

**Indonesia, Sulawesi-Lombok Programme for Earthquake and Tsunami Infrastructure
Reconstruction Assistance (PETRA)
Quarterly Progress Report
January – March 2019**

Sector situation:

The 2019 election has dominated the national landscape throughout the quarter, and to some degree has led to a degree of uncertainty in the Reconstruction and Rehabilitation decision making process for the two Provinces.

In Central Sulawesi the Renaksi has not been finalised and officially approved by the government. This has resulted in the Government extending the transition phase to 24 April 2019. The delay in the Central Sulawesi Renaksi could delay National Government expenditure for reconstruction and rehabilitation.

In NTB, the Renaksi was approved at the end of 2018, and it appears the Government has identified key areas the Government will fund the reconstruction and rehabilitation process. This has provided PETRA greater clarity in defining potential subprojects. The NTB Provincial Government, through *SK Gubernur No 360-161 Tahun 2019*, extended the period from transition to recovery to the 12th April 2019 and potentially be extended again. The main reason for the extension was to better clarify the housing reconstruction process.

UNDP continues to implement its Surge activities in NTB and Central Sulawesi. UNDP is providing support to the two Provincial BPBDs, for example in NTB, undertaking a more detailed analysis of the economic recovery. In Central Sulawesi, a Data and Information Center, has been established. This center will monitor the recovery phase of all stakeholders, including international organisations.

Progress and developments during the Reporting period:

Annex 1 highlights progress to date against each activity. Although progress may appear to be slow, the project has been fully operationalised with most positions, and will complete all recruitment next month, as per the project document. The Environmental and Social Management Framework consultant has been mobilised and a draft report due in April.

BAPPENAS and BNPB have proposed the following eight criteria that must be considered when approving each subproject :

1. The sub project must be included in the RENAKSI;
2. Identified government facilities and infrastructure are assessed as severely damaged;
3. Proposed by the Government agency responsible for the asset and it is not duplicated with other funding sources;

4. Located in a safe location (not on a fault line);
5. The local government confirms the land with Clear and Clean status;
6. Statement of Local/ Regional Government willingness for the removal of assets/ buildings to be reconstructed;
7. Declaration of willingness by the Local/ Regional Government to accept and maintain the assets built; and,
8. Statement of willingness by the Local/ Regional Government that they are responsible for all forms of licensing, e.g. building permits.

The Governments of NTB, East Lombok and North Lombok has submitted a list of potential subprojects for the Project steering committee to review. They include four vocational high schools in North Lombok, one primary health center (Puskesmas) in East Lombok and 9 supporting health facilities (Pustu) in North Lombok.

Indicative projects for Central Sulawesi have been identified, but cannot be officially assessed, as the final Renaksi has not been signed off by the Governor of Central Sulawesi. JICA have confirmed they will fund the construction of the Anutapura Medical Center, while other buildings in the hospital complex could be considered by PETRA for reconstruction. Although the hospital is 170m from the fault line, JICA contracted Engineers have assessed the location as safe for reconstruction. Discussions with the Director General Cipta Karya have resulted in more detailed information on the three potential land fill sites, and confirmed that a regional landfill will not be considered as part of the Renaksi. Critical works for the Palu City and Donggala land fills are the rehabilitation of the leachate pond systems. A number of schools and health facilities have been identified in all 3 earthquake impacted districts. All buildings have been deemed as severely damaged.

PETRA's risk matrix has been finalised (Annex 3). It is expected after the completion of the ESMF, the risk matrix will need to be updated.

Update of time schedule:

Project activities are moving forward in line with the workplan (Annex 4). The project office has been set up and investment projects are being identified.

Costs and Finances:

Although expenditure for the quarter appears to be low (about Euro 28,000 for quarter 1), expenditures will significantly pick up next quarter, as salaries and consultant contracts are completed (Annex 5). Tenders for the Design of the NTB and Central Sulawesi subprojects will be undertaken during the next quarter.

Outlook, recommendations and issues to be decided upon:

The focus for the next quarter will be hold the first steering committee meeting in May. The Steerring Committee will approve the NTB subprojects. Central Sulawesi subprojects will be finalised, as soon as the Renaksi for the three districts in Central Sulawesi is signed by the Governor of Central Sulawesi. This may also in time for the first Steering Committee meeting.

The Environmental and Social Management Framework (ESMF) will be finalised in early May 2019 and shared with KfW for their comments. The ESMF will be integrated into all subproject design and construction activities.

UNDP procurement team will finalise all tender documents, in preparation for releasing a Request for Proposals (RFP) for the design and supervision of the NTB subprojects in early May. This tender should be released in May and a contract awarded in late June 2019. KfW will review the tender process as per CSA. The Central Sulawesi tender process should start in June 2019.

List of annexes:

Annex 1. Qualterly Progress Report Matrix

Annex 2. Risk Analysis

Annex 3. Multi Year Work Plan

Annex 4. Quarterly Disbursement 2019

Annex 1

QUARTERLY PROGRESS REPORT¹

Period: January – March 2019

<i>Vulnerable communities in Central Sulawesi and NTB recover from the impact of the 2018 disasters and are more resilient to withstand future shocks</i>			
<i>Output 1: Rehabilitation and reconstruction of partially and fully damaged infrastructure for provision of critical public services</i>			
Output 1 Financial Data	Financial Delivery Amount (Euro) <i>Cumulative expenditures for the current year (Q1-Q4)</i>		Financial Delivery Rate <i>(% expenditures against the annual budget for output)</i>
		Total Project: € 18,929,170.00	
Output 1 Indicators	Quarter Progress <i>Provide quantitative results for quarter (not cumulative).</i>	Annual Target ¹ <i>Update in Q1 of each year using targets agreed in previous Q4 in annual work plan.</i>	Financial Delivery Amount (EURO) <i>Cumulative expenditures for the current year (Q1-Q4)</i>
1.1 # health units reconstructed or rehabilitated using 'build-back better' construction standards 1.2 # educational establishments reconstructed or rehabilitated using 'build-back better' construction standards 1.3 # of service users that benefit from rehabilitated/ reconstructed health facilities (men and women; girls and boys)	Currently finalizing list of actual buildings to be reconstructed in NTB and Central Sulawesi Provinces.		-
	Currently the list for NTB is as follows:		Financial Delivery Rate <i>(% expenditures against the annual budget for outcome)</i>
	<ul style="list-style-type: none"> • 4 Vocational High Schools (SMK) • 1 Primary Health Facility (Puskesmas) • 9 Supporting Health Facilities (Pustu) 		-

¹ Annual targets refer to the calendar year (rather than project year), and do not depend on when the ProDoc was signed/when the project officially began.

<p>1.4 # of school-age children that benefit from reconstructed or rehabilitated educational facilities</p> <p>1.5 # tonnes of municipal solid waste sustainably disposed of and/or recycled per day, using rehabilitated facilities and newly introduced waste management systems</p> <p>1.6 # of cubic metres of earthquake and tsunami debris recycled by municipal public facilities by the end of the project</p>	<p>As for Central Sulawesi, initial list includes:</p> <ul style="list-style-type: none"> • 8 Vocational High Schools • Anutapura Hospital (building/block to be confirmed) • 4 Primary Health Facilities (Puskesmas) • 1 Supporting Health Facility (Pustu) • 7 Primary Education (4 SD and 3 SMP) school buildings • 1 market structure • 3 landfills 			
Output 1 Activities				
Activity Number	Activity Description	Progress Achieved During Quarter <i>Provide short description of what was undertaken and accomplished</i>	Issues Encountered & Plans to Address Them	Lessons Learned
UNDP Activities				
Activity 1.1	Provide support to the finalization/updating of the Multi-Hazard Risk Assessment and Mapping for Central Sulawesi and Lombok	<p>The Indonesian Geology Agency has undertaken preliminary review of key geological risks in the 2 Provinces.</p> <p>Geology assessment framework is being developed with Geology Agency and detailed site assessments will be undertaken in the next quarter.</p>		
Activity 1.2	Complete a detailed annual investment plan for local recovery, in close consultation with relevant national and local authorities and local communities	<p>BAPPENAS, BNPB and local government has identified initial investment plan for NTB.</p> <p>Indicative investment plan for Central Sulawesi has been identified yet follow up processes are pending for the formalisation of Renaksi.</p>	Main delay has been the due to waiting for Provincial Government of the Central Sulawesi to finalise the Renaksi.	

		Government has finalized selection criteria for sub projects.		
Activity 1.3	Conduct of tendering processes for (a) Civil works design and supervision (stage one) and (b) Construction (stage two) – using 'Build Back' Better principles	Procurement Engineer has been contracted to develop Scope of Services for the design phase.		
Activity 1.4	Civil works/Construction: Contract management and supervision			
Activity 1.5	Provision of equipment to accelerate the restoration and enhancement of critical public services, in close coordination with national and local authorities			
Activity 1.6	Provision of formal and on-the-job training to relevant sub-national authorities and community organizations			

Output 2: Rehabilitation of affected communities' economic infrastructure to promote more resilient and sustainable livelihoods

Output 2 Financial Data	Financial Delivery Amount (Euro) <i>Cumulative expenditures for the current year (Q1-Q4)</i>	Financial Delivery Rate <i>(% expenditures against the annual budget for component)</i>
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		Total Project: € 1,390,498.40		Total Project: 0 %	
Output 2 Indicators		Quarter Progress <i>Provide quantitative results for quarter (not cumulative).</i>	Annual Target <i>Update in Q1 of each year using targets agreed in previous Q4 in annual work plan.</i>	Financial Delivery Amount (Euro) <i>Cumulative expenditures for the current year (Q1-Q4)</i>	
2.1 # km of irrigation canals and drainage in disaster-affected areas rehabilitated or reconstructed for improved agriculture (Donggala and Sigi)		Currently finalizing actual facilities to be reconstructed in NTB and Central Sulawesi		-	
2.2 # of culverts and bridges disaster-affected areas rehabilitated or reconstructed for improved agriculture (Donggala and Sigi)				Euro 0	
2.3 # local markets rehabilitated or reconstructed				Financial Delivery Rate <i>(% expenditures against the annual budget for outcome)</i>	
2.4 # households that benefit from economic infrastructure rehabilitation (men and women), including direct beneficiaries (self-employed; employees) and indirect beneficiaries (consumers/users) – in retail and agriculture				-	
2.5 # newly created jobs in the waste management and recycling ecosystem (collection, sorting, processing retailing), direct and indirect, men and women					
Output 2 Activities					
Activity Number	Activity Description	Progress Achieved During Quarter <i>Provide short description of what was undertaken and accomplished</i>	Issues Encountered & Plans to Address Them	Lessons Learned	
UNDP Activities					

Activity 2.1	Facilitate community-led processes for the identification and prioritization of critical local economic assets (infrastructure) to be recovered	Potential economic assets are currently being identified in both NTB and Central Sulawesi.	Main delay has been the due to waiting for Provincial Government of the Central Sulawesi to finalise the Renaksi.	
Activity 2.2	Conduction of tendering processes for the rehabilitation of prioritized community (economic) infrastructure			
Activity 2.3	Civil works/Construction: Contract management and supervision			
Activity 2.4	Implementation of small scale, cash-for-work schemes through NGOs/CSOs – debris removal and debris management			
Activity 2.5	Design and piloting of a recycling and sorting facility, with the engagement of local authorities and communities	Draft concept note for recycling and sorting facility is currently being prepared.		

Annex 2

RISK ANALYSIS

Project Title: Sulawesi/Lombok Programme for Earthquake and Tsunami Infrastructure Reconstruction Assistance	Award ID: 00116311	Date: 31 st March 2019
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt response	Owner	Submitted , updated by	Last Update	Status
1	Potential environmental risks, especially with the waste management aspects of the project.	18/12/2018	Environmental	Damage to the environment for example the aquifer if the leachate from the waste management facility was not treated appropriately. P = 3 I = 3	Environmental and Social Management Framework to identify and plan for potential risks. Each subproject will have its own environmental and social risk management plan.	Project Manager	Project Manager	31/3/2019	no change
2	Occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	18/12/2018	Environmental	Contaminants during demolition, construction P=3 L=3	Environmental and Social Management Framework to identify and plan for potential risks. Each subproject will have its own environmental and social risk management plan.	Project Manager	Project Manager	31/3/2019	no change

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt response	Owner	Submitted , updated by	Last Update	Status
3	National and sub-national stakeholders do not support PETRA's objectives and are not willing to cooperate.		Political	Project would not be able to identify and restore damaged infrastructure. P = 2 I = 5	Active consultation with the government at all stages of the programme. Seek approval from government on the proposed infrastructure.	Project Manager	Project Manager	31/3/2019	no change
4	Qualified construction companies are not (a) available in the market, (b) interested to engage in the implementation of the various components of the civil works/contracts, and willing to take part in competitive selection process, and (c) are able to provide the required design, construction and supervision services as per required standards, including the required social,		Operational	Poorly constructed infrastructure will place communities at risk P = 3 I = 2	Asking potential companies to submit EOI. Ensure tenders are widely advertised. Prepare detailed RFQs	Project Manager	Project Manager	31/3/2019	no change

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt response	Owner	Submitted , updated by	Last Update	Status
	environmental and safety standards.								
5	Eligible CSOs/NGOs are not able to mobilize communities to support project implementation, including the rehabilitation of community economic infrastructure, and are willing to receive and adhere to UNDP's advice with regards to required social, environmental and safety standards.		Operational	NGOs are not able to engage with the community, or do not have appropriate experience. P = 3 I = 1	Select local NGOs that already have community networks in Palu and Lombok.	Project Manager	Project Manager	31/3/2019	no change
6	Local communities will not engage with the project and develop a sense of ownership for project results, including rehabilitated/reconstructed local community infrastructure.			Community Infrastructure not operated or maintained P = 3 I = 1	Community mobilizer involves communities at all stages of the project cycle.	Community mobilizer	Project Manager	31/3/2019	no change

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mgmt response	Owner	Submitted , updated by	Last Update	Status

Annex 3

MULTI YEAR WORK PLAN

PROJECT COMPONENT	PLANNED ACTIVITIES	TIME SCHEDULE											
		2019				2020				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OUTPUT 1	1.1. Provide support to the finalization/updating of the Multi-Hazard Risk Assessment and Mapping for Central Sulawesi and Lombok												
	1.2. Complete a detailed annual investment plan for local recovery , in close consultation with relevant national and local authorities and local communities												
	1.3. Conduct of tendering processes for (a) Civil works design and supervision (stage one) and (b) Construction (stage two) – using ‘Build Back’ Better principles												
	1.4. Civil works/Construction: Contract management and supervision												
	1.5. Provision of equipment to accelerate the restoration and enhancement of critical public services , in close coordination with national and local authorities												

	1.6. Provision of formal and on-the-job training to relevant sub-national authorities and community organizations												
	MONITORING												
OUTPUT 2	2.1. Facilitate community-led processes for the identification and prioritization of critical local economic assets (infrastructure) to be recovered												
	2.2. Conduction of tendering processes for the rehabilitation of prioritized community (economic) infrastructure												
	2.3. Civil works/Construction: Contract management and supervision												
	2.4. Implementation of small scale, cash-for-work schemes through NGOs/CSOs – debris removal and debris management												
	2.5. Design and piloting of a recycling and sorting facility, with the engagement of local authorities and communities												
	MONITORING												
CROSS-CUTTING	3.1. Set up of Project Management Unit												
	3.2. Project Advisory Committee: Scheduled Meetings	*		*		*		*		*		*	

	3.3. Project audits				**				**				**
	3.4. Evaluation and Final Project Report/ Completion Report												

*Scheduled as two-hour meetings

** Tentative schedule. The actual frequency and timing of Project audits will be determined by UNDP's Office of Audit and Investigations (OAI).

Annex 4

QUARTERLY DISBURSEMENT 2019* figure in EURO

Outputs	Activities	Fund Source	Budget (EURO)	Disbursement	Balance
				Q1 2019	
Output 1: Repair and reconstruction of partially and fully damaged infrastructure for the restoration of critical public service	1.1. Consultancies and technical advisory services	KfW	€ 113,750.00		€ 113,750.00
	1.2 Civil works: Design, Construction and Technical Supervision	KfW	€ 16,740,000.00		€ 16,740,000.00
	1.3 Equipment	KfW	€ 2,000,000.00		€ 2,000,000.00
	1.4 Capacity building, consultation and awareness raising	KfW	€ 75,420.00		€ 75,420.00
	Total		€ 18,929,170.00	€ -	€ 18,929,170.00
Output 2 : Rehabilitation of affected communities' economic infrastructure to promote more resilient and sustainable livelihoods for both men and women	2.1 Consultancies and Technical Assistance Service	KfW	€ 38,500.00		€ 38,500.00
	2.2 Civil Works (Economic Infrastructure): Design, Construction and Supervision	KfW	€ 803,000.00		€ 803,000.00
	2.3 Small scale debris management (Ground preparation for land fill rehabilitation and local employment)	KfW	€ 500,000.00		€ 500,000.00
	2.4 Capacity Building, Consultation and Awareness Raising	KfW	€ 48,998.40		€ 48,998.40
	Total		€ 1,390,498.40	€	€ 1,390,498.40
Output 3: Other Direct Project Costs (Cross Cutting Output 1 and Output3)	3.1 Project Management Unit	KfW	€ 1,915,766.40	€ 28,580.67	€ 1,887,185.73
	3.2 Programme Staff (Project Quality Assurance, Technical Guidance and Support oversight)	KfW	€ 333,929.16		€ 333,929.16
	3.3 Travel (for quality control/supervision; technical support;	KfW	€ 100,320.00		€ 100,320.00

	administrative support, oversight, etc) - Non Consulting Personnel				
	3.4 Other Operating Expenses	KfW	€ 405,000.00		€ 405,000.00
	3.5 Communications and Publications	KfW	€ 24,464.00		€ 24,464.00
	3.6 Evaluation and Audit	KfW	€ 49,000.00		€ 49,000.00
	Total		€ 2,828,479.56	€ 28,580.67	€ 2,799,898.89
	GMS 8%		€ 1,851,852.04	€	€ 1,851,852.04
	Grand Total		€ 25,000,000.00	€ 28,580.67	€ 24,971,419.33

* : The figure of Q1 from January – March,