Indonesia: Flood Management in Selected River Basins Sector Project

Project Name: Flood Management in Selected River Basins Sector Project
Project Number: 35182-043
Country: Indonesia
Project Status: Active
Project Type / Modality of Assistance: Loan

Source of Funding / Amount: Loan 3440-IN0: Flood Management in Selected River Basins Sector Project

Ordinary capital resources: US$ 108.70 million

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development
- Knowledge solutions

Sector / Subsector:
- Agriculture, natural resources and rural development - Rural flood protection

Gender Equity and Mainstreaming:
- Effective gender mainstreaming

Description:
The project will support the Government of Indonesia and river-based communities in better managing and mitigating flood risks. The project has been designed as a sector loan to support the implementation of the Strategic Plan for Water Resources, 2015-2019 (SPWR) of the Ministry of Public Works and Housing (MPWH). The SPWR includes policy measures and priority investments in 63 river basin territories (RBTs) in Indonesia. The project will finance subprojects in the Cidanau Ciujung Cidurian (Banten province) and Ambon Seram (Maluku province) RBTs. Project interventions will (i) enhance hydrometeorological data and analysis, management, and institutional coordination for managing flood risks; (ii) upgrade and develop flood protection infrastructure; (iii) improve watershed conditions to moderate runoff peaks and soil erosion; and (iv) prepare communities to manage floods. The project will promote effective flood risk management (FRM) by coupling infrastructure investment with supporting software measures. It will contribute to the achievement of the government’s National Medium Term Development Plan, 2015-2019 (RPJMN) sector target to reduce the magnitude of economic and social damage due to floods.

Project Rationale and Linkage to Country/Regional Strategy:
The project will support implementation of part of the SPWR calling for a $3.06 billion investment in flood management. The Cidanau Ciujung Cidurian RBT (which is affected by river floods) and the Ambon Seram RBT (which experiences flash floods) have been initially selected to demonstrate FRM in implementing the RPJMN. The investment will help the government accelerate implementation of Rencanas in selected RBTs, and provides (i) a long-term partnership between the Asian Development Bank (ADB) and the government for policy dialogue and capacity development, and (ii) the potential to invest in other priority areas to ensure continuity in combining infrastructure with nonstructural components.

Impact:
- Economic and social losses from flood events reduced

Project Outcome:

Description of Outcome:
Flood risks in selected river basins, including those in the Cidanau-Ciujung-Cidurian and Ambon-Seram RBTs, reduced through FRM

Progress Toward Outcome:
The main consulting services were mobilized by January 2018: (i) CS01 (Flood Risk Management and Engineering Services), CS02 (Project Implementation Management Services), (ii) CS03 (Farmland Management and Sustainable Agriculture Practices), and CS06 (Institutional Development for Community-Based Flood Risk Management). Small packages (consulting services and goods) are being procured. The bidding documents for the Ciujung core subproject civil works packages were issued to the prequalified bidders on 5 September 2018 and the deadline for submission of proposals is on 8 October 2018.

Implementation Progress:

Description of Project Outputs:
- Planning for FRM enhanced
- Land management improved and flood infrastructure upgraded
- Capacity for CBFRM enhanced
- Policy, coordination, and capacity at the national level improved

Status of Implementation Progress (Outputs, Activities, and Issues):
Output 1. Preparatory activities for flood modelling are being conducted including planning for topographic, bathymetric, and flood damages surveys. Modelling is expected by December 2018 for both river basins. Review of the hydrometeorological rationalization plans is being conducted to prepare bidding documents for equipment. Flood risks management plans (FRMP) are expected by Q1 2019.
Output 2. The bidding documents for the Ciujung core subproject civil works packages were issued to the prequalified bidders on 5 September 2018 and deadline for submission of proposals is on 8 October 2018. Preparation of non-core subprojects (land acquisition and environment safeguards) is ongoing and will be synchronized with flood modelling. The list of non-core subprojects to be potentially financed by the project has been updated during the review mission 20-29 March 2018.
Output 3. MOHA is developing guidelines and selection of sites for the community-based flood risks management activities, with emphasis on slope stabilization and urban flood protection in Ambon city.
Output 4. A capacity development framework covering (i) technical aspects, (ii) social and environment safeguards, (iii) gender mainstreaming, (iv) communication and outreach, (v) financial management, and (vi) procurement will be prepared to improve capacity of agencies to deliver the project. BAPPENAS will initiate the formulation of the national flood risks management strategy as an input for the 2020-2024 midterm development plan and future investments in the sector.

Geographical Location:
Banten, Provinsi Maluku

Safeguard Categories:

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**Summary of Environmental and Social Aspects**

**Environmental Aspects**
The Project is categorized as environment category B in accordance with ADB’s SPS 2009. Details about the procedures to ensure that potential environmental impacts are avoided, reduced and mitigated can be found in the Environmental Assessment and Review Framework (EARF). An initial environmental examination (IEE) report including an Environmental Management and Environmental Monitoring Plan (EMP) was prepared for the Ciujung core subproject.

**Involuntary Resettlement**
In accordance with ADB’s SPS 2009, the project is classified as Category A for Involuntary Resettlement. Structural works will require land acquisition and resettlement (LAR) in rural and settlement areas. The Resettlement Framework has been prepared, to guide the preparation and implementation of resettlement plan in compliance with SPS 2009 and government Law No. 2/2012 on Land Acquisition for the Development in the Public Interest and other relevant implementing regulations. The Resettlement Plan was prepared and concurred by the Government for the Ciujung core subproject.

**Indigenous Peoples**
The Project is categorized as C for Indigenous Peoples, as there are no indigenous peoples living in the core subproject area. As part of the selection criteria, future subprojects will exclude proposals that will have any impact on indigenous peoples.

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**
Stakeholder consultations were conducted in all areas during project preparation and will continue throughout implementation. Continuous consultations will be conducted during implementation and effective measures of stakeholder engagement will be established to ensure ownership of the project especially the success of the community-based flood risk management component.

**During Project Implementation**
To ensure effective communication with stakeholders during project implementation, the project will adopt a three-pronged strategy as follows: (i) deliver relevant information to stakeholders in a culturally appropriate, gender-sensitive, and timely manner; (ii) obtain accurate and timely feedback from stakeholders; and (iii) enable an efficient flow of information from project implementers to stakeholders and vice versa.

**Business Opportunities**

**Consulting Services**
All consultants are recruited according to ADBs Guidelines on the Use of Consultants. A total of 2,579 person months of consulting services will be financed by the loan, comprising 2,499 person-months national and 80 person months of international. DGWR consultants, comprising 1,477 person months of national and 40 person months of international consultants have been mobilized to support project management, project administration support, sub project preparation (covering technical, economic and safeguards aspects) and technical support to the BBWS 3 Cis and BWSM for DED and construction supervision. DGWR is also finalizing contract with an independent social monitoring agency and the BBWS 3 Cis and BWSM will both recruit an independent environmental monitoring agency. 208 person-months of national and 6 person-months of international consultants is being recruited to assist DWRI in monitoring and evaluating the implementation of the project. A total of 220 person-months of National consultants has been mobilized to provide technical support to DGAIF for implementation of sustainable agriculture practices in the Ciujung river basin. 594 person-months national and 34 person months of international consultants have been recruited to support DGDR for the integration of the FRMPs into annual and 5 years provincial and district plans, institutional works, watershed rehabilitation and CBFRM activities. The selection of consultants are in accordance with ADBs quality-and-cost-based selection method using a quality-cost ratio of 80:20. Consultants Qualification Selection method, least cost selection method, quality based selection method, and individual consultant selection method. For Quality- and Cost-Based Selection (QCBS) all consulting services recruitment notice (CSRN) must be posted in the ADB consultant management system (CMS), MPWH e-procurement system (SPSE ICB), and local English newspaper. The executing and implementing agencies must ensure that all expression of interest are mandatory to be submitted through MPWH e-procurement system to engage the consulting firms will not hamper the advertisement of the CSRN in CMS nor the receipt of all EOIs.

**Procurement**
All procurement of goods and works will be undertaken in accordance with ADBs Procurement Guidelines (2015, as amended from time to time). Under the project, civil works will be procured through national competitive bidding (NCB) procedures acceptable to ADB for packages up to or equal to $25,000,000 equivalent. Goods will be procured through NCB procedures acceptable to ADB for packages up to or equal to $3,000,000 equivalent. For packages $100,000 equivalent or less, shopping method may be used. Small-scale works and good contracts with average value of $30,000 equivalent may be awarded to community groups following procurement procedures for community participation in procurement as contained in ADB’s Procurement Guidelines. The use of the e-procurement system is allowed for national competitive bidding (NCB) packages for MPWH, Bappenas, MOA and MOHA. More information on the goods and works packages are available in the project procurement plan.

**Loan 3440-INO**

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**Responsibility**

**Responsible ADB Officer**
Eric Quincieu

**Responsible ADB Department**
Southeast Asia Department

**Responsible ADB Division**
Environment, Natural Resources & Agriculture Division, SERD

**Executing Agencies**
Directorate General of Water Resources, Ministry of Public Works & Housing, Republic of Indonesia
Jakarta Selatan, Indonesia
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Project Page: https://www.adb.org/projects/35182-043/main
Request for Information: http://www.adb.org/forms/request-information-form?subject=35182-043
Date Generated: 23 August 2019

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