

1. CAS Data	
Country: Indonesia	
CAS Year: FY04	CAS Period: FY04 – FY08
CASCR Review Period: FY04 – FY08	Date of this review: August 26, 2008

2. Executive Summary

i. The Indonesia CAS was a joint strategy between the Bank and IFC, and this review of the CASCR covers the Bank-related aspects and is evaluated by IEGWB. IFC related aspects of the CASCR are reviewed by IEG-IFC, whose review is included as Attachment 1.

ii. This Review examines the implementation of the FY04-07 Indonesia Country Assistance Strategy (CAS) and 2006 CAS Progress Report, which extended the CAS period until the end of FY08 to correspond to Indonesia's graduation from IDA access. In 2007 IEG prepared a Country Assistance Evaluation (CAE), which evaluated the outcomes of the Bank's assistance to Indonesia over the period FY99-FY06. The CAE found that during the review period the Bank had been able to restore its credibility in Indonesia, which had been eroded during the Asian financial crisis and its aftermath. The outcomes of Bank support to Indonesia were considered as moving in the right direction although progress was slower than projected in the CASs, and risks remained significant. Accordingly, the overall outcome of Bank assistance was rated as moderately satisfactory. The CAE was discussed at a CODE Subcommittee meeting on January 23, 2008.

iii. The FY04-07 CAS was aligned with and supported the objectives of the Government's comprehensive program of policy reforms. The program, known as the "white paper," covered macroeconomic management, financial sector reform, and policies to restore investment and growth. The Bank's strategy was to support the strengthening of the investment climate and the improvement of basic service delivery, while addressing governance issues. During the CAS period Indonesia faced unprecedented natural disasters—including the Nias and Yogyakarta earthquakes and the Aceh tsunami of December 2004. The Bank added disaster risk management as a fourth focus area in the CAS Progress Report and the CAE evaluated this as an additional pillar.

iv. The Bank supported programs have made important contributions to the restoration of macroeconomic stability, and helped Indonesia return to the pre-crisis income and poverty levels. Community-driven development (CDD) has been an important element of IDA's support for the poverty reduction strategy. Indonesia's progress towards achieving its Millennium Development Goals (MDGs) for poverty reduction, education and health is by and large on track, but lags in some aspects. In the important area of improved governance, while the Bank's programs have helped establish a strong legal and institutional basis for improvements, this is not yet reflected in implementation or in public perceptions. Bank support for Indonesia's ambitious decentralization program has also been slow to yield results in terms of governance at the local level. Reconstruction and rehabilitation efforts in Aceh and Nias made good progress. Building on this experience, the response and achievements in the reconstruction in Yogyakarta has been substantial. A major accomplishment in Aceh-Nias response has been the creation of the Special Reconstruction Agency (BRR) and its immediate staffing with well known and credible Indonesians. Outcomes of Bank support and performance are both rated *Moderately Satisfactory*.

v. IEG concurs with the lessons drawn in the CASCR, which are consistent with those drawn in the recent CAE. IEG underscores that there is a need for greater selectivity and focus in the Indonesia program.

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3. CASCR Summary

Overview of CAS Relevance:

1. *Context.* The 2004-2007 CAS was prepared when the country was still struggling with transition from an autocratic, centralized state to a democratic, decentralized one. In 2003, Indonesia's democracy had gained much ground in the five years since President Soeharto's resignation. The successful implementation of the Big Bang decentralization since 2001 had transferred considerable authority over public expenditures and public service delivery to over 400 local governments, and there were clear signs of greater participation in some regions. The tradition of sound macro-economic management had re-asserted itself, and growth had resumed albeit at a lower rate than pre-crisis average. The ratio of debt to GDP had come down to 72 percent in 2003. Despite this progress, the number of poor in Indonesia continued to be high and 53 percent of the population were living on less than US\$2 per day. Progress in ensuring access to basic health, education, water, and sanitation services was slow. Finally, the achievements of the post-crisis period continued to be clouded by widespread concerns about governance and corruption. The government decided not to renew the IMF program when it expired at the end of 2003, and announced a program of policy actions for the next eighteen months. The program, called the "white paper," covered three areas—macroeconomic management, financial sector reform, and policies to restore investment and growth. In early 2003, the government also finalized its Interim Poverty Reduction Strategy, which provided a broad road-map for human development and poverty reduction.

2. *CAS Design and Objectives.* The strategy was organized around three pillars: (i) improving the climate for high quality investment; (ii) making service delivery responsive to the needs of the poor; and (iii) the core issue of governance. These broad categories required large numbers of sub-categories e.g. the first category—the investment climate—was elaborated via 5 sub-categories and 14 bullets. The CAS understood that Indonesia had met the high case triggers of the FY01 CAS and proposed a base case of US\$450 to US\$850 million a year. An unprecedented series of natural disasters--the Aceh tsunami of December 2004, the Nias earthquake of March 2005, the earthquake in Yogyakarta and Central Java in May 2006 and tsunami in Central Java in July 2006-- led the Bank (2006 CAS Progress Report) to add a fourth pillar to the program: (iv) disaster risk management. The Progress Report also extended the CAS period by one year to correspond to Indonesia's graduation from IDA access at the end of FY08. The Bank's strategy and emphasis on the four thematic areas were aligned with the Government's plan and supported by relevant analytical work. The four pillars in the Bank's strategy, however, were very broad and there were too many objectives and sub-objectives. The breadth of themes and the wide range of the Bank program mean that no economic sector is left unmentioned in the 2003 CAS. A more selective and incisive program geared to a smaller set of more realistic objectives could have been more appropriate.

3. *Bank Group Program.* The CAS and CAS Progress Report outlined a lending program up to US\$6.7 billion over five years, covering a broad range of areas at the federal, state and municipal levels. The largest share of lending (59%) was allocated to the first pillar --improving the investment climate, channeled through mostly five Development Policy Loans (DPLs). Under the second pillar, the Bank planned to step up its support to improve service delivery to the poor with 22% of lending, geared toward better education and health outcomes for the poor. Under the third pillar, the entire lending (20% of the portfolio) and AAA program was designed to foster transparency and accountability through two complementary approaches: (i) by enhancing the demand for good governance through greater public participation in policy-making and policy-monitoring process; and (ii) by strengthening the institutions that are accountable for implementing the laws to improve governance already passed during the Reform period. The Bank quickly developed a portfolio of grant operations, technical assistance and policy dialogue to assist reconstruction efforts after the tsunami of December 2004, but has yet to move on some of the lending related to the Yogyakarta earthquake.

Overview of CAS Implementation:

4. *Lending.* Actual lending commitments (US\$4.4 billion) were well below the enhanced base case/high case lending range (US\$6.8 billion) defined in the CAS. There were 20 IBRD/IDA projects and 5 DPLs (four multi-sectors and one infrastructure DPLs). About 20 percent of new commitments (US\$900 million) were on IDA terms. Policy-based lending accounted for about half of actual commitments. The DPL program (four DPLs) has evolved over the course of four years, from FY05 to FY08. The theme of DPL 1 (FY05) was on restoring and maintaining macroeconomic stability when Indonesia was exiting its post-crisis IMF program. DPL 2 (FY06) focused on creating fiscal space and DPL 3 (FY07) on utilizing the fiscal space and optimizing the budget to have increasing impact on service delivery. DPL 4 (FY08) deepened the institutional reforms in the financial sector and public financial management. The Bank also prepared the first Infrastructure Development Policy Loan in FY08 to support policy and institutional reforms in infrastructure.

5. Investment lending was also less than envisaged. The Bank had problems assuring ownership and commitment by some counterpart agencies of the Government, resulting in a very high drop rate—between FY04 and FY08, 13 projects were dropped costing US\$3.3 million in sunk preparation costs. The average project preparation period of 35 months shows that the decision to drop them was taken at an advanced project preparation stage. About half of the lending operations meant to support Indonesia in dealing with disaster risk management in the Progress Report are yet to be prepared or have only recently been approved.

6. *Non-lending Services.* The Bank produced a stream of analytic outputs in response to requests from the Government, particularly relating to Indonesia's emerging MIC status. The Bank has also been able to exploit its knowledge of other countries, which is much valued in Indonesia. The Bank was also able to provide just in time advice, drawing on the knowledge base of other countries. A particular example was helping to establish conditional cash transfers to compensate the poor for increased costs, by inviting to Jakarta a group of Mexican officials who had been involved in the *Progressa*. The Bank also provided advice on donor coordination and on disaster management, particularly following the tsunami.

7. *Quality and Effectiveness of Operations.* Portfolio performance was below Bank and EAP standards, with a disbursement ratio of 17 percent during the CAS period. Twenty nine operations closed during the period and were evaluated by IEG. Seventy-two (72) percent, by number, was rated satisfactory, as compared to the EAP Region and Bank-wide averages of 86.1 and 79.1 percent respectively. On a commitment basis, 90.4 percent of the evaluated operations were rated satisfactory, compared to 95.1 and 85.9 percent for the EAP Region and Bank-wide respectively. Institutional development impact was rated as substantial for 54.2 percent (53 percent on a commitments basis) of the operations, versus 69.8 percent for the EAP region and 55.9 percent Bank-wide. Sustainability was rated likely or better with 66.7 percent (72.7 percent on a commitments basis) of the evaluated operations, versus 84.4 percent for the EAP region and 81.2 percent Bankwide.

Overview of Achievement by Objective:

Pillar One: Improving the Climate for High Quality Investment and Growth

8. **Country Outcomes.** The FY04 CAS had five broad objectives in this area: (i) maintaining macroeconomic stability; (ii) strengthening the financial sector; (iii) fostering the competitiveness of the private sector; (iv) refurbishing Indonesia's infrastructure; and (v) creating sustainable income opportunities for poorer households.

9. Improved macroeconomic and fiscal management together with a favorable external environment have helped strong economic growth in recent years. Growth averaged over 5 percent during the review period. Inflation rates decelerated from 12 percent in 2002 to 6.2 percent in 2007. Financial markets have become increasingly confident, as reflected in the upgrading of Indonesia's

ratings by three rating agencies (Moody's, Standard and Poor's and Fitch Ratings). However, in the latter part of 2007, inflation began to creep upward to 11.0 percent at end-June 2008, reflecting higher food and energy prices. A major achievement was the greater than expected reduction in public debt, which fell from 80 percent of GDP in 2000 to 35 percent of GDP in 2007. The reduction reflected prudent debt management, the decline in interest rates, and the increase in GDP in dollar terms. Budget management has been a strong part of the overall performance. Revenues are now a larger share of GDP than before the crisis.

10. Following the crisis of the 90s, much of the banking system was restructured, recapitalized and privatized mostly to credible foreign investors. Regulation and supervision were improved and the Bank of Indonesia was made fully independent. Important financial ratios for the banking sector show considerable improvement. The proportion of state-owned banks in the overall banking system stands at 36 percent—a ten percentage points decrease since 2003, indicating the increasing role of private banks. Loan-to-deposit ratios (LDR) showed a gradual increase, although there were concerns over sluggish loan growth. In sectoral terms, SME lending increased rapidly. As of December 2006, loans to SMEs were 52 percent of total loans, compared with 47 percent in 2003. In 2007, the Deposit Guarantee Agency (LPS) completed the elimination of the blanket bank deposit guarantee introduced in 1998, with a reduction of the final guarantee amount of Rp. 100 million per account.

11. Indonesia's private sector was severely impacted by the financial crisis. The Government introduced reforms to support the investment climate, infrastructure, the financial sector, and to create a supportive environment for competitive private sector. Many of the key reforms areas spearheaded by the Government have been supported by the Bank's DPLs. These reforms are reported to have shown good results in improving the environment for high quality investments. Private investment has picked up recently, but still remains below pre-crisis levels, but rising fast. In 2007, Indonesia's investment to GDP ratio was 25 percent.

12. Development expenditures on infrastructure bore the brunt of the fiscal tightening following the crisis and have been insufficient to meet increasing demand. Infrastructure investment declined from 6.1 percent of GDP in 1997 to 2.1 percent in 2000. There was some recovery in the recent years, but it was still 3.2 percent as of 2005. All in all, results have been mixed, with low private sector involvement. The Yudhoyono government, elected in September 2004, set infrastructure as a major priority. An infrastructure summit was held in January 2005, offering 91 PPP transactions to the private sector. The reaction to these offerings was disappointing. During the course of 2005, new regulations were put in place requiring competitive bidding and appropriate risk management of guarantees for PPPs. A second Infrastructure Summit was held in November 2006 (with Bank and IFC support), where ten PPP "model projects" were identified to be the particular focus of efforts to improve the quality of project preparation. A National Committee on Policy for Accelerating Infrastructure Provision was established in 2006.

13. The CASCR does not discuss outcomes relating to creating sustainable income opportunities for poorer households. A number of processes and outputs on Bank support under the FEATI and COREMAT projects were referred to, with partial achievement.

14. **Bank Contribution.** The Bank's development policy loans (a series of DPLs were resumed in 2004 and four DPLs have been fully disbursed for US\$1.9 billion) and policy dialogue were the main tools to support the program objectives of the first pillar. The Bank work closely with the IFC on these operations. The main focus of these policy loans was to support the Government's policy and institutional reforms in the areas of macroeconomic stability, financial sector strengthening, and private sector competitiveness. The Bank carried out useful analytic work on broad development policy issues during this period as well as its regular reporting to the CGI (Consultative Group for Indonesia). With Indonesia's exit from the IMF program, the Bank has again become a key analyst and interlocutor for the government on macroeconomic policy, with studies on public expenditure, trade policy and investment climate. The Bank also provided an important input into the decision-making on the fuel subsidy through its analytic work on the potential impact on the poor of reducing the subsidy.

15. The Bank's benchmarks went beyond the broad macroeconomic and fiscal outcomes, defining a set of policy and institutional measures in areas such as banking, non-banking financial sector, taxation, customs administration, private sector development etc. As noted in Annex Table 10, the outcome was a mixed bag, where progress was made in some areas, and little or none in others. IEG rated the outcome of the first DPL in the series as satisfactory, while noting that its development impact was modest.

16. As underlined in the CAE and the CASCR, the Bank's role was significant in keeping the focus of successive governments on the need for a coherent infrastructure strategy. An important part of the Bank's contribution was its analytical and advisory services, which provided the basis for the policy dialogue, identified needed investments and outlined various reform measures for the sector. A set of roads, gas and energy, and irrigation projects were approved. However, in all cases there have been delays in implementation as well as procurement issues. A first Infrastructure DPL in the amount of US\$200 million was approved by the Bank's Board in December 2007, which together with a Public Private Infrastructure TA project (PPITA), seeks to help achieve a breakthrough on the large unfinished agenda relating to infrastructure and PPP policy reforms.

17. The Kecamatan Development Program (KDP) has been one of the Bank's flagship program in Indonesia throughout the post-Soeharto period, joined in recent years by the DPLs (see para.4 and para. 14). KDP is a community-driven development program which channels money directly to communities using trained facilitators to support local communities in developing plans and reaching decisions as to where the funds could best be used in support of local development. KDP is now mainstreamed by the Government and has been viewed with considerable interest as a potential model in other countries. A project performance assessment report by IEG in 2006 and the CAE found that KDP has generated results on the ground and appears to have contributed to empowerment of local communities. It is less clear however whether KDP is sustainable and whether it may be hindering the development of local governments which in the longer term are indispensable to Indonesia's development efforts. For these reasons both the IEG project performance assessment report and the CAE rated the outcomes of community development in Indonesia as moderately satisfactory.

Pillar Two: Making Service Delivery Responsive to the Poor

18. **Country Outcomes.** The Bank's efforts were directed towards accelerating the attainment of key MDGs in education and health, and improving education and health outcomes for the poor. Progress towards achieving the MDGs in the education sector has been stronger than that in the health sector as noted in the 2006 CAS Progress Report. With decentralization, regional governments have become the dominant players in service delivery and are now spending almost the same amount as the central government. Indonesia's progress towards achieving its MDGs for poverty reduction, education and health are by and large on track, although improvements in two health and two health-related environmental indicators that have lagged for years—child malnutrition and maternal mortality, and access to safe water and sanitation. In addition, two measures of gender equality continue either unchanged (women in non-agriculture wage employment) or have deteriorated (female members of parliament). Net enrollment rates at primary school have increased. In the health sector, utilization of health services has gone up, as has the percentage of births attended by trained health workers. However, maternal mortality remains slow to react to these two changes.

19. Poverty rates were back to pre-crisis levels (from 18.2 percent in 2002 to 16.6 percent in 2007), thanks largely to the resumption of economic growth. However, the rate of decline was disappointing, especially in the context of stronger growth. Moreover, nearly half of Indonesians still live on less than \$2 per day and remain vulnerable to poverty. Employment growth has failed to match population increase since the crisis and job creation in the formal sector has been particularly sluggish. Unemployment rate, which was 8.1 percent in 2001, rose further to 11.2 percent in 2005 before falling to 9.1 percent in 2007.

20. **Bank Contribution.** Through its education sector dialogue and analytical work, the Bank supported the development of the Government's "Strategic Priorities in Education Development Medium Term Program 2005-2009" (RENSTRA), which may lead to a SWAp in the future. The Bank also piloted the Early Childhood Development (ECD) programs, which are now being scaled up. These programs are reported to help children from poor families to get higher grades in primary and secondary school. The Bank administered National Education Reform Program (Netherlands and EC financing) was a catalyst for the Bank to re-engage in the education sector in Indonesia, and it has continued to provide extensive analytical support for policy formulation, development of the next RENSTRA for 2009-2014, the introduction of the new teacher upgrading law, and delivery of the ECD project. The Bank, with support from the same donors, established a Basic Education Capacity-Building Trust Fund (BEC-TF) to support the implementation of RENSTRA.

21. In the health sector, the performance of the Bank lending interventions has been mixed, with only partial realization of expected outcomes. Several of the completed projects were not successful (with unlikely sustainability), mainly due to limited capacity and the ambiguities created by decentralization with regard to the roles and responsibilities of local governments. The three Bank-financed Provincial Health Projects (PHPs) aimed at improving health outcomes by strengthening the capacity of districts, provinces and the center in managing a decentralized health system. They have helped the Government in increasing birth deliveries by trained health workers and improving the immunization coverage for BCG and measles vaccine. However, vaccination coverage for others (DPT, polio and HepB) has failed to improve. The Bank recently started getting engaged in HIV/AIDS dialogue, especially in the province of Papua, where the risks are high.

Pillar Three: Addressing the Underlying Issue of Governance

22. **Country Outcomes.** The FY04 CAS puts high priority on improvements in governance, with focus at development planning made more responsive to constituents, better public financial management, civil service reform and establishment of a credible and impartial justice sector. It also aims more effective implementation of decentralization.

23. As referred to in the CASCR and the CAE, combating corruption has been the top priority of the current administration, and credible efforts were made by the government to deepen the institutional and regulatory framework addressing money laundering activities, freedom of information, and whistleblower protection. Several new independent institutions have been created in the CAS period, including a new Corruption Eradication Commission, a Judicial Commission, a Financial Crimes Task Force, a Commercial Court, an Ombudsman, an Election Commission, and the Special Investigative Team for Corruption Crimes. The audit function of government has been strengthened. Despite the positive steps being taken and institutional developments, improvements in governance indicators have been limited. While the data in Annex Table 9 show that in every area Indonesia made steady progress in improving its governance performance, the measure for control of corruption still situates Indonesia in the bottom 27 percentile rank in a cross-country comparison. Since the fall of Soeharto, there has been a dramatic expansion in the number of civil society organizations. However, there are relatively few NGOs that are able to serve as competent anti-corruption watchdogs.

24. The government reform agenda in public financial management has been progressing well since 2003. In 2003 and 2004, the Government presented to, and received approval from, Parliament for a set of laws (on public finance, treasury and audit) that provide the framework for public financial modernization in line with international good practice. Advances have been made in budget preparation—instituting a state budget combining the previous separate recurrent and development budgets and significantly improving budget transparency. The treasury law provided legal basis for rationalization of government bank accounts, many of which had been established by spending ministries and were outside the control of the Treasury. A treasury single account (TSA) became fully operational in 2007. The cash-based accounting systems started to generate timely records of revenue and expenditure transactions. There have been improvements in the public procurement

environment as well. A medium term expenditure framework (MTEF) was introduced with the 2008 budget. These reforms and reduction of fuel subsidies in 2005 created a “fiscal space” to increase public investment and social spending.

25. There have been significant steps taken in civil service reform and also in addressing corruption in the civil service. A full-scale reorganization of the Ministry of Finance is in progress, and the government is looking more broadly at the issue of civil service reform, beginning with the compensation system. A new organizational structure was introduced for the central tax administration and modernization of medium tax offices was completed.

26. With the “big bang” decentralization of 2001, Indonesia went from one of the most centralized countries in the world in administrative, fiscal and political terms, to one of the most decentralized. As discussed in detail in the CAE, the fiscal system meets one key standard for a decentralized system—revenues are shared with or transferred to the local level by formula in predictable, relatively stable manner—and the Ministry of Finance has developed capacity to analyze revenue-sharing and transfer alternatives and assess their impact. There was some concern at the outset of the decentralization process that service delivery at the local level, another Bank objective, would be adversely affected. In fact, many indicators for education and health have continued to improve and the most recent Bank survey shows that about 70 percent of the population is of the view that health and education services have improved since the introduction of decentralization. The recently completed IEG Evaluation of Bank Support for Decentralization found that progress has lagged on defining roles and responsibilities across levels of government, a prerequisite to building local institutions and capacity and supporting service delivery improvements. In addition, steps to clarify expenditure assignment have moved slowly.

27. **Bank Contribution.** In the aftermath of the 90s’ crisis, the Bank decided that the drive against corruption needed to be a cornerstone of the effort to rebuild the Bank’s credibility in Indonesia. It was envisaged during CAS preparation that the entire lending and non-lending program would be designed to strengthen accountability and transparency through: (i) greater public participation in policy making and policy monitoring processes across different levels of government; and (ii) enhancing the capacity of institutions responsible for implementing governance reforms. The earlier CAS built a good foundation on which to expand the governance agenda (e.g., field-based governance advisor, and the establishment of an in-house anti-corruption committee). Mandatory Governance and Anticorruption Actions Plans (GAAPs) were included as part of the Project Appraisal Document for projects approved over the CAS period. However, the implementation experience and monitoring of GAAPs have been mixed across the portfolio.

28. Bank lending on tackling corruption and public financial management reform has taken two forms. First, the Bank’s development policy loans (four DPLs) have contained conditionality on a variety of issues relating to the legal and institutional framework (investment climate) and public financial management. Second, the Bank is providing support for a major reorganization of the Ministry of Finance through a technical assistance project (FY05, US\$60 million).

29. The major focus of the Bank’s initial work on decentralization was to provide support for the development of the system of intergovernmental finance. It also provided a series of advisory services to the government supporting the revisions to the decentralization laws. The Bank is playing a leading role in supporting decentralization through the management of a multi-donor Decentralization Support Facility (DSF). DSF was established in 2005 with DFID support, and accumulated pledges of US\$52 million from five donors. There are three loans geared toward linking local governments and poverty alleviation. These loans have built upon the experience of community driven development operations by providing poverty alleviation action grants in support of the development of local government poverty reduction strategies. The CASCR indicates that slower-than-expected implementation of the first generation local government projects has delayed the outcomes related to strengthening local governance. IEG’s Decentralization Evaluation also found that monitoring and evaluation functions do not yet provide information on local government performance.

Pillar Four: Disaster Risk Management

30. **Country Outcomes.** The Bank's role in supporting disaster management was not foreseen in the 2003 CAS, despite Indonesia being one of the recognized 'hot spots' in terms of vulnerability to natural disasters. Within days of the tsunami at the end of 2004, the Bank was asked by President Yudhyono to play a role in supporting the relief effort to help ensure that the resources provided by the Government and donors reached the victims and that the transition from relief to recovery was affected quickly and with long-term, sustainable solutions.

31. The international response to the tsunami was impressive and Indonesia has shouldered its share of the burden. The overall process of reconstruction is well underway with 85,000 new houses completed by September 2007, of which 4,400 were by the Bank. In addition, 4,050 houses have been rehabilitated. Other accomplishments include the rehabilitation of 2,330 km of village roads, 846 bridges, 282 schools and 43 health clinics.

32. The reconstruction experience in Yogyakarta has also been substantial. Less than one year after the devastating earthquake in May 2006, almost 150,000 houses (more than half of the total needed) were reconstructed, most at low cost and with strong community participation.

33. A major accomplishment was the creation of a rehabilitation and reconstruction agency (BRR) in April 2005 to lead the recovery effort. After the first year of its operation, BRR had built a staff, developed procedures, and staked out a recognized leadership position in the construction effort. The government enacted a new Disaster Management Law in March 2007 to prepare and respond more effectively to disasters in the future.

34. **Bank Contribution.** The Bank played an instrumental role in the preparation of the damage and loss assessment, the master plan for reconstruction, the setting up of BRR, and the mobilization of funds from the donor community. The damage and loss assessment was led by the Bank team on the donor side and was prepared in less than four weeks after the tsunami. At the Government's request, the Bank initiated, designed, and drafted the founding legislation and provided continuous TA and support during the first few months of BRR's existence. The Aceh Multi-Donor Fund (MDF), with current pledges of close to US\$700 million - the largest post-disaster fund in the Bank - is considered a best practice mechanism for donor coordination in response to natural disasters. MDF's close coordination with the BRR and the local government has contributed greatly to its success. The Bank also restructured three ongoing Bank projects (US\$20 million) to include reconstruction components and mobilized JSDF grants (US\$7.8 million) for emergency support. Additionally, reconstruction components were included in two new projects that were delivered to the Bank's Board in FY05 (US\$15 million). Following on the strong partnerships forged on donor coordination for Aceh-Nias response, at the request of the Gol, the Java Reconstruction Fund (JRF) with \$80 million from six donors was established in 2006 to support reconstruction following the earthquake and tsunami in Java. The JRF financed the reconstruction of 15,000 houses in Yogyakarta and Central Java..

35. Of the new lending included in the CAS Progress Report, the Bank moved quickly by restructuring projects and approving additional financing. In FY08, the Bank approved three additional projects designed to buttress community empowerment. The Yogyakarta Earthquake Housing Reconstruction project is being implemented under the JRF, as well as three projects based on community development.

Achievement of CAS Objectives			
Objectives	CASCR Rating	IEG Rating	Explanation / Comments
Improving the climate for		Moderately	The outcome of Bank support in

high quality investment		satisfactory	this area is rated moderately satisfactory because of substantial contributions to maintaining macroeconomic stability through improved fiscal management. Progress in financial and private sector development has been limited. Indonesia has among the lowest levels of access to infrastructure in the region.
Making service delivery responsive to the poor		Moderately satisfactory	Indonesia's progress towards achieving its Millennium Development Goals (MDGs) for poverty reduction, education and health are by and large on track. However, progress remains sluggish on key indicators.
Addressing the underlying issue of governance.		Moderately satisfactory	The outcome of Bank support is rated moderately satisfactory because of significant improvements in public financial management. Governance indicators have improved slightly. Progress was limited in effective implementation of decentralization, civil service reform and establishment of a credible and impartial justice sector.
Disaster risk management.		Satisfactory	The outcome of Bank support in the aftermath of the tsunami is rated satisfactory. Relief effort in Aceh and Nias has made good progress after a slow start due to a competent institution being put in place. Progress in supporting the recovery of Yogyakarta and Central Java has been substantial.

Comments on Bank Performance:

36. The Bank's strategy was derived from and linked in a semi-results framework to the government's economic program and development objectives. The overall strategy and proposed operational program in the 2003 CAS was grounded in a solid body of knowledge produced in previous economic and sector work and on diagnostic work undertaken by the Bank and others. The tsunami of 2004 brought an unforeseen role for the Bank in Indonesia, and the 2006 CAS Progress Report incorporated disaster management as one of the key objectives.

37. The Bank managed the process aspects of its support for Indonesia well. It has built back a relationship and reputation which was severely damaged by the crisis of the 90s, as evidenced by the key role that the Government asked the Bank to play in the wake of the tsunami. The Bank has shown

willingness to work at the local level with small decentralized local governments and small communities. Portfolio performance, however, remains below Bank and EAP standards.

38. The Bank used DPLs to support officials in the key ministries (Minister of Finance and Coordinating Minister for Economy in particular) and change moving in the right directions. It also had a substantial contribution to community development through the Kecamatan Development Projects (KDPs) and other participatory programs. However, it had a relatively modest contribution with the traditional sector programs in health and education, with investment lending. As discussed in the CASCR, the mixed results raise the question as to whether the Bank's approach to deployment of this instrument in Indonesia is as effective and efficient as it might be.

4. Overall IEG Assessment

Outcome:	<i>Moderately Satisfactory</i>
Bank Performance:	<i>Moderately Satisfactory</i>

39. An overall rating of *Moderately Satisfactory* is assigned to the outcome of Bank assistance reflecting an overall positive picture. Positive outcomes include macro-economic stability, the improvements in health and education, the institutional developments in governance and the support after the tsunami. However, progress on financial and private sector development, on some health indicators, on some aspects of governance and on reconstruction in Yogyakarta were less than expected. From this perspective, the CAS objectives were too ambitious and disperse.

40. Bank performance is also assessed by IEG as *Moderately Satisfactory*. The Bank has played a significant role in supporting Indonesia during this period of transition. The Bank moved in very agile fashion in Indonesia to respond to the changing environment and the evolving needs of the Government and interests of the donors. The Bank consistently provided high quality advice and support. The Aceh relief effort and KDP are examples of where the Bank was especially effective, with well defined goals and focused support. The efficiency of the Bank's lending program was uneven, however, and particularly problematic for investment lending. As underlined in the CASCR many lending operations were halted at various stages of preparation by the Bank or dropped by the government (see Para. 5).

5. Assessment of CAS Completion Report

41. The CASCR presents a full accounting of implementation of the 2003 CAS and the 2006 CAS Progress Report and a candid assessment of outcomes with regard to the objectives of Bank assistance. The CAS was unusual for its time in specifying a long set of monitorable indicators, most related to outputs but with baselines; the CASCR followed up (with a sixteen page results matrix) on current values of these indicators, with brief comments on fulfillment of the benchmarks. While explicit coverage of the results of the Bank's program could have been strengthened, coverage of portfolio implementation was excellent. What the document lacks is a thoughtful discussion of the complete strategy at the outset and how and why it evolved during the period. It does a reasonable good job in explaining why the Bank focused on the underlying issue of governance, but this is only one pillar of the Bank strategy.

42. The CASCR failed to recognize the ambitiousness of the Bank's program, and did not elaborate on the links between the Bank's interventions and the country outcomes. Moreover, the treatment of country progress could have focused on outcomes achieved in the CAS period, instead of describing the developments under the particular program pillar.

6. Findings and Lessons

43. IEG concurs with the broad findings and lessons drawn in the CASCR from the Bank Group's operating experience in Indonesia, which are broadly consistent with the recent CAE. Beyond these lessons, IEG sees value in keeping CAS objectives more selective and narrowly focused and within an achievable range.

44. The Indonesia experience underlines the continuing relevance of the Bank in both IDA and middle income country environment through its knowledge services, whether provided through facilitating an exchange of experience with other countries (south-south dialogue- using the Mexican experience to reform fuel subsidies), lending or economic and sector work.

45. The experience in the management of large trust funds has important lessons both for Indonesia and other countries. The ability to mobilize trust fund resources has enabled the Bank and other development partners to respond to priority needs of the country in a timely manner, and also with greater responsiveness to unanticipated needs as in post-disaster recovery efforts. Availability of trust funds has also allowed a marked increase in the Bank's analytical and advisory activities.

46. The Bank's experience in Indonesia also underlines the need for patience and "staying the course " with regard to institutional improvements in general and good governance in particular. The Bank has put great efforts into improved governance in Indonesia with impressive results in terms of new institutions being developed, but modest achievements in actually reducing administrative corruption thus far. The Bank needs to define objectives which are measurable and feasible, and accept that it is going to require more than one CAS period for even modest progress in areas such as civil service and judicial reform.

Annex Tables

- Annex Table 1:** a) Planned and Actual Lending, FY04-08
b) Planned and Actual Lending by Pillar, FY04-08
- Annex Table 2:** Planned Non-Lending Services and Actual Deliveries, FY04-08
- Annex Table 3:** a) IEG Project Ratings for Indonesia, FY04-08
b) IEG Project Ratings for Indonesia and Comparators, FY04-08
- Annex Table 4:** Portfolio Status Indicators by Year, FY03-07
- Annex Table 5:** IBRD / IDA Net Disbursements and Charges
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2000-2006
- Annex Table 7:** Economic and Social Indicators, 2001-2006
- Annex Table 8:** Millennium Development Goals
- Annex Table 9:** Governance Indicators, 2003-2007
- Annex Table 10:** Summary of Achievements of the CAS Objectives

Attachment

- Attachment 1:** IEG-IFC CASCR Review

Annex Table 1a: Planned and Actual Lending, FY04-08

	Proposed FY	Approval FY	Proposed Amount	Approved Amount
CAS FY04-07				
Catchment Protection (LIL)	2004	<i>dropped</i>	3.0	<i>dropped</i>
Coral Reef Rehabilitation and Management (APL 2)	2004	2004	75.0	56.2
Initiatives for Local Governance Reform	2004	2005	60.0	29.5
Urban Sector Development and Reform Program	2004	2005	100.0	45.0
Land Management & Policy Development	2004	2004	61.0	65.6
Support for Poor and Disadvant Areas	2004	2005	45.0	104.0
Urban Poverty Project 3	2004	2005	180.0	138.7
Eastern Indonesia Region Transport 2	2004	2004	200.0	200.0
Domestic Gas Sector Restructuring	2005	2006	85.0	80.0
Urban Water Services Improvement	2005	<i>dropped</i>	50.0	<i>dropped</i>
Provincial Health and Nutrition	2005	<i>dropped</i>	75.0	<i>dropped</i>
Higher Education Project	2005	2005	100.0	80.0
Strategic Roads Infrastructure	2005	2007	200.0	208.0
Sustaining Microfinance	2005	<i>dropped</i>	60.0	<i>dropped</i>
Environment and Sanitation	2005	<i>dropped</i>	100.0	<i>dropped</i>
Government Financial Management & Revenue Admin.	2005	2005	120.0	60.0
First Development Policy Loan ¹	2005	2005	200.0	300.0
Additional Projects				
Kecamatan Development Project 3B		2005		160.0
Strengthening Capacity for Decentralized Education	2006	<i>dropped</i>	100.0	<i>dropped</i>
East Java Development Reform Program	2006	<i>dropped</i>	175.0	<i>dropped</i>
Urban Local Government Reform 2	2006	<i>dropped</i>	150.0	<i>dropped</i>
Water Supply & Sanit. for Low Income Communities 3	2006	2006	100.0	137.5
Initiatives for Local Governance Reform 2	2006	<i>not prepared</i>	150.0	<i>not prepared</i>
Farmer's Empowerment & Technology	2006	2007	70.0	92.8
Urban Water Supply	2006	<i>dropped</i>	100.0	<i>dropped</i>
Local Community Support Project (KDP4)	2006	<i>not prepared</i>	100.0	<i>not prepared</i>
Second Development Policy Loan ²	2006	2006	250.0	400
Yogyakarta Regional Development & Poverty Reduction ²	2006	<i>not prepared</i>	50.0	<i>not prepared</i>
West Java Environment Management Project ²	2006	<i>dropped</i>	70.0	<i>dropped</i>
Energy Sector Project ²	2006	<i>not prepared</i>	200.0	<i>not prepared</i>
Additional Projects				
Early Childhood Education and Dev		2006		67.5
Marginal Fisher's Community Development	2007	<i>dropped</i>	150.0	<i>dropped</i>
Water Resources and Irrigation Sector Mgt. (APL 2)	2007	<i>not prepared</i>	100.0	<i>not prepared</i>
Catchment Protection 2	2007	<i>not prepared</i>	75.0	<i>not prepared</i>
Community Based Education for Marginalized Youth	2007	<i>not prepared</i>	75.0	<i>not prepared</i>
National Agency for Drug and Food Control	2007	<i>dropped</i>	100.0	<i>dropped</i>
Umbulan Spring/Greater Surabaya Water Project	2007	<i>not prepared</i>	100.0	<i>not prepared</i>
Urban Community Development Project	2007	<i>not prepared</i>	150.0	<i>not prepared</i>
Provincial Health & Public Health Functions	2007	<i>not prepared</i>	40.0	<i>not prepared</i>
Third Development Policy Loan ²	2007	2007	250.0	600.0
National Roads ²	2007	<i>dropped</i>	150.0	<i>dropped</i>
Total CAS Projects FY04-07			4,419.0	2,824.8

Annex Table 1a: Planned and Actual Lending, FY04-08 (continued)

	Proposed FY	Approval FY	Proposed Amount	Approved Amount
CASPR FY07-08				
Yogyakarta Earthquake Housing Reconstruction	2007	2007	110.0	implemented thru Java Reconstruction Fund
Urban Water Supply & Sanitation Impr. & Expansion	2007	slipped to FY09	70.0	slipped to FY09
Teacher Management (BERMUTU)	2007	2008	140.0	86.0
Private Infrastructure Finance ³	2007	slipped to FY09	60.0	slipped to FY09
Government Financial Management & Revenue Admin. 2 /3	2007	slipped to FY09	60.0	slipped to FY09
Additional Projects				
KDP3 Second Phase - Add'l Financing		2007		123
UPP2 Additional Financing		2007		135.5
Development Policy Loan 4	2008	2008	500.0	600.0
Infrastructure DPL	2008	2008	100.0	200.0
Dam Operational Improvement	2008	slipped to FY09	100.0	slipped to FY09
Agricultural Export Competitiveness	2008	dropped	70.0	dropped
West Tarum Canal	2008	slipped to FY11	100.0	slipped to FY11
Basic Education	2008	slipped to FY10	200.0	slipped to FY10
Electricity Access for Rural	2008	slipped to FY11	152.0	slipped to FY11
National Roads Improvement Project	2008	slipped to FY09	300.0	slipped to FY09
Youth Employment Program	2008	slipped to FY09	80.0	slipped to FY09
CCT to the poor / DAK for CDD Operations	2008	not prepared	160.0	not prepared
Infrastructure Guarantee Fund	2008	slipped to FY11	50.0	slipped to FY11
Additional Projects				
National Program for Community Empowerment in Urban Areas (PNPM UPP)		2008		177.8
National Program for Community Empowerment in Rural Areas		2008		232.6
Total CASPR Projects FY07-08			2,252.0	1,554.9
Total CAS and CASPR Projects FY04-08			6,671.0	4,379.7

1/ Corresponds to the Enhanced Base Case Scenario.

2/ Corresponds to the High Case Scenario.

3/ Standby projects.

Source: Indonesia CAS of October 29, 2003; CASPR of September 5, 2006; and WB Business Warehouse as of June 29, 2008.

Annex Table 1b: Planned and Actual Lending by Pillar, FY04-08

	Proposed FY	Approval FY	Proposed Amount	Approved Amount
PILLAR ONE: Improving the Climate for High Quality Investment and Growth				
Eastern Indonesia Region Transport 2	2004	2004	200.0	200.0
Land Management & Policy Development	2004	2004	61.0	65.6
Coral Reef Rehabilitation and Management (APL 2)	2004	2004	75.0	56.2
Urban Poverty Project 3	2004	2005	90.0	69.4
Initiatives for Local Governance Reform	2004	2005	60.0	29.5
First Development Policy Loan	2005	2005	100.0	150.0
Kecamatan Development Project 3B		2005		53.3
Government Financial Management & Revenue Admin.	2005	2005	120.0	60.0
Domestic Gas Sector Restructuring	2005	2006	85.0	80.0
Second Development Policy Loan	2006	2006	125.0	200.0
Strategic Roads Infrastructure	2005	2007	200.0	208.0
Farmer's Empowerment & Technology	2006	2007	70.0	92.8
Third Development Policy Loan	2007	2007	125.0	300.0
KDP3 Second Phase - Add'l Financing		2007		41.0
UPP2 Additional Financing		2007		67.8
Development Policy Loan 4	2008	2008	250.0	300.0
Infrastructure DPL	2008	2008	100.0	200.0
Government Financial Management & Revenue Admin. 2	2007	<i>slipped to FY09</i>	60.0	<i>slipped to FY09</i>
Private Infrastructure Finance	2007	<i>slipped to FY09</i>	60.0	<i>slipped to FY09</i>
National Roads Improvement Project	2008	<i>slipped to FY09</i>	300.0	<i>slipped to FY09</i>
Youth Employment Program	2008	<i>slipped to FY09</i>	80.0	<i>slipped to FY09</i>
Dam Operational Improvement	2008	<i>slipped to FY09</i>	100.0	<i>slipped to FY09</i>
Infrastructure Guarantee Fund	2008	<i>slipped to FY11</i>	50.0	<i>slipped to FY11</i>
Electricity Access for Rural	2008	<i>slipped to FY11</i>	152.0	<i>slipped to FY11</i>
West Tarum Canal	2008	<i>slipped to FY11</i>	100.0	<i>slipped to FY11</i>
Yogyakarta Regional Development & Poverty Reduction	2006	<i>not prepared</i>	50.0	<i>not prepared</i>
Local Community Support Project (KDP4)	2006	<i>not prepared</i>	33.3	<i>not prepared</i>
Initiatives for Local Governance Reform 2	2006	<i>not prepared</i>	150.0	<i>not prepared</i>
Energy Sector Project	2006	<i>not prepared</i>	200.0	<i>not prepared</i>
Water Resources and Irrigation Sector Mgt. (APL 2)	2007	<i>not prepared</i>	100.0	<i>not prepared</i>
Catchment Protection 2	2007	<i>not prepared</i>	75.0	<i>not prepared</i>
Catchment Protection (LIL)	2004	<i>dropped</i>	3.0	<i>dropped</i>
Sustaining Microfinance	2005	<i>dropped</i>	60.0	<i>dropped</i>
West Java Environment Management Project	2006	<i>dropped</i>	70.0	<i>dropped</i>
East Java Development Reform Program	2006	<i>dropped</i>	175.0	<i>dropped</i>
Marginal Fisher's Community Development	2007	<i>dropped</i>	150.0	<i>dropped</i>
National Roads	2007	<i>dropped</i>	150.0	<i>dropped</i>
Agricultural Export Competitiveness	2008	<i>dropped</i>	70.0	<i>dropped</i>
National Program for Community Empowerment in Urban Areas (PNPM UPP)		2008		88.9
National Program for Community Empowerment in Rural Areas		2008		77.5
Total Lending for Pillar One			3,849.3 (59%)	2,340.0 (53%)
PILLAR TWO: Making Service Delivery Responsive to the Poor				
Support for Poor and Disadvant Areas	2004	2005	45.0	104.0
Kecamatan Development Project 3B		2005		53.3
Higher Education Project	2005	2005	100.0	80.0
Early Childhood Education and Dev		2006		67.5
Water Supply & Sanit. for Low Income Communities 3	2006	2006	100.0	137.5
KDP3 Second Phase - Add'l Financing		2007		41.0
Teacher Management (BERMUTU)	2007	2008	140.0	86.0
Urban Water Supply & Sanitation Impr. & Expansion	2007	<i>slipped to FY09</i>	70.0	<i>slipped to FY09</i>
Basic Education	2008	<i>slipped to FY10</i>	200.0	<i>slipped to FY10</i>
Local Community Support Project (KDP4)	2006	<i>not prepared</i>	33.3	<i>not prepared</i>
Provincial Health & Public Health Functions	2007	<i>not prepared</i>	40.0	<i>not prepared</i>
Umbulan Spring/Greater Surabaya Water Project	2007	<i>not prepared</i>	100.0	<i>not prepared</i>
Community Based Education for Marginalized Youth	2007	<i>not prepared</i>	75.0	<i>not prepared</i>
Strengthening Capacity for Decentralized Education	2006	<i>dropped</i>	100.0	<i>dropped</i>
Provincial Health and Nutrition	2005	<i>dropped</i>	75.0	<i>dropped</i>
National Agency for Drug and Food Control	2007	<i>dropped</i>	100.0	<i>dropped</i>
Urban Water Services Improvement	2005	<i>dropped</i>	50.0	<i>dropped</i>

Annex Table 1b: Planned and Actual Lending by Pillar, FY04-08 (continued)

PILLAR TWO: Making Service Delivery Responsive to the Poor (continued)				
Environment and Sanitation	2005	<i>dropped</i>	100.0	<i>dropped</i>
Urban Water Supply	2006	<i>dropped</i>	100.0	<i>dropped</i>
National Program for Community Empowerment in Rural Areas		2008		77.5
Total Lending for Pillar Two			1,428.3 (22%)	646.9 (15%)
PILLAR THREE: Addressing the Underlying Issue of Governance				
Urban Sector Development and Reform Program	2004	2005	100.0	45.0
Kecamatan Development Project 3B		2005		53.3
Urban Poverty Project 3	2004	2005	90.0	69.4
First Development Policy Loan	2005	2005	100.0	150.0
Second Development Policy Loan	2006	2006	125.0	200.0
KDP3 Second Phase - Add'l Financing		2007		41.0
UPP2 Additional Financing		2007		67.8
Third Development Policy Loan	2007	2007	125.0	300.0
Development Policy Loan 4	2008	2008	250.0	300.0
Local Community Support Project (KDP4)	2006	<i>not prepared</i>	33.3	<i>not prepared</i>
CCT to the poor / DAK for CDD Operations	2008	<i>not prepared</i>	160.0	<i>not prepared</i>
Urban Community Development Project	2007	<i>not prepared</i>	150.0	<i>not prepared</i>
Urban Local Government Reform 2	2006	<i>dropped</i>	150.0	<i>dropped</i>
National Program for Community Empowerment in Urban Areas (PNPM UPP)		2008		88.9
National Program for Community Empowerment in Rural Areas		2008		77.5
Total Lending for Pillar Three			1,283.3 (20%)	1,392.9 (32%)
Total CAS and CASPR Projects FY04-08			6,561.0	4,379.7

Notes:

1. DPLs approved amounts were assigned in equal shares to Pillar One and Pillar Three (50% to each).
2. Pillar Four was excluded from Table 1b.
3. The Yogyakarta Earthquake Housing Reconstruction Project was programmed for 2006 for US\$ 110m and was implemented through the Java Reconstruction Fund.

This is the only project that can be solely attributed to Pillar 4 and accounts for the difference in programmed lending showed in Annex Table 1a.

Source: Indonesia CAS of October 29, 2003; CASPR of September 5, 2006; and WB Business Warehouse as of June 29, 2008.-

Annex Table 2: Key Non-lending Services and Actual Deliveries, FY04-08

	Proposed FY	Delivery Status
Economic and Sector Work (ESW)		
<u>Planned (CAS FY04-07)</u>		
Aceh RPER	2004	2007
Justice and the Poor	2004	2004
Education Sector Study	2004	2004
Forest Policy Strategy	2004	2004
Averting an Infrastructure Crisis	2004	2004
Mining Indonesia's Wealth Responsibly	2004	2004
Trade Competitiveness Study	2004	2004
Policy Briefs for Incoming Government	2004	2005
Investment Climate Flagship ^{/1}	2004-2008	2005
Local Government Reforms Flagship ^{/1}	2004-2008	2006, 2007
Corruption and Legal Reforms Flagship ^{/1}	2004-2008	ongoing
CGI Brief/Development Policy Review (DPR)	2004	2004, 2005
WBI Capacity Building Program for the Government	2004	ongoing
Poverty Assessment	2005	2007
Making Services Work for the Poor	2007	2006
Public Expenditure Review	2007	2007
<u>Planned (CAS FY07-08)</u>		
Reducing Poverty Flagship	2004-2008	ongoing
National Governance Flagship	2004-2008	ongoing
Improving Service Delivery	2004-2008	ongoing
Improving Rural Productivity	2007	2007
CGI Brief/Development Policy Review (DPR)	2006-2008	2006
Social Aspects of Poverty Reduction	2007	2008
Governance and Decentralization Survey 2	2007	2008
Migration and Remittances	2007	2007
Good Environment Governance	2007	ongoing
Social Protection Study	2007	2007
HIV/AIDS	2007	2007
Poultry Sector Strategy	2007	dropped
Aceh Program Implementation	2007	ongoing
Aceh BRR Support and Donor Coordination	2007	ongoing
Improving Investment Climate	2007	ongoing
PFM Measurement Framework	2007	2008
Country Procurement Assessment Report	2007	2008
Corruption Monitoring Surveys	2007	ongoing
Health Workforce & Improving Service Delivery	2007	ongoing
Aceh 2-year Report	2007	dropped
Employment study	2007	ongoing

Annex Table 2: Key Non-lending Services and Actual Deliveries, FY04-08 (continued)

	Proposed FY	Delivery Status
<u>Non-planned</u>		
Combating Corruption in Indonesia		2004
Corporate Governance Country Assessment		2004
Health and Decentralization		2004
Regional Expenditure Review		2005
Water User Rights Analysis		2005
Notes on Aceh Reconstruction		2005
Papua Public Expenditure Analysis		2005
Preliminary Loss & Damage Assessment for Aceh		2005
Rural Electricity Access		2005
Accounting ROSC		2006
Aceh & Nias One Year after the Tsunami		2006
ECED Sector Report		2006
Information and Communication Technologies for Rural Development		2006
Local Environmental Governance (AMDAL review)		2006
Local Government Financial Management		2006
Non-Bank Financial Institutions Study		2006
Public Private Partnerships in Agriculture		2006
Rebuilding Better Aceh & Nias-CFAN Report		2006
Yogyakarta and Central Java Preliminary Damage and Loss Assessment		2006
Fuel Savings/Unconditional Cash Transfer		2007
Nias Public Expenditure Analysis		2007
Aceh Poverty and Economic Development		2008
<u>Technical Assistance (TA)</u>		
<u>Planned (CAS FY04-07)</u>		
Sectoral Perspectives on Corruption	2004	2004
PRSP support	2004	2005
<u>Planned (CAS FY07-08)</u>		
Governance Civil Service Dialogue	2007	ongoing
Teacher Management	2007	2007
Conflict and Poverty	2007	2007
Conditional Cash Transfer	2007	2008
Creating a Diversified Financial System	2007	ongoing
Infrastructure Summit	2007	2007
<u>Non-planned</u>		
Aceh Stocktaking Report		2006
Nonbank Financial Institutions Review		2006
Budget Reform Strategy Priorities		2007
Horticultural Prod. and Supermarket Dev		2007
Rural Investment Climate Survey		2006

1/ CASPR extended the duration of this activity to FY 2008.

Source: Indonesia CAS of October 29, 2003; CASPR of September 5, 2006; and WB Business Warehouse as of April 27, 2008.

Annex Table 3a: IEG Project Ratings for Indonesia, FY04-08

Exit FY	Project Name	Total Evaluated (US\$M)	IEG Outcome	IEG Sustainability*	IEG ID Impact*	Evaluation Type ²
2004	ID-Solar Home Systems ^{1/}	0	UNSATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
	ID-CENTRAL INDONESIA SEC. EDUC.	89.3	SATISFACTORY	LIKELY	SUBSTANTIAL	PPAR
	ID - NUSA TENGGARA DEV.	22.1	MODERATELY UNSATISFACTORY	UNLIKELY	MODEST	ICR Review
	ID - SULAWESI AGRI AREA	23.1	MODERATELY UNSATISFACTORY	UNLIKELY	MODEST	ICR Review
	ID-EAST JAVA & NTT JR. SECONDARY EDUC.	85.7	SATISFACTORY	LIKELY	SUBSTANTIAL	PPAR
	ID-QUALITY OF UNDERGRADUATE EDUC (QUE)	55.7	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
	ID-SUMATRA SECONDARY EDUCATION	92.4	SATISFACTORY	LIKELY	SUBSTANTIAL	PPAR
	ID-IODINE DEF. CONTROL	18.8	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
	Indonesia - IIDP	25.9	MODERATELY SATISFACTORY	LIKELY	MODEST	ICR Review
	ID-URBAN POVERTY	95.7	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
	ID-CORPORATE RESTRUCTRG	6.2	MODERATELY SATISFACTORY	NON-EVALUABLE	MODEST	ICR Review
	2005	ID-FIFTH HEALTH PROJECT	32.7	UNSATISFACTORY	UNLIKELY	MODEST	ICR Review
ID-Railway Efficiency		57.4	UNSATISFACTORY	UNLIKELY	MODEST	ICR Review
ID-BALI URBAN INFRA.		72.1	MODERATELY SATISFACTORY	UNLIKELY	SUBSTANTIAL	PPAR
Coral Reef Rehabilitation and Management		6.7	MODERATELY SATISFACTORY	NON-EVALUABLE	SUBSTANTIAL	PPAR
ID-SAFE MOTHERHOOD		32.3	SATISFACTORY	LIKELY	MODEST	ICR Review
ID-W. JAVA BASIC EDUCATION		98.8	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
BEPEKA AUDIT MODERNIZATION PROJECT		14.0	UNSATISFACTORY	LIKELY	MODEST	ICR Review
ID-DEGNT. AGRICULTURAL/FORESTRY EXT		16.7	MODERATELY UNSATISFACTORY	NON-EVALUABLE	MODEST	ICR Review
Water Resources Sector Adjustment Loan		150.0	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
First Development Policy Loan		300.0	SATISFACTORY	LIKELY	MODEST	ICR Review
ID-SUMATRA REGION ROADS PROJECT		173.2	MODERATELY SATISFACTORY	UNLIKELY	MODEST	ICR Review
2006		ID - BENGKULU REGIONAL DEVELOPMENT	12.4	SATISFACTORY	LIKELY	SUBSTANTIAL	ICR Review
	ID-SUMATRA BASIC EDUCATION	73.6	SATISFACTORY	#	#	ICR Review
	ID-W. JAVA ENVMT MGMT	16.9	MODERATELY SATISFACTORY	UNLIKELY	SUBSTANTIAL	ICR Review
	ID-SULAWESI BASIC EDUC.	60.5	SATISFACTORY	#	#	ICR Review
	ID-LIBRARY DEVELOPMENT PROJECT - LIL	4.0	MODERATELY SATISFACTORY	#	#	ICR Review
	ID-EARLY CHILD DEVELOPMENT	10.8	MODERATELY UNSATISFACTORY	#	#	ICR Review
2008	EAST. IND. REGIONAL TRANSPT	193.0	SATISFACTORY	#	#	ICR Review

^{1/} Project financed by GEF grant of US\$ 4.52m.

^{2/} ICR: Implementation Completion Report PPAR: Project Performance Appraisal Report.

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Source: Business Warehouse 4a5 and 4a6 as of 07/03/2008

Annex Table 3b: IEG Project Ratings for Indonesia and Comparators, FY04-08

Country/ Region	Total Evaluated (US\$M)	Total Evaluated (No)	Outcome % Sat (US\$)	Outcome % Sat (No)	Sustainability % Likely (US\$)	Sustainability % Likely (No) *	Inst Dev Impact % Subst (US\$)	Inst Dev Impact % Subst (No) *
Indonesia	1840.0	29	90.4	72.4	72.9	66.7	53.0	54.2
EAP	13780.5	159	95.1	86.1	93.2	84.4	88.0	69.8
Bankwide	66987.4	1074	85.9	79.1	88.6	81.2	65.0	55.9

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Source: Business Warehouse 4a5 and 4a6 as of 07/03/2008

Annex Table 4: Portfolio Status Indicators by FY03 - 07

Fiscal year	2003	2004	2005	2006	2007
Indonesia					
# Proj	38	31	29	25	25
# Proj At Risk	6	6	4	2	4
% At Risk	15.8	19.4	13.8	8.0	16.0
Net Comm Amt	2995.6	2602.3	2574.2	2299.7	2741.8
Comm At Risk	369.1	533.8	260.7	105.9	304.5
% Commit at Risk	12.3	20.5	10.1	4.6	11.1
Thailand					
# Proj	5	3	1	1	1
# Proj At Risk	0	0	0	0	0
% At Risk	0.0	0.0	0.0	0.0	0.0
Net Comm Amt	563.8	247.3	84.3	84.3	84.3
Comm At Risk	0.0	0.0	0.0	0.0	0.0
% Commit at Risk	0.0	0.0	0.0	0.0	0.0
Philippines					
# Proj	20	21	20	21	20
# Proj At Risk	0	3	2	3	3
% At Risk	0.0	14.3	10.0	14.3	15.0
Net Comm Amt	1347.6	1113.3	1090.4	1383.1	1217.0
Comm At Risk	0.0	240.0	46.3	94.6	84.0
% Commit at Risk	0.0	21.6	4.2	6.8	6.9
Vietnam					
# Proj	26	27	34	37	36
# Proj At Risk	4	2	0	3	4
% At Risk	15.4	7.4	0.0	8.1	11.1
Net Comm Amt	2479.0	2983.2	3514.7	3949.5	3931.0
Comm At Risk	305.6	220.0	0.0	285.0	662.0
% Commit at Risk	12.3	7.4	0.0	7.2	16.8
China					
# Proj	89	83	80	71	66
# Proj At Risk	0	3	2	1	3
% At Risk	0.0	3.6	2.5	1.4	4.5
Net Comm Amt	13954.1	12297.7	11200.8	9953.8	9109.1
Comm At Risk	0.0	350.0	425.0	199.0	388.3
% Commit at Risk	0.0	2.8	3.8	2.0	4.3
Malaysia					
# Proj	1	1	...	...	...
# Proj At Risk	0	0	...	...	...
% At Risk	0.0	0.0	...	...	...
Net Comm Amt	244.0	244.0	...	...	...
Comm At Risk	0.0	0.0	...	...	...
% Commit at Risk	0.0	0.0	...	...	...
EAP					
# Proj	228	214	209	204	196
# Proj At Risk	18	20	14	14	23
% At Risk	7.9	9.3	6.7	6.9	11.7
Net Comm Amt	22531.1	20349.1	19169.7	18390.7	17837.3
Comm At Risk	815.9	1448.9	842.2	803.8	1607.9
% Commit at Risk	3.6	7.1	4.4	4.4	9.0

Source: WB Business Warehouse Table 3a.4 as of 05/16/08

**Annex Table 5: IBRD/IDA Net Disbursements and Charges Summary Report for Indonesia
(in US\$ million)**

FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2004	422.61	1,345.74	-923.13	661.72	3.57	-1,588.42
2005	636.42	1,408.25	-771.83	506.14	8.23	-1,286.20
2006	751.29	1,422.97	-671.68	448.08	7.50	-1,127.27
2007	927.04	1,430.60	-503.56	439.87	3.35	-946.77
2008	1,011.56	1,157.71	-146.15	368.01	6.93	-521.08
Total (2004-08)	3,748.92	6,765.27	-3,016.35	2,423.81	29.57	-5,469.73

Source: WB Loan Kiosk, Net Disbursement and Charges Report as of May 6, 2008

Annex Table 6: Total Net Disbursements of Official Development Assistance and Official Aid, 2000-2006 (in US\$ million)

Calendar Years	Calendar Years							Total
	2000	2001	2002	2003	2004	2005	2006	
Arab Countries	0.5	0.39	1.2	..	..	..	..	2.09
Australia	72.02	59.21	71.12	86.5	106.11	184.67	287.78	867.41
Austria	8.52	4.77	0.52	0.37	0.55	1.36	2.64	18.73
Belgium	0.98	1.17	1.4	1.28	1.39	6.9	10.34	23.46
Canada	26.67	18.78	11.55	21.63	16.73	95.99	48.12	239.47
Czech Republic	..	..	0.02	0.04	0.1	0.67	3.28	4.11
Denmark	1.4	3.65	1.65	2.74	4.75	32.24	8.38	54.81
Finland	0.65	0.41	0.46	0.66	0.47	8.8	5.69	17.14
France	8.36	8.48	12.84	11.12	16.56	16.73	19.49	93.58
Germany	49.45	56.09	50.36	76.28	76.58	129.32	187.61	625.69
Greece	..	..	0.01	0.01	..	0.17	0.57	0.76
Ireland	0.14	0.03	0.07	..	0.03	8.19	0.64	9.10
Italy	1.27	0.94	2.33	0.12	0.15	13.54	1.35	19.70
Japan	196.67	162.43	190	203.02	131.43	270.61	151.78	1,305.94
Korea	2.02	2.04	2.94	5.55	7.57	11.31	20.32	51.75
Luxembourg	..	..	0.08	0.19	0.03	0.05	1.19	1.54
Netherlands	143.96	119.65	121.23	76.56	80.49	155.95	145.95	843.79
New Zealand	2.88	2.99	4.47	4.84	6.53	13.04	8.76	43.51
Norway	5.8	4.62	6.05	6.57	7.37	45.09	10.26	85.76
Poland	0.02	0.01	..	..	0.14	0.06	0.56	0.79
Portugal	..	0.04	0.08	..	..	2.11	2.26	4.49
Spain	0.24	0.17	0.43	0.41	1.41	15.9	7.52	26.08
Sweden	4.07	3.74	1.58	5.94	9.12	21.6	23.9	69.95
Switzerland	3.49	3.27	6.34	3.92	4.88	19.75	4.38	46.03
Thailand	..	..	..	..	..	..	0.18	0.18
Turkey	..	0.01	..	..	2.72	26.53	23.51	52.77
United Kingdom	28.92	26.36	23.39	37.17	40.19	104.09	99.8	359.92
United States	169.15	126.19	195.19	186.21	162.9	157.91	261.9	1,259.45
Other Bilateral Donors	..	0.01	0.05	0.01	0.01	0.69	0.14	0.91
Bilaterals, Total	727.18	605.45	705.36	731.14	678.21	1343.27	1338.3	6128.91
Arab Agencies	..	..	0.02	0.01	..	0.41	2.57	3.01
AsDF (Asian Dev.Fund)	..	0.29	0.06	0.29	1.09	1.32	12.71	15.76
EC	37.68	28.37	23.94	27.97	42.59	72.13	137.24	369.92
GEF	3.68	4.01	3.56	2.9	1.68	2.27	2.38	20.48
Global Fund (GFATM)	..	..	..	6.02	18.19	22.86	34.88	81.95
MONTREAL PROTOCOL	0.31	0.9	0.46	1.39	1.45	0.46	5.23	10.20
UNDP	3.15	3.82	4.11	5.89	7.84	8.15	9.6	42.56
UNFPA	2.5	6.78	6.15	4.48	5.3	15.74	10.35	51.30
UNHCR	1.14	6.09	5.76	5.92	..	2.14	1.95	23.00
UNICEF	6.73	5.13	5.09	5.59	5.53	6.36	7.65	42.08
UNTA	6.63	6.41	7.11	6.78	6.88	9.35	5.48	48.64
WFP	0.01	0.24	0.38	0.02	0.62	7.57	67.07	75.91
Multilateral, Total	61.83	62.04	56.64	67.26	91.17	148.76	297.11	784.81
All Donors, Total	789.01	667.49	762	798.4	769.38	1492.03	1635.41	6913.72
DAC Countries, Total	724.64	602.99	701.15	725.54	667.67	1304.01	1290.31	6,016.31
DAC EU Members, Total	247.96	225.5	216.43	212.85	231.72	516.95	517.33	2,168.74
Non-DAC Countries, Total	2.54	2.46	4.21	5.6	10.54	39.26	47.99	112.60
G7, Total	480.49	399.27	485.66	535.55	444.54	788.19	770.05	3,903.75

Source: OECD DAC Online database, table 2a. Destination of Official Development Assistance and Official Aid - Disbursements, as of 05/16/08

Annex Table 8: Indonesia - Millennium Development Goals

	1990	1995	2000	2005
Goal 1: Eradicate extreme poverty and hunger				
Income share held by lowest 20%		7.8	9.2	
Malnutrition prevalence, weight for age (% of children under 5)		34	24.6	28.2
Poverty gap at \$1 a day (PPP) (%)		2.3	1	
Poverty headcount ratio at \$1 a day (PPP) (% of population)		14.1	7.2	
Poverty headcount ratio at national poverty line (% of population)		15.7	27.1	
Prevalence of undernourishment (% of population)	9	6		6
Goal 2: Achieve universal primary education				
Literacy rate, youth total (% of people ages 15-24)	95			99
Persistence to grade 5, total (% of cohort)	84		95	92
Primary completion rate, total (% of relevant age group)	94	96	97	101
School enrollment, primary (% net)	97		94	94
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)	12	13	8	11
Ratio of girls to boys in primary and secondary education (%)			94	97
Ratio of young literate females to males (% ages 15-24)	97			100
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	29.2	29	31.7	31.1
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	58	63	72	72
Mortality rate, infant (per 1,000 live births)	60	48	36	28
Mortality rate, under-5 (per 1,000)	91	66	48	36
Goal 5: Improve maternal health				
Births attended by skilled health staff (% of total)	32	37	64	72
Maternal mortality ratio (modeled estimate, per 100,000 live births)			230	307
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Contraceptive prevalence (% of women ages 15-49)			57	57
Incidence of tuberculosis (per 100,000 people)	343	304	270	239
Prevalence of HIV, female (% ages 15-24)				0.1
Prevalence of HIV, total (% of population ages 15-49)				0.1
Tuberculosis cases detected under DOTS (%)		1	20	66
Goal 7: Ensure environmental sustainability				
CO2 emissions (metric tons per capita)	0.8	1.2	1.3	1.4
Forest area (% of land area)	64		54	49
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	4.1	4.6	4.3	4.1
Improved sanitation facilities (% of population with access)	46			55
Improved water source (% of population with access)	72			77
Nationally protected areas (% of total land area)				14.3
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)	10	7	8	11
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	25.6	17.5	11.1	8.5
Fixed line and mobile phone subscribers (per 1,000 people)	6	18	50	271
Internet users (per 1,000 people)		0	9	73
Personal computers (per 1,000 people)	1	5	10	14
Total debt service (% of exports of goods, services and income)	33.3	29.9	22.4	22
Unemployment, youth female (% of female labor force ages 15-24)	8.9	17	20.5	..
Unemployment, youth male (% of male labor force ages 15-24)	9	14.3	17.9	..
Unemployment, youth total (% of total labor force ages 15-24)	8.9	20	19	..
Other				
Fertility rate, total (births per woman)	3.1	2.7	2.4	2.3
GNI per capita, Atlas method (current US\$)	620	1010	590	1280
		194.		
GNI, Atlas method (current US\$) (billions)	111	8	122.5	282.2
Gross capital formation (% of GDP)	30.7	31.9	22.2	22.2
Life expectancy at birth, total (years)	62	64	66	68
Literacy rate, adult total (% of people ages 15 and above)	80			90
		192.		
Population, total (millions)	178.2	8	206.3	220.6
Trade (% of GDP)	49.1	54	71.4	62.7

Source: World Development Indicators database, as of 05/05/2008

Annex Table 9: Indonesia Governance Indicators, 2003 - 2007

Governance Indicator	2003	2004	2005	2006	2007
<u>Voice and Accountability</u>					
Sources	11	12	13	15	15
Percentile Rank (0-100)	38.5	38.9	44.2	42.8	42.8
Governance Score (-2.5 to +2.5)	-0.39	-0.31	-0.16	-0.2	-0.17
Standard Error	0.15	0.16	0.15	0.12	0.12
<u>Political Stability</u>					
Sources	9	10	10	11	11
Percentile Rank (0-100)	3.4	7.2	11.5	13.5	14.9
Governance Score (-2.5 to +2.5)	-2.03	-1.57	-1.29	-1.25	-1.13
Standard Error	0.23	0.22	0.21	0.2	0.2
<u>Government Effectiveness</u>					
Sources	12	13	13	15	15
Percentile Rank (0-100)	33.2	38.9	37	38.9	41.7
Governance Score (-2.5 to +2.5)	-0.55	-0.43	-0.46	-0.44	-0.41
Standard Error	0.15	0.16	0.14	0.15	0.15
<u>Regulatory Quality</u>					
Sources	11	12	12	13	13
Percentile Rank (0-100)	26.3	25.9	35.6	42.9	43.7
Governance Score (-2.5 to +2.5)	-0.65	-0.63	-0.48	-0.31	-0.3
Standard Error	0.16	0.17	0.17	0.17	0.17
<u>Rule of Law</u>					
Sources	17	18	18	20	20
Percentile Rank (0-100)	18.6	23.8	22.4	25.7	27.1
Governance Score (-2.5 to +2.5)	-0.97	-0.82	-0.86	-0.77	-0.71
Standard Error	0.13	0.13	0.13	0.12	0.13
<u>Control of Corruption</u>					
Sources	14	17	17	19	19
Percentile Rank (0-100)	14.1	18	18.9	21.8	27.1
Governance Score (-2.5 to +2.5)	-0.97	-0.92	-0.88	-0.78	-0.72
Standard Error	0.13	0.12	0.12	0.12	0.12

NOTE:

1. Voice and Accountability:

Measures the extent to which country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

2. Political Stability and Absence of Violence:

Measures the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism.

3. Government Effectiveness:

Measures the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies

4. Regulatory Quality:

Measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

5. Rule of Law:

Measures the extent to which agents have confidence in and abide by the rules of society, in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence.

6. Control of Corruption:

Measures the extent to which public power is exercised for private gain, including petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Source: Governance Indicators database, July 2008

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar I		Actual Results	Comments
Improving Investment Climate for High Quality Investment and Growth		(as of July 2008)	
Objectives	1. Maintain macroeconomic stability.		
	2. Stronger and diversified financial sector with more equitable access.		
	3. Supportive environment for competitive private sector.		
	4. Refurbished infrastructure.		
	5. Sustainable income creating opportunities for poorer households.		
Major Outcome Measures	1. Maintain macroeconomic stability		
	Deficit of 1.2% of GDP in 2004, 1% in 2005.	1.4% in 2004; 0.3% in 2005. Deficit was 1.5% in 2002, declined in 2004 and 2005 and increased again in 2006 and 2007 (1.8%), though deficit is still modest.	Achieved.
	Reduce debt/GDP ratio to below 40	68% in 2002; 35.7% in 2007 (IMF estimate)	Achieved.
	Non-oil tax revenue to GDP up 1% point.	10.4% in 2002; 11.4% in 2007 (IMF estimate)	Achieved.
	Decrease in tax arrears.		Not reported.
	Fuel prices get closer to market level.	Fuel subsidies (% GDP): 3% in 2004; 3.4% in 2005; 1.9% in 2006; 1.4% in 2007 (IMF estimate); 1.8% in 2007 (GOI estimate). Domestic Prices as % of Int. Prices: • Gasoline: 37% (Sep05); 87% (Sep06) • Kerosene: 11% (Sep05); 31% (Sep06) • Diesel: 32% (Sep05); 67% (Sep06)	Achieved.
	Gradual increase in capital and social spending to 3.5% of GDP.	Public Capital Expenditure (% GDP): 3.8% in 2000; 6.5% in 2003; 6.8% in 2006 Development Expenditure (% GDP): 2.7% in 2004; 2.2% in 2005; 3.1% in 2006; 3.2% in 2007 (IMF estimate); 3.5% in 2007 (GOI estimate)	Achieved.
	2. Stronger and diversified financial sector with more		
	At least 20% private ownership of all state owned banks.	State-owned banks' private ownership exceeds 20% for 2 of the 4 state-owned banks. State bank share of overall banking system is 36%	Partially achieved.
	Indonesia in broad compliance with international standards (such as BCPs, IOSCO, IAIS).	Indonesia taken off the list of non-cooperative countries of the FATF. BI has made serious efforts to comply with BCP; others, such as NBFIs, are still lagging behind.	Partially achieved.
	Financial sector safety net implementation continued (deposit insurance, lender of last resort established).	Blanket Guarantee removed as of September 2006. Coverage on deposits was reduced from Rp 5 billion in March 2006 to Rp 100 million in March 2007.	Achieved.
	Increase in non-bank financial sector's share of financial system assets beyond 10%.	NBFI assets comprise 22.3% of total financial sector assets (2006)	Achieved.
	No of SMEs with increased access to finance.	Total credit realization by SMEs from commercial banks, as measured by BI, increased by 82% from 2003 to 2005. Loans to SMEs comprised 52% of total loans (June 2007), compared to 47% in 2003	Achieved.
	Strengthen insurance industry regulatory and supervisory framework and develop a strategy to deal with insolvent firms.	• Pension fund industry re-organization and restructuring slower than expected. • Resolution of unviable insurance firms slower than expected. • Bapepam merged with GDFI.	Not achieved.

Annex Table 10: Summary of Achievements of the CAS Objectives

	Pillar I Improving Investment Climate for High Quality Investment and Growth	Actual Results (as of July 2008)	Comments
		Strengthening of its regulatory and supervisory capacity slower than expected	
	3. Supportive environment for competitive private sector		
	Overall improvement in investment climate.	All major obstacles faced by businesses have declined consistently, but remain high.	Achieved.
	Reduce business start-up time from 150 to 30 days	Start-up time for new businesses takes 109 days (2008).	Partially achieved.
	More effective tax services.	<ul style="list-style-type: none"> Rolling out of tax administration reforms is on-track: 3 tax laws have been introduced to Parliament and modern tax offices have expanded. 170 local nuisance taxes & fees were abolished between 2005-06. % of businesses identifying tax administration as a moderate, severe and very severe problem decreased from 57% in 2003 to 38% in 2007. Average time to obtain VAT refunds has decreased from 12-18 months (2003) to 4 months (2008). 	Achieved.
	More effective custom services.	<ul style="list-style-type: none"> % of businesses identifying customs and trade regulations as a moderate, severe and very severe problem decreased from 51% (2003) to 32% (2007). Average import clearance time has reduced from 8 (2004) to 6 days in the red lane (preliminary 2007 data). 	Achieved
	Clear criteria to implement customs regulations concerning use of priority, green and red lanes stipulated.	Use of lanes part of the investment package issued by GOI.	Achieved.
	Implement flexible labor regulations.	New draft labor law being reformulated after delays following strong resistance by labor unions.	Not achieved
	Clarity of functions of central and local governments towards private sector development.	Draft amendment to move from negative to positive list for regional tax items and to restrict the creation of nuisance and/or economically harmful charges and levies has been completed.	Not achieved.
	Investment climate in about 40 regions participating in local services platform projects above the national average.	Implementing regulations for Laws 22 and 25 is slower than expected.	Not Achieved.
	4. Refurbished infrastructure		
	At least 5 model PPP projects be successfully tendered		Not achieved.
	Improved institutional arrangements established for toll roads.	<ul style="list-style-type: none"> Improved institutional arrangements established for toll roads Automatic tariff adjustment mechanisms for toll roads completed 	Achieved.
	Improve the condition of national and other strategic arterial roads.	The quality of the road network in Sumatra has been preserved with Bank support (corresponding to about 24,000 km) and subprojects implemented with Bank support have led to more than 1500 km of improved roads and 4500 meters of bridges in Eastern Indonesia.	Achieved.
	Increased No of actors in the oil & gas sectors.	All elements for opening oil and gas sector to competition, such as regulator and implementing rules and regulations are in place; 3rd party open access is now in effect in transmission (with no evidence yet of new actors); there are at least two newcomers (Petronas and Shell) in retail.	Achieved.
	Improved tariff structure for gas sector.	Pricing study is completed and has been submitted by PGN to the regulator	Not achieved.
	Partial privatization of key infrastructure SOEs (e.g. PGN link to proposed gas project).	Partial privatization done for PGN where share of Govt is 39%	Achieved.
	Increased No of actors in power sector.	There has been some private sector	Achieved.

Annex Table 10: Summary of Achievements of the CAS Objectives

	Pillar I Improving Investment Climate for High Quality Investment and Growth	Actual Results (as of July 2008)	Comments
		participation in power generation: Two IPPs came on line in 2006- 1320 MWs Tanjung Jati B and 600 MW Cilacap Coal Power Plants in Central Java.	
	More efficient power sector.	A 110 MW geothermal plant, scheduled for 2008 (Darajat plant in W. Java), is being tested.	Not achieved.
	5. Sustainable income creating opportunities for poorer households 2.5 million new titles issued (50% in womens' names) in project-assisted areas	<ul style="list-style-type: none"> • Distribution of title certificates to land owners in the 9 LMPDP provinces is 661,501, as at May 2007 Mid-Term Review. A further 190,000 titles certificates completed and awaiting distribution. (Number of titles distributed to women and joint owners [husband and wife] not available). • In Aceh, 102,270 land title certificates have been distributed to land owners, as of September 20, 2007. A further 16,000 titles were awaiting distribution (Number of titles distributed to women and joint owners [husband and wife] not available) 	Partially achieved.
	Average income per capita of target groups of coastal communities increases by 5% per year in real terms.	Baseline for COREMAP2 areas have been collected and progress in incomes is expected to be observable once results from the 2008 socio-economic surveys are available	Not reported.
	30,000 villages/cities with improved access to roads, bridges, irrigation and other infrastructure through participatory planning and financing.	38,000 villages/cities through CDD programs have engaged in a participatory planning and financing process, increasing access to vital infrastructure and water/sanitation resources	Achieved.
	Increased household income levels in the targeted 30,000 areas.	Villages covered by KDP showing significant HH expenditure impact as compared to non-KDP areas	Achieved.
	Increase in incomes, yields and adoption rates of technologies in 55 project-assisted districts.	An average of 70% of participating households in 3,000 villages adopting new technologies with increases in incomes ranging from 35-60% from improved agribusiness development activities	Achieved.
	20% increase in income levels for farmers in the areas of improved irrigation systems.	250,000 ha of irrigated area benefiting from improved water management, and some 500,000 ha from repairs and rehabilitation to the physical infrastructure	Not reported.
IDA/IBRD Lending Instruments			
Ongoing pre-CAS 04-08 Lending	3. Supportive environment for competitive private sector		
	Information Infrastructure Development Project	Approved FY98. Closed 06/04	IEG outcome rating: Moderately Satisfactory
	Corporate Restructuring Technical Assistance Project	Approved FY99. Closed 12/03	IEG outcome rating: Moderately Satisfactory
	4. Refurbished infrastructure		
	Montreal Protocol Ozone Depleting Substances Phaseout	Approved FY95. Active	Latest PDO rating: Highly Satisfactory
	Nusa Tenggara Dev.	Approved FY96. Closed 09/03	IEG outcome rating: Moderately Unsatisfactory
	Solar Home Systems	Approved FY97. Closed 12/03	IEG outcome rating: Unsatisfactory
	Bali Urban Infra.	Approved FY97. Closed 09/04	IEG outcome rating: Moderately Satisfactory
	Railway Efficiency	Approved FY97. Closed 12/04	IEG outcome rating: Unsatisfactory
	Sumatra Region Roads Project	Approved FY98. Closed 12/05	IEG outcome rating: Moderately Satisfactory
	Water Resources Sector Adjustment Loan	Approved FY99. Closed 11/04	IEG outcome rating: Satisfactory

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar I	Actual Results (as of July 2008)	Comments
Improving Investment Climate for High Quality Investment and Growth		
W. Java Envmt Mgmt	Approved FY01. Closed 06/06	IEG outcome rating: Moderately Satisfactory
East. Ind. Regional Transpt	Approved FY02. Closed 06/06	IEG outcome rating: Satisfactory
Java-Bali Power Sector Restructuring and Strengthening Project	Approved FY03. Active	Latest PDO rating: Moderately Satisfactory
Private Provision Of Infrastructure Technical Assistance Loan	Approved FY03. Active	Latest PDO rating: Satisfactory
Water Resources & Irrigation Sector Management Program	Approved FY03. Active	Latest PDO rating: Moderately Satisfactory
<u>5. Sustainable income creating opportunities for poorer households</u>		
Sulawesi Agri Area	Approved FY96. Closed 12/03	IEG outcome rating: Moderately Unsatisfactory
Coral Reef Rehabilitation and Management	Approved FY98. Closed 07/04	IEG outcome rating: Moderately Satisfactory
Bengkulu Regional Development	Approved FY98. Closed 12/05	IEG outcome rating: Satisfactory
Urban Poverty	Approved FY99. Closed 06/04	IEG outcome rating: Satisfactory
Kecamatan Development Project (02)	Approved FY01. Closed 12/07	Latest PDO rating: Satisfactory
Second Urban Poverty Project (UPP2)	Approved FY02. Active	Latest PDO rating: Satisfactory
Third Kecamatan Development Project	Approved FY03. Active	Latest PDO rating: Moderately Satisfactory
New Lending Support		
<u>1. Maintain macroeconomic stability</u>		
First Development Policy Loan	Approved FY05. Closed 03/05	IEG outcome rating: Satisfactory
Government Financial Management & Revenue Admin.	Approved FY05. Active	Latest PDO rating: Moderately Satisfactory
Second Development Policy Loan	Approved FY06. Closed 03/06	
Third Development Policy Loan	Approved FY07. Closed 03/07	
Development Policy Loan 4	Approved FY08. Closed 03/08	
Government Financial Management & Revenue Admin. 2	slipped to FY09	
<u>2. Stronger and diversified financial sector with more equitable access</u>		
Sustaining Microfinance	Dropped	
<u>3. Supportive environment for competitive private sector</u>		
Land Management & Policy Development	Approved FY04. Active	Latest PDO rating: Moderately Unsatisfactory
Agricultural Export Competitiveness	Dropped	
<u>4. Refurbished infrastructure</u>		
Eastern Indonesia Region Transport 2	Approved FY04. Active	Latest PDO rating: Moderately Satisfactory
Domestic Gas Sector Restructuring	Approved FY06. Active	Latest PDO rating: Satisfactory
Strategic Roads Infrastructure	Approved FY07. Active	Latest PDO rating: Satisfactory
Infrastructure DPL	Approved FY08. Closed 06/08	
Private Infrastructure Finance	Slipped to FY09	
National Roads Improvement Project	Slipped to FY09	
Dam Operational Improvement	Slipped to FY09	
Infrastructure Guarantee Fund	Slipped to FY11	
West Tarum Canal	Slipped to FY11	
Energy Sector Project	Not prepared	
Water Resources and Irrigation Sector Mgt. (APL 2)	Not prepared	
East Java Development Reform Program	Dropped	
National Roads	Dropped	
<u>5. Sustainable income creating opportunities for poorer households</u>		
Coral Reef Rehabilitation and Management (APL 2)	Approved FY04. Active	Latest PDO rating: Moderately Satisfactory
Urban Poverty Project 3	Approved FY05. Active	Latest PDO rating: Satisfactory
Initiatives for Local Governance Reform	Approved FY05. Active	Latest PDO rating: Moderately Satisfactory
Kecamatan Development Project 3B	Approved FY05. Active	Latest PDO rating: Satisfactory
Farmer's Empowerment & Technology	Approved FY07. Active	Latest PDO rating: Moderately Satisfactory

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar I		Actual Results (as of July 2008)	Comments
Improving Investment Climate for High Quality Investment and Growth			
	KDP3 Second Phase - Add'l Financing	Approved FY07. Active	
	UPP2 Additional Financing	Approved FY07. Active	
	National Program for Community Empowerment in Urban Areas (PNPM UPP)	Approved FY08. Active	
	National Program for Community Empowerment in Rural Areas	Approved FY08. Active	
	Youth Employment Program	Slipped to FY09	
	Electricity Access for Rural	Slipped to FY11	
	Yogyakarta Regional Development & Poverty Reduction	Not prepared	
	Local Community Support Project (KDP4)	Not prepared	
	Initiatives for Local Governance Reform 2	Not prepared	
	Catchment Protection 2	Not prepared	
	Catchment Protection (LIL)	Dropped	
	West Java Environment Management Project	Dropped	
	Marginal Fisher's Community Development	Dropped	
IDA/IBRD AAA Support			
Key AAA Support	<u>1. Maintain macroeconomic stability</u>		
	Policy Briefs for Incoming Government	Delivered FY05	
	CGI Brief/DPR	Delivered 2004, 2005, 2006	
	Public Expenditure Review	Delivered FY07	
	PRSP support	Delivered FY05	
	<u>2. Stronger and diversified financial sector with more equitable access</u>		
	<u>3. Supportive environment for competitive private sector</u>		
	Forest Policy Strategy	Delivered FY04	
	Trade Competitiveness Study	Delivered FY04	
	Investment Climate Flagship	Delivered FY05	
	Improving Investment Climate	Ongoing	
	Employment study	Slipped	
	<u>4. Refurbished infrastructure</u>		
	Averting an Infrastructure Crisis	Delivered FY04	
	Mining Indonesia's Wealth Responsibly	Delivered FY04	
	<u>5. Sustainable income creating opportunities for poorer households</u>		
	Poverty Assessment	Delivered FY07	
Reducing Poverty Flagship	Ongoing		

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar II		Actual Results	Comments
Making service delivery responsive to the Poor		(as of July 2008)	
Objectives	1. Better education outcomes for the poor. 2. Improved health outcomes for the poor.		
Major Outcome Measures	1. Better education outcomes for the poor		
	Increase number of quality ECED service in targeted poor areas.	<ul style="list-style-type: none"> Increased number of quality ECED service in targeted poor areas from 600 integrated ECD centers that were established across 12 districts with Bank support as of 2006 Increase in level of public financing for ECED and basic education 	Achieved.
	Increased enrollment rates at the jr. secondary school level.	Net enrollment rates at primary school increased marginally from 91.8% to 92.8% for the poorest 40% between 2002 and 2004. For junior high, they increased from 52.5% to 56%	Achieved.
	Commence pilot conditional cash transfer program	CCT program designed and piloted in 7 provinces.	Achieved.
	Improvements in test scores, using international standards.		Not reported.
	Increase in the proportion of primary & secondary schools which meet government quality standards.		Not reported.
	Issue implementing regulations for Law on teachers and lectures.	National Education Standards Board established in 2005 to set standards for teacher certification Teacher Law to improve teacher quality and deployment approved in 2005	Achieved.
	2. Improved health outcomes for the poor		
	Increase in utilization rates of health services in targeted provinces.	Evidence shows that increased financing for priority health programs has translated into improved services in West Java and Banten where increase in utilization of services has been observed between 2001 and 2005. However, in other provinces, the poorer ones, evidence has yet to materialize.	Achieved.
	Increased % of institutional deliveries assisted by trained health workers.	The percentage of births attended by trained health workers increased from 66% to 72% between 2002 and 2004	Achieved.
	Increased % of childhood immunizations	Immunization with BCG and measles vaccine exceeded 80% in 2004 but the percentage of children completing DPT, polio vaccine and HepB was less than 50%. Outbreaks of polio were recorded in 2005.	Achieved.
	Improved nutritional status, especially for children under 5.		Not reported.
	Commence pilot conditional cash transfer program.	CCT program designed and piloted in 7 provinces	Achieved.
	Increased % of households with access to safe drinking water and sanitation in 2000 villages & 20 urban areas.	Functioning water supply systems have been established in 1,208 villages (covering 3.04 million villagers)	Achieved.
	Increased % of households practicing improved key hygiene practices in target areas.	CLTS was introduced in mid-2005 in 12 communities in 6 districts of Indonesia covered by the Bank's WSLIC and ADB's CWSH projects; within 1.5 years, the CLTS movement spontaneously expanded to over 120 communities, nearly 90 of which have reached the status of being free of open defecation. Following this excellent community response, WSLIC project decided to scale up CLTS to all its 34 districts starting 2007	Partially achieved.
IDA/IBRD Lending Instruments			
Ongoing pre-CAS 04-08 Lending	1. Better education outcomes for the poor		
	East Java & Ntt Jr. Secondary Educ.	Approved FY96. Closed 06/04	IEG outcome rating: Satisfactory
	Quality Of Undergraduate Educ (Que)	Approved FY97. Closed 03/04	IEG outcome rating: Satisfactory
	Central Indonesia Sec. Edu.	Approved FY97. Closed 06/04	IEG outcome rating: Satisfactory
	Sumatra Secondary Education	Approved FY97. Closed 06/04	IEG outcome rating: Satisfactory
	W. Java Basic Education	Approved FY98. Closed 12/04	IEG outcome rating: Satisfactory
	Sumatra Basic Education	Approved FY99. Closed 04/06	IEG outcome rating: Satisfactory
	Sulawesi Basic Educ.	Approved FY99. Closed 04/06	IEG outcome rating: Satisfactory

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar II Making service delivery responsive to the Poor		Actual Results (as of July 2008)	Comments
	Early Child Development	Approved FY99. Closed 12/06	IEG outcome rating: Moderately Unsatisfactory
	Library Development Project - Lil	Approved FY01. Closed 04/06	IEG outcome rating: Moderately Satisfactory
	2. Improved health outcomes for the poor		
	Iodine Def. Control	Approved FY97. Closed 12/03	IEG outcome rating: Satisfactory
	Fifth Health Project	Approved FY98. Closed 07/04	IEG outcome rating: Unsatisfactory
	Safe Motherhood	Approved FY98. Closed 12/04	IEG outcome rating: Satisfactory
New Lending Support	1. Better education outcomes for the poor		
	Support for Poor and Disadvantaged Areas	Approved FY05. Active	Latest PDO rating: Moderately Satisfactory.
	Kecamatan Development Project 3B	Approved FY05. Active	Latest PDO rating: Satisfactory.
	Higher Education Project	Approved FY05. Active	Latest PDO rating: Satisfactory.
	Early Childhood Education and Dev	Approved FY06. Active	Latest PDO rating: Moderately Satisfactory.
	KDP3 Second Phase - Add'l Financing	Approved FY07. Active	
	Teacher Management (BERMUTU)	Approved FY08. Active	Latest PDO rating: Moderately Unsatisfactory.
	Basic Education	Slipped to FY10	
	Local Community Support Project (KDP4)	Not prepared	
	Community Based Education for Marginalized Youth	Not prepared	
	Strengthening Capacity for Decentralized Education	Dropped	
	National Program for Community Empowerment in Rural Areas	Approved FY08. Active	
	2. Improved health outcomes for the poor		
	Water Supply & Sanit. for Low Income Communities 3	Approved FY06. Active	Latest PDO rating: Satisfactory.
	Urban Water Supply & Sanitation Impr. & Expansion	Slipped to FY09	
	Provincial Health & Public Health Functions	Not prepared	
	Umbulan Spring/Greater Surabaya Water Project	Not prepared	
	Provincial Health and Nutrition	Dropped	
	National Agency for Drug and Food Control	Dropped	
	Urban Water Services Improvement	Dropped	
	Environment and Sanitation	Dropped	
	Urban Water Supply	Dropped	
IDA/IBRD AAA Support			
Key AAA Support	Policy Briefs for Incoming Government	Delivered FY05	
	CGI Brief/DPR	Delivered 2004, 2005, 2006	
	Poverty Assessment	Delivered FY07	
	Making Services Work for the Poor	Delivered FY06	
	Reducing Poverty Flagship	Ongoing	
	Improving Service Delivery	Ongoing	
	PRSP Support	Delivered FY05	
	1. Better education outcomes for the poor		
	Education Sector Study	Delivered FY04	
	Teacher Management	Delivered FY07	
	2. Improved health outcomes for the poor		
	Health Workforce & Improving Service Delivery	Delivered FY08	

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar III		Actual Results	Comments
Addressing the core issue: governance, accountability, corruption		(as of July 2008)	
Objectives	1. Development planning is responsive to constituents.		
	2. Regulated and transparent public financial management.		
	3. An efficient and streamlined civil service.		
	4. Effective implementation of decentralization.		
	5. Establishment of a credible and impartial justice sector.		
Major Outcome Measures	1. Development planning is responsive to constituents		
	Core group of at least 40 regions participating in local services platform projects records significant improvements in governance outcomes	<ul style="list-style-type: none"> • 12 districts have fulfilled entry and pre-investment requirements of the LG framework. Other 28 are expected to start participation in 2008 in order to graduate in 2010 • Governance performance of LGs is being monitored through GDS (GDS2 results are currently being analyzed and will be available for dissemination in 2008; it covers 133 kabupaten, which constitute a representative sample at the national level; preliminary results show a surprisingly high level of satisfaction (85%) with LG performance on service delivery, but also show a negative correlation between cases of corruption and satisfaction level) 	Partially achieved.
	One third of all villages in Indonesia engage in a participatory approach to development planning, execution, and oversight.	38,000 villages/cities in CDD areas (50% of total) engage in a participatory process of planning and budgeting	Achieved.
	2. Regulated and transparent public financial management		
	Automated Treasury Payment system enables accurate and timely financial reporting and reduces incidence and size of idle cash balances.	All major government expenditure accounts are now zero balanced. Revenue accounts are not yet zero balanced. Work on the revenue accounts is ongoing	Achieved.
	Consolidate from nearly zero to at least 50% of core government cash operations into TSA.	The procurement of the automated treasury system is still ongoing and is not expected to be implemented by 2008.	Achieved.
	3. An efficient and streamlined civil service		
	All line ministers prepare financial statement using new government accounting standards.	A consolidated financial statement for the central government was completed for 2004 for the first time, and completed again in 2005	Achieved.
	Establishment of national remuneration commission that reviews civil services salaries and transparency of pay packages.	GOI has launched pilots in Ministry of Finance and Education with the intent of designing a comprehensive CSR program	Partially achieved.
	Reduced leakage in expenditure flows to end-users as measured by Public Expenditure Tracking Surveys.	Not reported	Not reported.
	4. Effective implementation of decentralization		
	Greater clarity in functions at each level of government.	Decree PP38 of 2007 defines service delivery responsibility at each level of government. Actual implementation yet to be seen	Partially achieved.
Enhance fiscal equalization performance of general purpose transfers (DAU).	<ul style="list-style-type: none"> • The "second big bang" created additional transfers to regions of almost 50% (DAU by 64%). The poorest parts of Indonesia have been the main beneficiaries. Ever since, fiscal equalization is not Indonesia's main challenge – spending resources well at the local level is. • The removal of DAU hold-harmless provisions is expected to be implemented in 2008 but since the "second big bang" only plays a minor role in fiscal equalization. 	Partially achieved.	

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar III Addressing the core issue: governance, accountability, corruption		Actual Results (as of July 2008)	Comments
	Implement clear and consistent provisions for on-granting and on-lending donor finance.	Ministry of Finance Decree on On-Lending and On-Granting has been issued. The new on-lending framework is piloted under USDRP. But this is still to take off. The on-granting framework is yet to be launched under ILGRP	Partially achieved.
	5. Establishment of a credible and impartial justice sector		
	Positive trend in the number of investigations leading to prosecution.	Investigative Units have been established in IG and are operational. Anti-Corruption Commission and Court are operational and have taken on several high-profile corruption cases. Law expanding legal mandate of BPK for auditing public finance passed	Achieved.
	Full compliance with wealth declarations by public officials as established by law.		Not achieved.
	Increased % of poorer households and SMEs using legal, paralegal and alternative dispute mechanisms in at least 40 districts.	<ul style="list-style-type: none"> • 20 districts (6 in conflict areas) have started building networks of paralegal and ALD assistance. Impact on access is too early to tell. • 2 pilots in progress for establishing network of paralegal assistance, alternative dispute resolution mechanisms, and legal literacy training; expansion of pilots expected in 5 provinces over next year 	Achieved.
	Issue implementing regulations on Witness Protection Law and Freedom of Information Act.		Partially achieved.
IDA/IBRD Lending Instruments			
Ongoing pre-CAS 04-08 Lending	1. Development planning is responsive to constituents.		
	Urban Poverty	Approved FY99. Closed 06/04	IEG outcome rating: Satisfactory
	2. Regulated and transparent public financial management.		
	Bepeka Audit Modernization Project	Approved FY97. Closed 09/04	IEG outcome rating: Unsatisfactory
	3. An efficient and streamlined civil service.		
New Lending Support	4. Effective implementation of decentralization.		
	Decnt. Agricultural/Forestry Ext	Approved FY00. Closed 03/05	IEG outcome rating: Moderately unsatisfactory
	First Development Policy Loan	Approved FY05. Closed 03/05	IEG outcome rating: Satisfactory
	Second Development Policy Loan	Approved FY06. Closed 03/06	
	Third Development Policy Loan	Approved FY07. Closed 03/07	
	Development Policy Loan 4	Approved FY08. Closed 03/08	
	1. Development planning is responsive to constituents.		
	Urban Sector Development and Reform Program	Approved FY05. Active	Latest PDO Rating: Moderately unsatisfactory
	Kecamatan Development Project 3B	Approved FY05. Active	Latest PDO Rating: Satisfactory
	Urban Poverty Project 3	Approved FY05. Active	Latest PDO Rating: Satisfactory
	KDP3 Second Phase - Add'l Financing	Approved FY07. Active	
	UPP2 Additional Financing	Approved FY07. Active	
	Local Community Support Project (KDP4)	Not prepared	
	CCT to the poor / DAK for CDD Operations	Not prepared	
	Urban Community Development Project	Not prepared	
Urban Local Government Reform 2	Dropped		
National Program for Community Empowerment in Urban Areas (PNPM UPP)	Approved FY08. Active.		
National Program for Community Empowerment in Rural Areas	Approved FY08. Active.		
IDA/IBRD AAA Support			
Key AAA Support	Policy Briefs for Incoming Government	Delivered FY05	
	CGI Brief/DPR	Delivered 2004, 2005, 2006	
	PRSP support	Delivered FY05	
	Aceh RPER	Delivered FY07	
	Sectoral Perspectives on Corruption	Delivered FY04	
	Justice and the Poor	Delivered FY04	
	Local Government Reforms Flagship	Delivered FY06	

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar III		Actual Results	
Addressing the core issue: governance, accountability, corruption		(as of July 2008)	Comments
	Corruption and Legal Reforms Flagship	Ongoing	
	WBI Capacity Building Program for the Government	Ongoing	
	Corruption Monitoring Surveys	Slipped	
	PFM Measurement Framework	Delivered FY08	
	Country Procurement Assessment Report	Delivered FY08	
	Governance Civil Service Dialogue	Delivered FY08	

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar IV Disaster Risk Management		Actual Results (as of July 2008)	Comments
Objectives	1. Rebuilding a better Aceh and Nias.		
	2. Responding to Yogyakarta & Central Java Earthquake.		
	3. Avian and human influenza and other emergent crises.		
	4. Improved institutional framework for disaster risk management.		
Major Outcome Measures	1. Rebuilding a better Aceh and Nias		
	Decreased number of displaced people living in tents, barracks and with host families.	6,267 displaced people (mainly in Aceh Besar and West Aceh) still living in tents and barracks and estimated maximum 20,000	Partially achieved.
	Transparency and efficiency of reconstruction process.	August-2007	Achieved.
	Decreased rate of unemployment among tsunami affected populations, ex-combatant and others.	About 10% of individuals aged 15 years or older were seeking or available for work in first half of 2007 assessment completed	Achieved.
	2. Responding to Yogyakarta & Central Java Earthquake		
	Reduced number of households without a house rebuilt.	85,000 new houses were completed by September 2007 of which 4,400 were built by the Bank. Additionally, 4,050 houses have been rehabilitated	Achieved.
	3. Avian and human influenza and other emergent crises		Not reported.
4. Improved institutional framework for disaster risk management			
Technical and capacity building support at national and local level for assessing post-disaster damage and needs.	Aceh Public Expend. Analysis and Public Financial Mngmt in Aceh published; Aceh Flood Damage Assessment completed	Achieved	
IDA/IBRD Lending Instruments			
New Lending Support	Urban Sector Development and Reform Program	Delivered FY05	
	Kecamatan Development Project 3B	Approved FY05. Active	Latest PDO Rating: Satisfactory
	Urban Poverty Project 3	Approved FY05. Active	Latest PDO Rating: Satisfactory
	KDP3 Second Phase - Add'l Financing	Approved FY07. Active	
	UPP2 Additional Financing	Approved FY07. Active	
	Local Community Support Project (KDP4)	Not prepared	
	Urban Community Development Project	Not prepared	
	Urban Local Government Reform 2	Not prepared	
	National Program for Community Empowerment in Urban Areas (PNPM UPP)	Approved FY08. Active	
	National Program for Community Empowerment in Rural Areas	Approved FY08. Active	
Yogyakarta Earthquake Housing Reconstruction	Implemented the Java Reconstruction Fund (2007)		
IDA/IBRD AAA Support			
Key AAA Support	Aceh RPER	Delivered FY07	

Annex Table 10: Summary of Achievements of the CAS Objectives

Pillar IV Disaster Risk Management		Actual Results (as of July 2008)	Comments
	Aceh Stocktaking Report	Delivered FY06	
	Aceh Monitoring & Analysis	Delivered FY06	
	Yogyakarta Damage & Loss Assessment	Delivered FY06	
	Aceh Poverty and Economic Dev.	Delivered FY08	

1. CAS DATA	
Country: The Republic of Indonesia	
CPS Year: FY04	CPS Review Period: October 2003-June 2008 (with CASPR Extension)
Date of This Review: August 25, 2008	
2. ASSESSMENT OF THE CPSCR'S COVERAGE OF IFC'S ACTIVITIES	
<p>The CASCR provides relatively detailed coverage of IFC's activities in Indonesia over the extended CAS period (FY04-FY08) and includes a discussion of IFC's contributions to the development of the financial sector, IFC's delivery of Advisory Services and its disaster relief efforts. The CASCR would have benefited from more evidence to support some statements such as "IFC's Advisory Program has built the capacity of rural banks and micro finance institutions...."</p>	
3. IFC AREAS OF FOCUS DURING THE CAS PERIOD	
<p>The FY04 CAS had three main pillars: <i>Improving Investment Climate for Poverty Reduction</i>, <i>Making Service Delivery Responsive to the Needs of the Poor</i> and, <i>Addressing the Core Issue: Governance, Accountability and Corruption</i>. The 2006 CAS Progress Report added an additional pillar, <i>Disaster Risk Management</i>. Of the strategic pillars, IFC focused much of its activity on #1, <i>Improving Investment Climate for Poverty Reduction</i>. The CAS identified several sub-categories under this pillar in which IFC was identified as a contributor. Among these were:</p> <ul style="list-style-type: none"> a) Supporting a stronger and diversified financial sector with equitable access b) Supporting the development of an environment for a competitive private sector c) Participating in the refurbishment of infrastructure and, d) Supporting the creation of sustainable income-creating opportunities for poorer households. <p>The 2006 CASPR added an education component that identified IFC as a partner in helping attract private investment in primary education.</p> <p>To advance these objectives, IFC's main areas of focus were to be: i) strengthening of banks; ii) deepening the financial sector; iii) supporting export-oriented companies, mainly in the agribusiness sector; iv) supporting infrastructure investments in power and telecommunications; and v) supporting SMEs. The 2006 CASPR made slight modifications to this list by combining i) strengthening of banks and ii) deepening of the financial sector into one category: <i>financial markets</i>. An additional area of focus was also added: <i>investment climate</i>.</p> <p>Much of IFC's efforts targeted the financial sector and included the recapitalization of some Indonesian banks and upgrading of their internal procedures and management practices. IFC also planned to combine investment and advisory services to help broaden the offering of</p>	

financial products, including in housing finance, forfeiting, credit information and securitization. Much of the planned SME development, which included supporting business linkages, was to be conducted through IFC's main advisory services vehicle, the Program for Eastern Indonesia SME Assistance (PENSA). With regard to export-oriented industries, IFC identified the need for investment and advisory assistance in the palm oil plantations, textiles, chemicals, and light engineering sectors. Private power generation and telecommunications were specifically identified as areas for potential infrastructure investments. Although the investment climate was added as a priority area in the 2006 CASPR, there is little detail describing how this would be addressed.

4. RELEVANCE OF IFC AREAS OF FOCUS

IFC's areas of focus remain largely relevant vis-à-vis country needs and conditions. A focus on the financial sector was appropriate given a persistent lack of long-term local currency financing for those earning only local currency revenues and not in a position to hedge the devaluation risk associated with foreign currency loans. Persistent underinvestment in infrastructure (as a percentage of GDP) had created a crisis in the water and electricity sectors.¹ There was some hope that the shortfall in infrastructure investment would be filled by the private sector, but this had not happened to date. The focus on education added in the 2006 CASPR was an appropriate goal to help reduce the public investment burden in education and help redirect public funds to infrastructure.

5. IFC ACTIVITIES DURING THE CAS PERIOD

A. Investment projects

A list of IFC investments over the CAS period is presented in Table 1 below. Thirty two projects in Indonesia were approved for a total committed amount of US\$840 million. Twelve of the thirty two projects (51% by committed volume) were concentrated in financial markets. The second largest concentration was in agriculture and agribusiness which had nine projects representing 28% of total committed volume. The remaining investment activity included four projects in textiles and chemicals; two in industrial products, three in education; a funds-related investment; and a trade facility. As of end-FY08, IFC's outstanding exposure in Indonesia was US\$650 million compared to US\$329 million as of end-FY03.

IFC's financial markets investments supported the development of SME credit lines, asset financing and leasing, and consumer finance. The investments in the textile and chemicals sectors addressed the objective of supporting export oriented companies. The two investments in the textiles sector supported construction of captive coal-fired power plants for two of IFC's existing clients, Indorama and South Pacific Viscose (SPV). However, whereas these projects helped IFC's clients address their own infrastructure issues (access to a reliable power supply), the projects did not address the larger issue of Indonesia's inadequate generation and transmission network. In fact, at the national level, little progress was made in the way of opening up new investment opportunities in infrastructure development. However, this is largely due to the Indonesian Government's slow pace and piecemeal approach to issuing

¹ Source: Spending for Development: Making the Most of Indonesia's New Opportunities – Indonesia Public Expenditure Review 2007, World Bank (second edition), June 2007, page 74.

policy reforms and clarifying regulations for awarding infrastructure projects to private sector companies.² The CASCR does point out that in 2006 IFC approved a US\$50 million loan to PGN to help make more effective use of Indonesia's considerable gas reserves. The expansion of the natural gas network is expected to help the further development of private enterprise by making available clean and cost effective fuel/energy. The project has experienced delays and a particularly disconcerting event when four directors of PGN were fined some US\$545,000 for breach of the duty to disclose information to the public.³

Advisory Services

A total of seventy advisory service projects were approved in Indonesia during the CAS period. Twenty-two of these projects were run by Foreign Investment Advisory Services (FIAS). At the time of this report, FIAS was unable to provide accurate funding data for all these projects. The remaining forty-eight projects totaled US\$31.2 million in approved funding. (Table 2) There was AS activity in five distinct business lines: access to finance (ATF), value addition to firms (VA2F), business enabling environment (BEE), environment and social sustainability (ESS), and infrastructure (INFRA).

The twelve ATF projects focused on SME lending, banking and finance training. However, several of these projects experienced delays caused by a range of issues including poor client uptake and program design issues. One such example is the Indonesian SME Banking project. The project aimed support the expansion of Bank NISP's SME lending activities to new segments of the SME market. This was also enhanced by a US\$30 million SME facility approved by IFC. The AS project was eventually cancelled because both parties could not agree on the actual role of the AS project and how a proposed incentive scheme would be implemented and the loan was ultimately offered on a stand alone basis. The BEE business line comprised thirty-three projects and was dominated by FIAS projects. The twelve non-FIAS projects accounted largely focused on identifying administrative barriers and the drafting of investment laws and regulations and included educational components such as seminars and training. Other projects addressed OGM (oil, gas, and mining) linkages and community impact, private investment opportunities in the healthcare sector and a project that produced recommendations for the Indonesian Ministry of Forestry to help address illegal logging.

The seventeen VA2F projects largely consisted of linkages projects in various sectors ranging from handicrafts to agriculture (poultry, shrimp farming and cocoa) and tourism. The beneficiaries of these projects were generally small businesses and the projects took the form of preparation of marketing materials, capacity and skills building training for export-oriented small businesses, and the promotion of business linkages via training and mentoring. The seven ESS projects were mainly focused in the agricultural sector and aimed to promote the use of certified lumber in the production and export of locally-made furniture and establish a "business accelerator" to support environmentally sustainable business.

² *IFC in Indonesia: 1990 – 2006, An Independent Country Impact Review*, IEG-IFC, World Bank Group, Washington, DC, 2007

³ Business News - Wednesday, March 14, 2007, *PGN directors, commissioner fined total of Rp 5 billion*

6. IFC'S CONTRIBUTION TO CAS OBJECTIVES

a) *Supporting a stronger and diversified financial sector with equitable access.* IFC's activities in the financial sector were largely focused on providing funding to banks that were engaged in lending to SMEs. Some banks provided consumer financing and in one case, financing for the purchase of motorcycles. Another financial institution was focused on "the lower end consumer segment" of the lending market. One particular transaction supported the purchase of a controlling stake in a local bank, P.T. Bank Bintang Manunggal (BIMA) by Hana Bank. The transaction supported the consolidation of smaller banks in the Indonesian market and the purchase injected tier one capital into the bank and entitled BIMA to obtain a foreign exchange license.

b) *Supporting the development of an environment for a competitive private sector.* Through several investments, IFC supported both domestic manufacturing and competitiveness in the international export markets. Examples include: (i) *Ecogreen*, which is one of the world's largest suppliers of natural fatty alcohols, fatty acids, methyl esters and glycerin. IFC financed a low-cost expansion of the company's operations to help it maintain its competitive edge; (ii) *Indorama*, which is an export-oriented producer of polyester, PET resin, blended yarn, and finished fabrics. Financing of a captive power plant under the project is enabling Indorama to secure a reliable electricity supply and stay competitive after enduring frequent electricity shortages which impacted production; and (iii) *Wings Noodle*. IFC engaged in several projects with this client to expand and modernize its noodle manufacturing business as well as help finance expansion into the domestic soft drink market.

c) *Participating in the refurbishment of infrastructure;* IFC made only a limited contribution to refurbishment of infrastructure. Through its investment activity, IFC helped finance the construction and commissioning of two captive coal-fired power stations for two of its clients. However, the financing and commissioning of captive power plants did not help further the CAS goal of "investing in viable private sector power generation and distribution projects, and support investments in telecommunications." One advisory services project did address the need for developing private sector interest in large scale power projects. The *Central Java IPP* project provided advisory services to the Government to develop private sector participation, to build, own and operate (BOO) the 2x600-MW greenfield coal-fired Central Java Power Project. This project remains in the early planning stages. IFC did not engage in any telecommunications projects during the CAS period.

d) *Supporting the creation of sustainable income-creating opportunities for poorer households.* IFC made a positive contribution toward this objective through several advisory services operations targeted at lower income households. Projects such as the village-based seaweed mariculture (farming) training program targeted rural areas such as Aceh and Nias to introduce seaweed cultivation as a sustainable alternative productive activity to fishing dependent villages. The *Handicraft Market Linkages* project helped improve production and marketing among handicraft producers in Bali, including establishing relationships with international buyers. This effort was supported by another related project under PENZA, *Handicraft Producer Development*, which helped improve and develop handicraft producers' technical and managerial capacity.

IFC's Additionality in Indonesia

IFC's additionality in Indonesia can be observed mainly through its response to the Indonesian crisis. Rather than writing off its failing investments in the wake of the Indonesian financial and political collapse, IFC established a dedicated work out team that essentially "triaged" the existing projects in the portfolio and separated those with lower prospects for successful restructuring. IFC undertook sixteen major project restructurings, eleven of which were successful. In all, this was a substantial effort on the part of IFC, which helped many of its portfolio companies weather the economic crisis and to later become successful companies and corporate citizens.⁴ Given the resource-intensive nature of portfolio restructuring and the uncertainty in the business environment particularly the weak legal system, IFC decided to focus its efforts on existing companies rather than playing a countercyclical role and reaching out to new clients.

7. LESSONS AND CHALLENGES FROM PAST EXPERIENCE

During the CAS period, and particularly after the financial crisis, IFC mainly focused on repeat projects with existing clients. The rationale was twofold: i) IFC was helping clients to grow in stages in order to reach a target level of market presence and competitiveness. The Indonesian Crisis had a significant negative impact on practically all of IFC's portfolio projects. Post-crisis, repeat business largely took the form of restructuring, recapitalization and advisory services with the intention of reestablishing economic health to IFC's clients; ii) Due to the complexity of business relationships and corporate structures in Indonesia, IFC has had a particularly difficult time identifying partners who were not tainted by acts of cronyism or unfair or illegal business practices (particularly during the reign of Suharto). IFC's challenge is to continue to branch away from its client base and develop new relationships throughout the country.

The perception of corruption and lack of confidence in the Indonesian judiciary has had a lingering negative effect on the levels of foreign investment. The third pillar of the CAS, *Addressing the Core Issue: Governance, Accountability and Corruption*, is particularly important in that it forms the basis of investor confidence. IFC should maintain an open dialog with the World Bank (and leverage the work of FIAS) and try to construct ways to help the GoI systematically address this sensitive issue.

Additionally, IFC should continue to seek opportunities to help make infrastructure investments attractive to private sector investors. This will undoubtedly require a multi-phase approach as many of the issues that have thus far impeded progress have ranged from bureaucratic roadblocks, insufficient enabling legislation and the perception of corruption. Once again, IFC should liaise more closely with the World Bank to combine efforts to move this critical agenda forward.

Reviewer: Stephen F. Pirozzi

Stoyan Tenev, Head, Macro Evaluation

Peer Reviewer: Asita De Silva

Amitava Banerjee, Manager

⁴ *IFC in Indonesia: 1990 – 2006, An Independent Country Impact Review*, IEG-IFC, World Bank Group, Washington, DC, 2007

Table 1: IEG- IFC List of Investment Operations in Indonesia During CPS Period ('000 US\$)

Project ID	Project Name	Approval FY	IFC Sector group	Sub-Sector	TOTAL NET COMMITMENT
011696	Ecogreen	2004	Chemicals	Other Chemicals	\$30,000
023654	Medan NP School	2004	Education	Education	\$1,750
023655	BonaVista School	2004	Education	Education	\$1,000
022962	NISP Bank II	2004	Finance	Commercial Bank	\$35,000
020348	Wilmar Trading	2004	Food & Agri	Palm Oil	\$33,330
023013	Wings Noodle-PAS	2004	Food & Agri	Other Food	\$16,900
023680	Wings Noodle-KAS	2004	Food & Agri	Other Food	\$18,100
021689	Indorama Captive	2004	Textiles	Textiles	\$48,000
021967	SPV III	2004	Textiles	Textiles	\$9,500
023922	Ecogreen II	2005	Chemicals	Other Chemicals	\$25,000
022337	NISP Bussan	2005	Finance	Commercial Bank	\$25,000
023896	ANJ Finance	2005	Finance	Finance company	\$2,000
024050	PT WOM/BII	2005	Finance	Finance company	\$20,000
010771	Astra Otoparts 2	2005	Industrial Products	Motor vehicle parts	\$24,000
024336	Bank Buana SWAP	2006	Finance	Commercial Bank	\$5,000
024524	Bank Danamon Tbk	2006	Finance	Commercial Bank	\$150,000
024944	Danamon Swap	2006	Finance	Commercial Bank	\$5,000
024558	Centralpertiwi	2006	Food & Agri	Animal Aquaculture	\$45,000
024904	Wings Noodle II	2006	Food & Agri	Other Food	\$20,000
025103	Wings - TAS	2006	Food & Agri	Soft Drinks	\$7,000
025109	PT Makro RI 2	2006	Trade	Retail Trade	\$648
024598	Sampoerna Loan	2007	Education	Education	\$2,491
024021	NISP SME	2007	Finance	Commercial Bank	\$30,000
025130	BII	2007	Finance	Commercial Bank	\$125,000
025144	WOM Loan	2007	Finance	Finance company	\$20,000
026079	Project NISP RI3	2007	Finance	Commercial Bank	\$5,510
025532	Wilmar WCap	2007	Food & Agri	Palm Oil	\$50,000
025841	WingsIntegration	2007	Food & Agri	Other Food	\$15,000
026210	Fugui Flour	2007	Food & Agri	Grains	\$30,000
026283	Hana Indonesia	2008	Finance	Commercial Bank	\$5,000
025722	Saratoga Asia II	2008	Funds	Private equity Funds	\$15,000
024476	TVS Motor Asean	2008	Industrial Products	Motor vehicle parts	\$20,000
TOTAL					\$ 840,230

Table 2: IEG- IFC List of Indonesia Advisory Services Projects (US\$)

Fiscal Year	Facility	Project ID	Project Name	Status	TA Category	TA Sub-category	Division Name	Total Funding Source
2005	PENSA	523440	Business Development Services Provider Support	Active	A2F	Access To Finance - Banking	PENSA - Surabaya Office	\$800,000
2005	PENSA	523441	Sharia Banking Development	Closed	A2F	Access To Finance - Banking	PENSA - Surabaya Office	\$200,000
2005	PENSA	52667	Bank and Finance Training	Active	A2F	Access To Finance - Microfinance	CEA (PENSA)	\$325,000
2005	PENSA	531880 (#52667)	PEAC (Provision of Enterprise Access to Credit)	Active	A2F	Access To Finance - Microfinance	CEA (PENSA)	\$360,000
2005	PENSA	523442	Indo SME Banking	Closed	A2F	Access To Finance - Microfinance	PENSA - Surabaya Office	\$6,000,000
2005	PENSA	522385	Access to Finance Policy - BPRa/MFIs & Collateral & Leasing	Hold	A2F	Access To Finance - Microfinance	PENSA-Jakarta	\$148,845
2005	PENSA	523439	Microfinance & Alternative Channels	Active	A2F	Access To Finance - Microfinance	PENSA - Surabaya Office	\$1,224,000
2005	PENSA	537723	Access to Finance for Women	Closed	A2F	Access To Finance - Microfinance	PENSA-Jakarta	\$200,000
2005	FIAS	538715	Starting a Business International Comparisons	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	\$15,000
2005	FIAS	na	Administrative Barriers (Kabupaten & Kota)	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	
2005	PENSA	52667	Commercial Bank Capacity Building	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CEA (PENSA)	\$250,000
2005	PENSA	523618	OGM Enabling Environment Support	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	PENSA - Balikpapan Office	\$657,500
2005	TATF	530722	Indonesia Health	Closed	BEE	Business Enabling Environment - Industry-specific BEE	CEAR6	\$100,000
2005	PENSA	523611	Sustainable Wood	Active	ESS	Environment and Social Sustainability - Sustainable Investing	PENSA - Denpasar Office	\$1,155,000
2005	PENSA	524249	PENSA ADB Projects	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs	PENSA - Makassar Office	\$500,000
2005	PENSA	523610	Eco-Tourism	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs; Entrepreneurship	PENSA - Denpasar Office	\$485,000
2005	PENSA	523614	Handicraft Producer Development	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs; Grassroots Organization	PENSA - Denpasar Office	\$687,394
2005	PENSA	523084	Integrated Poultry	Active	VA2F	Value Addition to Firms - Linkages	PENSA - Makassar Office	\$1,000,000
2005	PENSA	523085	Cocoa	Active	VA2F	Value Addition to Firms - Linkages	PENSA - Makassar Office	\$850,000
2005	PENSA	522387	Business Association Development	Closed	VA2F	Value Addition to Firms - Linkages	PENSA-Jakarta	\$52,000
2005	PENSA	522991	Seaweed Industry Linkages Program	Active	VA2F	Value Addition to Firms - Linkages	PENSA - Makassar Office	\$1,518,000
2005	PENSA	523617	OGM/SME Business Linkage Development	Active	VA2F	Value Addition to Firms - Linkages	PENSA - Balikpapan Office	\$1,168,500
2006	TATF	TF05669	SELF (B) IFC/TATF - INDONESIA SME CREDIT LINE FACILITY	Active	A2F	Access To Finance - Microfinance	INS	\$500,000
2006	TATF	538608	Market Study for Student Financing Pilot in Indonesia	Closed	A2F	Access To Finance - Microfinance	CHEPG Health and Education	\$115,000
2006	FIAS	na	Administrative Barriers (start-up procedures)	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	
2006	FIAS	539884	Mini Diagnostic	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	\$47,000
2006	FIAS	na	Investment Laws, Policies, & Promotion (Aceh/Nias investment climate)	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2006	FIAS	na	Investment Laws, Policies, & Promotion (Investment Law Workshop)	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2006	FIAS	na	Investment Laws, Policies, & Promotion (Investment Incentives Review and Policy Seminar)	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2006	FIAS	na	Investment Laws, Policies, & Promotion (Drafting Guidelines for New Investment Law)	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2006	FIAS	na	Industry Competitiveness	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2006	FIAS	538653	Investment Law Implementing Decrees	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	\$125,000
2006	FIAS	545704	Aceh Investment Law	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	\$85,000
2006	FIAS	538683	Inv Law Decrees	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	\$125,000
2006	FIAS	540383	FOREST MNGMT-INS	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CICFA	\$128,150
2006	FIAS	538642	Investment Incentives Review (small project)	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Business Advocacy	CIC Foreign Investment EAP-IFC	\$15,000
2006	FIAS	543845	Sector Policy Solution Design (shrimp and textiles)	Active	BEE	Business Enabling Environment - Industry-specific BEE	CIC Foreign Investment EAP-IFC	\$190,000
2006	PENSA	543046	National Level Policy Reform	Active	BEE	Business Enabling Environment - BEE Diagnostic and M&E	PENSA-Jakarta	\$100,000
2006	PENSA	547305	Aceh Investment Promotion (SUBCOMPONENT OF 540423)	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	PENSA-Main Office	\$167,000
2006	PENSA	547346	Indonesia - Sub-National Investment Promotion Intermediaries	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Business Advocacy	CEAID - PENSA-Main Office	\$158,000
2006	PENSA	543045	Municipal Simplification	Active	BEE	Business Enabling Environment - Sub-national BEE	PENSA-Jakarta	\$430,150
2006	PENSA	543057	ADB Marine Aquaculture Fish	Active	BEE	Environment and Social Sustainability - Biodiversity	PENSA - Denpasar Office	\$192,380
2006	TATF	538625 (TF05669)	IFC/JAPAN TATF - DESIGN AND EXPORT PROMOTION CENTERS IN CAMBODIA AND INDONESIA	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Business Advocacy	EAP	\$455,000
2006	TATF	530722 (TF054534)	Indonesia Health Care Sector Study	Closed	BEE	Business Enabling Environment - Industry-specific BEE	CEAR6	\$100,000
2006	PENSA	530340	COF PENSA Forest	Closed	ESS	Environment and Social Sustainability - Cleaner Production	CESSR	\$61,016
2006	PENSA	530508	SResp PENSA Sustainable Seaweed (COF PENSASeaweed)	Active	ESS	Environment and Social Sustainability - Cleaner Production	CESSR	\$69,880
2006	PENSA	543056	Sustainable Finance New Ventures	Active	ESS	Environment and Social Sustainability - Sustainable Investing	PENSA - Denpasar Office	\$132,253
2006	TATF	542044	Disease Control in Shrimp Farming (CPB)	Closed	ESS	Environment and Social Sustainability - Biodiversity	CAGDR	\$89,000
2006	FIAS	538626	Linkages Mining	Closed	VA2F	Value Addition to Firms - Linkages;	CIC Foreign Investment EAP-IFC	\$70,000
2006	PENSA	543048	SME Tool Kit	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs	PENSA-Jakarta	\$49,000
2006	PENSA	543042	Women & Business	Active	VA2F	Value Addition to Firms - Gender	PENSA-Jakarta	\$69,979
2006	PENSA	523083	Handicraft Market Linkages	Active	VA2F	Value Addition to Firms - Linkages	PENSA - Denpasar Office	\$584,522
2006	PENSA	543049	Business to Business Directory	Active	VA2F	Value Addition to Firms - Linkages	PENSA-Jakarta	\$31,000
2007	PENSA	554329	SME Banking Indonesia	New	A2F	Access To Finance - Banking	CEAID - PENSA-Main Office	\$2,500,000
2007	FIAS	na	Diagnostic	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	
2007	FIAS	na	Investment policy (PEP Aceh/Nias)	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	
2007	FIAS	na	Investment policy (Min. of Trade)	Closed	BEE	Business Enabling Environment - BEE Diagnostic and M&E	CIC Foreign Investment EAP-IFC	
2007	FIAS	na	Corporate Social Responsibility	Closed	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CIC Foreign Investment EAP-IFC	
2007	FIAS	549626	Investment Law Implementation Support	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions	CICAP - Foreign Investment EAP-IFC	\$127,000
2007	PENSA	549727	National OSS Guidelines	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Sub-national BEE	CEAID - PENSA-Main Office	\$400,000
2007	PENSA	549329	Sustainable Forestry Indonesia	Active	ESS	Environment and Social Sustainability - Biodiversity	CESEB - Env. Business Financial Program	\$50,000
2007	PENSA	552967	Aceh & Nias Shrimp Producer Livelihoods Program	New	VA2F	Value Addition to Firms - Direct Assistance to SMEs	CEAID - PENSA-Main Office	\$979,231
2007	PENSA	552925	Aceh & Nias Maniculture Producer Livelihood Program	Closed	VA2F	Value Addition to Firms - Direct Assistance to SMEs	CEAID - PENSA-Main Office	\$320,507
2007	PENSA	550627	Aceh World Hotel Link	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs; Grassroots Organization; Linkages	CEAID - PENSA-Main Office	\$43,600
2008	PENSA	556087	PADGO Indonesia Market Research	Active	ESS	Environment and Social Sustainability - Sustainable Energy	CESSSE - Sustainable Energy	\$218,668
2008	FIAS	559265	Aceh Inv Prom.	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Business Advocacy	CICAP - Foreign Investment EAP-IFC	\$137,000
2008	PENSA	559345	Aceh Public Private Dialogue	Active	BEE	Business Enabling Environment - BEE Policy, Regulation and Institutions; Business Advocacy	CEAID - PENSA-Main Office	\$367,086
2008	PENSA	553725	Warehouse Receipts - Indonesia Agribusiness	Active	VA2F	Value Addition to Firms - Direct Assistance to SMEs	CEAID - PENSA-Main Office	\$480,000
2008	TATF	561407	Indonesia Infrastructure Facility (IIF TA)	Active	A2F	Access To Finance - Banking	CINDR - Office of the Director - CIN	\$2,100,000
2008	TATF	28215	CentralJava IPP	Active	Infra	Infrastructure	CASDR - Advisory Services	\$2,540,000
Total Advisory Services								32,234,439