



13 June 2005  
05/M/1765/06

To: Mr. Nalin Samarasingha  
Special Project Facilitator- OSPF

Through Country Director, IRM 

From: Soewartono, HS   
Senior Project Implementation Officer, IRM

Subject: Loan 1765(SF)/1766-INO: Community Empowerment for Rural Development  
- Comments on the Review Assessment Report (RAR)

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Thank you for asking IRM to provide comments on the RAR. We have reviewed the RAR and found that it is accurate and provides balanced information from all sides: the complainants, PMO, PIU, villagers and IRM. I have no comments on it, and support the complainants' request to take further step of consultation phase. We, however, have minor suggestions as part of recommended actions:

- (i) Infrastructure (para.32, page 10): It is stated that the community was not sure whether the O&M funds are still adequate to repair the damaged facilities and whether O&M funds are appropriate for rehabilitating the facilities. We are of the view that significant O&M loan funds are provided because most of the rural infrastructure facilities are quite basic structures, for example: earth roads, wooden bridges, etc. that continually need improvement and intensive maintenance. The facilities must receive significant maintenance one year after the completion of work. According to project concept, in 2005, the loan will finance 60% of the maintenance works and the remaining 40% should be provided by local governments. The use of village grants for financing the rehabilitation/maintenance works is problematic as maintenance is routine work not investment.
- (ii) The lack of information about the Project was because Part A (providing training at the village level for planning) was not in place in 2001/2002. IRM has approved a training map for 2005 and 2006 and confirmed that the four villages of complainants are included in Part A program. The training under Part A will facilitate the community to determine what actions are to be taken to improve the rural infrastructure; including infrastructure in the four villages of complainants.

For your consideration.

CC: Director General, SERD  
Sr. Adviser, SERD  
Ms. Karin Oswald, Sr. Project Facilitation Specialist, OSPF

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