

EXTERNAL ASSISTANCE FOR INDONESIA URBAN AND WSS SECTOR

The following are main areas of contribution from key development partners for Indonesia.

A. World Bank

World Bank has been involved under a series of water supply projects, but in different regions than ADB, such as East Java, Sulawesi, Kalimantan, Papua and Bali. These WSS sectoral investments were then replaced by support to a number of IUIDP follow-on programs in the same provinces, again similar to ADB experience in the sector. The Water Supply and Sanitation for Low-income Communities Project (WSSLIC-1) was introduced in 1994 for rural areas, using community-based approaches, followed by a second project (WSSLIC-2) that commenced in 2004. The third-phase Urban Water and Sanitation Improvement and Expansion Project (UWSIEP), is similar to ADB's proposed Water Supply and Sanitation Program in objectives and scope. The planned follow-up Urban Water Supply Project is under preparation which also deals with areas outside existing PDAM services areas, and includes a design-build-lease (BOL) concept for developing services on "greenfield" sites. World Bank co-financed Indonesia's first IUIDP with ADB in 1987. After this, the two agencies funded about 15 years of geographically separate IUIDPs in the country. The last IUIDPs finished in 2002 and 2003. World Bank's recent urban sector support has been either in direct response to the financial crisis, such as the highly participatory Urban Poverty Project (UPP), or specifically targeted, for example for PDAMs. WB's first decentralized urban development project, the Urban Sector Development Reform Project (USDRP) of \$100 million, is much smaller than originally intended, and involves a very limited number of regional governments.

B. USAID

US AID's Local Government Water Supply Project (LGWS) tackled the poverty alleviation elements by increasing poor's access to water by supporting reforms in PDAMs and regional governments. The LGWS project developed procedures for PDAMs to achieve full cost recovery by applying transparent accounting systems. The project also supported the development of corporate plans that include provisions of customer service representatives and customer satisfaction surveys. USAID also focused on supporting decentralization through its Local Government Support Program (LGSP) which provides support to regional management and urban investment planning activities. Also, the Environmental Services Project (ESP) targets children to reduce water-borne diseases. Other concerns are solid and liquid industrial wastes, and continuing the capacity building for PDAMs to deliver improved services.

C. Australia

AUSAID has focused its assistance on specific rural regions in East Indonesia, including Nusa Tenggara Barat and Nusa Tenggara Timur. The Government of Australia has supported the sector for the past 20 years, providing grant support for projects that focused on community empowerment, sustainability, gender and development, and the broader environment.

D. GTZ

GTZ had been mainly working with Ministry of Environment on (i) water quality surveillance, (ii) river basin protection, (iii) community sanitation systems under Sanitation by Communities

program (SANIMAS) – self-help programs to build wastewater collection pipelines connected to anaerobic filter reactors such as in Yogyakarta.

E. Japan (the description below are supported extended before the merge of JBIC and JICA)

Japan International Cooperation Agency (JICA): JICA is supporting mainly rural water supply projects throughout Sulawesi, serving rural neighborhoods in 20 ibu kota kecamatan (IKK) using conventional and simple self-managed community schemes. Water resources studies are conducted for South Sulawesi and Bali.

Japan Bank for International Cooperation (JBIC): JBIC supported the WSS projects in particular regions – (i) Denpasar Sewerage Development Project (1994), (ii) Ujung Pandang Water Supply Project (1993), and (iii) Jakarta Water Supply Distribution Pipelines Project (1990). In addition to these projects, JBIC has been involved in cofinancing the Surabaya Urban Development Project with the World Bank and also the Yogyakarta Sewerage Project.

F. The Netherlands

The Netherlands is supporting an institutional development and capacity building efforts in PDAMs, jointly with the World Bank Institute and Perpamsi, contributing to more efficient enterprise operation. It is also financing the Indonesia Water and Sanitation Program (WASAP-Indonesia) for Water Sector Capacity Building and Sanitation Sector Development. The trust fund of \$22 million is managed by the World Bank.

EXTERNAL ASSISTANCE TO THE URBAN SECTOR (1981–2009)

Project Name	Funding Agency	Type of Assistance	Implementation Period	Amount (\$ million)
Water Supply and Sanitation				
Small Towns Water Supply Sector Project	ADB	Loan	1981–1990	32.0
IKK Water Supply Sector Project	ADB	Loan	1985–1993	40.2
2nd IKK Water Supply Sector Project	ADB	Loan	1991–1994	39.0
NTB Environmental Sanitation and Water Supply Project	AusAid	Grant	1988–1996	—
Flores Water Supply and Sanitation Project	AusAid	Grant	1995–1999	—
Water and Sanitation Policy Formulation and Action Planning Project (WASPOLA)	AusAid	Grant	1998–2003	8.3
Community Managed Water Program	CARE	Grant	—	—
Rural Water Supply and Sanitation Project for Nusa Tenggara Timur	KfW/GTZ	Loan/Grant	2001–present	9.1 ^a
Bengkulu-Lampung Water, Sanitation and Health Project	WHO	Grant	1980s	—
Village Infrastructure Project for Java	World Bank	Loan	1995–1998	72.5
Village Infrastructure Project (02)	World Bank	Loan	1996–2000	140.1
Water Supply and Sanitation for Low Income Communities Project	World Bank	Loan	1993–1999	80.0
2nd Water and Sanitation for Low Income Communities Project	World Bank	Loan	2000–present	77.4
Kecamatan Development Project	World Bank	Loan	1998–2002	275.0
Kecamatan Development Project (02)	World Bank	Loan	2001–present	320.2
Third Kecamatan Development Project	World Bank	Loan	2003–present	249.8
Water Supply and Sanitation for Low Income Communities Project	World Bank	Loan	1994–1999	80.01
2 nd Water Supply and Sanitation for Low Income Communities Project	World Bank	Loan	2001–2006	106.00
3 rd Water Supply and Sanitation for Low Income Communities Project	World Bank	Loan	—	137.50
Urban Water and Sanitation Improvement and Expansion Project (UWSIEP)	World Bank	Loan	—	18.20
Local Government Water Supply Project (LGWS)	USAID		2005–	.06
Local Government Support Program (LGSP)	USAID		2005–	60.00
Environmental Services Project	USAID		2005–	
Sanitation by Communities (SANIMAS)	AusAID		2001–	.51
Urban Quality Project	GTZ		2003–2005	1.60 ^b
Denpasar Sewerage Development Project	JBIC		1994–	6.00
Ujung Pandang Water Supply Project	JBIC		1993–	(?)
Jakarta Water Supply Distributions Pipeline Project	JBIC		1990–	(?)
Institutional and Capacity building effort in PDAMs	Government of the Netherlands and WB Institute		—	(?)
Indonesia Water and Sanitation Program (WASAP-Indonesia)	Government of the Netherlands		2005-2009	22.00

— = not available, ADB = Asian Development Bank, AusAID = Australian Agency for International Development, GTZ = Deutsche Gesellschaft für Technische Zusammenarbeit, IKK = Ibu Kota Kecamatan (district administrative center), JBIC = Japan Bank for International Cooperation, KfW = Kreditanstalt für Wiederaufbau, PDAMS = Perusahaan Daerah Air Minum (local government water supply enterprise), USAID = United States Agency for International Development.

^a Amount in € (not \$), ^b Amount in Rp (not \$).

Source: Asian Development Bank