

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB5577

Project Name	Infrastructure Reconstruction Financing Facility- Additional Financing (IRFF-AF)
Region	East Asia and the Pacific Region
Sector	Sustainable Development - Infrastructure
Project ID	P101785 - P121234
Grants Recipient	Government of Indonesia
Implementing Agency	Ministry of Public Works – Republic of Indonesia Jl. Pattimura No. 20, Kabayoran Baru Jakarta, Indonesia, 12110
Environment Category	[x]A []B []C []FI []TBD
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Introduction

1. The Government of Indonesia (GoI) has requested additional financing (AF) to the Aceh Infrastructure Reconstruction Financing Facility (IRFF) in the amount of US\$36.7 million to finance the reconstruction of key sections of the West Coast Road damaged by the December 2004 tsunami and subsequent earthquake.

Objectives

2. The proposed scaling-up activities are consistent with the current IRFF project development objective to reconstruct/rehabilitate strategic infrastructure and to extend key infrastructure services of adequate quality standards that meet the needs of communities where infrastructure was damaged by the tsunami of 2004 and the subsequent earthquake.

Rationale for Bank Involvement

3. The proposed AF aims at responding to the priority needs of the GoI. It is in line with the country strategy to reconstruct and improve the quality of life of the people of Aceh. The West Coast National Road, along the west coast of Aceh, is the main transport route for goods and services from Banda Aceh along the west coast of Aceh through to West Sumatra. It was substantially destroyed by the 2004 Tsunami and earthquake. The road, with a total length of some 450 km, from Banda Aceh to Tapak Tuan on the West Sumatra border provides essential transport services to 6 districts and district capitals, serving a population of some 900,000. Since there is only one port on the west coast that

can handle cargo of any size, and the inland trans-Aceh transport corridors which could connect the west coast of Aceh to the more advanced facilities on the East coast are climatically and logistically very unreliable, the West Coast National Road provides a vital economic link for Aceh. Reconstruction of the road was a major priority of the national and provincial governments. With support from the central government and donors, arrangements were made to reconstruct the road in sections. Work has been completed on most sections funded by the Multi-donor Trust Fund (MDF) and is well advanced on the section of the road between Banda Aceh and Calang, financed by the US Government and expected to be complete by not later than December 2012.

4. The remaining major section of the road not completed is the section between Calang and Meulaboh from Km. 198 to Km. 248 including the Kuala Bubon Bridge at Km 234. The bridge was totally destroyed, and while the roadway's right of way remains, much of the road structure and pavement have been destroyed. Some sections of the alignment have been temporarily repaired with bitumen overlays, but the cross and longitudinal drainage is mostly non-functional and these sections flood regularly rendering the road impassable and very dangerous to traffic and local communities. In addition, the tsunami and the temporary overlays have caused environmental damage to the local ecosystems. The destroyed Kuala Bubon Bridge has isolated the local community from markets and social services, resulting in social deprivation, and the local ecosystems and tidal waterways seriously damaged.
5. Completing this section of the National road including the bridge is considered a high priority and is expected to directly benefit the livelihoods and access to basic essential services of more than 900,000 inhabitants. Both the Governor of Aceh and the central government highlighted the importance of such a road to the local communities and welcomed support from the MDF.

Project Description:

6. The proposed AF includes the following activities:
 - i. Reconstruction of a major section of the west coast national road between the key cities: Calang and Meulaboh (West Coast Road), from Km 198 to Km 248 including the Kuala Bubon Bridge and related waterway, ecological and environmental restoration. The road would be completed along the existing alignment using the existing right of way and to Indonesia's national roads standards. In addition, specific attention would be given to ensure adequate cross and longitudinal drainage, and the works would include initiatives to restore the ecosystems habitat and local environment, damaged both by tsunami and by temporary works undertaken earlier while providing partial access
 - ii. Engineering and consultant services for design reviews and implementation supervision of the West Coast Road, and program management.

Financing

7. The proposed scaling-up activities will be financed fully through an additional grant from MDF in the amount of US\$36.7 million.

Implementation

8. The overall responsibility for implementation and program management of the proposed AF project would remain at the Ministry of Public Works (MoPW) through the Directorate General of Highways (Bina Marga) which by law is the responsible body for the construction and development of all national roads. A Project Management Unit (PMU) will be created within Bina Marga to oversee the implementation of the project and a Project Implementation Unit (PIU) will be located in Aceh and would be responsible for day to day implementation. The new PMU will be within the Regional Office of National Road I (Balai) in Medan which is under the Directorate General of Highways covering the regions of Aceh, North Sumatra, Jambi and Riau provinces. The PMU would be entrusted to closely coordinate with the Governor of Aceh Office during the implementation and will hire the required consultancy services needed to assist in the implementation of the project including construction supervision and quality assurance.

Sustainability

9. The sustainability of the AF is supported at the design stage by using national road standards with enhanced storm drainage standards to provided added protection for the road embankments from frequent flooding. The designs also include remedial works to stabilize bridge embankments, erosion protection measures as well as ecosystem restoration. The project will provide support for construction supervision, quality assurance services to ensure proper implementation, commissioning and maintenance of the West Coast Road and the Kuala Buboun Bridge. These activities will be supported through the procurement of qualified consultants in the designated areas including procurement, design reviews, construction supervision, quality assurance, safeguards and financial management. The implementation of the project under Bina Marga will support on-job training for provincial staff and in the areas of road design and construction.

Lessons Learned from Past Operations in the Country/Sector

10. A number of lessons were learned from the implementation of the IRFF and other projects in Aceh. These lessons have been incorporated in the AF project design and include:
 - i. Detailed engineering design review is crucial for infrastructure sub-projects to ensure proper design standards are used.
 - ii. Ensure good participation of the local communities and district throughout the various phases of the project design and implementation.
 - iii. Ensure that the project has the necessary resources to provide adequate quality control and quality assurance mechanisms. Quality assurance and safeguard

provisions need to be comprehensively addresses particularly during the stage of preparation. In addition there should be sufficient contingency funds for environmental mitigation measures to be carried out during project implementation.

- iv. Road safety and signage arrangements should be a priority on the new facilities particularly pedestrian crossings, speed restrictions and safety barrier and should be included in the designs
- v. Projects face myriad delays so ample time should be allowed for design and implementation stages.

Safeguard Policies

11. The proposed AF has been classified as Category A in line with the IRFF project, although the proposed activities are all classified Category B. To address environmental impacts and for the small amount of land acquisition needed, the AF project will continue to use the IRFF's environmental and social safeguards frameworks. The road and bridge will require an Environmental Management Plan (EMP) to be completed before the bidding documents are issued. The EMP for the first road section has been completed, reviewed by the Bank, and approved by the Indonesian authorities. The EMPs will be based on a comprehensive Environmental Impact Assessment (EIA) that was completed previously for the entire Calang-Meulaboh national road. Contractor's Environmental Actions Plans (CEAPs) will be prepared as part of the contractor's contract requirements. No Ingenious People are expected to be affected along the existing alignment.

Safeguard Policies Triggered by the Project	Yes	No	OP/BP 4.00
Environmental Assessment (OP/BP 4.01)	X		
Natural Habitats (OP/BP 4.04)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Involuntary Resettlement (OP/BP 4.12)	X		
Indigenous Peoples (OP/BP 4.10)		X	
Forests (OP/BP 4.36)		X	
Safety of Dams (OP/BP 4.37)		X	
Projects in Disputed Areas (OP/BP 7.60)*		X	N/A
Projects on International Waterways (OP/BP 7.50)		X	N/A

Contact point

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* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

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