OED ICR Review
Operations Evaluation Department

1. Project Data:		Date Posted : 03/20/2001		
			Appraisal	Actual
PROJ ID:	P040521			
Project Name :	Second Village Infrastructure Project	Project Costs (US$M)	159.6	138
Country:	Indonesia	Loan/Credit (US$M)	140.1	119.2
Sector(s):	Rural Roads	Cofinancing (US$M)		
L/C Number:	L4100			
		Board Approval (FY)		97
Partners involved :		Closing Date	12/31/1999	07/31/2000

Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives

The main objective of the project was to reduce rural poverty by building small infrastructure in poor villages in Java (including Madura) and Sumatra. Secondary objectives were to increase decentralization and community participation.

b. Components

Village infrastructure works as requested by communities – such as access roads, bridges, water supply schemes, sanitation facilities, drainage, markets, piers or other small works;
- Technical assistance to support design and implementation of schemes; and
- Technical assistance to monitor and evaluate project impacts.

c. Comments on Project Cost, Financing and Dates

Project costs were lower largely due to depreciation of the rupiah. The costs in rupiah were more than twice the original estimate.

3. Achievement of Relevant Objectives:

The project achieved most of its objectives and far exceeded its target. Infrastructure was built in 7,044 villages compared to the intended 2,600.
- The construction of 15,069 km of roads and 42.5 km of bridges provided critical access to poor communities. With new access roads, t ransportation costs are estimated to have decreased by 40%. Also, few villages received electricity connection.
- Clear drinking water available through construction of 8,722 communal water supply units not only improved health but also reduced the time spent on obtaining water.
- Communities access to sanitation improved as 4,877 communal sanitation units were constructed.
- The project encouraged community participation and improved the ability of villagers to undertake public works and to maintain them.
- The field engineers gained valuable experience that can be used in subsequent projects.

4. Significant Outcomes/Impacts:
- The project provided affordable basic infrastructure to poor rural communities in Indonesia.
- The project established procedures for undertaking development works in the villages. These include the delivery of funds to the village with a minimum of leakage and bureaucracy, the accounting for expenses and receipts in the village through standardized bookkeeping and payment

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    procedures, the selection of suppliers, the receipt of materials from
    suppliers or villagers, the control of quality in the field, and the
    promotion of transparency in implementation.
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5. Significant Shortcomings (including non-compliance with safeguard policies):
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Even though the project gave training to villagers on maintenance, inadequate
maintenance may still be a problem, particularly for roads in high sloping
areas.
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6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Highly Satisfactory	Highly Satisfactory	
Institutional Dev .:	High	High	
Sustainability :	Likely	Likely	
Bank Performance :	Highly Satisfactory	Highly Satisfactory	
Borrower Perf .:	Highly Satisfactory	Highly Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:
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The key lessons from this project are:
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  Beneficiaries will take advantage of the opportunities offered by
  programs if: (a) the programs are advertised and communities are well
  informed about their eligibility, and (b) they are involved in program
  design.
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- ```
  For programs covering a large proportion of villages and not just poor
  villages, self-targeting instead of village targeting is preferable as
  self targeting will benefit the poorer segments within villages.
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8. Assessment Recommended? ○ Yes ● No

9. Comments on Quality of ICR:
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ICR's analysis of implementation experience and results and the project
outcome is comprehensive and of high quality. The section on "Transition
Arrangement to Regular Operations" is noteworthy. A table on total cost by
type of infrastructure constructed under the project would have been
extremely useful.
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