity in relocation and rehabilitation options, especially for the severely affected or vulnerable; compensation coverage for those affected persons with lesser, customary or with no formal land title; consultation, monitoring and evaluation; and coverage for private sector projects. Legal coverage is limited for sustainable alternative arrangements in cases where people affected face restricted access to depleted resources (for example, to national parks).

- f. Plans for disseminating results/deliverables:** BPN at national level, and the regional governments would be responsible for disseminating the Law, regulations and guidelines developed under the TA. The institutions involved in capacity building work would also disseminate key documents through training and networking activities.

- 7. Proposed executing/implementing agencies:** In Indonesia, the National Land Agency (BPN) has responsibility for drafting national land laws. Through its regional offices, BPN would support the preparation of selected implementation regulations at the kabupaten/municipal levels of government.

- 8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** In Indonesia, the National Land Agency (BPN) has responsibility for drafting national land laws. Through its

regional offices, BPN would support the preparation of selected implementation regulations at the kabupaten/municipal levels of government.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending:
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory): 2004
- c. Period and duration of assistance
  - Lending:
  - Nonlending: 2004, 6 months

**10. Financing Plan**

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other: Grant-based cofinancing \$ -

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds: \$ 600,000

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance, BPN= National Land Agency.

**Table 3.10: Support for Results Based Management in BAPPENAS  
Concept Paper**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>									
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law Economic Management and Public Policy Subsector: Public Finance and expenditure management</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> General intervention</p> <p><input type="checkbox"/> Targeted intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subtheme{s}: institutional development and partnership development</p>		<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability								
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation								
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development								
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development								
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional                      <input type="checkbox"/> Internal policy development</p>									
<p><b>4. Responsible division/department:</b> Indonesia Resident Mission. Southeast Asia Regional Department</p>									
<p><b>5. Responsible ADB officer(s):</b> F. Ahmed and B. Frielink</p>									
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Both the Government of Indonesia and ADB have recently launched their respective programs to move towards results-based development management, with and emphasis on defining projects and programs in terms of expected outcomes or results, better defining the contributions of partners to those results, and have an effective monitoring system for those outcomes. In the Government, Bappenas will be the focal point for introducing results-based management in general, and for ADB projects in particular.</p> <p>Monitoring of loan-financed projects is done by Bappenas based on quarterly reports from executing agencies. The format and contents of the resulting quarterly report from Bappenas is inconsistent with the donors' reports, and not useful to monitor project implementation progress.</p> <p>b. <b>Goal and purpose:</b> The TA will assist the Directorate for Development Financing in Bappenas to build capacity for the introduction of results based management methods in ADB-financed projects, and support the Directorate of Monitoring and Evaluation of Development Funding of Bappenas to build capacity for effective monitoring and evaluation of foreign-assisted development projects.</p> <p>c. <b>Components and outputs:</b> The assistance will cover (i) capacity building for the introduction of results-based management methods; (ii) development of management information systems to effectively monitor projects in the</p>									

<p>context of results-based management of project; and (iii) continued support the start-up phase of the news systems and methods.</p> <p><b>d. Expected results and deliverables:</b></p> <p>(i) Capacity of Bappenas to define projects in terms of the result-based agenda;</p> <p>(ii) A management information system that allows projects to be monitored on a timely and effective basis</p> <p>(iii) Capacity of Bappenas to track and coordinate projects under processing has improved which results in speedier approval processes.</p> <p><b>e. Social or environmental issues or concerns:</b> None</p> <p><b>f. Plans for disseminating results/deliverables:</b> TBD</p>
<p><b>7. Proposed executing/implementing agencies:</b> Bappenas. Directorate for Development Financing (Part A) and Directorate of Monitoring and Evaluation of Development Funding (Part B)</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p> <p>During the processing of projects in 2004, and as part of the discussions leading to the CSPU for 2005, discussions were held with Bappenas in the proposed assistance.</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval</p> <p>Lending:</p> <p>Nonlending (project preparatory):</p> <p>Nonlending (other than project preparatory): June 2005</p> <p>c. Period and duration of assistance</p> <p>Lending:</p> <p>Nonlending: 1 year</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: \$</p> <p><input type="checkbox"/> Asian Development Fund: \$ -</p> <p><input type="checkbox"/> Other: Grant-based cofinancing \$ -</p> <p>If cofinancing is required indicate sources, and amount sought:</p> <p>If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \$</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000</p> <p>If cofinancing is required indicate sources, and amount sought: Possible AUSAID, DFID, GTZ financing</p> <p>If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, Bappenas = National Development Planning Agency, CSP = country strategy and program, CSPU = country strategy and program update, RCSP = regional cooperation strategy and program, TA = technical assistance, EA= executing agency.