### 1. Project Data

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<td>P118113</td>
<td>PNPM - Urban III Project</td>
<td>Indonesia</td>
<td>Social, Urban, Rural and Resilience Global Practice</td>
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**Sector(s)**
Social Protection(26%):Urban Transport(26%):Sanitation(25%):Sub-National Government(14%):Public Administration - Social Protection(9%)

**Theme(s)**
Participation and civic engagement(39%):Other social protection and risk management(38%):City-wide Infrastructure and Service Delivery(11%):Municipal governance and institution building(9%):Other public sector governance(3%)

**Prepared by**
John Redwood

**Reviewed by**
John R. Eriksson

**ICR Review Coordinator**
Christopher David Nelson

**Group**
IEGSD (Unit 4)
### Project Details

**Project ID**
P124674

**Project Name**
DRR - PNPM Urban III (P124674)

**Country**
Indonesia

**Practice Area (Lead)**
Social, Urban, Rural and Resilience Global Practice

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### Commitment Details

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<th>Description</th>
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<tr>
<td>Actual</td>
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### Sector Details

- **Sector(s):**
  - Sub-National Government (14%)
  - Social Protection (26%)
  - Public Administration - Social Protection (9%)
  - Rural and Inter-Urban Roads (26%)
  - Sanitation (25%)

### Theme Details

- **Theme(s):**
  - Other public sector governance (3%)
  - Other social protection and risk management (38%)
  - Participation and civic engagement (39%)
  - Municipal governance and institution building (9%)
  - Other urban development (11%)

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### Financial Details

- **Bank Approval Date:** 20-Apr-2012
- **Closing Date (Actual):**
- **Total Project Cost (USD):** 4,980,000.00
- **Original Commitment:** 0.00
- **Revised Commitment:** 0.00
- **Actual:** 0.00
- **IBRD/IDA (USD):**
  - Original Commitment: 0.00
  - Revised Commitment: 0.00
  - Actual: 0.00
- **Grants (USD):**
  - Original Commitment: 2,380,000.00
  - Revised Commitment: 1,754,654.38
  - Actual: 1,754,654.38

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- **Sector(s):**
  - Central Government (Central Agencies) (50%)
  - Sub-National Government (50%)
2. Project Objectives and Components

a. Objectives

Financial Agreement Development Objective: to assist the borrower to ensure that the urban poor benefit from improved socio-economic and local governance conditions. This is identical to the definition of the project development objective (PDO) in the Project Appraisal Document (PAD, pg. 7) and is adopted in the present review.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components

1. Community and Local Government Capacity Building (Appraisal Cost: US$ 28.72 million, including US$ 3 million GFDRR (Global Facility for Disaster Reduction and Recovery) co-financing: Actual Cost: US$ 26.6 million) -- to finance two activities: (i) facilitators to carry out social intermediation activities and community training and in supporting BKM's (Community Boards of Trustees); and (ii) training and capacity building of local governments to strengthen their support to PNPM (National Program for Community Empowerment).

2. Kelurahan Grants (Appraisal Cost: US$ 170.26 million; Actual Cost: US$ 187.5 million) -- to finance block grants to the kelurahans (urban wards) for activities falling into three categories: (i) tertiary infrastructure investments (e.g., for bridges, roads, public toilets, drainage, health facility repair, etc.) pre-identified by the community in CDPs (Community Development Plans); BKM managed revolving loans to the poor who typically do not have access to other lending sources for income generating activities; and (iii) provision of social assistance, including training, to the poorest and most vulnerable in the community.

3. Implementation and Technical Assistance (Appraisal Cost: US$ 18.4 million, including US$ 2 million of GFDRR co-financing; Actual Cost: US$ 15.0 million) -- to finance: (i) project management and technical assistance; (ii) monitoring and evaluation capacity building; (iii) program evaluation; and (iv) accountability and transparency.

4. Contingency for Disaster Risk Response (Appraisal Cost: US$ 0; Actual Cost: US$ 0) -- due to the high risk of catastrophic events in Indonesia, a provisional zero dollar amount was included in the project to allow for rapid reallocation of the loan during an emergency using streamlined procurement and disbursement procedures.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Cost: Actual project costs were 5% higher than anticipated at appraisal (US$ 229.1 million versus US$ 217.4 million). This increase was due to an increase in the amount expended for Component 2 (Kelurahan Grants), which exceeded the appraisal allocation by 10% (US$ 187.5 million compared with US$ 170.3 million), while the amounts actually spent for Components 1 (93% of the appraisal estimate) and 3 (82%) were lower than originally expected. The contingency provision in Component 4 was not used. While this total cost differs from that supplied by the system in Section 1 (Project Data) above, it is drawn directly from Annex 1 (pg. 22) in the ICR, and the reason for the difference in the system provided number (i.e., US$ 222,460,000) is unknown.

Financing: The Bank loan of US$ 150 million was close to fully disbursed (US$ 149.83 million), but only 36% (US$ 1.8 million of the initial allocation of US$ 5 million) of the GFDRR grant was disbursed. According to the ICR (Annex 1, pg 22), at appraisal it was envisaged that GFDRR would first provide a grant of US$ 2.8 million and, subject to availability, a second one for US$ 2.2 million at a later stage. However, the first grant was not fully utilized and the second one was never requested by the Government of Indonesia because pertinent activities were included in the Bank-financed follow-on project, the National Community Empowerment Project for Urban Areas, for which a loan of US$ 292 million was approved on November 20, 2012 with the same sectoral and geographic scope as the present operation.

Borrower Contribution: The Borrower's counterpart finding exceeded the appraisal amount by 3% (US$ 38.1 million versus US$ 36.9 million).
Independent Evaluation Group (IEG)  
PNPM - Urban III Project (P118113)

Implementation Completion Report (ICR) Review

million) and the community contributions surpassed the appraisal figure by 54% (US$ 39.2 million as opposed to US$ 25.5 million). 
**Dates:** The Mid-term Review (MTR) tool place in December 2011, three months after originally expected, and the project closed on December 31, 2015, two years later than initially anticipated. This extension proved necessary exclusively in order to implement and disburse the GFDRR grant, whose signature was delayed until April 2013, three years later than expected and just eight months short of the original closing date. This unanticipated delay was primarily due to delays in processing the grant at the central government level. All other project activities, however, had essentially been concluded by the end of 2013.

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

Project objectives, including the poverty focus, were highly relevant. They corresponded to those of a national urban community-driven development (CDD) program known as PNPM (or National Community Empowerment Program) launched in 2007 and for whose implementation in urban areas the Government of Indonesia (GOI) remains committed through at least December 2016, with continued World Bank support in the form of a US$ 266 million loan approved in 2012. The present project was a follow-on to the earlier PNPM-Urban I, which was implemented between 2008-2011 including an Additional Financing which GOI chose to refer to as PNPM-Urban II (hence the project under review, which was essentially implemented between 2010 and 2013 being labeled PNPM-Urban III). It, in turn, was followed by a larger PNPM-Urban operation with similar objectives that is still under implementation. According to the ICR (para. 35, pg 11), looking ahead the Government intends to implement another similar program under somewhat different arrangements starting in 2017. The Country Partnership Strategy (CPS) for Indonesia for 2013-2015 identified six key thematic engagement areas, to three of which (promoting communities, protecting the vulnerable, and improving health outcomes; ensuring sustainable development and improving disaster resilience; and gender and governance), this project was directly relevant. This continues to be the case with respect to the new County Partnership Framework for FY2016-FY2020, which was approved in December 2015 and explicitly identifies “improve access to basic services in targeted cities” as one of its key areas of engagement (para. 80, pg. 33).

**Rating**

High

#### b. Relevance of Design

Project design was substantially relevant. It reflected a continuation of the same approach taken in the previous (i.e., PNPM-Urban I) operation, also incorporating lessons learned from it (e.g., the need to give less emphasis to the revolving loans funds -- RLF). It also added an innovative contingency component to help vulnerable urban communities respond quickly to the adverse impacts of natural disasters should they occur during the project implementation period, even though, as it turned out, use of this mechanism proved to be unnecessary. The Results Framework and risk analysis were adequate with the exception that the former failed to include a discrete outcome indicator to assess the extent to which the urban poor benefited from improvements in local governance brought about by the project. In addition, one of the other proposed outcome indicators -- number of people in urban areas provided with access to all-season roads within a 500 meter range under the project -- could not be assessed because no baseline was established, so the number of people previously without such access is not known.

**Rating**

Substantial

### 4. Achievement of Objectives (Efficacy)

**Objective 1**
Objective
To assist the borrower to ensure that the urban poor benefit from improved socio-economic conditions. Substantial

Rationale

Outputs:

- Although no specific baseline targets for each of these types of investments were provided in the PAD, the 77,600 infrastructure activities allegedly benefiting some 26,000 community groups (KSM) and 350,000 households financed by the project reportedly included:
  - 5,042 kilometers of small roads;
  - 1,667 km of drainage;
  - rehabilitation of 29,480 houses;
  - 30,822 units of sanitation;
  - 4,819 units of clear water;
  - 17 km of small bridges;
  - 504 education facilities
  - 13,729 electricity connections;
  - 547 community health facilities;
  - 40 km of irrigation canals; and
  - 7,247 units of waste disposal facilities.
- These infrastructure investments nonetheless benefited 6,121 kelurahans, greatly surpassing (i.e., by 50%) the target of 4,080.
- 96% of the infrastructure works were found to be of good quality, compared with a target of 70%, based on infrastructure certification and spot-checking by the National Management Consultant (NMC).
- 25% of kelurahans with Revolving Loan Funds (RLF) had loans at risk (LAR) ratio equal to or greater than three months of less than 10% - this percentage was considerably lower than the target of 70% and thus it was not achieved. The ICR points out, however, that the new capital for RLF represented only 2% of total project cost and was introduced primarily to improve the declining performance of this mechanism in the predecessor PNPM-Urban I operation.
- 80% of kelurahans with RLF had a cost coverage ratio greater than 125%. The target of 90% was also not met, according to the ICR (pg. 7), because "improvement progress of the RLF was slow."
- 31% of kelurahans with RLF have annualized return on investment greater than 10%. This result was likewise considerably below the appraisal target of 90% for the same reason indicated with respect to the previous item.

Outcomes:

- Improved access to infrastructure, economic and social services in at least 80% of kelurahans (urban wards) in 2013 -- the target of 4,080 kelurahans was reportedly slightly exceeded (4,978 out of 6,121 wards, or 81.3% of the total). The reported number of beneficiary households was 5.5 million containing some 21.8 million people, of which two-thirds were estimated to be poor.
- 85% of project beneficiaries reported being satisfied with project-provided services and local level governance, as compared with a target of 80%, based on a quantitative survey and spot checks carried out by a National Management Consultant (NMC).
- Project-provided infrastructure was 20% less expensive than that built by non-community based approaches in 94.2% of project kelurahans, substantially exceeding the target of 4,080 kelurahans.
- 99% of complaints by project affected people were reportedly resolved (29,155 out of 29,166), exceeding the target of 90%.

Summary: Project achievements with respect to this objective were Substantial. While performance in relation to the Revolving Loan Fund (RLF) was disappointing, it corresponded to only 2 percent of total project cost. Most of the other output and all of the outcome targets were met or exceeded however. In addition, according to the ICR (para 24, pg. 8 and para. 46, pg. 15), despite the delay in activating the grant, activities supported by the GFDRR (i.e., infrastructure and training for community-based disaster risk management, or CB-DRM) were of "good quality and reached the intended beneficiaries" while also helping that "both communities and local government officials gained a good understanding of DRM including methods to design subprojects with a view of reducing disaster risk at the community level."

Rating
Substantial
Objective 2

Objective
To assist the borrower to ensure that the urban poor benefit from improved local governance conditions. Substantial

Rationale

Outputs:

- 46% of the poorest and most vulnerable community members reportedly had participated in planning and decision making meetings, as compared with an appraisal target of 40%. However, it is not clear how this percentage was determined.
- 44% of planning and decision making meetings were women, as opposed to a 40% target, but here too it is not clear how this percentage was determined.
- 41% of the adult population reportedly voted in BKM (Board of Community Trustees) elections at the neighborhood level, compared with a target of 30%. According to the ICR (pg. 6), these elections were "conducted transparently without campaigns, based on direct voting and using secret ballots."
- 100% of kelurahans formed BKMs and were notarized versus a target of 90%.
- 100% of kelurahans completed Community Development Plans (CDPs), as compared with a target of 90%.
- 95% (147) of 154 participating local governments provided a minimum of 20% cost-sharing, opposed to a target of 80%.
- 42% of the 796,365 members of community groups (KSMs) were women, compared with a target of 30%.
- 97.6% of Oversight Consultants (OCs) reportedly provided timely and accurate data through the project’s Management Information System (MIS), as opposed to a target of 90%.
- 99% of BKMs (Boards of Community Trustees) completed annual financial audits, compared with a target of 70%.

Outcomes:

- 85% of project beneficiaries reported being satisfied with project-provided services and local level governance, as compared with a target of 80%, based on a quantitative survey and spot checks carried out by a National Management Consultant (MNC).

Summary: While there was no clear outcome indicator to determine the extent to which the urban poor were benefitted from improved local governance, the positive performance in relation to all of the output indicators and the high beneficiary satisfaction rate suggest that this was most likely the case.

Rating
Substantial

5. Efficiency

The PAD did not present any up-front cost-benefit or cost-effectiveness analysis, but argued (para. 49, pg. 17), that similar infrastructure investments carried out in the context of the current project's predecessor, PNPM-Urban I, had produced cost savings of more than 60 percent through community-based implementation compared with the cost of using contractors and government management infrastructure implementation. The project also included as one of its key outcome indicators that infrastructure constructed under the project would be 20% less expensive than that built by non-community based approaches in 80 percent of the participating kelurahans. It determined through spot checks that this had been the case in 94 percent of the kelurahans, or an estimated 5,763 out of a total of 6,121 where project investments occurred. The ICR (paras 50-51, pg. 16) acknowledges that the efficiency of project management was "adversely affected by avoidable delays" in mobilizing contractors and consultants. As indicated in section 2 above, the GFDRR pilot component was also substantially delayed. Performance of the RLF component was disappointing. However, these components represented just a small part of total project costs, the bulk of which were for infrastructure investments (76.4% of the grants to communities and 62.3% of total project costs, including
community development and capacity building and project management), whose implementation was carried out satisfactorily, according to ICR Annex 3, (Table A2.1, pg. 25 and Annex Table 1(a), pg. 22). Efficiency is thus rated Substantial.

**Efficiency Rating**

Substantial

- Outcome Rating

Satisfactory

- Risk to Development Outcome Rating

Modest

**8. Assessment of Bank Performance**
a. Quality-at-Entry

Project quality-at-entry was good and built off the lessons learned from the previous PNPM-Urban I and other CDD-type and urban development projects in Indonesia with which the Bank has had extensive experience in the past. However, the project also included a number of innovations, including improvements in the block grant arrangements that allowed better performing local Community Boards (BKMs) to access larger grants and by integrating natural disaster risk management measures. As observed in section 3b above, the Results Framework was likewise adequate.

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision

Bank supervision benefited from the present project being part of an ongoing set of similar interventions in urban areas in Indonesia and from the presence of virtually the entire supervision team in Jakarta. This was reflected in the early support provided by the team to help resolve problems leading to implementation delays during the initial phases of project execution, especially in terms of budget execution and mobilization of consultants and, in the fact, that supervision costs were comparatively low as they could be shared across several related Bank operations and partially financed with trust fund resources from a PNPM Support Facility, which permitted two full supervision missions a year together with numerous site visits in between. According to the ICR (Annex 4, pg. 27), the Bank staff supervision team was also reinforced with a number of local consultants, particularly for procurement, financial management, and safeguards, most likely as a result of the availability of trust fund resources. Most supervision resources were spent during FY11, which reflects the Bank's support to help the Borrower to get the project firmly off the ground.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The Government strongly supported the project during preparation and implementation and together with local governments financed just over a third (33.7%) of total project costs, representing a larger share than anticipated at appraisal (28.7%). The increased local government share was particularly noteworthy -- 17.1% of actual total costs as compared with an appraisal estimate if 11.7% and more than 95% of those that participated in the project co-financed at least 20% of the local costs from their own resources, indicating strong commitment. However, according to the ICR (para. 63, pg. 19), the central Government could have been "more proactive in preventing delays in budget execution and in the processing and implementation of the GFDRR grant," presumably due primarily to bureaucratic delays, which ultimately required a two-year extension of the project closing date.

Government Performance Rating
Moderately Satisfactory

b. Implementing Agency Performance

The Ministry of Public Works and the Project Implementation Unit (PIU) within it supported the bottom-up community-driven approach utilized by the project as well as the continuous improvement of its M&E system. They were also responsive to complaints and demonstrated flexibility during implementation and strengthened measures to better detect and prevent misuse of funds through development and application of a manual for invoice verification. However, the ICR (para. 64, pg. 20) observes that "stronger management" could have mitigated several problems such as "halting further deterioration" in performance of the Revolving Loan Fund, consultant recruitment delays, and delays in approval of the GFDRR grant. Despite the start-up delays, however, the Bank loan was fully disbursed six months prior to the original closing date.
Implementing Agency Performance Rating  
Moderately Satisfactory  

Overall Borrower Performance Rating  
Moderately Satisfactory  

10. M&E Design, Implementation, & Utilization  

a. M&E Design  
At appraisal a comprehensive Management Information System (MIS) and evaluation design were already in place as a result of the previous PNPM-Urban I project. In addition the PAD included provisions for spot checks and surveys to be undertaken during project implementation in order to supplement the data collected through the MIS. A M&E framework was also specifically designed for the activities to be implemented under the GFDDR grant. As observed in section 3b above, the Results Framework was likewise adequate although no separate outcome indicator was included to assess improvements in local governance and another indicator regarding road access proved to be of limited usefulness because no baseline was undertaken.  

b. M&E Implementation  
The project was well-monitored through the MIS system and spot checks by consultants. The well-functioning complaints system reportedly also played a useful role by responding quickly and effectively to community concerns of various types including proper use of project funds at the local level. In addition, the project financed several evaluation studies including: (i) a process evaluation of the PNPM Urban Program as a whole; (ii) an urban poverty analysis; (iii) a quantitative analysis on the program (which is further described in Annex 5 of the ICR); (iv) a rapid assessment of gender-sensitive CDD and disaster risk management; (v) a rapid appraisal of urban neighborhood upgrading schemes (NUS); and (vi) an assessment of the Poverty Alleviation Partnership Grant (PAPG) mechanism. This is a noteworthy use of a project M&E system.  

c. M&E Utilization  
The M&E system reportedly helped the project to: (i) identify and remedy quality control problems and incorporate better controls as implementation proceeded; (ii) fine-tune the targeting of resources to the areas of greatest needs; (iii) ensure transparency and build public confidence in the openness and fairness of the project; and (iv) determine in tangible terms the benefits it provided to households and communities. According to the ICR (para 27, pg. 10) additionally, the Indonesian Government is now using the project’s MIS to monitor its CDD programs nationwide and the system has been adapted for other projects implemented by the Ministry of Public Works.  

M&E Quality Rating  
High  

11. Other Issues  

a. Safeguards  
Classified in Category B, the project triggered three Bank environmental and social safeguard policies: Environmental Assessment (OP 4.01); Indigenous Peoples (OP 4.10); and Involuntary Resettlement (OP 4.12). Policy frameworks and implementation guidelines were established for all three and were publicly disclosed both at the Bank and in Indonesia (in Bahasa). OP 4.12 was triggered because even though the project did not finance land acquisition, it was expected to -- and did -- receive voluntary land donations (VLDs). Given the small size of its subprojects, most of which cost less that the equivalent of US$ 2,000, environmental and social impacts were expected to be
small and, according to the ICR (para. 28, pg. 10), supervision missions confirmed that this proved to be the case in practice. It also noted that all safeguards were implemented “satisfactorily” during project implementation except the recording of VLDs, which was poor at first but “improved toward the end of implementation.” The ICR fails to clarify why OP 4.10 was triggered but the PAD (para. 62, pg. 20) mentions that, while it was unlikely that Indigenous Peoples would be affected, an Isolated Vulnerable Peoples Framework had been adopted under PNPM-Urban I and the associated Additional Financing (PNPM-Urban II). This framework presumably was also applied to the present project. In a subsequent conversation between the last task team leader and the ICR team leaders and IEG, it was clarified that there was no need to apply this framework in the present project because no indigenous peoples had been found in any of the urban neighborhoods benefited under the project.

b. Fiduciary Compliance

Procurement: While the project reportedly complied with Bank procurement guidelines, procurement performance was rated Moderately Satisfactory throughout implementation due to weaknesses in capacity at the central government level with regard to the preparation of bidding documents and delays caused by incomplete or incorrect documentation. However, community procurement, which accounted for more than two-thirds of project cost, was deemed to have worked well.

Financial Management: The project generally complied with Bank FM requirements at both the central government and community levels, with community-based controls being applied at the latter, which included the certification of community reports, use of oversight consultants, public display of financial reports, and an improved and reportedly effective web-based complaint handling system. Community financial statements were audited annually by official government auditors and 99% of BKMs (Community Boards of Trustees) completed annual financial audits. On the other hand, management of the Revolving Loan Fund was less than satisfactory, and, as a result, overall project FM performance was also rated Moderately Satisfactory at the time the project closed, even though project audits received unqualified opinions.

c. Unintended impacts (Positive or Negative)

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d. Other

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12. Ratings

<table>
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<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
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<tr>
<td>Outcome</td>
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<td>Satisfactory</td>
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<tr>
<td>Risk to Development Outcome</td>
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<tr>
<td>Bank Performance</td>
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<tr>
<td>Borrower Performance</td>
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<td>Moderately Satisfactory</td>
<td>Despite strong commitment and an adequate performance, the Borrower and Implementing Agencies could have been more agile in relation to a number of project elements that impacted on project implementation and caused the need for a two year extension of the closing date.</td>
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<tr>
<td>Quality of ICR</td>
<td>Substantial</td>
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Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

### 13. Lessons

The ICR presents a number of good operational lessons, including the following:

1. **Procurement of Oversight Service Providers (OSPs)** is cost-effective. Through this procurement method, the Implementing Agency was able to provide oversight at a substantially lower cost than if it had used traditional oversight consultants, while the length of the procurement period was reduced by more than half relative to traditional contracting.
2. **Pre-financing block grants**, also known as block grant reimbursement is effective. This also significantly reduced delays in disbursement of block grants compared with the previous PNPN Urban I project.
3. **A systematic invoicing verification procedure** helps prevent misuse of funds. Development and use of a verification manual by the Implementing Agency included random third-party confirmation of expenditures and standard reports, among other improvements.

It also includes a couple of relevant substantive ones:

1. **Performance-based grants** do not necessarily benefit the poor as they may tend to primarily benefit more capable communities with lower comparative poverty levels. Although this approach may help to achieve economies of scale, it also tends to favor higher capacity local urban communities having below-average poverty incidence.
2. **CDD projects** can be utilized effectively to build awareness of natural disaster risks and help communities to boost their capacity to address them. In addition, procedures and processes adopted for disaster risk management in projects such as the present one should be consistent with existing CDD procedures in order to avoid burdening poor communities with further requirements.

Finally, although not specifically mentioned in the ICR, this project's experience points to the importance and usefulness of having a comprehensive and well-functioning program Management Information System (MIS), including for purposes of Monitoring and Evaluation (M&E), in place.

### 14. Assessment Recommended?

No

### 15. Comments on Quality of ICR

The ICR is comprehensive but succinct and of good quality. It correctly identifies a number of comparatively minor project design and implementation shortcomings and provides adequate justification for its proposed ratings that take these shortcomings into account. It also describes well how the present project fits into an ongoing series of Bank-financed projects for the upgrading of poor urban neighborhoods in Indonesia through the largely successful application of a community-based development approach for the identification of local improvement needs and their implementation, while also seeking to boost the participation of project beneficiaries, including women, in planning and decision-making activities in a context of strong national Government ownership. However, the ICR could have provided additional details regarding safeguards performance, particularly with respect to the Indigenous Peoples OP, which is not specifically mentioned, if only to state that it did not prove applicable to the project in practice. In addition, considering that this was a nationwide program involving parts of 19 provinces and some 6,100 local urban communities in a country with a very large population and many dispersed islands, it could have elaborated more on the Bank's supervision strategy and its application given these unique and challenging circumstances.

a. Quality of ICR Rating
Substantial