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iuwash
Indonesia Urban Water, Sanitation, and Hygiene

USAID INDONESIA URBAN WATER SANITATION AND HYGIENE

ANNUAL WORK PLAN PROGRAM YEAR I, 2011



MAY 2011

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Photo Credit: IUWASH Jakarta

Access to clean water for Indonesia's urban poor is a continuing challenge.

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LIST OF ACRONYMS

The following is a list of acronyms commonly used in this report and on the project as a whole.

A DB	Asian Development Bank
AIDAR	A agency for International Development Acquisition Regulations
Akatirta Wiyata Pokja AMPL	Akademi Teknik Tirta Wiyata Kelompok Kerja Air Minum dan Penyehatan Lingkungan / Drinking Water and Environment Health Working Group
AMPL	Air Minum dan Penyehatan Lingkungan / Drinking Water and Environment Health
APBD	Anggaran Pendapatan dan Belanja Daerah/ State Budget
APBN	Anggaran Pendapatan dan Belanja Negara/ State Budget
AusAID	Australian Agency for International Development
BAWASDA	Badan Pengawas Daerah
BCC	Behavior Change Communication Specialis
BPKP	Badan Pengawasan Keuangan dan Pembangunan
BRI	Bank Rakyat Indonesia
BNI	Bank Nasional Indonesia
C1	Component One
C2	Component Two
C3	Component Three
CBOs	Community-based Organizations
CJ	Central Java
COP	Chief of Party
COTR	Contracting Officers Technical Representative
CSOs	Community Service Organizations
CSR	Corporate Social Responsibility
CSS	City-wide Sanitation Services
DAI-ESP	Development Alternatives Inc. -Environmental Services Program
Danareksa	underwriter
DCOP	Deputy Chief of Party
DPRD	Dewan Perwakilan Rakyat Daerah, Regional House of People's Representatives
DWB	DKI Jakarta, West Java and Banten
EJ	East Java
EE	Enabling Environment
EMMP	Environmental Mitigation and Monitoring Plan
ESP	Environmental Services Program
GECs	Grant Evaluation Committees
GIS	Geographic Information Systems
GUC	Grants Under Contract
IBL	Indonesia Business Links
IC	Improved Capacity
IEE	Initial Environmental Examination
IG	Governance Specialist
INDII	Indonesia Infrastructure Initiative
IRs	Intermediate Results
ISSDP	Indonesia Sanitation Sector Development Program

IUWASH	Indonesia Urban Water Sanitation and Hygiene
JICA	Japan International Cooperation Agency
KSR	Kupedes untuk Sambungan Rumah, Kupedes for household connections
KUPEDES	Kredit Umum Pedesaan
LG	Local Government
PKK	Pemberdayaan Kesejahteraan Keluarga
PKS	Perjanjian Kerja Sama
M&E	Monitoring and Evaluation
MBR	Masyarakat Berpenghasilan Rendah low-income communities
MC	Micro-finance Specialist
MCK++	Mandi Cuci Kakus plus plus
MD	Mobilized Demands
MF	Municipal Finance Specialist
MFIs	Micro-Financing Institutions
MoH	Ministry of Health
MoHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MSMHP	Metropolitan Sanitation Management and Health Project
Musrembang	Musyawah Perencanaan Pembangunan
NAD	Nanggroe Aceh Darussalam
NGOs	Non Government Organizations
NRW	Non-revenue Water
NSA	North Sumatra/Aceh
O&M	Operating and Maintenance
PDAM	Perusahaan Daerah Air Minum
Pefindo	Pemerikat Efek Indonesia, ratings firms
PEMDA	Pemerintah Daerah / Local Government
PERPAMSI	Persatuan Perusahaan Air Minum Seluruh Indonesia
PerPres	Peraturan Presiden, Presidential Decree
PII	PT. Penjaminan Infrastruktur Indonesia
PMK	Peraturan Menteri Keuangan, MoF Decree
PMP	Performance Monitoring Plan
PNPM Mandiri	Program Nasional Pemberdayaan Masyarakat Mandiri
Pokja	Kelompok Kerja, working group
Pokja-San	Kelompok Kerja Sanitasi, Sanitation working groups
Posyandu	Pos Pelayanan Terpadu
PPK	Program Pengembangan Kecamatan
PPKM	Program Peningkatan Keberdayaan Masyarakat
PPSP	Percepatan Pembangunan Sanitasi Perkotaan, providing technical assistance to cities committed to improve their urban sanitation strategies
PPP	Public Private Partnership
PTI	Participant Training Info
RW	Rukun Warga, neighborhood unit
SANIMAS	Sanitasi Berbasis Masyarakat
STBM	Sanitasi Total Berbasis Masyarakat, Community-Based Total Sanitation
SMI	PT. Sarana Multi Infrastruktur, financial intermediaries
SSE	South Sulawesi and Eastern Indonesia
TAMIS	Technical and Administrative Management Information System
TFL	Technical Field Liaison
TMG	The Manoff Group

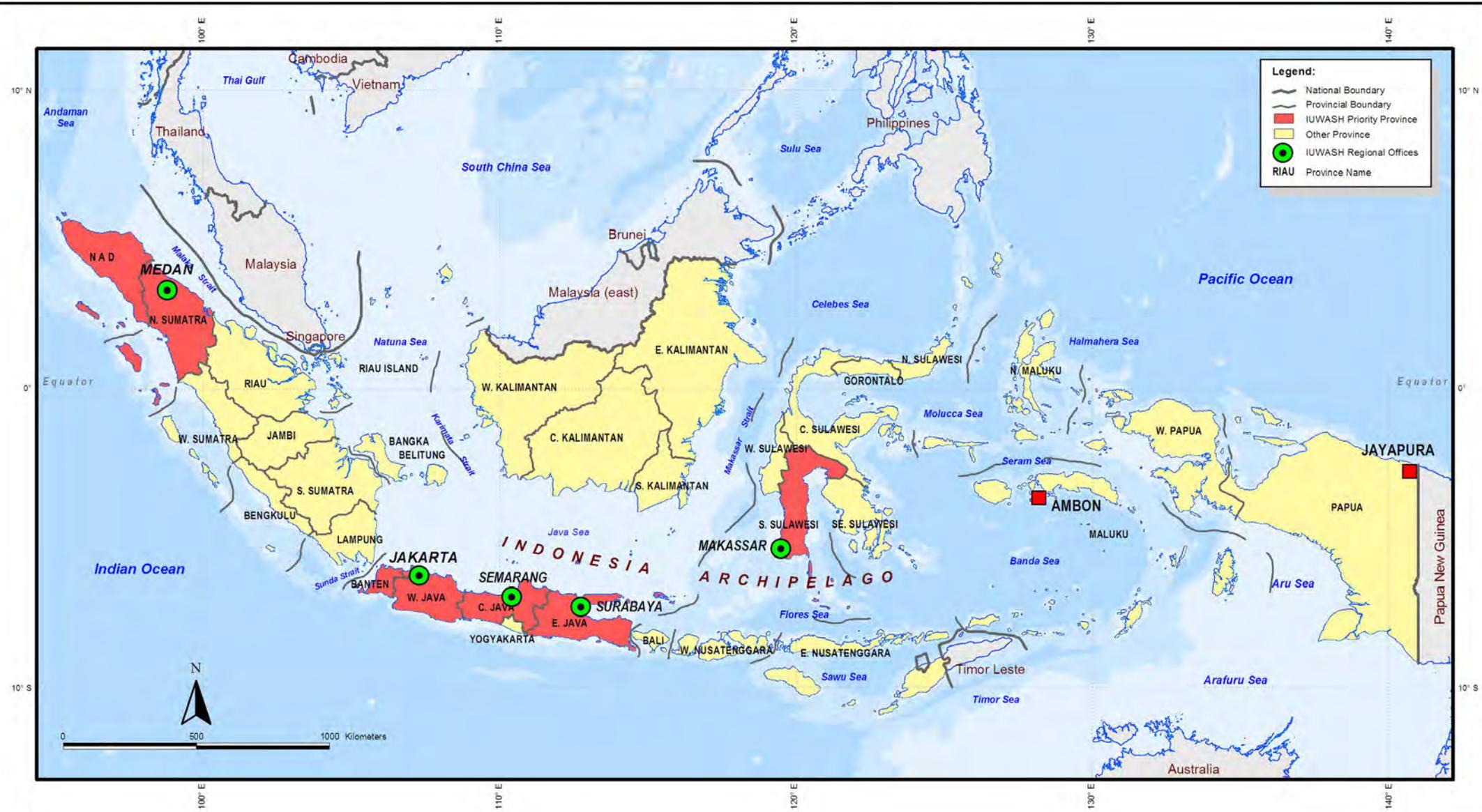
US	Urban Sanitation Specialist
USAID	United States Agency for International Development
UW	Urban Water Specialist
WATSAN	Water & Sanitation
WES	Water, Environment and Sanitation
WR	Water Resource Management Specialist
WSP	Water and Sanitation Program
YLKI	Yayasan Lembaga Konsumen Indonesia



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Program Site Location Map

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Indonesia Urban Water, Sanitation, and Hygiene



I INTRODUCTION

I.1 OVERVIEW OF IUWASH

The USAID Indonesia Urban Water, Sanitation and Hygiene (IUWASH) Project, Contract No. AID-497-C-11-00001, is a sixty-month effort designed to support the Government of Indonesia in making significant progress towards achieving its safe water and sanitation MDG targets by expanding access to these services. The IUWASH Project (or, the “Project”) works with Indonesian government agencies (central, provincial, and local), local government owned water utilities (PDAMs), sector associations, NGOs, communities, universities, and the private sector. With USAID funding of \$33.7 million dollars, the Project is expected to result in the following benefits to Indonesia:

- Two million people in urban areas gain access to improved water supply as a result of US Government assistance;
- 200,000 people in urban areas gain access to improved sanitation facilities as a result of U.S. Government assistance; and
- The per unit water cost paid by the poor in targeted communities decreases by at least 20% through more participatory, transparent, accountable, and financially enabled services.

To contribute to more equitable access, IUWASH emphasizes expanding access among Indonesia’s urban poor, currently those people with the most limited access to these services. To ensure that access improvements are sustained, IUWASH implements activities which contribute to the achievement of three distinct types of intermediate results. These results include:

- Demand for safe drinking water access and improved sanitation increased among urban communities and households with currently unimproved access;
- Improved water and sanitation services provided by the public and private sector institutions in urban areas have sufficient sustainable capacity to meet increased demand; and
- Improved governance and finances create an enabling environment that supports equitable access to safe drinking water and improved sanitation in urban areas.

Corresponding to the above results, there are three technical components of USAID IUWASH Project to increase access to water and sanitation services, which will require different, but mutually reinforcing, initiatives to mobilize demand (Component One), increase capacity for service delivery (Component Two), and improve the enabling environment (Component Three). Outcomes in each component are inextricably linked, and success under one component cannot be achieved if there is not commensurate success in the other two components.

Operationally, IUWASH will be a regionally based project supported by a central office in Jakarta. Regional offices will be located in Medan, Semarang, Surabaya and Makassar, while the Jakarta office will both oversee activities on a national level, as well as serve as a regional hub for West Java. In addition to regional offices, the Project will embed technical specialists in select agencies at the local level to maximize engagement cost-effectively. Working with at least 50 PDAMs to improve access to safe water, and with 30 local governments to improve

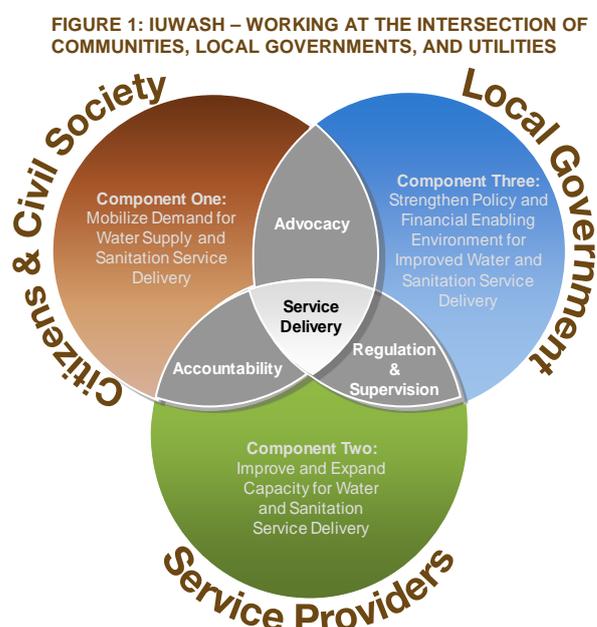
access to adequate sanitation, IUWASH staff will create direct, strong working relationships with key stakeholders at all levels.

To maximize the impact of IUWASH, initial attention will focus on site selection which will consider: local government commitment to water supply and sanitation service expansion, especially among the urban poor; GOI priorities; the potential for establishing “centers of excellence” for use in promoting best practices; and the potential to undertake complementary activities with other USAID projects and other donor initiatives.

1.2 FIVE-YEAR VISION

In the span of five years, the IUWASH team envisions widespread urban water supply and sanitation solutions that are incorporated into national strategies and enable local governments and respective service providers to deliver high-quality, efficient water and sanitation services. The IUWASH team’s strategic approach is to implement all activities through a lens of good governance—whether corporate governance (PDAM operations and service delivery) or democratic governance (local government and civil society engagement). This involves working at the intersection of communities, local governments, and utilities to improve advocacy, accountability and regulation in water and sanitation services delivery (see Figure 1). To do so, the team will apply a demand- and capacity- building approach to improve access by engaging citizens and community groups to demand improved services, while simultaneously building capacity of both PDAM and local governments to deliver and oversee the quality of services. IUWASH will also engage national government agencies to make improvements in the enabling conditions based on lessons learned in the field that will expand impact on a national scale.

The IUWASH focus on governance is not to the exclusion of other areas critical to improved sector performance, such as individual and collective behaviors or the functionality of service delivery systems. Rather, the focus on governance is based on experience and an acute awareness that most challenges faced by the sector are essentially governance related. For example, although PDAM directors can undertake some internal reforms directly, breaking the cycle of underperformance requires local government support through investments and tariff increases to enable the PDAM to sustain service delivery improvements. Throughout implementation, we will emphasize the common thread of good governance, demonstrating how seemingly technical problems (such as NRW or debt restructuring) or community behaviors (such as septic management or open defecation) are inherently governance problems. This means paying greater attention to the role of the local government and the citizens they support in planning, regulating, and monitoring utility performance, while working with relevant national government agencies to mobilize funding and establish minimum standards that will drive improvements in sector services. Improved sector governance also means implementing changes with end-users in mind and involving citizens as active partners as opposed to passive receivers of services. Finally, the team’s approach



will bring to scale sector investments by engaging the array of key stakeholders and central government counterparts in improvements to service delivery.

IUWASH life-of-project (LOP) high-level results and component-level deliverables will lead to realizing the Project's vision set forth above and the basic principles which will guide project implementation to achieve such results and deliverables. The detailed life-of-project results and deliverables are attached in Appendix I.

I.3 FIRST WORK PLAN, MARCH THROUGH SEPTEMBER 2011

The IUWASH Project arrives at an optimal time. Despite generally low levels of water supply and sanitation service coverage, the political momentum to substantially change this situation is growing. With improved governance, accountability, and financing, local governments and their service providers can deliver widespread access to clean water and sanitation to citizens by 2015. IUWASH likewise continues USAID's leadership in improving access to safe water, basic sanitation, and improved household hygiene in Indonesia.

This is the first work plan under IUWASH and is designed to quickly yet methodically seize the opportunity provided by the above. This work plan covers the period of March 03 through September 30, 2011. Though shorter than the annual period originally foreseen in IUWASH's design, the revised timeframe provides the Project several advantages:

- As subsequent work plans will cover annual periods from October through September, it allows the project to align its work planning with USAID's own fiscal year upon which a host of programming and reporting requirements are based;
- In light of important changes in related GOI and donor-funded programs, it provides an opportunity to more fully map out these initiatives, improve project-level understanding of how such resources can be best leveraged, and ensure synchronization of IUWASH with these other initiatives; and
- It allows the project time to undertake a series of formative activities (including staff mobilization, rapid needs assessments in targeted regions, substantive engagement of stakeholders at all levels, and the initiation of baseline data collection work) and, as a consequence, develop a better informed and more responsive work schedule covering subsequent work plan periods.

This work plan presents a plan of action to guide IUWASH through its critical start-up and formative stage. It builds substantially off the experience and lessons learned generated under the precursor Environmental Services Program (ESP) and strives to put into place a solid foundation from which the Project's success can be guaranteed. Important themes of this work plan include:

1. Full and complete mobilization of the Project at all levels, including putting into place the human resources and operational infrastructure necessary for effective implementation;
2. The identification and initiation of rapid start activities that can build from past successes, quickly register results, and inform the Project in further program development;
3. Integration of technical components to ensure that, as designed, the Project takes full advantage of the mutually reinforcing nature of what could otherwise evolve into disparate and unconnected efforts;

4. Clear linkages of all work plan activities to the IUWASH Program Monitoring Plan (PMP) and the Project's targeted outcomes and deliverables;
5. Emphasis from the onset of the project on quality assurance and quality control to ensure excellence in all IUWASH work;
6. Putting into place sound systems for reporting and documentation to best communicate IUWASH activities and lessons learned;
7. Creation of a strong Project team, including the spirit and drive for working together and with others to maximize the potential we have been provided;
8. Establishment of strong relations with our key partners from the GOI, communities, related USAID projects, and other donor initiatives; and
9. Developing a common vision among all of the Project's stakeholders that will guide IUWASH beyond the immediate horizon and establish a clear and confident course over its full five-year duration.

This work plan period has limited targets to be achieved since the activities on the ground are not yet implemented. The detailed targets of this first work plan is attached in Appendix 2.

Subsequent chapters of this work plan include:

Chapter 2, Life-of-Project Results and Deliverables: This chapter provides a description of each high level result contributed to Millennium Development Goals (MDGs), brief description on the relationship of each result with other technical component outcomes, and review of specific targeted outcomes.

Chapter 3, Approach to Component One, Mobilizing Demand for Service Delivery: This chapter provides: a description of general assumptions related to the component and our team's approach to achieving specific component deliverables; a brief description on the relationship of planned activities with other IUWASH components; and a review of specific targeted outcomes, their associated tasks and the relationship of such tasks to other work plan tasks.

Chapter 4, Approach to Component Two, Improving and Expanding Capacity for Service Delivery: This chapter provides: a description of general assumptions related to the component and our team's approach to achieving specific component deliverables; a brief description on the relationship of planned activities with other IUWASH components; and a review of specific targeted outcomes, their associated tasks and the relationship of such tasks to other work plan tasks.

Chapter 5, Approach to Component Three, Strengthening the Enabling Environment: This chapter provides: a description of general assumptions related to the component and our team's approach to achieving specific component deliverables; a brief description on the relationship of planned activities with other IUWASH components; and a review of specific targeted outcomes, their associated tasks and the relationship of such tasks to other work plan tasks.

Chapter 6, Project Management Strategy and Activities: This section details IUWASH's general management strategy, including organizational chart and approach to matrix management; and a detailed description on planned activities in key management areas (start-up and mobilization, program communication, reporting, environmental impact mitigation and monitoring etc.).

Chapter 7, National-Level Technical Activities: This chapter provides a detailed work plan for national-level activities to be undertaken during the work planning period

and which will support the project's achievement, especially at the regional-level, of targeted results and deliverables.

Chapter 8, Regional-Level Technical Activities: This chapter provides for each regional IUWASH location: an introduction to targeted provinces, contextualizing IUWASH's work and development challenges in the region; an overview of issues related to site selection; and a detailed list of tasks and activities to be undertaken during the implementation period covered by this work plan.

2 APPROACH TO HIGH LEVEL RESULTS AND DELIVERABLES

2.1 INTRODUCTION

The IUWASH high level results are the results contributed directly to the achievement of the seventh goal of the Millennium Development Goals of the Government of Indonesia on expanding access to safe water and sanitation services. These results are in line with the Paul Simon Water for the Poor Act of 2005 that prioritizes equitable and sustainable access to safe drinking water and sanitation. Based on this perspective the partnership between the Government of the United States and Government of Indonesia in this sector will yield essential assistance that directly impacts the quality of life of the Indonesian people. To contribute to more equitable access, IUWASH emphasizes expanding services among Indonesia's urban poor. To ensure that improvements are sustained, IUWASH will adhere to a demand-driven approach that is grounded in the priorities of the Central Government as well as local governments. The high level results flow from activities under the Project's three main components:

- Demand for safe drinking water and improved sanitation mobilized among urban communities and households with currently unimproved access. The program activities stimulate demand from both civil society and local governments for improved and increased water supply and sanitation services, which includes making service providers more accountable to the citizens they serve and the local government owners. IUWASH's approach to achieve this result is to give a voice to hidden demand, and to mobilize demand for improved sanitation by creating service demand where previously none existed.
- The capacity to sustainably meet this mobilized demand with improved water and sanitation services built among the public and private sector institutions best placed to provide these services in urban areas. The water and sanitation sector is currently facing several challenges, including poor management, insufficient funding, and operational inefficiencies. To address these issues, IUWASH will increase the capacity of key institutions including the local government, PDAM, civil society, SMEs, and community groups.
- A governance and financial enabling environment created that supports equitable access to safe drinking water and improved sanitation in urban areas. Facilitating an improved enabling environment for water and sanitation services will involve the active participation of local government and parliaments as the owners of water utilities. Recent Indonesian Government programs to improve sanitation also depend on local governments to lead the development and implementation of citywide sanitation plans that support household, community-based, and centralized solutions in accordance with citywide objectives.

The results of the program activities under the components above are targeted to contribute on the achievement of the high level results.

2.2 OVERVIEW OF HIGH LEVEL RESULTS

The Principal mandate of IUWASH is the achievement of four “high level results” (HR) that contribute directly to the Millennium Development Goals of the Government of Indonesia. HR 1 and HR2 focus on the actual number of people that benefit from improved access to water supply and sanitation. HR3 addresses the need for affordable services for the poor in the form of decreased costs that the low income households must pay for access to water supply. The last indicator, HR4, is an additional result proposed by IUWASH concerning the total number of people trained under the Project on issues and approaches that directly impact demand for and access to clean water and sanitation. The matrices provided in each subsection below demonstrate the linkages of each high level result with the outcomes under the respective components.

High Level Result HR-1 People gain access to improved water supply as a result of US Government assistance

High-Level Result HR-1 focuses on the number of people living in urban and peri-urban areas who gain access for the first time to an improved water supply. An improved water supply is defined as clean water that comes from an improved water source. Generally speaking, an improved water source will come in the form of a PDAM connection to the individual household, a master meter connection, or public water facilities.

To reach the total target of increasing access to two million people, IUWASH will promote innovative solutions based upon approaches that have been tested and proven in the field. Several pilot programs will be scaled up by IUWASH during the next five years as follows:

1. Communal connection through Master Meter. Communal/master meters are PDAM connections established at the entrance to a neighborhood from which point community members themselves organize and manage piped water distribution to households, along with payments to PDAMs and internal operations and maintenance. This method of service provision is especially appropriate in poor communities where land titling is problematic. This system is ready to be rolled out on a much larger scale.
2. Micro finance for water supply. One issue directly influencing household-level demand mobilization for piped water supply is the payment of a connection fee. Although most customers can afford connection charges, fees often pose insurmountable obstacles for poorer households. To address this issue, IUWASH will continue to scale up microfinance partnerships first established under ESP that allow for new customers to amortize the cost of a new connection.
3. Output-based Aid. Output-based aid is most appropriately used to help low-income households that cannot afford connection fees, even when amortized over several months with microfinance. During the technical baseline assessment, the team will help local governments and PDAMs identify specific communities and neighborhoods where this approach is appropriate, and facilitate partnerships between the PDAMs and local CSOs to design new water supply projects based on the Hibah model. Using these projects, we will help the local governments prepare and present proposals to take advantage of the Hibah Program.

The target of increasing access to two million people will entail improving modes of access to both non-PDAM and PDAM sources. The non-PDAM water sources will include the following categories:

- Improved access through community based water supply systems; and
- Improvement of unprotected dug well or boreholes to become improved water source.

For non-PDAM sources, the number of people obtaining access to clean water shall be calculated based upon the total number of individuals in IUWASH sties who receive access to improved water supply; this indicator does not apply to total household population in that area, in other words. The development of water supply facilities will include the facilities developed by the IUWASH partners/stakeholders through direct technical assistance, grants, or public private partnership schemes.

In terms of PDAM connections, there are three methodologies to gauge increased access:

1. Number of new connections for all PDAMs in IUWASH cluster, provided that IUWASH support to each PDAM covers the activities explained in more detail under indicator 2.a.
2. Number of new potential connections from PDAMs, whereby IUWASH technical assistance was instrumental in securing alternative financing, but where the connections are not completed yet during in the IUWASH period. As long as the assurance for financing of expansion of new connections is already committed by the local government and/or investor, IUWASH can include the potential connections under this indicator. IUWASH will further develop criteria for the assurance that alternative financing will be obtained and used to increase access to improved water supply and the how many additional people can benefit from first time access to safe water from the secured alternative finance.
3. Number of new connections of PDAMs located outside IUWASH cluster which have received IUWASH support in a specific critical aspect directly related to increased connections by, for example, obtaining financial support or micro-finance for water supply.

The following is a list of the outcomes that contribute to the High Level Result HR-1. Detailed activities under each of the outcomes can be found under the National and Regional work plan descriptions.

Contributed Outcomes to HR-1	
<i>Indicator: Number of people gain access to improved water supply as a result of US Government assistance</i>	
<u>Outcome MD.2</u>	Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation
<u>Outcome IC.1</u>	PDAMs with improved technical, financial and management performance
<u>Outcome IC.4</u>	Local government institutions implementing necessary climate change adaptation measures, on preliminary raw water sources vulnerability assessment
<u>Outcome EE.2</u>	PDAMs / PEMDA obtain access to long-term funding for WATSAN investment plans
<u>Outcome EE.3</u>	Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved WATSAN services
<u>Outcome EE.4</u>	Low income households accessing micro finance for household improvements in WATSAN

High Level Result: HR-2 People gain access to improved sanitation services as a result of US Government assistance

Similar to HRI, High Level Result 2 (HR2) is focused on the number people that actually obtain access to improved sanitation services. The term “people” under this result is defined as individuals who live in urban- and peri urban areas that gain access to improved sanitation facilities for first time. An improved sanitation facility is defined as a facility that uses the proper technology to ensure privacy, personal hygiene, and the avoidance of negative environmental impacts (such as through connections to a public sewer system, connection to a septic system, a pour-flush latrine, simple pit latrine, or ventilated improved pit latrine. Unimproved latrine which is not counted in the USAID Standard Indicators includes public or shared latrines, and bucket latrines. During the implementation of this workplan, and for meaningful project-level monitoring, IUWASH will work to reconcile this definition with that of the GOI.

To reach the total target of 200,000 people with increased access to improved sanitation services, IUWASH will focus on the following mechanisms and improvements:

- Installation and expansion of community-based sanitation facilities;
- Increased number of piped connections to centralized sewerage systems; and
- Improved sludge removal and treatment systems (either centralized or communal).

The development and implementation of sanitation facilities as stated above will, generally speaking, adhere to the following basic steps:

1. Locations identified and agreed upon with Local stakeholders (Government, local communities)
2. Plans and designs developed and agreed upon by stakeholders
3. Community roles and responsibilities defined through workshops and formal training
4. Operation, maintenance and monitoring system established
5. Community Sanitation systems constructed
6. Quality of effluent in accordance to relevant standards

In locations where more traditional types of sanitation are not practical or feasible (due to high land and infrastructure costs or population density, for example), IUWASH will consider alternative facility designs that are better suited to low income areas. The SANIMAS program, for instance, initially promoted only “MCK++,” a multi-family bathing, washing, and latrine facility with advanced wastewater treatment. However, because of its relatively high cost and “one size fits all” design, alternative wastewater treatment systems have now been developed. These include systems that are well-suited to densely populated areas as well as flood-prone areas where houses are constructed above water. In this regard, IUWASH team plans to:

- Support communities, schools, and local governments in mobilizing funds and rolling out appropriate sanitation systems. The funds may come from several sources such as a combination of local and/or national government grants, household contributions (in cash or through micro finance scheme), and CSR funds.
- Support the development of new technologies and pilot programs using grants to universities, small and microenterprises, and local NGOs. IUWASH support will be used to develop and test other low-cost sanitation systems that are technically appropriate and more affordable for poor urban households.

- Promote national sanitation policies such as STBM (*Sanitasi Total Berbasis Masyarakat*) and PPSP (*Program Percepatan Sanitasi Perkotaan*). Collaboration with these important policy initiatives will bolster support at the local level. Further, these initiatives can be directly integrated into broader improvements in City-wide Sanitation Services (CSS). To strengthen the ability of local governments to monitor and evaluate progress in implementing their city sanitation plans, IUWASH will work with the Pokja Sanitasi in program sites to develop systems for annual monitoring of citywide sanitation objectives. This support will assist the Pokja to report to city leaders on progress in implementing their CSSs; identify areas where additional effort is needed to meet CSS objectives; and advocate for funding and support from the mayor, the Regional House of People's Representatives (DPRD), and other local government offices.

Increased access to sanitation facilities will include those facilities developed by IUWASH partners/stakeholders through direct technical assistance, grants, or public private partnership schemes. Planned sanitation infrastructure will also be included in the overall evaluation of increased access provided that IUWASH assistance was instrumental in the leveraging of the financing needed to proceed with the project.

The following is a list of the outcomes that contribute to the achievement of High Level Result HR-2. Detailed activities under each of the outcomes can be found under the National and Regional work plan descriptions.

Contributed Outcomes to HR-2	
Indicator: Number of people gain access to improved sanitation services as a result of US Government assistance	
<u>Outcome MD.2</u>	Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation
<u>Outcome MD.4</u>	Sanitation for the poor toolkit developed
<u>Outcome IC.5</u>	PEMDA implementing integrated sanitation and hygiene interventions that reflect their CSS plans
<u>Outcome IC.6</u>	SME providing affordable construction and sanitation facility management services
<u>Outcome EE.2</u>	PDAMs / PEMDA obtain access to long-term funding for WATSAN investment plans
<u>Outcome EE.3</u>	Percent increased (%) in financial resources accessed by service providers from public and sources for expansion of improved WATSAN services
<u>Outcome EE.4</u>	Low income households accessing micro finance for household improvements in WATSAN

High Level Result: HR-3 The per unit water cost paid by the poor in targeted communities decreases by at least 20% through more participatory, transparent, accountable and financially enabled services

Higher Level Result 3 (HR3) addresses the ability of the poor to pay for their daily water needs. Demand for affordable and safe drinking water is high among the poorest Indonesian households. Surveys show that the urban poor pay on average 10-20% of their monthly income on water. The water that most of these households purchase is expensive or of questionable quality. The challenge, then, is to mobilize this existing demand so that communities can work with water utilities to access more affordable and increasingly high quality piped water services.

The per unit water cost of water under this result is defined as the cost of water consumption per household per month. The determination of whether a household is “poor” shall be based upon the standards of the local jurisdiction. Information will be gathered from targeted IUWASH intervention sites (sampling). The target communities are the communities within IUWASH cities where IUWASH directly supports water for poor programs, such as the program of master meter, micro-finance, water hibah, etc. The communities are in the RW (neighborhood unit) level. A participatory, transparent, and accountable, and financially enabled service is required to be implemented by IUWASH to support the achievement of this result. The service is defined as a process for the provision of support to increase access to improved water services that are highly participatory by the targeted beneficiaries of the program, and, if required, could include subsidized connections (either through master meter, micro-finance, water hibah, etc).

The following is a list of the outcomes that contribute to the achievement of the High Level Result HR-3. Detailed activities under each of the outcomes can be found under the National and Regional work plan descriptions.

Contributed Outcomes to HR-3	
<i>Indicator: Percent decreased (at least 20%) of per unit water cost paid by the poor in targeted communities through more participatory, transparent, accountable and financially enabled services</i>	
<u>Outcome MD.2</u>	Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation
<u>Outcome IC.1</u>	PDAMs with improved technical, financial and management performance
<u>Outcome EE.2</u>	PDAMs / PEMDA obtain access to long-term funding for WATSAN investment plans
<u>Outcome EE.4</u>	Low income households accessing micro finance for household improvements in WATSAN
<u>Outcome EE.5</u>	Local Governments adopt new or improved mechanisms for citizens to engage PEMDA in WATSAN

High Level Result: HR-4 People participated in IUWASH training activities

HR4 represents an additional result proposed by IUWASH in accordance with USAID reporting requirements for Participant Training Information (PTI). Specifically, this result complies with reporting requirements for programmatic training as described under AIDAR 752.242-70. The guidance on how to implement USAID-funded training programs is based on the ADS 253.

The “people” mentioned in this indicator consist of community members, government officers from different levels, private sectors officers, donor agency staff, etc. who participate in IUWASH training activities. The training activities are defined as all types of training related initiatives aimed at increased capacity and understanding of IUWASH programmatic objectives. Illustrative topics may include water supply, sanitation services and hygiene improvement as well as the technical aspect which is related to IUWASH components (demand mobilization, increasing of capacity and providing enable environment).

There are no outcomes that contribute to this result. All the training activities under all IUWASH outcomes will contribute to the achievement of this result.

Contributed Outcomes to HR-4	
<i>Indicator: Number of people trained in IUWASH training activities</i>	
There is no specific task. All the training activities under all IUWASH outcome activities will contribute to this outcome	

3 APPROACH TO COMPONENT ONE, MOBILIZING DEMAND FOR SERVICE DELIVERY

3.1 INTRODUCTION

IUWASH recognizes that comprehensive solutions to improved water and sanitation services in Indonesia will require the active participation of civil society, including community-based organizations (CBOs), community service organizations (CSOs), consumer organizations, and NGOs. While the legal burden of service provision lies with local government, the feedback and engagement of these groups is an obvious corollary to satisfactory, accountable service provision. To obtain the desired level of civil society involvement, however, several important challenges must be overcome. Specifically, three interconnected civil society challenges that IUWASH must address are lack of awareness, lack of representation, and lack of effective feedback mechanisms.

All three challenges are further exacerbated by the pervasiveness of urban poverty. Demand for affordable and safe drinking water is high among the poorest Indonesian households. However, surveys show that the urban poor pay on average 10-20% of their monthly income on water, and the water that most of these households purchase is expensive and/or of questionable quality. The challenge lays on mobilizing this demand so communities can work with water utilities to ensure development of more affordable and higher quality services. In terms of sanitation access, the challenge lays in low household demand or willingness to pay for improvements in the access, a situation significantly encumbered in urban areas where the cost of sanitation improvements is often high and where responsibility for service provision is often considered a household matter.

IUWASH will address these challenges in an integrated manner with other components, by stimulating demand from both civil society and local governments for improved and increased water supply and sanitation services, which includes making service providers more accountable to the citizens they serve and the local government owners. Conceptually, this will be achieved through IUWASH's Component One which addresses demand mobilization and which targets two Intermediate Results (IRs): 1) mobilizing demand for improved water supply reaching 2 million people; and 2) mobilizing demand for improved sanitation reaching 200,000 people. As concerns targeted outcomes under the component, these include:

1. At least 40,000 households willing to pay for sanitation improvements (based on survey evidence or observed increased investments by households and/or communities in improved sanitation facilities).
2. At least 40 civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation.
3. At least 20 civil society groups that report on PDAM or performance.
4. Sanitation for the Poor Toolkit
5. Twenty percent household adapted improved health and hygiene practices

During the first 6 months, Component One will undertake several important formative activities that will set the course for subsequent workplanning periods. Some of the more prominent activities to be undertaken include:

- Completing establishment of the Component One team at the national and regional levels, including staff recruitment, the integration of subcontract capacities, the establishment of support systems, etc.
- Conducting rapid assessments at regional and municipal levels to determine the current status of access to water supply and hygiene services as well as hygiene (WASH) behavior.
- Developing a framework and methodology for establishing baseline data which will be used to measure project performance over the long-term.
- Consulting with a wide range of local partners to identify the current status and means for improving consumer (i.e. civil society) involvement in service delivery planning. An important example includes discussions with targeted PDAMs to examine methods of improving such involvement, such as local water forums.
- Identifying potential partners at the national and local levels, assessing capacity development needs among such partners, and begin defining their specific roles.
- Establish regular collaboration with the USAID-funded "High Five" program implemented by CCP-I, which will implement STBM programming in three urban areas where IUWASH will also be active (Surabaya, Medan and Makassar), while also ensuring clear linkages of these USAID programs with the city-wide sanitation strategies that have or are being developed for these areas.
- Develop an overall IUWASH demand mobilization strategy that will serve as a guide for work under the component, as well as specific strategies for supporting innovative approaches to service delivery. Examples of such approaches include the MOH-led National STBM Program for hygiene related behavior; the Water for the Poor Toolkit; a new Sanitation for the Poor Toolkit; and approaches developed under the earlier ESP program (for communal/master meters, microfinance and Output-Based Aid (Hibah).

3.2 INTEGRATION WITH OTHER IUWASH COMPONENTS

There are many facets of Component 1 that linked directly or indirectly with other project component. The split on community and institution intervention based will help us determining where we separating our work. And along the line, we will contribute to consumer preparation for more transparent and accountable PDAM, readiness for community to use and pay sanitation services, also induce behavior that link with provision of sanitation and water services. It also contributes to the creation enabling environment for the good governance for PDAM.

The engagement of NGOs/CSOs and government staff for water sanitation activities involving community will be linked with Small Grants and or Component 2 and 3.

3.3 OUTCOMES AND WORK PLAN IMPLEMENTATION

Paragraph(s) with description of main outcomes of Component One, followed by detailed explanation of each outcome under this component.

Outcome MD-1 Households willing to pay for sanitation improvements

Outcome MD-1 addresses one of the principal challenges facing the expansion of sanitation facilities in Indonesia, namely, the absence of demand at the household level to pay for improved sanitation facilities and services. Despite the acute health hazards posed by the

persistent pollution of nearby waterways and groundwater, household surveys that include sanitation indicators often report a surprisingly high level of satisfaction with the status quo. At the root of this complacency are low levels of awareness of the risks associated with poor sanitation combined with the lack of incentives for households to change their practices. In a classic example of the tragedy of the commons, households see little to gain from individual investments in sanitation when so much depends on the actions of their neighbors, and, more broadly, their community as a whole.

Recognizing these challenges, the IUWASH approach to boosting demand for improved sanitation will focus on two areas. First, our Outreach and Communications team will implement both community-level promotion and broader multi-media campaigns to heighten awareness levels concerning the dangers of poor sanitation practices and the benefits associated with improved sanitation infrastructure. Such promotional campaigns will provide concrete examples of the benefits of better health and hygiene, seeking to quantify such benefits in monetary terms wherever possible. Campaigns will also appeal to the sense of personal dignity associated with the utilization of improved sanitation facilities.

Second, in the organization of sanitation improvements, IUWASH will emphasize the importance of collective action in order to reap the full benefits of sanitation improvements. Our regional teams will therefore seek to work with communities as a whole to develop a consensus on (1) the need for change, and (2) the most appropriate path to achieve that change.

In terms of monitoring impacts under Outcome MD-1, a “household” is defined as an individual dwelling unit (which may contain one or more families) that is located within an IUWASH community site. “Willingness to pay” will be demonstrated through actual household commitments to pay for sanitation infrastructure improvements, including connection fees to a centralized sewerage system or community-based system, a monthly fee for sludge removal, or construction and installation costs associated with personal or communal sanitation facilities.

Tasks (under MD-1)	
<i>Indicator MD-1: Number of households willing to pay for sanitation services</i>	
Task MD 1.1:	Conduct sanitation baseline study (existing condition, willingness to pay) and rapid assessment on sanitation actors and activities (refer to MD 5.1 and IC 7.1)
Task MD 1.2:	Conduct promotion and socialization on the benefit of improved sanitation services.
Task MD 1.3:	Arrange agreement with households to be connected to improved sanitation system (either individual, community based or centralized).
Task MD 1.4:	Conduct annual survey on sanitation improvement and willingness of the households to pay for sanitation improvement (refer to MD 5.5 and IC 7.3)

During the initial work plan period, IUWASH will focus on obtaining initial baseline data related to willingness to pay for sanitation services improvement at the household level. Under the auspices of the rapid assessment, we will also map sanitation related activities at the municipal level, including the principal stakeholders already active in the sector. Additionally, a review on the BCC approach and tools available in Indonesia will be conducted for future use/reference. This review will also serve as a starting point for communication and coordination with sanitation partners and stakeholders.

Outcome MD-2 Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation

Civil society groups not only play an important advocacy role, but can also be invaluable partners in the implementation of improved water supply and sanitation services. Such groups are critical, for example, in the organization and operation of community-based systems such as master meter schemes and communal septic systems. Toward this end, IUWASH will engage CSO’s under Outcome MD-2 and provide direct capacity building to facilitate the establishment of community-based systems.

In terms of monitoring and evaluation under Outcome MD-2, “civil society groups” and/or “government cadres” are IUWASH partners in prioritized sites that participate in capacity building activities and/or promotional activities led by the IUWASH team on improved access to safe drinking water and adequate sanitation. The civil society groups may consist of NGOs, community groups, universities, etc. while the government cadres are the sanitarians or other type of government officers (extension workers, teachers, etc.) who take a lead on the implementation of the government program on improved access to safe drinking water and adequate sanitation. Notably, one group or cadre may implement more than one program on improved access to safe drinking water and adequate sanitation (different program and/or in different location).

Tasks (under MD-2)	
<i>Indicator MD-2: Number of civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation.</i>	
Task MD 2.1:	Identify potential CSOs and/or government cadres to implement the programs
Task MD 2.2:	Develop module for capacity building of CSOs and/or government cadres
Task MD.2.3:	Capacity building for CSOs and/or government cadres on the topics related to the program
Task MD 2.4:	Assist CSO and/or government cadres to develop plans and design the programs
Task MD 2.5:	Support CSOs and/or government cadres to access co-funding from other sources, such as private sector, local government budget, IUWASH grants program, etc.
Task MD 2.6:	Support civil society organizations and/or government cadres to implement the program, such as installation of community-based and or individual WATSAN systems
Task MD 2.7:	Assist CSO and/or government cadres to share achievements, lessons learned to wider audience

During the work plan period, IUWASH will identify potential civil society and government cadre partners at the national and district levels, evaluate the training needs of these organizations, develop a capacity-building approach (in terms of numbers of organizations to engage each period and the type of assistance to be offered), and develop an overall partnership engagement plan.

Outcome MD-3 Civil society groups that report on PDAM operations or performance

The active participation of civil society to monitor and report on the quality of service provision is fundamental to the achievement of sustainable improvements in water supply services. In this context CSO “reporting” on PDAM activities is defined as regular information exchange between PDAM, local governments and the public, as well as synergies with the Pacific Institute’s Water SMS program which encourages CSO and citizen reporting on system performance issues (refer also to the discussion below on Outcome EE-5 which aims to facilitate local governments adoption of new or improved mechanisms for citizens to engage in water and sanitations sector decision-making). As such, IUWASH will encourage

the development of forums that can provide leadership in the dialogue with service providers and local government officials. Specifically, regular local water forums that bring together communities, civil society organizations (CSOs), elected officials, and service providers to exchange ideas and concerns can serve as a valuable catalyst for change. In order for such forums to be truly effective, however, it is important that they remain relatively independent of the water utility itself. In this regard, IUWASH envisions that CSO's can play an important leadership role and ensure that the forum is not simply an extension of the PDAM itself.

Once local water forums are in place, IUWASH will work to fortify the governance process by equipping them with the knowledge and communication skills needed to engage local government and water utility officials. Many civil society organizations, for example, are unaware that the supervisory board (badan pengawas) of every water utility in the country includes one designated "consumer representative." Thus, linking member CSOs with this board member is one simple yet underutilized means of providing consumer feedback.

In terms of the monitoring of MD-3, civil society groups are defined as existing or newly formed customer forums that are formally accepted as a mediator between the PDAM and the public. These forums may consist of NGOs, community groups, universities, or other types of civil society organizations. Forums will be considered as "reporting" on PDAM operations if/when they conduct regular exchanges of information with the PDAM's management and the local government with regard to aspects of the PDAM operation and performance such as general or specific customer complaints, PDAM expansion and/or rehabilitation plans, billing and collection issues, water conservation measures, leak reduction measures, planned and unplanned water disturbances, etc.

Tasks (under MD-3)	
<i>Indicator MD-3: Number of civil society groups that report on PDAM operations or performance</i>	
Task MD 3.1:	Assess existing CSO that can serve as customer forum to target PDAMs.
Task MD 3.2:	Design capacity building module for advocacy, media relation and customer relation for PDAM, customer forum and others.
Task MD 3.3:	Capacity building on the importance of PDAM customer forum amongst PDAM/PEMDA
Task MD 3.4:	Support CSO and PDAM to develop new customer forum or strengthen existing customer forum
Task MD 3.5:	Assist PDAM and customer forum to access funding to support implementation of planned program
Task MD 3.6:	Promote the lessons learned and best practices of Assist PDAM and customer forum to access funding from other sources to support implementation of the planned program

During the initial work plan period, activities conducted under MD-3 will focus on the assessment of existing water/customer forums in the selected regions, especially the role of civil society in the organization and operation of such forums.

Outcome MD-4 Sanitation for the poor toolkit developed

Building off the experience of USAID-ESP in the development of the "Water for the Poor Toolkit," IUWASH will seek to develop and document a parallel set of approaches to increase access to sanitation facilities for the urban poor. IUWASH Sanitation Specialists will first engage universities, small and microenterprises, and local NGOs in the design and testing of low-cost sanitation systems that are technically appropriate and more affordable for poor urban households. Once a series of best practices emerges, we will collaborate

with partners to development and disseminate the document itself. Generally speaking, this process is as follows:

The development of the toolkit follows several steps as follow;

1. Development of the toolkit outline (collecting existing best practices, examples, etc.)
2. Writing of the toolkit
3. Consultation of the toolkit developed with IUWASH partners
4. Finalization of the toolkit through editing and lay-outing of the toolkit
5. Launching of the toolkit developed

Tasks (under MD-4)
<i>Indicator MD-4: Number of sanitation for the poor toolkit developed</i>
Task MD 4.1: Collect and review existing best practices, examples and tools of sanitation for the poor
Task MD 4.2: Develop toolkit outline and toolkit writing in close collaboration with IUWASH partners
Task MD 4.3: Conduct workshop for toolkit content consultation with IUWASH partners
Task MD 4.4: Finalization of the toolkit (production and launching)
Task MD 4.5: Promote and socialize Sanitation for the Poor toolkit to different stakeholders

During the work plan period the IUWASH National Team will begin the collection and review of existing best practices, case studies, and approaches to increase access to sanitation facilities for low income households.

Outcome MD-5 Household increased adoption of improved hygiene practices

Hygiene promotion and behavior change plans represent a core component of the IUWASH technical approach to support both improved practices in the home and, more broadly, demand mobilization for improved service delivery. Although there is much to accomplish in terms of improving hygiene knowledge, attitudes, and practices in urban Indonesia, important strides in hygiene promotion have been made in recent years. There now exists a solid foundation of formative research, and, importantly, clear policy direction and program planning support as provided under the Community Led Total Sanitation (STBM) and Urban City Sanitation Strategies (CSS) programs. There are additional synergies possible with programs such as the USAID-funded CCP-I "High-Five" program which will implement STBM activities in Medan, Surabaya and Makassar, and likewise important resources available through the recently launched SaniFOAM framework and the Water, Sanitation, and Hygiene Improvement Training Package developed under the USAID Hygiene Improvement Program.

IUWASH hygiene promotion campaigns, then, will build directly off the existing foundation of research, policies, and resources. Further, the design of hygiene campaigns will be done in close coordination with key national stakeholders such as the STBM Secretariat. While the content of hygiene promotion campaigns will be adapted to each region, common elements will likely include: the use of local media, exposure visits and training sessions for journalists; the organization of special promotional activities into local, national, and international events such as National Hand-Washing with Soap Day; the integration of hygiene promotion into existing local and national government programs at schools and clinics; and the use of competition and awards programs.

Additionally, however, the IUWASH approach recognizes that sustainable improvements in hygiene practice are not only the result of educational and awareness-building activities, but they further involve ensuring access to necessary technology and a supporting institutional and policy environment. Hygiene awareness-building efforts will be more successful when, for instance, combined with information on appropriate household-level latrine technology or wat/san-related microfinance.

Tasks (under MD-5)

<i>Indicator MD-5: Percent increased of household that adopted improved hygiene practices</i>

- | |
|--|
| Task MD 5-1: Conduct baseline survey on hygiene practices (refer to MD1.3 and IC 7.1) |
| Task MD 5-2: Develop hygiene related campaign strategy |
| Task MD 5-3: Design campaign materials, include modules and training materials |
| Task MD 5-4: Campaign implementation, including community event, media advocacy, school activities, etc. |
| Task MD 5-5: Conduct annual survey on increased adoption of improved hygiene practices (refer MD 1-4 ; EE 7.3) |
| Task MD 5-6: Promote award mechanism for the most improved hygiene behavior communities |

For the initial work plan period, IUWASH will conduct a baseline survey in IUWASH targeted areas of the extent to which the following key hygiene practices are followed:

1. Households have and use soap for washing hands during 24 hours recall at least at 3 out of 5 critical times (after defecation and before eating, plus one of the following 3: after cleaning a child bottom, before preparing food, and before feeding a child).
2. Households that practice for having improved source of water supply and apply effective water treatment regularly. These practices can further reduce the risk of contamination of their clean water for the drinking water.
3. Households who appropriately disposed of the family members feces in the proper sanitation facilities.

4 APPROACH TO COMPONENT TWO, IMPROVING AND EXPANDING CAPACITY FOR SERVICE DELIVERY

4.1 INTRODUCTION

Component Two is where the results achieved under Component One (Demand Mobilization) and Component Two (Urban Water and Sanitation Governance and Finance) are fully realized at the service delivery level in the form of concrete improvements in the quality and reach of municipal water supply and sanitation services. Such improvements will be achieved by building the operational capacity of local governments and service providers to fully understand and address challenges to increase water and sanitation services to its constituents and customers in the most appropriate, efficient and effective manner. Further, this Component will assist local partners and service providers to identify priority water and sanitation challenges and develop clear action plans for increasing and improving water and sanitation services, as well as work with the local partners throughout the life of the project to ensure that agreed plans are financed and effectively implemented. Although these activities are targeted at the local level, the IUWASH National team will coordinate these efforts with central government ministries and other relevant (donor) agencies to ensure that activities on the ground are consistent with national plans and budget allocations, and that results both feed into national policy and can be rapidly scaled up.

To achieve an improved planning and operational capacity of local service providers, the USAID IUWASH team will provide targeted technical assistance to local water utilities and local government institutions contributing to both sustainable water and sanitation service improvements which addresses the technical, financial, and managerial aspects of water and sanitation services. Building on the successes of previous USAID assistance to improve water utility and local government operational capacity, the USAID IUWASH team will systematically strengthen the capacity of water service providers to become more professional and financially healthy, thereby enabling them to provide high quality service and expand service to new customers, especially the urban poor. With regard to increased access to sanitation in urban areas, the IUWASH team will focus both on strengthening the district and provincial government institutions responsible for the planning and implementation of sanitation infrastructure, as well as the strengthening the capacity and competitiveness of the private sector (small and medium businesses) to support operation of community level sanitation systems.

A critical aspect of Component Two is to build up the performance and reputation of both water utility and local government to be able to leverage substantial financial resources from the central government, donor agencies, and/or the private sector to finance the expansion of water and sanitation services for whole city population, with particular focus on low income communities. The IUWASH team will furthermore build local capacity to scale-up successful piloted schemes initiated previously by USAID or other donor or government financed programs, including output based aid programs, communal metering, micro financing for water supply and sanitation, as well as promote new innovations for specific low income areas that are currently not served.

To sustain and promote the future expansion and replication of IUWASH technical assistance efforts, the Project team will coordinate closely with National Government

ministries and other relevant national and local institutions to support strengthening of national and/or regional-level capacity to continue such work into the future.

4.2 RELATION TO OTHER IUWASH COMPONENTS

The tasks implemented under Component Two are closely related to the other components and, taken together, will achieve the higher results of increase access to safe water and improved sanitation. Collaboration between components starts with identification of the “ideal IUWASH site”, combining committed service providers, active civil society organizations, interested private sector partners, and a progressive local government. Mobilizing the demand for improved service provision—including the utilization of the completed sanitation for the poor toolkit—will be done in close collaboration with Component One, and the necessary improvement in local policies and financing (to implement climate change adaptation plans for raw water sources, for example) will be supported by Component Three outcomes and vice-versa.

One important aspect worth mentioning here is the cluster approach, whereby the positive results of the different IUWASH components are not only shared within one city, but are also disseminated across neighboring cities by both the IUWASH team and local stakeholders themselves. The direct sharing of lessons learned and best practices between service providers and local governments is a hallmark of the IUWASH approach, and will facilitate their acceptance and implementation.

4.3 OUTCOMES AND WORK PLAN IMPLEMENTATION

The following paragraph explains the 7 main outcomes which make up Component Two, including four tasks aimed at increasing the capacity and performance of water supply providers and decision makers, two focused on planning and management capacity to increase access to safe sanitation services, and one outcome to measure the level of satisfaction of low income communities with the improved and increased WATSAN services. The detailed activities under each of the seven outcomes and associated tasks are further outlined in Chapter 7, under the National and five Regional work plans.

Outcome IC-1 PDAMs with improved technical, financial and management performance

Although an increasing number of local water utilities show improved performance, most are still poorly managed and fraught with inefficiencies. PDAM managers face many challenges when trying to improve operations, including: lack of timely and accurate information on operations and finances; inefficient operations characterized by high levels of NRW, interruptions in water service, and inefficient use of electricity; high debts combined with low tariffs that prevent the utilities from reaching full cost recovery; lack of sufficient reliable raw water sources to meet current and future demand; difficulties in extending services to cover urban growth, especially in low-income areas; and poor public relations with media, customers, and owners.

To identify the extent of each challenge and its effect on overall performance, as well as to measure performance changes following technical assistance, the IUWASH team will develop a “**PDAM performance index**” which consists of six key performance aspects: (1) Good Governance; (2) Technical & Operational; (3) Financial (4) Customer Relations; (5) Business and Human Resources Management; and (6) Safeguarding Raw Water Sources. After target

cities are selected, the IUWASH team, together with each PDAM, will determine the PDAM performance index baseline and use this as the starting point for developing an action plan for PDAM improvement with each local government, as the owners of the PDAM.. Changes in the PDAM performance index will be measured annually with results shared with the respective local government and subsequent action plan agreed upon. A PDAM will then be counted under this Outcome if, during the life of the IUWASH project, its performance index has increased by at least 20% from the baseline score. In addition to this qualitative assessment, IUWASH regional staff will regularly collect quantitative information with regard to increases in revenue, total coverage, and connections for low income communities.

All PDAMs in Indonesia have high operating costs, mainly caused by high levels of non-revenue water (on average greater than 45%) and high energy costs (often greater than 20% of operating budgets). Our technical teams will work with PDAMs to make significant improvements in their operating efficiency—measured by lower NRW and energy costs—by providing tailor-made combinations of direct technical assistance and training through local technical institutions such as Akatirta Wiyata, as well as by supporting utility twinning arrangements between PDAMs or through a partnership with ECO-Asia, ADB and specific Dutch water utilities. IUWASH will support PDAM directors and staff in assessing ongoing efforts to improve NRW reduction and lower energy costs and the capacity of staff to carry out these efforts. The IUWASH team will analyze the results and costs/benefits of programs and share the results through workshops and training seminars involving PDAM directors, staff, and local government owners to mobilize interest, commitment, and funding to improve PDAM physical operations.

IUWASH Municipal Finance Specialists will support PDAMs to review and adjust tariffs, including developing of supporting local legislation, with the aim to reach full cost recovery, which will then incorporate a cross-subsidy tariff for low-income communities. The team will also determine the (often low) efficiency of current meter reading and billing systems, recommend improvements, and identify programs where increased investments can result in increased connections.

The governance and customer relation aspects include increased access for low income communities, increased transparency and accountability measures of both PDAM customers and owners, improved mechanisms for handling customer relations (including complaints), and the development of professional corporate plans as the basis of PDAM planning. Where appropriate, the IUWASH technical and governance teams will support local government and/or PDAM with inter-regional/cross-boundary policy issues, such as the avoidance of PDAM splits and joint raw water protection initiatives.

The improvement of all critical performance aspects of targeted PDAMs under the IUWASH program will also directly support the National Government's current strategy on development of water safety plans, because only professional PDAMs with motivated management and staff that carefully manage raw water sources, have minimal water losses, are financially healthy, reach at least 80% coverage of the urban population, and receive fully support by their owners will be able to reach the ultimate goal of providing drinking water to customers.

The following is a list of the eight main tasks to achieve outcome IC-1. Detailed activities under each of the tasks can be found in Chapter 7 under the National and Regional work plan description.

Tasks (under IC-1)	
<i>Indicator IC-1: Number of PDAMs with improved technical, financial and management performance</i>	
Task IC 1-1	Determine baseline of PDAM performance index and agree with PDAM and PEMDA on concrete measures to improve specific aspects of PDAM performance index
Task IC 1-2	Develop and Support improvements in PDAM financial aspect, including full cost recovery, tariff review, billing and accounting systems, financial efficiency and accountability measures
Task IC 1-3	Develop and Support improvements in PDAM technical & operational aspects, including NRW reduction, energy efficiency, water quality improvements
Task IC 1-4	Develop and Support improvements in PDAM customer relation planning and programs
Task IC 1-5	Develop and Support improvements in PDAM good governance, including increased accountability, transparency, pro-poor focus, and service expansion measures
Task IC 1-6	Develop and Support improvements in PDAM business and human resource management, including use of corporate plan, standard operating procedures, staff incentives schemes
Task IC 1-7	Support sharing information and experience among PDAMs, PEMDA and other stakeholders
Task IC 1-8	Conduct annual survey on changes in PDAM performance Index and share results with PDAM and Local Governments (PEMDA, BAWASDA, etc)

During this work plan period, the IUWASH team will conduct all baseline assessment for 20 to 25 selected PDAM, agree with PDAM management and local government on the priority activities to be supported by IUWASH and the necessary commitments from PDAM and local governments, all of which will be documented in a partnership agreement between the local government, the PDAM, and IUWASH. After that, the IUWASH regional team will commence with technical assistance programs, both directly as well as via subcontracts and grants mechanisms.

Outcome IC-2 PDAMs in default of old debts are assisted in restructuring their outstanding debts.

Overhanging debt has constrained the development of water utilities in Indonesia for years, cluttering balance sheets and blocking access to new finance. As recently as 2007, more than half of all PDAMs possessed arrears to the Ministry of Finance, totaling more than 3 trillion Rupiah. To address this serious issue, the Ministry of Finance issued Ministerial Decree 120/PMK.05/2008, setting forth a simplified process for restructuring outstanding debt and regaining sound financial footing. Not surprisingly, the decree was rapidly embraced, as PDAMs sought to take advantage of the streamlined procedures and obtain condition write-offs of non-principal arrears. Over the period of 2009 to 2010, more than 110 PDAMs submitted debt restructuring plans to the Ministry of Finance, with 68 receiving approval as of March 2011. Notably, 25 proposals were also returned to the PDAMs and the local government, with the most commonly cited reasons being failure to reach to reach full cost recovery and insufficient accounting documentation to complete an audit by BPKP.

While the restructuring program was originally scheduled to close in 2009, the Ministry of Finance has indicated that it will continue to accept new debt restructuring proposals until the end of 2012, thereby allowing ample opportunity for PDAMs to submit new or improved business plans. In this regard, IUWASH will follow a demand-driven approach for debt restructuring, providing assistance based on tangible evidence of the utility management's desire to address the arrears and clean up its balance sheet.

For PDAMs that are yet to submit a debt restructuring plan, IUWASH Municipal Finance Specialists will adhere to the following principal steps:

1. Data/Information Gathering from Local government, PDAM, and Ministry of Finance concerning the status of PDAMs debt service;
2. Preparation or revision of the PDAM's Business Plan in accordance with the requirements set forth in PMK 120/2008
3. Presentation/Socialization to Local Government to obtain Letters of Commitment (Bupati/Walikota and DPRD), where applicable.
4. Support PDAM management in submission of Debt Restructuring Proposal to Ministry of Finance; where applicable.
5. Establish robust monitoring mechanism to track progress against targets set forth in business plans, thereby helping to ensure that utilizes can take corrective action if specific targets are shown to be at risk.

Notably, the development of a new Business Plan for debt restructuring provides an ideal entry point to improve the overall governance of the PDAM. More specifically, the decree was crafted in such a way that it addresses not only arrears, but broader management issues as well. For example, the decree requires that tariffs be adjusted to reach cost recovery as well as extensive due diligence in the selection of future directors. Further, the Business Plan document itself must include clear financial, management, and technical targets. Importantly, a letter of support from the local government must also be signed by the district head and attached to the Business Plan, clearly stating that the local government (as the utility's owner) is willing and able to assist the PDAM in the repayment process. This letter implicitly commits the local government to the achievement of the targets set forth in the Business Plan, including the full cost recovery tariff.

For PDAMs that have already submitted and received approval for a debt restructuring proposal, IUWASH will help establish a monitoring mechanism to ensure that the targets set forth in the business plan are achieved accordingly. It is important to note that all write-offs granted under the Decree 120/2008 remain *conditional* until a final review is performed by the Technical Committee approximately two years from the date of Business Plan approval. If the utility has made adequate progress towards its targets, the write-off becomes permanent; if not, there is a possibility that the write-off can be reinstated. Thus, while much focus has been given to the *preparation* of business plans over the past two years, it is equally important that attention be given to their *implementation*. In this regard, in its closing months ESP developed a monitoring tool to assist utilities in easily tracking the progress towards their stated targets. Under IUWASH, Municipal Finance Specialists will scale up the use of this monitoring tool first piloted under ESP to track progress against promised milestones.

Tasks (under IC-2)

Indicator IC-2: Number of PDAMs in default of old debts assisted in debt restructuring

- Task IC 2-1 Conduct assessment on current debt restructuring status of target PDAM
- Task IC 2-2 Assist PDAM preparing and submitting debt restructuring plan in accordance with PMK 120/2008.
- Task IC 2-3 Assist PDAM to establish a monitoring system to ensure that they meet the targets set forth in their approved business plan.

For the initial six-month work plan period, IUWASH will complete an assessment of the current debt restructuring status of selected PDAMs. For those that have already received approval, IUWASH Municipal Finance Specialists will immediately facilitate the set up of

tailored monitoring tools to identify which targets are on track and which targets require greater attention. This analysis will also play an important role in shaping the overall assistance package provided by IUWASH, particularly for the first 18 months of the Project.

Outcome IC-3: PDAMs with improved credit worthiness.

Credit worthiness cannot be derived from any single financial or operational indicator, but is rather a reflection of a utility’s overall performance and, importantly, its approach to mitigating future risks, be it insufficient revenue, sky-rocketing costs, or lack of raw water. To reflect this, IUWASH will design a “credit-worthiness ladder” that identifies concrete steps that a utility can take to increase its attractiveness to external lenders. In developing this tool, IUWASH will consult with key stakeholders such as ratings firms (Pefindo), underwriters (Danareksa), financial intermediaries (PT. SMI), and commercial lenders (BNI, BRI, Provincial Development Banks) to better understand the key characteristics that they will scrutinize when evaluating the feasibility of a potential loan. The creditworthiness ladder will be used to evaluate all PDAM partners on a yearly basis.

For PDAMs who fall in the stronger end of the creditworthiness ladder—and thus may be considering financing from commercial providers or via the capital market—IUWASH will also consider supporting full credit ratings by Pemerinkat Efek Indonesia (Pefindo), the country’s leading credit rating provider. A credit rating can have multiple purposes for a utility, including as (1) *a governance tool* to help utilities understand their weaknesses from the perspective of an independent evaluator; (2) *a monitoring tool* to assist utilities to track improvements over the five year program; and (3) *a marketing tool* to help credit-worthy utilities communicate their borrowing potential to lending institutions and investors. IUWASH support for obtaining credit ratings will be contingent upon co-financing commitments from the utilities themselves.

Tasks (under IC-3)
<i>Indicator IC-3: Number of PDAMs with improved credit worthiness</i>
Task IC 3-1 Develop and test Credit-Worthiness Ladder
Task IC 3-2 Determine Baseline for PDAM Credit-Worthiness
Task IC 3-3 Conduct Annual Survey on changes in PDAM credit-worthiness.
Task IC 3-4 Where applicable, support PDAM to obtain certified credit rating

During this work plan period, the IUWASH Municipal Finance Specialists will consult with Pefindo and a variety of commercial lenders to develop the structure of the “Creditworthiness Ladder”, after which it will be submitted to COTR and, upon approval, shared with relevant national stakeholders (Government ministries, PERPAMSI, multilateral donors) and tested with 1-2 PDAMs in each regions. Additionally, as part of the consultation process, IUWASH also envisions holding a “Creditworthiness Workshop” to introduce initial PDAM and local government partners to the concept of creditworthiness, including a review of the types of criteria that ratings agencies such as Pefindo examine when developing a credit rating.

Outcome IC-4: Local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment.

From the effects of sea-level rise to changing rainfall patterns, freshwater supply in Indonesia is highly sensitive to the impacts of climate change, and assisting local governments and service providers in reducing vulnerability to climate change is critically important to the sustainability of IUWASH activities. PDAMs are on the front line of efforts to mitigate or adapt to the wide-ranging effects of climate change. The Indonesian Government has

budgeted substantial financial resources to assist local governments and PDAMs to secure and protect the raw water supplies needed to meet current and future demand. Accessing these funds, however, requires realistic raw water protection and investment plans and committed support from the local government.

During the life of the project, the IUWASH technical team will support local governments and PDAMs to develop vulnerability assessments to evaluate the threats to current and future raw water sources. The IUWASH approach to conducting vulnerability assessments is modeled after the six-step process defined in USAID’s “Adapting to Climate Variability and Change” guidance manual:

- Step 1: vulnerability screening at all target locations, to be used as a basis for
- Step 2: identifying adaptation options
- Step 3: conducting more in-depth analyses for critical localities.
- Step 4: based on the results of these analyses, workshops with key stakeholders from local government to review adaptation options and assist them in selecting a course of action, ensuring their integration into local government planning and budgeting processes.
- Step 5 and Step 6: Implementing specific adaptation activities evaluating results and impact of these activities under IUWASH will depend in large part on the scope, scale, and resources available for doing so, but, in all events, the IUWASH team will ensure that important adaptation measures remain in the forefront of local government planning processes and, where possible, will assist its local government partners in leveraging the resources required for implementation.

The IUWASH Raw Water Specialist will assist the regional teams to analyze the results of these assessments, identify the PDAMs that face the greatest risks, and contract with local institutes and universities to work with PDAMs and their local governments to develop adaptation/mitigation plans. Axiomatic the success of these plans will be securing the financing necessary to protect existing and new raw water supplies required to meet future demand. Assistance may include exposure visits for PDAM managers and local government officials to PDAMs that already have developed adaption/mitigation plans and taken actions to secure, protect, and better manage raw water supplies.

Tasks (under IC-4)
<i>Indicator IC-4: Number of Local Government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment.</i>
Task IC 4-1 Support PEMDA/PDAM to conduct preliminary raw water sources vulnerability assessments, (current and future demand, quality and quantity risks, protection measures and improvement / expansion plans
Task IC 4-2 Improve PEMDA/PDAM planning capacity to adapt successfully to global and climate induced changes and impacts safeguarding future raw water sources
Task IC 4-3 Assist PEMDA/PDAM to implement Climate Change Adaptation program base on results of the raw water sources vulnerability assessment and improved plans

During this work plan the IUWASH team will commence the preliminary vulnerability assessment of existing PDAM raw water sources, present the results with local governments and PDAM management, and initiate discussions on proposed courses of action.

Outcome IC-5: Local Local Governments implementing integrated sanitation and hygiene interventions that reflect their citywide sanitation strategic plans.

Around 70% of Indonesia’s urban population has access to “improved” sanitation facilities, primarily consisting of individual latrines and septic tanks that directly discharge into the

groundwater. However the term “improved” should be used loosely here, because many septic tanks are poorly designed, badly constructed, and prone to overflow into storm drains. Open defecation is still practiced by an estimated 17% of the urban population. A quickly growing number of local government leaders recognize that sanitation poses a serious problem, and are now requesting support from Central Government Ministries and donors to support them with development of city sanitation strategies and action plans. The Central Government has embarked on a nation-wide program (*Percepatan Pembangunan Sanitasi Perkotaan*, or *PPSP*) providing technical assistance to cities committed to improve their urban sanitation strategies. The USAID IUWASH program will fully support this initiative and will implement the prescribed strategy in each target city. In addition to the PPSP program, the National Government is also implementing a National Community-Based Total Sanitation Strategy (*Sanitasi Total Berbasis Masyarakat*, or *STBM*) that includes the five pillars of diarrhea prevention. While STBM initially targeted mainly in rural areas, it has recently become a crucial component of the city sanitation strategy approach.

IUWASH efforts concerning integrated sanitation and hygiene interventions will focus on the following four areas:

- (1) City Sanitation Strategy development and further implementation, depending on needs/demands in each target city through local sanitation working groups (Pokja-San or Pokja/AMPL). This program will include reviewing and updating of existing strategies, where required, and/or support in development of project memorandum, which includes developing funding proposals to local, provincial, and central ministries that leverage financing for sanitation infrastructure investments. Additionally, IUWASH will also support the design and implementation of a community-based total sanitation strategy if it is not yet included in the broader municipal sanitation strategy.
- (2) Increase house connections for cities that already have a working sewerage system. In collaboration with the responsible service provider, IUWASH regional teams will seek to boost sewerage connections through promotion and marketing campaigns as well as the introduction of government subsidies combined with micro-finance to reduce the burden of up-front payment of connection fees and in-house plumbing costs.
- (3) Improve local septage management systems (septic sludge collection and treatment). Through discussions with local, provincial and national stakeholders, IUWASH will document current and best practices and support comparative studies to identify possible improvements in collection, payment systems, and supporting legislation. This will also include a review of outsourcing sludge collection to the local private sector (under Outcome IC-6).
- (4) Development of community based sanitation systems, with local partners (Government cadres and Local CBO's). Where centralized systems are not yet available or appropriate, IUWASH will build off past experience under ESP to establish community-based systems that are funded through a combination of central, provincial and local governments budgets, IUWASH grants, and private sector contributions (CSR). When designing these systems, we will consider the possibility of connecting CBS systems to (future) centralized sewerage systems in order to reduce investment and operating and maintenance (O&M) costs.

Tasks (under IC-5)

Indicator IC-5: Number of Local Governments implementing integrated sanitation and hygiene interventions that reflect their citywide sanitation strategic plans

- Task IC 5-1 Promote National Policies to PEMDA on acceleration of urban sanitation development
- Task IC 5-2 Assess the status of City-wide Sanitation Strategies (CSS) developed in IUWASH cities/regions
- Task IC 5-3 Improve local planning and implementation of CSS through technical assistance to multi-stakeholder Sanitation Working Groups
- Task IC 5-4 Engage local governments in implementation of National STBM as part of CSS implementation
- Task IC 5-5 Implement innovative and low-cost sanitation solutions linked to CSS and STBM

Under this work plan period, the IUWASH regional teams will evaluate the current status of city sanitation strategies and policies, including the establishment of Sanitation Working Groups, the addition of STBM within city policies, the status of septage management, and the opportunities to mobilize finance for rapid replication of community based systems.

Outcome IC-6: Small and medium business providing affordable construction and sanitation facility management services

Small and medium enterprises (SME) represent important partners in the development of affordable sanitation facilities for individual households or communities. Under Outcome IC-6, IUWASH support will seek to bolster to important role of small businesses in the sanitation sector by providing training on the installation, operations, and maintenance of on-site household and/or communal sanitation systems, as well as provide marketing support to increase the visibility of these businesses. In terms of improved oversight and policies, IUWASH will also work with local governments to develop minimum certification procedures for operations as well as regulations that make regular desludging compulsory. Additionally, we will also promote simple household payment systems that, importantly, pay collection companies only after they deliver septage to appropriate treatment facilities. If required IUWASH team can identify opportunities for provision of micro-credit for SMEs to develop their ‘affordable sanitation business.’”

SME support to low income communities can be in form of operating affordable desludging services, construction of affordable communal- or household sanitation facilities with flexible payment terms.

Tasks (under IC-6)

Indicator IC-6: Number of SME providing affordable construction and sanitation facility management services

- Task IC 6-1 Assess current experience and lessons learned on sanitation marketing for SME
- Task IC 6-2 Assess potential SMEs that have expertise on working in sanitation sector
- Task IC 6-3 Design modules for SME capacity building on social marketing and program implementation
- Task IC 6-4 Capacity building for SMEs to develop and provide appropriate / affordable improvements to household and/or community based sanitation facilities
- Task IC 6-5 Provide technical assistant to SMEs on development of improved sanitation facilities
- Task IC 6-7 Promote the results of the program on improved sanitation program by SMEs

During this work plan period, IUWASH National and Regional teams will focus on activities under Tasks IC6-1 and IC 6-2, assessing current experiences and lesson learned from previous and ongoing government and/or donor programs, as well as discussing with Central Government options for improving septic sludge management by involving the private sector. At the regional level, IUWASH teams will work with stakeholders to identify potential SMEs

that are interested to participate in efforts to rapidly increase and improve sanitation services, whether from the supply-side or demand-side.

Outcome IC-7 Poor residents in targeted communities report greater satisfaction with WATSAN services.

Outcome IC-7 is one of several outcomes across the three IUWASH Components that measure willingness to pay, satisfaction, and involvement of poor communities regarding the improved services they will obtain as a direct result of IUWASH intervention. Poor residents under the IUWASH program are defined as the population within targeted communities who are considered as MBR (Masyarakat Berpendapatan Rendah) according to Indonesian Government standards. The “greater satisfaction” will be obtained from annual household surveys conducted by IUWASH and/or local partners for each target community after it has been selected under another outcome (to improve sanitation or water services, use of communal meters, micro-finance, small grants intervention, etc).

The initial household survey will be used as the baseline and subsequent annual surveys will be used not only to measure increased satisfaction for this indicator, but more importantly as a monitoring and planning tool for the local partners in each community (government cadres, local NGO’s, etc).

Tasks (under IC-7)	
<i>Indicator IC-7: Increased percentage (%) of poor residents in targeted communities</i>	
Task IC 7-1	Conduct baseline survey on satisfaction by poor communities with WATSAN services (refer to MD.1.3 and MD 5.1)
Task IC 7-2	Capacity building to support the development of mechanism for poor resident to report greater satisfaction with WATSAN services
Task IC 7-3	Conduct annual survey on satisfactory by poor (refer to MD.1.4 and MD 5.5)

During this work plan period the National IUWASH team will develop the baseline survey criteria and questions in combination with other relevant outcomes, which also include target community baseline determination. Once a target community has been identified in one of IUWASH selected locations, the regional team will work with local partners—such as local government cadres, local NGOs, local communities, etc—to implement the baseline assessment.

5 APPROACH TO COMPONENT THREE, STRENGTHENING THE ENABLING ENVIRONMENT

5.1 INTRODUCTION

A supportive enabling environment is axiomatic to improvements in the provision of water supply and sanitation services in Indonesia. Towards this end, Component Three of the USAID-IUWASH Project seeks to address two weaknesses that continue to hamper water and sanitation service provision: (1) policy and political constraints at the local government level, and (2) a persistent deficiency of macro- and micro-level financing for service improvement and expansion.

Law 32/2004 and Law 33/2004 clearly place the responsibility of water supply and sanitation services in the hands of local government, making their leadership and support critical as the country strives to meet the Millennium Development Goals. Indeed, success stories from around Indonesia feature local governments that have undertaken reforms and invested in their PDAMs to improve water services. Recent Indonesian Government programs to improve sanitation also depend on local governments to lead the development and implementation of citywide sanitation plans that support household, community-based, and centralized solutions in accordance with citywide objectives. And while good PDAM managers can make significant internal changes resulting in better services and operations, they require the full support and commitment of their supervisory boards, local governments, and parliaments to sustain changes and extend infrastructure to meet burgeoning demand. As such, under the auspices of Component Three, the Project will facilitate improved governance in the water and sanitation sectors by working with local government leaders to build political support, encourage policy reform, and strengthen citizen and community planning and monitoring.

Closely related to the fostering of a supportive political environment is the overwhelming need for increased investment in the water and sanitation sector. Public infrastructure investment declined to paltry levels over the first decade of decentralization, leaving many municipalities struggling to meet the basic needs of their citizens. In the water sector, for example, the on-lending of multilateral funds—the mainstay of water sector financing—came to a virtual halt during this period. Fortunately, a wave of new policies from the central level (such as Presidential Decree No. 29/2009) is now beginning to draw investment back to the sector.

USAID-IUWASH will build off of these policy improvements to assist local governments in upping their investments in the water supply and sanitation sector, whether for targeted service improvements or the construction of new infrastructure. Importantly, the Project will not seek to promote a specific form of financing (i.e. commercial bank loans, municipal bonds, or donor funding), but will instead work with each local government and its PDAM to (1) develop a complete picture of its financial status, (2) clearly define needs and objectives for the short term and long term, and (3) carefully weigh the advantages and disadvantages of each form of available funding.

In sum, progress under Component Three in the form of strengthened local governance processes combined with an increased flow of funds into the wat/san sector is expected to

assist Indonesia in making solid gains towards the achievement of the MDGs as well as ensure the long-term sustainability of IUWASH impacts more broadly.

5.2 RELATION TO OTHER IUWASH COMPONENTS

The practical and results-oriented approach to wat/san governance implemented under Component Three (C3) builds upon the proposed implementation strategies of Component One (C1) and Component Two (C2). Specific examples of the inter-component linkages are as follows:

- Good governance in the wat/san sector cannot be fully realized without increased awareness at the local level. Thus, the Project's efforts to strengthen local governance processes under C3 will benefit directly from the bolstered citizen knowledge engendered under C1. Further, advocacy efforts undertaken under C1 will directly support a key C3 objective of greater priority being put on water and sanitation services through public policies and budgets.
- Increased investment in water supply and sanitation services is heavily dependent upon improvements in the operating fundamentals of service providers. Financiers—be they commercial banks, multilateral lenders, or central government ministries—are not interested in injecting funds into poorly managed providers. Thus, attracting funds under C3 is inextricably linked to improvements made under C2 to shore up the technical and operational performance of service providers and improve creditworthiness in the eyes of investors.

Conversely, C3 also contributes directly to the approaches and objectives of Components One and Two. Greater transparency, leadership, and responsiveness on the part of local government institutions, for example, will further engender the citizen awareness and behavior change sought under C1. Similarly, investments in the upgrading or replacement of ailing infrastructure under C3 will help service providers to enhance service delivery by, for example, eliminating the leakages that diminish water pressure at the tap.

5.3 OUTCOMES AND WORK PLAN IMPLEMENTATION

The following subsections explain the five main outcomes and 23 associated tasks that make up Component Three, including one outcome for improved local policies and budgets, two outcomes addressing macro-level financing needs, one outcome for micro-level financing mechanisms, and a final outcome for citizen engagement mechanisms. The detailed activities under each of the tasks are further outlined in Chapter 7, under the National and Regional work plans.

Outcome EE-1: Participating local governments put greater priority on safe wat/san through supportive local policies and budget allocation increases

Annual planning and budgeting as well as broader policy formulation are at the heart of the governance process. The five tasks under Outcome EE-1 are therefore aimed at the prioritization of water supply and sanitation services within these processes through a combination of (1) increased awareness through advocacy and training, (2) collaborative planning approaches, and (3) the strengthening of monitoring and oversight mechanisms.

Fundamental to the prioritization of water supply and sanitation issues in local government plans and budgets is bolstered awareness of the needs and challenges facing the sector on the part of civil servants and representatives. Simply put, it is difficult to legislate what you do not understand. Toward this end, IUWASH will work with local governments and legislatures to organize interactive review sessions that address the basics of good governance in the sector and deliver an informative assessment of the needs of their district. More specifically, such “primers” on water and sanitation service provision will include the logic of water and sanitation as a public good, the organization of utilities under existing laws and regulations, the technical and financial aspects of service provision, and common challenges facing the sector locally. Importantly, IUWASH will define in this workplan period exactly how such reviews will be organized (whether or not separate sessions are required for legislative and executive branches, the depth to which issues will be reviewed per audience, expected follow-on activities, etc.), IUWASH further understands the critical role that local political champions can play as concerns sector reform, as well as their role in the local *Musrenbang* process and forums on sector issues with CSOs and the general public. IUWASH will develop a strategy for identifying and supporting such champions, along with CSOs which will be encouraged to pro-actively engage local legislatures on key sector issues.

Because the majority of DPRD members have little to no experience in public service provision, the review will serve as a *first step* toward achieving improved governance via more informed decision making.

Secondly, to be effective, heightened awareness must be complemented by improved collaborative planning processes. At the PDAM level, for example, collaborative planning generally consists of one or two stakeholder workshops held during the five-year Business Planning cycle and an annual work plan session hosted by the local parliament, which is often more of a presentation than a genuine planning exercise. IUWASH Governance Specialists will consider ways to improve planning mechanisms, such as through the regular implementation of quarterly workshops between PDAMs, local government, local parliament, and civil society representatives to discuss ongoing progress, plans, targets, and critical issues. Further, at the community level, the Project team will seek to build on existing platforms—such as the *Musrenbang* and Water Forums—to institutionalize joint planning sessions. Efforts to highlight the mutual benefits of joint planning will be a priority, since sustainability of joint planning is fundamentally tied to incentives to collaborate at the crucial planning phase.

Thirdly, to help ensure that policy modifications and planned investments materialize, IUWASH will seek to boost the monitoring and evaluation of the water supply and sanitation sector. For example, IUWASH Governance Specialists will engage the BAWASDA (the local government internal audit agency) with a view towards strengthening its role and responsibilities within the local government sphere with regard to accountability, transparency, and public participation.

Finally, it is important to note that during the workplan period, IUWASH will further refine the strategy for ensuring that local governments place greater priority on safe water supply and sanitation services through supportive policies and budget allocation increases. Attention will be especially focused on calibrating the manner in which the various key actors (executive branch, Badan Pengawas PDAM, local legislature, and BAWASDA) are engaged and supported.

Tasks (Under EE-1)

Indicator EE-1: Number of participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases

- Task EE 1-1 Assess existing policies and budget allocation to improve WATSAN services by PEMDA.
- Task EE 1-2 Supporting agreed advocacy efforts to expand political support for improving WATSAN access in urban settings among governments and legislatures bodies at local, regional and national level
- Task EE 1-3 Support Local governments to improve agreed upon reform policy related to increased priority of the governments to support improved WATSAN services
- Task EE 1-4 Support Local governments on budget planning to allocate increased budget for WATSAN services
- Task EE 1-5 Improve/strengthen PEMDA (Bawasda) oversight responsibility toward PDAM, including management, recruitment, regulations and performance

Regarding the initial work plan period, IUWASH will focus its efforts on Task EE 1.1. Following the site selection process, we will conduct a review of existing policies and budgets to establish baseline measures as well as identify existing policy gaps. This review will also provide an opportunity to evaluate how each PEMDA has defined the roles and responsibilities in the planning and budgeting process of major stakeholders, including the *Dewan Pengawas PDAM*, BAWASDA, DPRD, and civil society.

In addition, as part of the initial advocacy and awareness building process within the local government, IUWASH regional teams will utilize the results of the review to develop a briefing document for the local government and PEMDA on the “State of Water Supply and Sanitation Services” within their jurisdiction. This briefing document will serve as a starting point for collaboration and planning.

Outcome EE-2: PDAMs or local governments obtain access to long-term funding for water or sanitation investment plans

As noted in the introduction, insufficient access to long-term financing has greatly constrained the expansion of water supply and sanitation infrastructure over the last decade. Sub-loans sourced from international donors and channeled through the Ministry of Finance—the “traditional” source of funding for PDAMs prior to the economic crisis—have essentially disappeared. What was once a steady flow of money (with an average of approximately 30 sub-loan agreements in redemption each year) has slowed to a trickle. Further, accessing funds from domestic sources—both commercial banks and the capital markets—has remained challenging, with only a handful of the larger, most affluent utilities obtaining project financing.

Fortunately, given increasing awareness of the barriers faced by service providers, the Central Government initiated a series of new policy initiatives over the past few years in both the water and sanitation sectors. Concerning the water sector, for example, the GOI’s three-pronged policy approach of debt restructuring (Ministerial Decree 120/2008), out-put based aid for new household connections (Ministerial Decree 168/2008), and subsidies for commercial loans (Presidential Decree 29/2009) hold definite promise for increasing the flow of funds to water utilities. In 2010, the Ministry of Public Works also began evaluating the potential of bond issuances by water utilities based on the work of USAID-ESP in Kabupaten Bogor. Importantly, however, the impact and role of all of these initiatives continues to evolve, with multiple ministries and donors actively pursuing solutions both in tandem as well as, unfortunately, in isolation. Thus, close coordination and flexibility to respond to unforeseen opportunities and challenges are integral to the overall IUWASH approach.

Regarding the strategy for EE-2, then, IUWASH will utilize a holistic approach to the identification of long-term funding options for its local government partners and service providers. Per the proposed task structure, our municipal finance specialists will work with local governments to: (1) facilitate a consensus on investment needs; (2) develop investment plans to meet those needs, including the consideration of a broad spectrum of financing options; (3) socialization of investment plans and cost-benefit analysis within the local government, parliament, and the service provider, thereby developing a consensus on the appropriate financing path; and (4) facilitation of final funding commitment, be it in the form of public funding (such as DAK, APBD, and APBN), private funding (such as commercial banks via PerPres 29/2009), or supplier credit.

Throughout the process, IUWASH Finance and Governance Specialists will serve as intermediaries between the local government (and its PDAM) and key offices within the Ministry of Finance and Public Works as well as commercial lenders. This “bridging” role is of particular importance as with commercial banks, for example, where the analysis and support of an independent third party can be a key factor in assuaging lender trepidation, particularly in an unexplored sector such as water supply. Regardless of the source of funding, however, local government stakeholders will be consulted from the outset, thereby minimizing surprises when the time comes for the approval and allocation of funds.

Tasks (Under EE-2)

Indicator EE-2: Number of PDAMs or local governments obtain access to long-term funding for water or sanitation investment plans.

- Task EE 2-1 Identify needs of project/investment and obtain preliminary consensus agreed by relevant stakeholders
- Task EE 2-2 Develop investment plans that accompanied by feasibility study
- Task EE 2-3 Present and socialize the investment plans and the result of feasibility study among relevant stakeholders and develop consensus on appropriate financing path
- Task EE 2-4 Facilitate funding commitments through (a) allocation of public fund; (b) commercial financing agreement; (c) debt obligation; (d) donor fund allocation

Concerning the initial work plan period, IUWASH will focus on the identification of investment needs, specifically to inform than planning process as local governments compile their budgets for 2012. As part of the rapid assessment, we will also develop a complete picture of the fiscal condition of both the local government and its PDAM in order to understand what precursory actions may be required to lay the foundation for subsequent financing, such as a tariff adjustment or detailed feasibility study.

At the national level, the Finance and Governance Advisor will also meet with GOI partners, commercial lenders, and donors to more fully understand and document the current policy environment and ascertain the evolving roles of multilateral and bilateral donors. Priority issues for exploration include the proposed changes to PerPres 29/2009, the evolving role of PT. Sarana Multi Infrastruktur (SMI), the recent establishment of PT. Penjaminan Infrastruktur Indonesia (PII), planned municipal bond issuances, and the increasing interest of commercial lenders such as Bank Rakyat Indonesia, Bank Negara Indonesia, and the District Development Banks (*Bank Pembangunan Daerah*) in the financing of water supply projects.

Outcome EE-3: Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved wat/san services

Closely related to access to long-term infrastructure funding under Outcome EE-2, Outcome EE-3 will monitor the overall levels of financing accessed by service providers to improve and expand water supply and sanitation services. These financial resources may

come in the form of public funding (such as through the APBD, APBN, or the DAK), private/commercial funding (such as via a commercial bank [including under PerPres 29/2009], municipal bond, corporate bond, or supplier credit), donor funding (including international donors, domestic donors, or CSR from private companies), as well as own-source revenue generation.

Tasks (Under EE-3)

Indicator EE-3: Increased percentage in financial resources accessed by service providers from public and private sources for expansion of improved wat/san services

- Task EE 3-1 Conduct base line survey to identify existing financial resources of service providers on improve water and sanitation services (refer to EE-1)
- Task EE 3-2 Conduct advocacy for public & private sectors to support expansion of improved WATSAN services
- Task EE 3-3 Conduct annual survey to identify increased in financial resources by service providers from public and private sources for expansion of improved WATSAN services

During the 6 month period covered under this work plan, IUWASH Governance and Municipal Finance Specialists will conduct the baseline assessment of the financial resources accessed by the first set of local government and PDAM partners. To calculate the baseline over which percentage increases may be measured, at the commencement of a technical assistance partnership with a service provider—be it a local government, PDAM, NGO, or other institution—IUWASH will assess the amount of funds set aside specifically for the expansion of water and sanitation services. For example, with a PDAM partner, we will examine the funding obtained/set aside for the construction and expansion of treatment and distribution facilities. Similarly, for a local government, will we evaluate the level of funds available (through the DAK, for example) for investment in public water and sanitation services. To develop as accurate a picture as possible concerning past financial resources accessed and expended, we will utilize an average of the three previous fiscal years to arrive at the baseline figure.

Outcome EE-4: Low income households accessing micro finance for household improvements in water and sanitation

The expansion of piped water services in and of itself does not guarantee increased access to clean water, as there is a very real, upfront cost that many families around the country cannot afford. On average, new customers must pay a connection fee of approximately \$150 USD to tap into a municipal piped water system, although this charge can be as high as \$300 USD in instances where the pipe network must be extended to reach the neighborhood.

Recognizing that connection fees continue to represent a significant barrier to increasing access to clean water for low-income households, IUWASH will ramp up an approach implemented under USAID's Environmental Services Program (ESP) whereby new customers can amortize the cost of a new connection under the auspices of a partnership between the utility and a local microfinance provider. While this approach was very successful under ESP—resulting in increased access to clean water for more than 60,000 people—opportunities for improvement remain. For example, Bank Rakyat Indonesia (the leading provider of microcredit to water utility customers) has yet to fully institutionalize the use of microfinance for water supply, with many of its Branches and Units largely unaware of this new potential use of the flagship KUPEDES lending product. Additionally, utilization rates under ESP were sometimes constrained by complex procedures. Streamlining administrative requirements by, for example, encouraging PDAMs and their microfinance partners to

combine loan repayment and the payment of the monthly water bills can reduce the cost and bolster customer enrollment.

In addition to continuing and improving upon the work initiated under ESP, Outcome EE-4 will look beyond the use of microfinance strictly for water utility connections and develop pilot approaches to the use of small loans for community-based systems as well as household sanitation improvements. Regarding the former, community-based systems provide water to a significant percentage of the population but possess unique financing needs and challenges associated due to more informal institutional arrangements. Notably, nongovernmental organizations such as Habitat for Humanity have shown interest in the past to finance household connections to such systems, and would thus represent important partners to scale up an approach for household credit.

Concerning the later, microfinance represents a powerful tool to help meet desperately needed household sanitation improvements. To facilitate access to finance for sanitation improvements, IUWASH will engage groups such as Mercy Corps that have extensive experience in community sanitation to develop new loan programs for low-income households to finance household or community sanitation facilities. Further, we will approach local government partners and microfinance institutions to pilot-test a loan program backed by local government guarantees and/or subsidies and coordinated with sanitation and hygiene communications programs to encourage household and community investments in improved sanitation. Ultimately, the experience and lessons learned under these initial trials will be incorporated into a “Sanitation for the Poor” toolkit that will be rolled out to all IUWASH regions.

Tasks (Under EE-4)

Indicator EE-4: Number of low income households accessing micro finance for household improvements in water and sanitation

- Task EE 4-1 Promoting creative micro-finance options for household investments in WATSAN
- Task EE 4-2 Engage banks and other financial institutions to support development and implementation of micro-finance program for low-income households to get improved access to WATSAN services
- Task EE 4-3 Capacity building for relevant stakeholders (PDAMs, banks, etc.) to operate, monitoring and evaluation micro finance program
- Task EE 4-4 Conduct promotion of WATSAN micro finance programs to households in target areas
- Task EE 4-5 Promote results, lessons learned and best practices of micro finance program to wider audience

Concerning the initial work plan period, Outcome EE-4 will focus on three activities. First, under the auspices of the rapid assessment, the IUWASH Microfinance Specialist will evaluate the current status of microfinance programs previously established under ESP. Where necessary, the Specialist will identify targeted technical assistance needs to immediately boost the utilization rate of these programs and achieve “quick wins” in terms of increased access to piped water systems.

Second, IUWASH will provide direct support to the BRI Head Office to promote and disseminate the availability of *Kupedes untuk Sambungan Rumah* (“Kupedes for household connections,” or KSR) in accordance with the policies and procedures issued by BRI in mid-2010. IUWASH will look for immediate steps that can be taken to elevate the level of visibility of KSR at the Provincial, Branch, and Unit levels of BRI. IUWASH will also assist BRI in the identification of the initial pilot locations for KSR, including the drafting of initial *Perjanjian Kerja Sama* (PKS).

Finally, the IUWASH Microfinance Specialist will undertake a review of possible approaches to the use of microfinance for improvements in household sanitation facilities. Through consultations with micro-financing institutions (MFIs) as well as NGOs active in the sanitation sector, the Specialist will outline plausible implementation options for the use of small loans for sanitation facilities. Based on these consultations and the resulting review, the Specialist will work with the Grants Manager to issue an RFA for the development and piloting of a sanitation microcredit product. Where possible, IUWASH will seek to leverage co-funding from interested local governments and private organizations in the implementation of microfinance products for sanitation.

Outcome EE-5: Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation

Following years of autocratic and centralized rule, in 1999 Indonesia embarked on a rapid and comprehensive process of democratization and decentralization. However, the majority of local governments that are now responsible for the delivery of basic services have been given little assistance in establishing mechanisms to meaningfully engage the public in the planning and decision-making processes. The public’s historic lack of involvement has led to a degree of complacency and a sense that citizens have no input into issues of service delivery.

The IUWASH approach to strengthening local government mechanisms to involve citizens and communities is threefold. First, during the initial preparation of local government partnerships, IUWASH will emphasize the important role of improved citizen engagement mechanisms, with clear commitments to this effect codified within joint partnership agreements. In this optic, IUWASH will also examine more innovative citizen engagement mechanisms, such as Citizen Charters (which serve as contracts that publicly commit local government to certain levels of service) and Citizen Report Cards for reporting on progress in meeting such commitments. Second, IUWASH Governance Specialists will, where possible, work to shore up *existing* citizen engagement mechanisms as concern watsan service provision, such as the annual *Musrembang* planning and budgeting process and local Water (or Customer) Forums.

Third, IUWASH will also seek to identify and promote new mechanisms that enhance men’s and women’s participation in wat/san planning, implementation, and monitoring activities, including the establishment of new customer forums, the usage of wat/san monitors, and the utilization of newspapers, radio shows, and electronic media to provide information on system performance, tariff adjustments, and major planned works. IUWASH will also coordinate with USAID’s Water SMS Program to incorporate cell phone feedback mechanisms where applicable.

Tasks (Under EE-5)

Indicator EE-5: Number of Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation

- Task EE 5-1 Assess existing mechanisms of citizen involvement in Local Governance systems and recommend improvements
- Task EE 5-2 Develop citizen-based mechanisms (new or improved)
- Task EE 5-3 Strengthen PEMDA and citizen groups to adopt (new or improved) mechanisms
- Task EE 5-4 Monitor benefits and impacts of improved mechanism including the involvement of PEMDA (Bawasda)
- Task EE 5-5 Promote results, lessons learned and best practices of improved mechanism to wider audience

Over the first six months of the Project, IUWASH Governance Specialists and PDAM Institutional Specialists will focus on the assessment of existing citizen feedback mechanisms in the water supply and sanitation sector. In undertaking this review, we will directly involve targeted service providers (PDAMs in the case of water supply) and CSOs such as YLKI, Muhammadiyah, and PPK.

6 PROJECT MANAGEMENT STRATEGY AND ACTIVITIES

Project management for a large, five-year undertaking such as IUWASH is complex and critically important to the smooth and effective operation of the program. This section covers the approaches and tasks to be undertaken in various aspects of managing this program. In this section, we cover the areas of mobilization and quick start activities, regular project management activities, program communication, program reporting, grants program management, geographic information systems (GIS) and mapping, gender, monitoring and evaluation, and collaboration with other development programs.

6.1 GENERAL PROJECT MANAGEMENT

While the ultimate success of IUWASH will depend on the effectiveness of the project's technical components, their ability to operate effectively (both independently and as an integrated whole) is equally dependent on the organizational and management structures and systems the team puts into place in their support. As such, IUWASH structured IUWASH to meet component-level technical objectives while also ensuring that the project has the geographic reach to improve access to water supply for 2 million people and access to sanitation for 200,000 people. Our approach to making this happen is based both on the establishment of clear lines of authority among Team members, as depicted in more traditional organizational charts, as well as a matrix management structure to enable technical oversight excellence, supportive project management, and integrated crosscutting elements. Figures 2 and 3 present the IUWASH organizational charts, showing reporting relationships in both Jakarta and our regional office structure. Figure 4 presents our IUWASH team according to technical focus.

6.1.1 Management Plan

As depicted in Figure 3, DAI will station our Chief of Party and Component Team Leaders in Jakarta. Regional offices in Medan, Semarang, Surabaya, and Makassar will be led by senior Indonesian professionals and staffed with technical specialists across IUWASH components (Figure 4). Regional offices will also serve as the platforms and reporting hubs for embedded wat/san specialists in approximately 15 PDAMs where we believe IUWASH can have the greatest impact. This management plan:

- Gives our team the ability to match common approaches with tailored technical assistance and support that responds to local needs;
 - Concentrates technical expertise in areas where we can work with clusters of PDAMs and local governments to achieve IUWASH's objectives; and
- Allows our most senior advisors to provide overall direction and influence and provide input into central government policy and programming deliberations.

Jakarta Office: The Jakarta office will serve as IUWASH headquarters and manage relationships and reporting to USAID and central government counterparts. Jakarta will also be the base for IUWASH's designated five key personnel, and will have senior technical specialists who will work closely with our regionally based teams, as shown in Figure 5. In addition to serving as the national office for IUWASH, it will also serve as the regional office for all field activities conducted in West Java and DKI/Jakarta. DAI anticipates working with between seven and nine water utilities in this region, as well as extensively with the urban

poor of Jakarta. We anticipate that professional technical staff will travel frequently to the regions to provide additional technical support, ensure that IUWASH activities are proceeding as planned, gather lessons learned and best practices, and work with Regional Coordinators to ensure that IUWASH is maximizing every opportunity to leverage technical assistance and support from within the project, other donor projects, the private sector, and other partners. More fully, the role of the Jakarta office is to:

- Provide overall strategic direction to IUWASH and ensure technical coherence of the project, maximizing links and cooperation across the three components;
 - Provide advice to central government agencies in formulating and adjusting policies and programs to expand access to safe water and improved sanitation;
 - Provide technical support to targeted PDAMs and local governments in West Java, Banten, and DKI;
 - Communicate, coordinate, and serve as the liaison with USAID, the Indonesian Government, and other donors;
 - Provide technical support and resources to the regional offices;
 - Ensure that regional offices apply common standards and approaches in project activities;
 - Identify and disseminate success stories, best practices, lessons learned, and innovations;
 - Monitor and evaluate program performance, ensure quality of data, and report on results; and
- Oversee IUWASH finances and grants.

Regional Offices: IUWASH regional offices will be located in Jakarta (embedded in the IUWASH main office) Medan, Semarang, Surabaya, and Makassar. These offices will serve as primary implementation centers or hubs throughout the project's duration. Working through these offices with clusters of 10 or more target cities will enable the IUWASH team to meet and, most hopefully, exceed the IUWASH targets. Regional offices will be led by senior Indonesian experts who will guide technical teams and be responsible for day-to-day activity implementation and direct interface with PDAMs, local government officials, the private sector, and other donor programs. Regional Coordinators will have decision-making authority and oversight responsibility for project activities within their regions and will be supported through daily communications with and frequent visits by staff from the Jakarta office. Regional Coordinators will also visit Jakarta for regular program coordination and administration meetings and the regional technical staff will travel between regions and Jakarta for program technical reviews to share lessons learned, review accomplishments, and discuss strategies for addressing specific challenges.

Embedded Technical Specialists: Using the regional offices as platforms and reporting hubs, DAI will embed at least one technical specialist in each of approximately 15 target localities to provide hands-on support to more distant PDAMs and local governments where IUWASH can have a significant quantitative impact. Subject to results of the rapid assessment to be undertaken during this work plan period, locations where embedded technical specialists are expected to be posted include:

- Jakarta: Tangerang, Bogor, Sukabumi
- Medan: Pematang Siantar, Lokseumahwe, Langsa, Palembang
- Semarang: Rembang, Jepara
- Surabaya: Malang, Mojokerto
- Makassar: Pare-Pare, Manado, Ambon, Jayapura

These embedded specialists will receive technical and administrative support from the regional and Jakarta offices and will participate in the quarterly technical program reviews.

Relationship between the Project and DAI Home Office: Based on experience in supporting long-term, complex development programs in Indonesia for more than 30 years, the relationship between the project and DAI's home office is based on three principles:

- Empower the COP with the appropriate autonomy backed by substantial authority to implement programs;
- Establish and maintain real-time communications between project and home offices and hold quarterly reviews that involve the COP and home office staff to ensure proactive troubleshooting before issues become serious; and
- Have periodic home office communications with the COTR to ensure client satisfaction and that the project meets or exceeds USAID's expectations and standards.

DAI's home office IUWASH support will provide technical oversight, respond to USAID requests for contractual information, issue accurate invoices and other financial statements, assist with recruitment, and mobilize short- and long-term personnel. This support will be provided through the service of a Technical Backstop (Mr. Allen Hollenbach) supported by a Project Coordinator. In addition to serving on the IUWASH start-up team, the Technical backstop will provide overall technical support to IUWASH and serve as the COP's day-to-day point of contact in the DAI home office. He will also lead quarterly project reviews with the COP to discuss and resolve project management, technical, and/or information issues quickly and efficiently. DAI home office support offices, including Finance, Contracts, Procurement, Information and Management Technology, and Human Resources/ Recruitment, will ensure that the COP has the management support expertise and resources needed to manage IUWASH and meet or exceed USAID expectations.

Figure 2: IUWASH Organizational and Management Structure – Jakarta

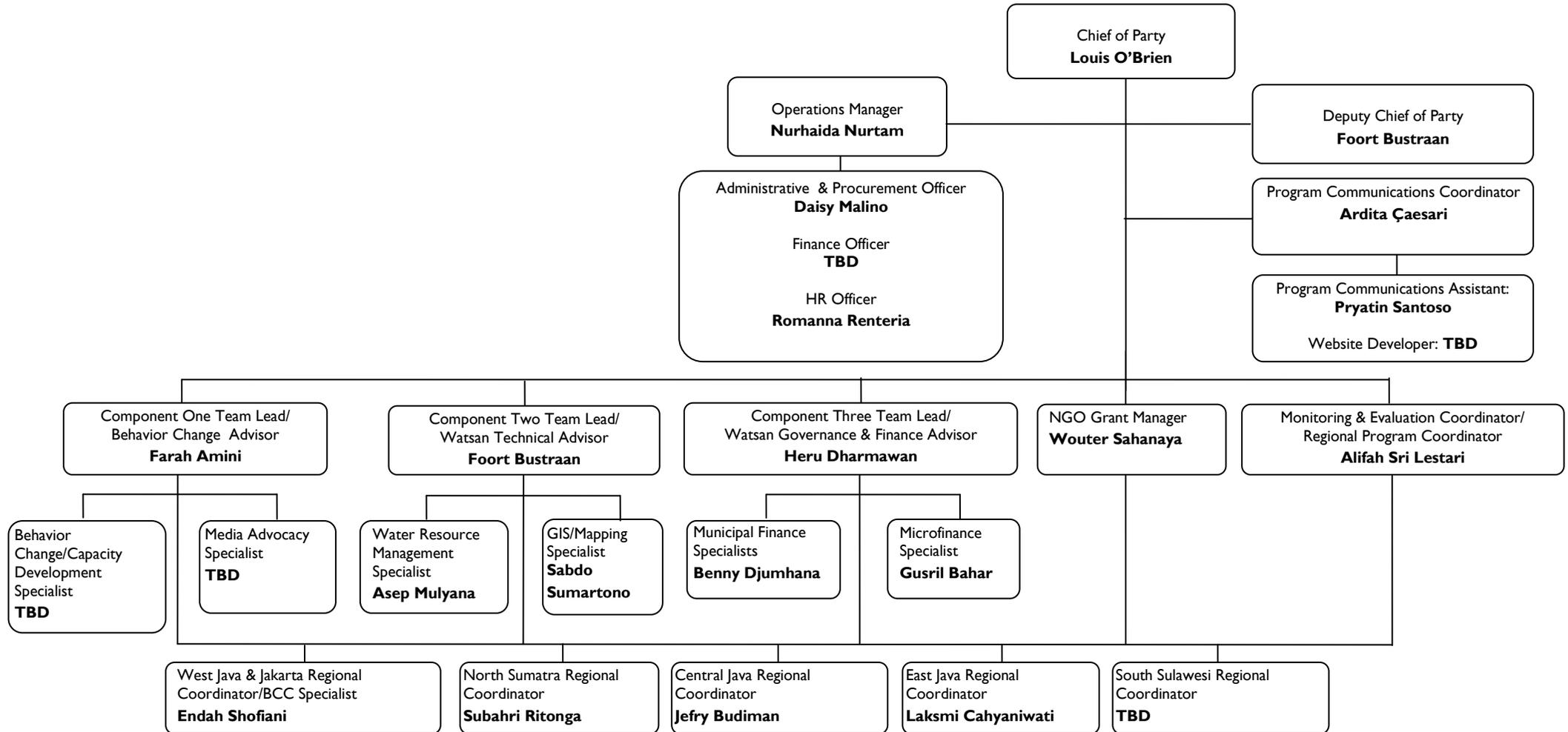


Figure 3: IUWASH Organizational and Management Structure – Regional Offices

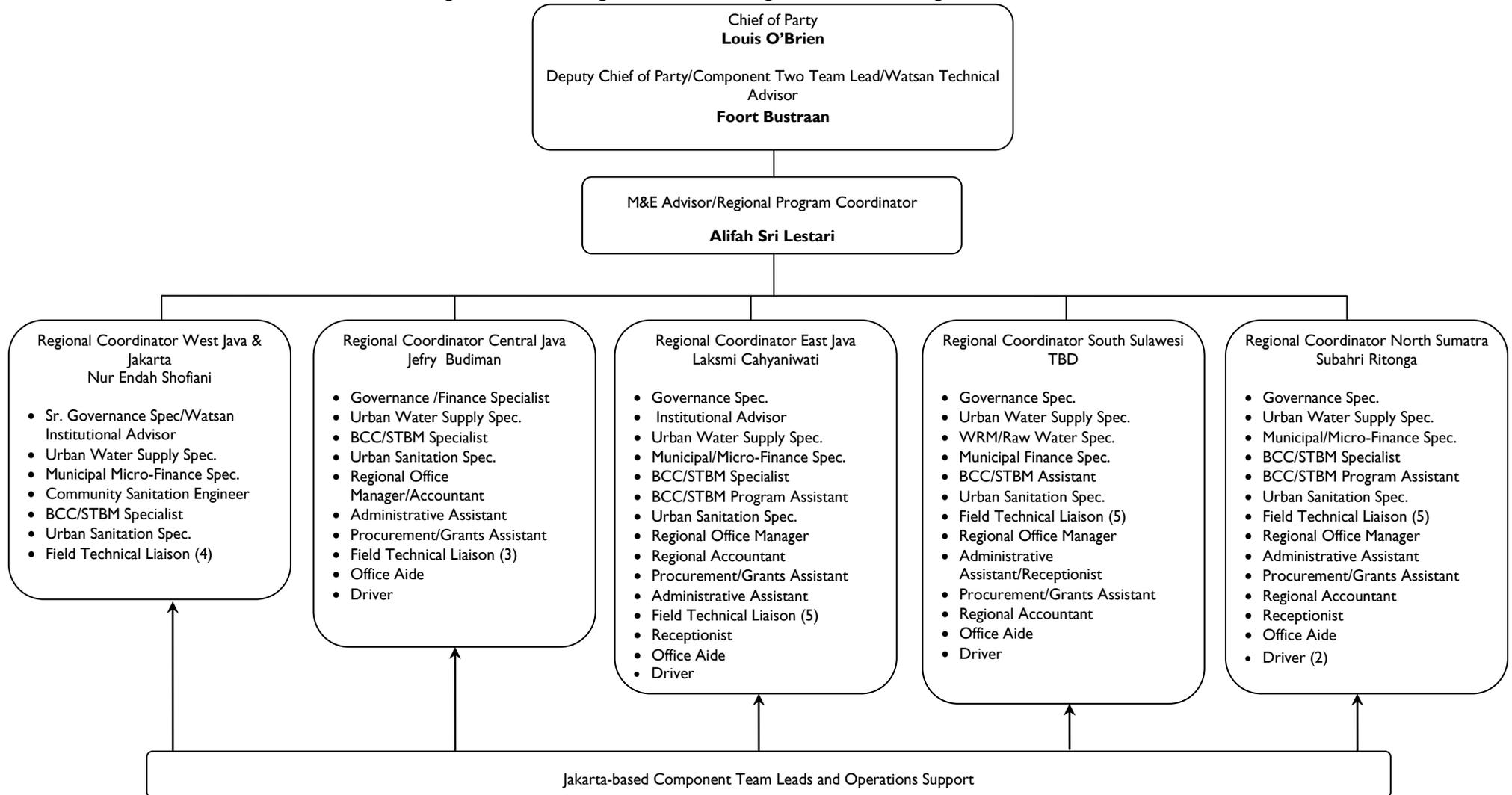
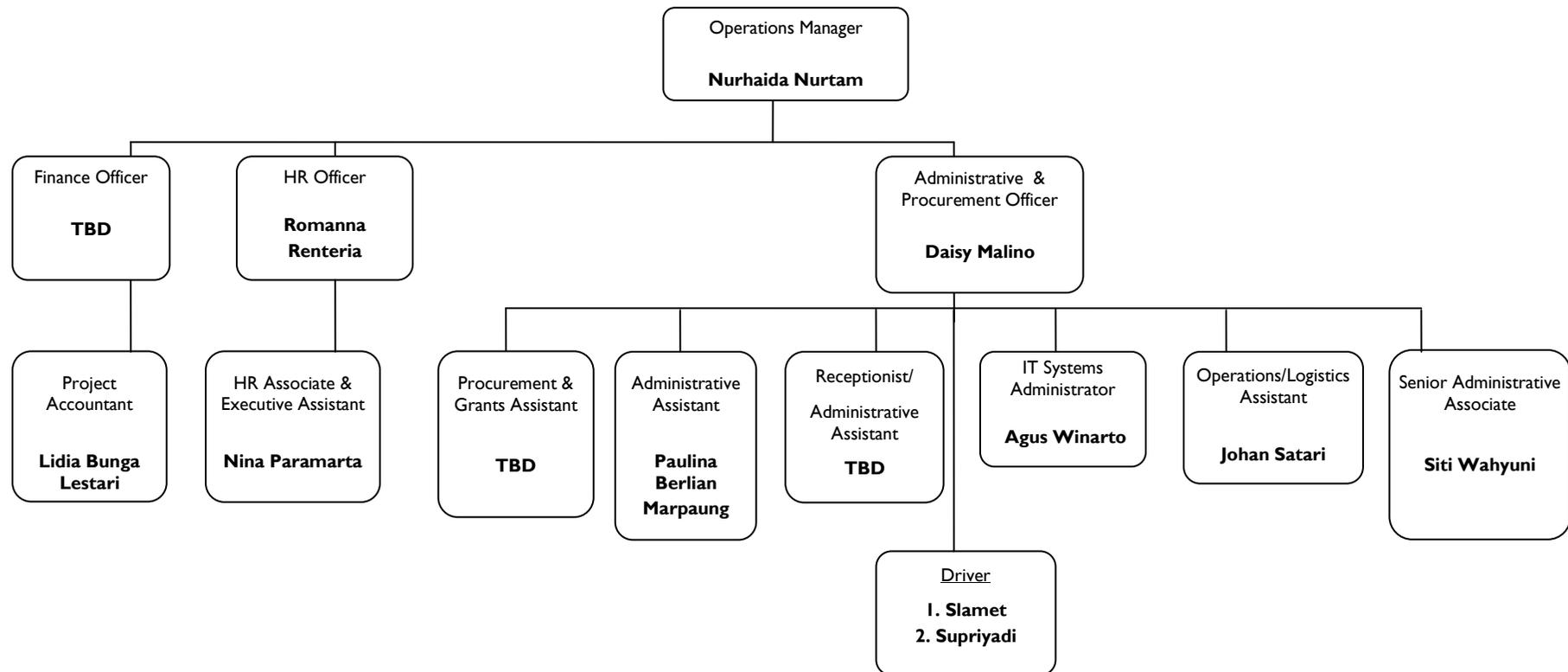


Figure 4: IUWASH Organizational and Management Structure – Operation Management



6.1.2 Matrix Management

Due to the technical and geographical complexities of IUWASH, the need to maximize the utility of resources, and the desire to apply reasonably consistent approaches and techniques to the implementation of the project, it is necessary to adopt what is known as “Matrix Management” techniques. Matrix management in a corporate setting is often fraught with problems when profit centers or other competitive goals are involved. However, in a project management sense, and certainly in the technical management area known as “program management” it is desirable. Indeed, it is absolutely necessary that we make maximum use of the wealth and variety of talent and resources assigned to IUWASH.

In a geographic sense, IUWASH must deal effectively and efficiently with five regions and a multitude of individual localities. This includes an expanse which covers the nearly 6,000 kms from Banda Aceh in the west to Jayapura in the east. In a technical sense, IUWASH includes a very wide but interrelated group of skill sets including, but not necessarily limited to, the following: behavior change specialists, water supply experts, sanitation engineers, both municipal-level and microfinance experts, governance specialists, climate change adaptation specialists, water resource specialists, gender applications specialists, public outreach and communications specialists, and geographic information systems specialists, and many others. While IUWASH requires their input throughout the project’s landscape, it equally cannot afford to have these specialists in all places all the time, therefore a system of vertical management as well as a horizontal management will be employed, thus the matrix nature of this system. Please refer to the project’s organizational charts (Figures 2 and 3) and the management matrix chart (Fig. 4). These illustrate the project’s overall management structure and will be refined as IUWASH staff and offices are put into place, and regional organizational charts will likewise be put into place.

FIGURE 4: IUWASH MATRIX MANAGEMENT

IUWASH Component	Component Leader	Technical Specialization	Jakarta	West Java (Jakarta)	Central Java (Semarang)	North Sumatra (Medan)	East Java (Surabaya)	East Indonesia (Makassar)
Program Management	Louis O'Brien Foort Bustraan Alifah Lestari	Program Coordination		Nur Endah Shofiani	Jefry Budiman	Subahri Ritonga	Laksmi Cahyaniwati	TBD
Component One	Farah Amini	Media/Public Campaigns	TBD					
		BCC/STBM		TBD	TBD	TBD	Ristina Aprillia	
Component Two	Foort Bustraan	Community Sanitation Engineer		Eri Arianto				
		Urban Sanitation		TBD	Oni Hartono	Immanuel Ginting	Achdiat Antono	Selviana Hehanussa
		Raw Water	Asep Mulyana					TBD
		Water Supply		Hernandi Setiono	Ronny Sutrisno	TBD	TBD	Ridwan Habibie
Component Three	Heru Darmawan	Local Government		Ahmad Rosyid	TBD	TBD	Kresno Budidarsono	Hanny M. Singgih
		Municipal Finance	Benny Djumhana	TBD	Nugroho Andwiwinarn	TBD	TBD	TBD
		SME/ Microfinance	Gusril Bahar					
Operations			Ida Nurtam					
Grants			Wouter Sahanaya					
M&E			Alifah Lestari					
Communications			Ardita Caesari					
GIS/Mapping			Sabdo Sumartono					

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While the above sets forth how IUWASH will be organized and managed, there are several specific tasks that will aid in this aspect, facilitating the quality of teamwork and ensure strong project cohesiveness. Such tasks are set forth as follows:

Task	Activity	Input	Result	Timeline
PM 1-1 Develop annual work plan	Develop First Work plan	COP, DCOP, all technical and regional advisors.	First work plan for the period of March – September 2011 submitted and approved by USAID	April – May 2011
PM 1-2 Develop IUWASH operational manual	Develop IUWASH operational manuals include project operational, personnel and project financial manuals	COP, DCOP and senior administrative team	Operational manuals for IUWASH program implementation developed and functioned	May – June 2011
	Develop project financial system	COP. DCOP, Senior Management and DAI Home Office teams	Project financial system in place and function	May – June 2011
	Develop project management system	COP. DCOP, Senior Management and DAI Home Office teams	Project management system in place and function	May – June 2011
PM 1-3 Back stop of DAI home office	Training of IUWASH staff in Operational and Management Systems	COP. DCOP, Senior Management and DAI Home Office teams	Staff trained and knowledgeable in Project Management Systems	April – July 2011
	Support the mobilization and quick start-up activities	COP. DCOP, Home Office team	Supports by DAI home office team for mobilization and quick start-up activities delivered	March – July 2011
PM 1-4 Set up and customize TAMIS	Set-up and develop TAMIS module for the project administrative activities	COP. DCOP, Home Office and Administrative Teams	TAMIS module for the project administrative activities set and ready to use	March – June 2011
	Set-up and develop TAMIS module for the project technical activities	COP. DCOP, Home Office team and technical component advisors	TAMIS module for the project technical activities set and ready to use (after receiving USAID approval for First Work plan)	May – July 2011
	Set-up and develop TAMIS module for the grant program	COP. DCOP, Grant Manager and Home Office Team	TAMIS module for Grant Program set and ready to use (after receiving USAID approval for Grant Manual & Implementation Plan)	May – July 2011

Task	Activity	Input	Result	Timeline
	Set-up and develop TAMIS module for the project performance monitoring	COP, DCOP, M&E advisor, Home Office Team	TAMIS module for the project performance monitoring set and ready to use (after receiving USAID final approval for PMP)	May – July 2011
	Customize TAMIS module as per requested by project staff	TAMIS Super User and Home Office Team	Necessary customization of TAMIS module conducted	Aug – September 2011
PM 1-5 Conduct regular support visit of national team to regional team	Tours by national-based staff to regional offices for providing technical support	National Teams, Travel	At least monthly travel of national based staff to the regional offices to support specific support needed by regional teams	May – September 2011
	Management training for regional offices	COP, Operations manager, other staff	Improved project management and development	May – September 2011
PM 1-6 Conduct quarterly program management meeting	Quarterly program planning and coordination meeting	COP, DCOP, all regional managers, USAID reps and technical reps	Two two-day senior management meetings to review progress towards meeting objectives and plan for the next quarterly period	June 2011 and September 2011
PM 1-7 Conduct weekly COTR meeting	Weekly coordination meeting with COTR	COP, DCOP, and COTR	Weekly coordination meeting with COTR conducted	May – September 2011

6.2 MOBILIZATION AND QUICK START ACTIVITIES

The contract for IUWASH was awarded to DAI and its subcontractors on March 03, 2011. Shortly thereafter, a kick-off meeting was held with USAID to review the contract in detail, establish understandings and procedures as concerns contract administration, and begin planning a series of practical start-up actions (i.e. staff placement, the handover of certain non-expendable property, etc.) as well as the process of stakeholder engagement.

The task of mobilization includes not only the recruitment and appointment of expatriate and local professional staff and local support staff, but all the procurement of required equipment and furnishing, vehicles, establishment of offices, communications and other related tools and resources necessary to the execution of the project. Initial mobilization tasks, such as mobilizing expatriate staff to Indonesia, have been completed. Other tasks, such as establishing the Jakarta and outlying offices, procurement and shipping of computer equipment, installation of Local Area Networks, installing internet capability, setting up of the TAMIS are either underway or shortly to start. IUWASH has been generally fortunate to be able to begin establishing its technical and management team rather quickly, and by early May the majority of senior managements are expected to be in place.

In terms of Quick-Start activities, IUWASH will identify activities that provide for early impact and establishment of the project as a leader in the sector's development. Such activities will either build from past USAID sector leadership (such as microfinance) or be essentially new activities that will aid in putting into place important relationships with key

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national stakeholders (such as CSR programming with IBL). Importantly, IUWASH will endeavor to undertake Quick-Start activities that contribute to each intermediate result and that demonstrate the integrated nature of project technical components.

The following chart outlines the major tasks of mobilization:

Task	Activity	Input	Result	Timeline
PM 2-1 Mobilize long-term staff (international & national staff)	Recruitment of key persons	DAI Home Office	Key persons include COP, DCOP, Grant managers and technical advisors recruited	March – May 2011
	Recruitment of administrative and technical staff for national and regional offices (including sub-contractors' staff)	Senior management and Sub-contractor teams	Administrative and technical staff for national and regional offices recruited	March – July 2011
PM 2-2 Mobilize short-term staff (international & national staff)	Recruitment of STTA staff (international & national staff) supported quick start-up activities	Senior management team	STTA staff (international & national staff) recruited	March – June 2011
PM 2-3 Establish national & regional offices	Establish temporary office at national level	Senior management team	Temporary office at national level establish	April – May 2011
	Establish IUWASH National Office	National administrative team	IUWASH National Office established	May – June 2011
	Establish IUWASH Regional Offices	National administrative team and Regional Managers	IUWASH Regional Offices in Medan, Surabaya, Semarang and Makassar established	June – September 2011
PM 2-4 Develop and submit contract deliverables	Develop and submit contract deliverables	DAI Home Office and senior management team	Contract deliverables submitted and approved by USAID	March – April 2011
	Conduct kick-off meeting with USAID	DAI Home Office and senior management team	Kick-off meeting with USAID conducted	March 2011
	Monitor the implementation of Quick Start-up activities	Management and technical staff	Quick Start-up activities progressing as planned	June – September 2011
PM 2-5 Develop and submit procurement plan	Develop and submit procurement plan	DAI Home Office and senior management team	Procurement plan submitted and approved by USAID	March – April 2011
	Handover of available Non-Expended Property	National administrative team	Non-Expended Properties from ESP and another project received by IUWASH team	May 2011

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Task	Activity	Input	Result	Timeline
PM 2-6 Implement project procurement	Conduct procurement for office establishment (fitting and office stationery) for national and regional offices	National administrative team and Regional Managers	Procurement for office establishment for national and regional offices conducted	June – September 2011
	Conduct procurement for office equipments at national and regional offices	National administrative team and Regional Managers	Procurement for office equipments at national and regional offices conducted	June – September 2011
PM 2-7 Conduct national introduction	National Kick-off & Introduction meetings with key national stakeholders	COP, DCOP, technical staff and USAID representatives	Briefing sessions for central Government officials and key partners (USAID partners, donors, private sectors and potential partners)	March – July 2011
PM 2-8 Conduct site selection	Conduct baseline database for site selection Phase I	Technical team	Data from several relevant institutions collected	March – April 2011
	Conduct road show to regional offices	National technical and regional teams	<ul style="list-style-type: none"> Meeting with senior provincial and local government conducted Data from several relevant institutions at regional level collected 	March – April 2011
	Conduct Site Selection Phase-2	National technical and regional teams	Complete site selections for 1 st and 2 nd Work plan finalized	May – June 2011
PM 2-9 Conduct regional introduction	Conduct Regional Program Launcing in Medan, Surabaya, Semarang and Makassar	COP, DCOP, respective regional team and USAID representatives	Introduction sessions for provincial and local Government officials and key partners (USAID partners, donors, private sectors and potential partners) conducted	June –July 2011

6.3 PROGRAM COMMUNICATION

IUWASH will facilitate an integrated program communications strategy to stimulate stakeholder awareness of and support for improved services and practices necessary to achieve overall program goals and objectives. Program communications activities will communicate program results, best practices and lessons learned in a timely and professional manner to a broad Indonesian and international audience, and provide for a major focus on awareness building among local government officials, CSOs and the media. This includes the development of a program web site; a periodic email list service providing IUWASH news and activities updates, in English and Bahasa Indonesia, called IUWASH News; IUWASH technical fact sheets describing program activities; and broad distribution of IUWASH technical reports to an Indonesian and international audience.

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Task	Activity	Input	Result	Timeline
PM 3-1 Design IUWASH project identity	Design IUWASH project identity	Purchase Order; COP & DCOP; Program Communications Specialist	IUWASH project identity developed based on USAID branding guidelines	May 2011
	Develop name card, letter-head and other project publications using approved project identity	Program Communication Specialist and administrative officer	Name card, letter-head and other project publications using approved project identity developed and used	May - June 2011
PM 3-2 Develop style guide manual	Develop style guide manual	Purchase Order; COP & DCOP; Program Communication Specialist	Style-guide manual that provides professional & uniform presentation of all IUWASH program products	May - June 2011
PM 3-3 Develop and maintenance IUWASH website	Develop IUWASH website	Program Communications Specialist and Website developer	IUWASH program website set-up; user friendly in terms of accessing and adding program information	June – August 2011
PM 3-4 Develop technical fact sheets	Produce IUWASH technical and program fact sheets	IUWASH technical teams; Purchase Order for production	IUWASH fact sheets describing activities available to Indonesian & international audiences	April-August 2011
PM 3-5 Develop IUWASH news (English and Bahasa Indonesia)	Develop and produce IUWASH News	COP, DCOP, senior technical & communications staff	Monthly email list serve that communicates program activities to Indonesian & international audience	July – September 2011

6.4 PROGRAM REPORTING

IUWASH program management and technical professionals will provide overall program-wide guidance and direction to the activities being performed in each project location. The team of professionals in each area will carry out the work, with assistance when and as needed from the central project group in Jakarta. Project reporting will evolve from the locations where the work is being performed and will be assimilated into comprehensive project reports. This section describes many of the regular or periodic tasks involved with managing the IUWASH Program in accordance with the Contract and with USAID guidelines. Some of the following tasks have specific deliverable reports which will represent official reporting of progress and attainment of goals during the course of the work.

Detailed activities, inputs, outputs and milestones are summarized below.

Task	Activity	Input	Result	Timeline
PM 4-1 Produce and distribute IUWASH Quarterly Progress report	Develop IUWASH Quarterly Progress report	COP, DCOP, Senior Managers and Program Comm. Spec.	IUWASH Quarterly Progress report #1 and #2 developed, approved by USAID and shared to key partners	June 2011 and September 2011
PM 4-2 Produce and distribute IUWASH Annual Progress report	Develop IUWASH Annual Progress report	COP, DCOP, Senior Managers and Program Comm. Spec.	IUWASH First Annual Progress Report developed, approved by USAID and shared to key partners	September 2011
PM 4-3 Produce and distribute IUWASH Biweekly report	Develop IUWASH Bi-weekly report	COP, DCOP, Senior Managers and Program Comm. Spec.	IUWASH Electronic Bi-weekly report developed, and submitted to COTR	April – September 2011
PM 4-4 Produce and distribute IUWASH technical reports	Develop IUWASH Technical reports	COP, DCOP, Senior Managers and Program Comm. Spec.	IUWASH technical reports developed, approved by USAID and distributed to relevant stakeholders, including CDIE	June – September 2011
PM 4-5 Submit IUWASH Monthly Financial Report	Develop IUWASH Monthly Financial report	COP, DCOP, DAI Home Office, Operation Manager, and Finance Team	Monthly Financial report developed and approved by USAID	April – September 2011
PM 4-6 Submit IUWASH Annual Inventory Report	Develop IUWASH Annual Inventory Report	COP, DCOP, Operation Manager, and Administrative Team	Annual Inventory Report developed and approved by USAID	September 2011

6.5 GRANTS PROGRAM

The Grants Under Contract (GUC) of the USAID IUWASH project will be implemented in accordance with the USAID rules and regulation and generally follow the requirements found in ADS 303 and 22 CFR 226. The total value of available grant funds is US \$ 2.5 million for 5 years. Grants program management will follow the guidelines stipulated in the USAID approved Grants Manual and Grants Implementation Plan. The grants program will be synchronized with and support the project's technical components and will be implemented in all areas targeted under the project.

In support of the grants program during the work plan period, several activities will be undertaken. These include:

- The development of an IUWASH Grants Manual and Grants Implementation Plan;
- The socialization of this Grants Manual and Implementation Plan among national and regional project staff and which will involve the establishment of a Grants Task Force in each project region.
- The establishment of a training program for potential grantees to ensure their compliance with financial, administrative and grant reporting requirements.
- The establishment of clear monitoring and evaluation systems in support of grant-funded projects.
- The development of a standard RFA template and issuance of the first grant solicitation

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The above tasks and associated activities inputs, results and timelines are described below.

Task	Activity	Input	Result	Timeline
PM 5-1 Develop Grant Manual & Implementation Plan	Develop and submit Grant Manual & Implementation Plan	Grant Manager	IUWASH Grant Manual & Implementation Plan developed and approved by USAID	May 2011
PM 5-2 Establish grant program support tools and systems	Develop RFA and grant agreement template	Grant Manager	RFA and grant agreement template developed and approved by USAID	June 2011
	Conduct socialization workshop for internal IUWASH Team	Grant Manager, technical advisors and regional staff	Improved understanding of Grant Program objectives, requirements and procedures	July 2011
	Establish and train regional-level Grant Evaluation Committees (GECs)	Grant Manager, Regional Coordinators, technical advisors	Grant Evaluation Committees (GEC) established	September 2011
	Establish TAMIS-based grant program MIS and associated hardcopy forms and tools	Grant Manager, TAMIS STTA	Grant MIS established and relevant staff trained	July 2011
	Identify potential activities at national and regional level	Grant Manager, Technical Advisors and Regional Coord.	Potential activities identified	August 2011
PM 5-3 Socialize grant program at the regional-level	Conduct regional workshops to explain to potential grantees program objectives and requirements	Grant Manager, and regional staff	Workshops conducted for potential grantees in all regions	June 2011
	Invite potential partners to submit organization profile	Grant Manager, Technical Advisors and Regional Managers	Profile of potential partners collected and reviewed, and organizations shortlisted as appropriate	August 2011
PM 5-4 Conduct initial Grant Program RFA competition and selection	Develop RFA for at least one Grant Program activity	Grant Manager, technical advisors and Regional Team	RFA developed, submitted and approved by USAID	June 2011
	Pre-application meeting for RFA selected region	Grants Manager, GEC, and Regional Managers	Pre-Applicants Meeting Conducted	August 2011
	Applicants selection for grant program for selected region	Grants Manager, and GEC	Winning Applicant Selected and approved by USAID	September 2011
	Pre-award survey for winning applicants	Grant Manager, Grants Committee	Award signed	September 2011
	Provide grant award for winning applicant(s)	COP, DCOP, Grant Manager, selection committees	First Round Award of Grant Competition & Selection at national & regional level delivered	September 2011

6.6 GEOGRAPHIC INFORMATION SYSTEMS AND MAPPING

The utilization of geographic information systems (GSI) represents an important facet of the technical approach outlined in the IUWASH work plan. Importantly, the development of a robust IUWASH GIS is not viewed as an end in itself, but rather as a tool that supports and enhances the technical components, program communications and evaluation, and overall project management. In terms of the technical components, GIS will be highly useful in identifying and tracking changes in coverage, service provision, climate-related threats, water and sanitation borne disease, and similar areas. As concerns program communications, IUWASH's internet-based GIS capability provides a simple tool that will help tell the story of local conditions and project activities to a wide audience. IUWASH will compile geo-referenced data, link them to information on IUWASH project activities, and incorporate them into custom maps on the IUWASH website, readily accessed by stakeholders to coordinate or target development interventions or share successful approaches and lesson learned. Finally, regarding overall program management, the mapping of ESP activities will facilitate the tracking of where program efforts are focused, thereby enabling IUWASH management to make informed decisions concerning the allocation of resources and staff. Visually displaying the initiatives under the grants program, for example, will help ensure that grant funding is balanced appropriately across regions.

Task	Activity	Input	Result	Timeline
PM 6-1 Conduct inventory data sources of IUWASH sites	Collect basic data include social economic, secondary and technical data of IUWASH sites	GIS Specialist, Technical Specialist	Source of data of IUWASH sites developed	July 2011
PM 6-2 Develop GIS-based data information for site selection	Develop GIS-based data information for site selection	GIS Specialist, Technical Specialist and Regional Managers	GIS-based data information for site selection developed	May – June 2011
	Develop Atlas of IUWASH site	GIS Specialist, Technical Specialist and Regional Managers	Atlas of IUWASH sites developed	September 2011
PM 6-3 Develop GIS-based data information for IUWASH reporting	Develop template for GIS-based data information for IUWASH reporting (tracking the IUWASH outcomes achievement)	COP, DCOP, GIS Specialist, M&E advisor and Technical advisors	Template for GIS-based data information for IUWASH reporting developed	September 2011
PM 6-4 Develop raw water mapping (refer to IC 4)	Data collection supported for vulnerability assessment of raw water	GIS Specialist, Water Resources Specialist, Component 2 Lead	Source of data for vulnerability assessment of raw water collected	July – August 2011
PM 6-5 Capacity building on IUWASH GIS based program	inventory of existing resources and demands, develop basic system to be used for urban water supply or sanitation development to PDAM/Pemda	GIS Specialist, Components lead, Technical Specialist	Free resources GIS technology system developed	July - August 2011

Task	Activity	Input	Result	Timeline
	Develop and implement training and other activities to improve integration of GIS in overall program for technical team target groups/ partners	GIS Specialist, Components Lead, GIS trainer STTA	Technical team target group/ partner of an IUWASH region trained	August – September 2011
PM 6-6 Provide input and participate in an upcoming plan by USAID/Indonesia to develop GIS-based systems	Develop IUWASH GIS datasets which is ready to integrate with USAID/ Indonesia GIS dataset, to be used in mapping out all of the Mission funded program activities with their targets/ achievements	IUWASH GIS Specialist, GIS Specialist of other USAID/ Indonesia programs, USAID technical team	IUWASH GIS Dataset with USAID/Indonesia standard format developed	July – September 2011

6.7 GENDER

The IUWASH team recognizes that water supply and sanitation activities gain efficiency, impact and sustainability when both women and men participate effectively in all levels of decision-making. To do so with its limited resources, the IUWASH gender strategy focuses on substantively engaging CSOs (such as PKK), PDAMs, local government members, Pokja-San members, community based organizations, school teachers, and local health sanitarians in target communities to ensure that both men and women benefit from IUWASH activities. The focus of gender activities for this period is to conduct an initial assessment to identify key issues of gender in the water and sanitation sector, as well as opportunities for improving relevant conditions. The assessment is planned to identify areas and opportunities to strengthen gender mainstreaming (internal and external to the project), as well as identify key stakeholders with which the project may partner to address such areas and opportunities. At a minimum, IUWASH gender mainstreaming will on the development of effective mechanisms to engage women and men in water supply and sanitation planning, implementation and monitoring of service delivery.

In terms of partners, IUWASH intends to involve the PKK (and through this agency and the DOH, the Posyandu) as a close partner from the national to the grassroots level. This is in recognition of the extensive coverage these agencies provide nationally and of the effective in-roads they provide to the household level. The vast network of the PKK at every level of government as well as its important role in operating posyandu (community health posts) provides an ideal means for communicating critical health and hygiene messages. There is also a possibility for these organizations to be involved in the establishment of Women's WatSan Forums and other important IUWASH areas such as women customer forum and the implementation of health and hygiene promotional campaigns.

As part of maintaining coordination with the Technical Team under the Assistance Agreement with Ministry of People Welfare, IUWASH also plans to work with the Ministry of Women's Empowerment during in this work plan period. The collaborative program with the Ministry through the implementation of the IUWASH local-level assessments described above. The collection of information on other gender-related watsan initiatives and

experiences will be used as a basis for the development of gender plans and activities for the next work plan period.

In addition to the above, IUWASH plans to establish a Gender Working Group to consist of representatives from each office to develop an action plan that ensures that gender concerns are adequately addressed across IUWASH's technical components and geographic regions. During in this work plan period, the Gender Working Group has priority to develop mechanisms for internal gender mainstreaming internally and establish a foundation for having strong gender mainstreaming of the IUWASH program activities.

Task	Activity	Input	Result	Timeline
PM 7-1 Conduct Gender Assessment	Conduct gender assessment to identify important gender issues in watsan sector	Gender Specialist, Gender STTA	Gender assessment on watsan sector conducted	August 2011
PM 7-2 Develop IUWASH Gender Working Group	Form the IUWASH Gender Working Group	Gender Specialist, Senior management team and Regional Team,	IUWASH Gender Working Group formed	September 2011
	Conduct internal Gender Workshop at national and regional	Gender Specialist, and Gender Working Group	<ul style="list-style-type: none"> • Internal Gender Workshop at national and regional • IUWASH Gender code of conduct developed 	September 2011

6.8 MONITORING AND EVALUATION

Understanding the importance of the adage “If you can’t measure it, you can’t manage it”, IUWASH places very strong emphasis on program monitoring and evaluation. This emphasis is embodied in the Performance Monitoring Plan (PMP), a strategic tool monitoring the performance of project implementation vis-à-vis the successful achievement of program targets. The PMP is the guiding document to plan and manage the IUWASH program activities towards achieving program results and deliverables. The tasks and activities are arranged based on the outcomes and targets set under the IUWASH contract agreement.

PMP is a critical tool for planning, managing, and documenting the progress of IUWASH performance indicator. The PMP document describes the indicators IUWASH will employ to track the progress, achievement and the expected targets by year. The system that supports PMP implementation of the following:

- Quantitative Performance Monitoring
- Qualitative and Impact of Performance Monitoring
- Quality assurance
- Reporting system of IUWASH outcome indicators
- Partners Collaboration in IUWASH Monitoring Activity

The PMP is further supported by the DAI-owned Technical and Administrative Management Information System (TAMIS), a database system to track the progress towards the

achievement of IUWASH indicators. This tool is a cost-effective online management information system to collect data for project reporting and communications.

Work on monitoring and evaluation in the current planning period is focused on putting into place the above systems and ensuring that staff is using them appropriately and to full effect. Details activities planned for this period is described in the Table below.

Task	Activity	Input	Result	Timeline
PM 8-1 Develop and submit Performance Monitoring Plans (PMP)	Develop IUWASH Performance Monitoring Plans (PMP)	COP, DCOP, M&E Advisor, Technical advisors	IUWASH Performance Monitoring Plans (PMP) developed and approved by USAID	April 2011
PM 8-2 Conduct Baseline data survey	Develop tools and instrument for baseline data survey	M&E Advisor, STTA and Technical advisors	Tools and instrument for baseline data survey developed	May – June 2011
	Conduct pre-testing of tools and instrument developed for baseline data survey	M&E Advisor and STTA	Tools and instrument for baseline data survey tested	June 2011
	Conduct Baseline data survey for specific outcomes	M&E Advisor, STTA, Technical team and USAID partners	Baseline data for specific outcomes collected	June – July 2011
PM 8-3 Conduct PMP Regular Data Collection (quarterly and annually)	Conduct TAMIS data entry	M&E Advisor, Technical and Regional Teams	Data on the achievement of PMP outcome available in TAMIS and ready for reporting	June 2011 and September 2011
PM 8-4 Conduct and submit PMP	Conduct data collection and analysis through TAMIS	COP, DCOP, M&E and Technical Advisors	Data on achievement of PMP outcomes collected from TAMIS and analyzed for reporting	June 2011 and September 2011
	Prepare template for PMP outcomes reporting	COP, DCOP, M&E and Technical Advisors	Matrix reporting of achievement of PMP outcomes developed	June 2011
PM 8-5 Conduct Qualitative Monitoring and Evaluation	Develop tools and instrument for baseline data of Longitudinal Study	M&E Advisor, Technical advisors and Regional Managers	Tools and instrument for baseline data of Longitudinal Study developed	August 2011
	Select sites of Longitudinal Study	M&E Advisor and Regional Managers	Sites of Longitudinal Study selected and agreed by regional teams	September 2011
	Collect baseline data of Longitudinal Study	M&E Advisor, Technical advisors and Regional Managers	Baseline data of Longitudinal Study collected	September 2011

Task	Activity	Input	Result	Timeline
PM 8-6 Conduct capacity building for M&E program	Conduct TAMIS training for Technical Team on data collection and tracking of outcome achievements	M&E Advisor, Technical and Regional Teams	TAMIS training for PMP outcome achievements conducted	July – August 2011

6.9 ENVIRONMENTAL IMPACT MITIGATION AND MONITORING

As a project aimed very much at improving the environmental health status of Indonesian citizens, the IUWASH team understands the importance of ensuring that its own activities do not, in any way, negatively impact public health or environmental conditions in the areas it operates. To ensure such is the case, USAID undertook a Initial Environmental Examination (IEE) prior to comprehensively review activities to be undertaken by the project and provide threshold determinations of environmental impact and conditions for mitigation, if appropriate.

Within this IEE for IUWASH (referenced as ASIA 09-86 IEE & ETD), USAID determined that a Categorical Exclusion applies for IUWASH project activities involving technical assistance and training, analyses, studies, academic workshops and meetings that do not entail laboratory work, field studies or involve actions that directly affect the natural or physical environment. It further applied a Negative Determination with Conditions for IUWASH activities involving field studies and other actions that directly affect the physical or natural environment, including small-scale water and sanitation improvement and or construction activities of the IUWASH. Mitigation measures provided in the conditions list of the IEE were set forth to ensure mitigation of potential impacts to public health or the environment. It further specified that the IUWASH contractor shall be responsible for implementing all IEE conditions pertaining to activities to be funded under this contract, including the preparation of an environmental mitigation and monitoring plan (EMMP). The project's initial EMMP is provided in Appendix 4 and should be considered as integral to this work plan. While the IEE and attached EMMP provide a solid foundation for ensuring that possible negative IUWASH public health and environment impacts are appropriately mitigated, there are several activities planned for this work plan period to institutionalize and bolster the project's ability to ensure compliance at all levels. These are detailed in the following table.

Task	Activity	Input	Result	Timeline
PM 9-1 Develop and submit an Environmental Mitigation and Monitoring Plan (EMMP)	Develop IUWASH EMMP	Project Environmental Officer and Technical advisors	IUWASH EMMP developed and approved by USAID	May 2011
PM 9-2 Designate and support national and regional project	Designate project Environmental Officers at the national and regional level	National-level Environmental Officer and senior management	Clearly designated lines of communication and authority on environmental compliance matters	May – June 2011

Task	Activity	Input	Result	Timeline
Environmental Officers to oversee IEE and EMMP compliance	Provide training to Environmental Officers in their role and related procedural requirements	All project Environmental Officers	Trained environmental officers	July 2011
	Develop required environmental mitigation support tools and instruments	All project Environmental Officers	Environmental compliance support tools and instruments	July 2011
PM 9-3 Participate in USAID-sponsored EMMP training and modify project EMMP as appropriate	EMMP training participation for at least two (2) project staff	National-level and at least one regional-level Environmental Officer	Improved understanding and institutionalization of EMMP requirements and procedures	May – June 2011
	Revise IUWASH EMMP, as necessary	All project Environmental Officers	Revised EMMP	September 2011

6.10 COLLABORATION WITH OTHER DEVELOPMENT PROGRAMS

To address challenges facing the water supply and sanitation sector, the Government of Indonesia, the donor community, and other partners are implementing a diverse array of activities throughout the country. These National and regional initiatives create both risks for overlapping programs as well as opportunities to complement and support USAID's water and sanitation objectives. Only through regular communication and coordination between all parties overlapping can be avoided and complimentary support enhanced and the IUWASH team will make full effort to identify all programs in the urban water and sanitation sector, facilitate regular contacts with these other programs and where requested assist USAID and/or Government of Indonesia in coordinating these efforts. These program and agencies can be divided in four groups, which are briefly discussed below:

USAID financed programs

The IUWASH team has been requested by the USAID Environment office in Jakarta to support and coordinate the ongoing Water and Sanitation initiatives under the responsibility of the USAID Environment office and has already started this during this workplan period through initiating meetings between IUWASH team and each of the ongoing programs financed by USAID. The programs are:

- Green and Clean Slum (Kota II) implemented by UNICEF and CARE in Jakarta, Makassar, Kupang and Jayapura)
- RW Siaga Plus+ implemented by Mercy Corps in Jakarta Barat and Bekasi
- Water SMS implemented by Pacific Instituted and Yayasan Pattiro in PDAM Kota Malang and Kota Makassar
- HighFive implemented by Cipta Cara Padu Indonesia (CCP-I) in Kota Medan, Semarang and Makassar.

In addition to assisting USAID in the coordination of these programs, the IUWASH team also will work closely with the regional ECO-Asia program in Indonesia, which consists of several twinning programs with Local Water Utilities and Local governments. IUWASH will provide local support, assist in dissemination of the results and lessons learned. When the

USAID contribution to the Water-Hibah program is finalized, the IUWASH team can also support this within the IUWASH regional clusters.

The last direct support by IUWASH to USAID financed programs in Indonesia, is to support, the KINERJA program, which is implemented under the USAID Democratic Governance Office and which might require technical assistance of the IUWASH team if they receive specific requests for improvement of Water and/or Sanitation services in any of their 20 target cities.

Government of Indonesia Ministries and Programs

The IUWASH program is implemented under the collaborative partnership of United States of America and the Government of Indonesia. This partnership is implemented under an Assistance Agreement No. 6/2011 signed by the Ministry of Social Welfare. Within this Decree a number of Technical team have been established, including one covering all USAID WATSAN program, which is lead by directorate of Water Supply of Ministry of Planning (Bappenas) and representation of all other ministries directly involved in Water Supply and Sanitation (Public Works, Health, Environment, Home Affairs, etc). The IUWASH team has already met several times with the Menkokesra Steering Committee and Technical teams during the first two months and will continue to during this and subsequent workplan period. These meetings can be held both on a regular 3 monthly basis, to discuss IUWASH progress, in line with IUWASH 3 monthly reporting period as well as on a ad-hoc basis, when requested either by the Steering Committee, Technical Team, USAID or IUWASH.

Besides this formal relation, the IUWASH team will maintain close contacts with Central Government Ministries to collaborate and support National initiatives, like the PPSP (Urban Sanitation) and STBM (Community Based Sanitation) programs, debt restructuring and Water Safety Plans, to improve technical and financial performance of local Water companies (PDAMs). Finally the IUWASH team will work closely with Ministry of Public Works to identify opportunities for financing plans and programs developed in partnership by local governments and regional IUWASH team, to rapidly increase access to water and sanitation services. Ministry of Public Works has also expressed great interest in close collaboration on the development of the Sanitation-for-the-poor toolkit as a follow up to the successful Water-for-the-poor toolkit developed under ESP.

Donor Agencies

IUWASH team will work closely with the larger donor programs in the Urban Water sector, especially:

- (1) AUSAID funded INDII program, which includes the Water- and Sanitation Hibah program, which is subsidizing connection to low-income communities and Urban Sanitation studies in several of IUWASH target cities
- (2) World Bank : ongoing sector studies and other WATSAN initiatives, where IUWASH can provide local input, data and its network to local decision makers within IUWASH clusters
- (3) ADB: ongoing loan program for Urban sanitation improvements in Medan and Makassar; collaboration on ADB regional twinning programs; possible support to IUWASH program on energy efficiency with PDAMs
- (4) JICA: Technical Assistance for PDAMs of Greater Makassar ; Technical Assistance to Sanitation Company of Jakarta on sludge management
- (5) WSP: participating in the regular Sanitation donor group meeting and if requested to support ad-hoc initiatives, provided they are in line with IUWASH objectives and contribute to IUWASH outcomes.

Partnerships with other institutions

The first large partnership which is already under development since March 2011, is between IUWASH and IBL (Indonesian Business Links), who represent a large group of local and international companies; the aim of this partnership is to mobilize substantial CSR financing supporting Community Based Water and Sanitation initiatives, which will directly contribute to IUWASH higher results of increasing access to Water and Sanitation services. The first system is already under discussion with IBL and one of their partner companies and if successful will be used as the example in an extensive promotion campaign.

Additional partnerships will be made during this workplan period with PERPAMSI (National Water Supply Association), to support strengthening of PDAM performance, dissemination of results and good practices and utilize the expertise of the Technical institute (Akademi Tirta Wiyata, Magelang), especially on IUWASH programs to reduce Non-Revenue Water and increase Energy Efficiency of target PDAMs.

While there is a clear opportunity to substantially leverage the resources of and benefit from work with the above, IUWASH understands that if not managed properly, this can also lead to confusion, competition for resources and duplication of efforts. In the current formative period of the project and to maximize use of these resources, a particular emphasis will be placed on meeting with these other programs, learning what each party can offer and, if appropriate, clearly defining how collaborative work can proceed. Those which have already been identified as likely candidates and with which some initial linkages have been established include INDII, IBL, ADB-MSMHP, World Bank, Specific activities are listed as follows:

Task	Activity	Input	Result	Timeline
PM 10-1 Conduct regular coordination meeting with USAID partners	Conduct Quarterly Coordination Meeting with USAID partners	COP, DCOP, USAID partner (High Five, RW Siaga, Water SMS, Unicef) and USAID representatives	Quarterly Coordination Meeting with USAID partners conducted	June 2011 and September 2011
	Conduct Joint program with other USAID program	COP, DCOP, relevant technical advisors and other USAID partners team	Relevant Joint program with other USAID program conducted	June – September 2011
PM 10-2 Conduct Steering Committee (CS) and Technical Team (TT) meetings	Conduct ad-hoc meetings with SC and TT	COP, DCOP, and relevant technical advisors	Ad hoc meetings with SC and TT conducted	March – September 2011
	Conduct Quarterly meetings with SC and TT		Quarterly Meetings with SC and TT/Watsan conducted	June 2011 and September 2011
PM 10-3 Conduct regular coordination meeting with donors	Conduct regular coordination meeting with donors	COP, DCOP, relevant technical advisors, donors (Ausaid, Dutch Embassy, WB, ADB, etc.)	Regular coordination meeting with donor conducted	April – September 2011
PM 10-4 Conduct regular coordination meeting with private sectors	Conduct regular coordination meeting with private sector	COP, DCOP, relevant technical advisors, Private Sectors (IBL, Coca Cola, etc.)	Regular coordination meeting with private sector conducted to support the public private partnership on watsan	April – September 2011

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Task	Activity	Input	Result	Timeline
PM 10-5 Conduct regular coordination meeting with IUWASH potential partners	Conduct regular coordination meeting with IUWASH potential partners	COP, DCOP, relevant technical advisors, potential partners (Perpamsi, YLKI, etc.)	Regular coordination meeting with potential partner conducted to support the development and of watsan program	April – September 2011

7 NATIONAL-LEVEL TECHNICAL ACTIVITIES

7.1 INTRODUCTION

The national level activities planned in this work plan aimed mainly to support the implementation of the activities at regional level. In order to support the improve access of the people to water supply and sanitation services The focus of the national program activities is implementing activities that can support and strengthen the activities at regional level. Also, the result will be an umbrella for several program activities at regional level. The program activities are in-line with the regional program activities and contribute a significant achievement of regional program activities. Also, the program activities conducted at national level aimed to establish a foundation for long-term work in the subsequent years of IUWASH program.

7.2 SUMMARY OF THE NATIONAL-LEVEL TECHNICAL ACTIVITIES

Below are the detailed activities will be conducted at national level during in this work plan period.

Task	Activity	Input	Output	Timeline	Link to other outcomes
MD 1-3 Conduct sanitation baseline study (existing condition, willingness to pay) and rapid assessment on sanitation actors and activities (refer to MD 5.1 and IC 7.1)	Develop tools and instrument of baseline study on willingness of household to pay for sanitation improvement	BCC, M&E	tools and instrument of baseline study developed	June	MD 2, IC 5, IC 6, EE 4
MD 2-2 Develop module for capacity building of CSOs and/or government cadres	Develop temporary CBS module (mini-PHAST adopted) for PPP CBS works with IBL	BCC	Module developed	May-June	MD 4
MD 3-2 Design capacity building module for advocacy, media relation and customer relation for PDAM, customer forum and others	Assess main issue related to PDAM operation or performance to be used for the development of advocacy strategy and capacity building module	BCC, IG, UW	Main issues collected, advocacy strategy and module developed	June – July	OC 1
MD 4-1 Collect and review existing best practices, examples and tools of sanitation for the poor	Collect sanitation promotional materials/tools from government & donor program, incl. the previous materials from USAID-ESP	BCC, US	Materials collected and compiled	May-June	MD 2

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Task	Activity	Input	Output	Timeline	Link to other outcomes
MD 4-2 Develop toolkit outline and toolkit writing in close collaboration with IUWASH partners	Develop toolkit outline and start to write chapters of the toolkit	BCC, COM, potential partners	First draft written	September	MD 2, IC 5, IC 6, EE 4
MD 5-1 Conduct baseline survey on hygiene practices (refer to MD1.3 and IC 7.1)	Develop tools and instrument of the baseline survey on hygiene practices	BCC, M&E	tools and instrument of baseline study developed	June	MD 1
MD 5-2 Develop hygiene related campaign strategy	Develop campaign strategy in improved hygiene practices at household level	BCC	Campaign strategy developed	July	MD 1
IC 1-1 Determine baseline of PDAM performance index and agree with PDAM and PEMDA on concrete measures to improve specific aspects of PDAM performance index	Develop the approach of baseline study on performance PDAM index	UW, M&E	Baseline approached agreed	May	HR 1, MD 3
	Exposure the approach of baseline study on performance PDAM index to Technical Team and potential partners	UW, M&E	Workshop on socialization of the baseline approach conducted	May	HR 1, MD 3
IC 2-1 Conduct assessment on current debt restructuring status of target PDAM	Identify current status and current regulation under Ministry of Finance regarding the PDAMs debt restructuring	UW, MF	Current status and current regulation of PDAM debt restructuring identified	June	IC 1
IC 3-1 Develop and test Credit-Worthiness Ladder	Discuss with Pefindo to obtain the information about credit worthiness ladder	UW, MF	Updated information on credit worthiness ladder obtained	June	IC 1
	Share the information on credit worthiness ladder to Technical Team and potential partners	UW, MF	Meetings to share the information on credit worthiness ladder conducted	July	IC 1
IC 4-1 Support PEMDA/PDAM to conduct preliminary raw water sources vulnerability assessments, (current and future demand, quality and quantity risks to include those of climate stressors, protection measures and improvement / expansion plans	Update the current status and condition of raw water sources of potential PDAMs	UW, WR	Current status and condition of raw water sources of potential PDAMs collected	June	IC 1, EE 1, EE 2, EE 3
	Discuss with USAID Environment Office on the proposed steps on vulnerability assessment of raw water sources	UW, WR	Discussion with USAID Environment team conducted	July	IC 1, EE 1, EE 2, EE 3
IC 5-1 Promote National Policies to PEMDA on acceleration of urban sanitation development	Identify the current status of PPSP and STBM with regard to promote the national policies of urban sanitation development	US	Current status of PPSP and STBM policies for promotional program collected	July	HR 2, MD 1, MD 2

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Task	Activity	Input	Output	Timeline	Link to other outcomes
IC 6-1 Assess current experience and lessons learned on sanitation marketing for SME	Conduct desk review and develop action plan on the involvement of SMEs in the sanitation development	US, BCC	Desk review conducted and action plan developed	August	HR 2, MD 1, MD 2
IC 7-1 Conduct baseline survey on satisfaction by poor communities with WATSAN services (refer to MD.1.3 and MD 5.1)	Develop tools and instrument of the baseline survey on satisfaction of poor communities with watsan services	US, BCC, M&E	Tools and instrument of baseline study developed	June	MD 1, MD 5
EE 1-1 Assess existing policies and budget allocation to improve WATSAN services by PEMDA	Assess national policy and national streaming of regulation on Local Government budgeting	IG	National policy related to LG budgeting assessed	July	IC 1, IC 4, IC 5, EE2, EE 3 and EE 4
EE 2-1 Identify needs of project/investment and obtain preliminary consensus agreed by relevant stakeholders	Develop national advocacy strategy to strengthen political support of national and local governments	IC, MF	Advocacy strategy for strengthening political support developed	August	IC 1, IC 4, IC 5, EE2, EE 3 and EE 4
EE 2-2 Develop investment plans that accompanied by feasibility study	Identification of existing potential funding resources and PPP activities	MF, UW, IG	List of funding potentials identified	June-Sept	MD.2, IC.6, IC.5
EE 3-1 Conduct base line survey to identify existing financial resources of service providers on improve water and sanitation services (refer to EE-1)	Develop tools and instrument for the baseline study on existing financial resources of watsan project	MF, UW, IG	Tools and instrument for the baseline study developed	August – September	MD 2, IC 2, IC 3, IC 4, IC 5, EE1
	Share the tools and instrument of the baseline to Technical Team and potential partners	MF, UW, IG	Meetings to share the tools and instrument conducted	September	MD 2, IC 2, IC 3, IC 4, IC 5, EE1
EE 4-1 Identify and develop possible micro-finance options and promote creative micro-finance options for household investments in WATSAN	Develop micro-finance options for household investment in Watsan	MC	Options for household investment in Watsan	July	MD2, MD 4, IC 1, IC 5, IC 6
EE 4-2 Engage banks and other financial institutions to support development and implementation of micro-finance program for low-income households to get improved access to WATSAN services	Develop training module on micro finance program and logistical start up	MC, BCC	Training module developed	July	MD2, MD 4, IC 1, IC 5, IC 6

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Task	Activity	Input	Output	Timeline	Link to other outcomes
EE 4-3 Capacity building for relevant stakeholders (PDAMs, banks, etc.) to implement, monitoring and evaluation micro finance program	Develop material for capacity building activities on micro-finance program	IC, MC	Capacity building material developed	August	MD2, MD 4, IC 1, IC 5, IC 6
	Conduct internal training for IUWASH's staffs on micro-finance program	IC, MC	Internal training conducted	August	MD2, MD 4, IC 1, IC 5, IC 6
EE 5-1 Assess existing mechanisms of citizen involvement in Local Governance systems and recommend improvements	Identify potential partners to involve in the development of government mechanism including the involvement of customer forum	IC	Potential partners identified	September	EE1

8 REGIONAL-LEVEL TECHNICAL ACTIVITIES

8.1 INTRODUCTION

This section provides detail on each region targeted under IUWASH—the overall regional development context, the process being pursued for site selection, and the project team that will oversee implementation of IUWASH over the long-term. The end of the chapter provides a summary of technical program activities for each region.

8.2 NORTH SUMATRA/ACEH REGION

Regional Development Context and Challenges in North Sumatra Region

In this work plan period, North Sumatra/Aceh Region prioritizes their work in North Sumatra Province, while Nanggroe Aceh Darussalam (NAD) province will be started in the following work plan period. North Sumatra province consists of 32 districts/cities with total population \pm 12 million people. Currently, piped water supply is provided by 16 Local Water Utilities (PDAM) across the province. Total PDAM coverage is relative low, with only \pm 29% of the total population covered. Technical and financial performance of most of them are categorized as “sick” or “less healthy” and service quality related to the quality, quantity and continuity of water in general is still not satisfactory. There are several reasons for this relatively low level of PDAM performance: limited capital investment, high rates of Non-Revenue Water (above 30%), water tariffs that are insufficient to cover costs, limited of productive capacity, old piping networks, decreasing quality and quantity of raw water, and PDAMs in default of old debts. However, several local governments in the province have shown strong commitment to improve water supply services to the communities, especially for low-income communities (MBR).

In the sanitation sector, issues of underperformance are also evident. Sanitation services through centralized (off-site) sanitation systems only exist in Medan (and only for a very limited number of households—about 12,000 or only 3% of the population) and in Parapat (for about 300 households). Most urban families use septic tanks, which are generally open at bottom and pollute the groundwater. Desludging of septic tanks is done irregularly and most of the collected sludge is not transported to septic treatment plants, but discharged into nearby rivers. However, within the last 5 years, the development of strong sanitation program in Medan for both offsite and onsite systems has been developed through the combined support under the USAID ESP and ECO-Asia programs). Central and local government commitment to sanitation improvements is also strong, and recently ADB reached agreement on a sanitation loan to the national government which will be on-granted to the local government of Medan. The main goal of this program (MSMHP) is to support PDAM Tirtanadi as the provider of wastewater treatment services to add 13,500 households to the existing sewerage system. IUWASH plans to work together with the ADB, central and local government, with special focus on demand creation through extensive sanitation marketing, promotion campaigns, willingness to pay surveys, and similar areas to reach targeted outcomes related to the sanitation sector. Also, IUWASH intends to support local government with rapid scaling-up of community-based sanitation systems in North Medan, which has majority of low income (MBR) households. For the other cities in North Sumatera, the demand for improving sanitation services has also increased, and several cities have already been included in the PPSP program to develop Citywide Sanitation Strategies

(CSS). IUWASH will examine the current status of these in each of the selected cities and provide further support, in line with directions and policies of the PPSP program. The IUWASH team will also make sure that the STBM component is incorporated in all city sanitation strategies and will work closely with the recently started USAID financed ‘High Five’ program in Medan to further promote the 5 STBM pillars.

The IUWASH team in North Sumatra region implements specific approaches to achieve the targets set for this work plan period as follows:

- Improve PDAMs technical, financial and managerial performance by using the tools PDAM Performance Index, incorporating larger role of Local government and civil society;
- Conduct capacity building for stakeholders working in water and sanitation sector;
- Tailor support to target cities as concerns development of urban sanitation strategies and action plans (both citywide and community-based);
- Work with donors, central government, other USAID partners (like ECO-Asia and High-Five) to leverage other support for IUWASH program activities.

Site Selection Process

An integrated approach was followed in the development of an initial rapid assessment program to select a group of potential sites at regional level. A road show to eight potential cities in the region was conducted in May to introduce the IUWASH concept to local leaders and obtain their commitment as well as collect baseline data, providing a basis for further study and analysis of potential target sites for program implementation. A group of five (5) cities will be identified to receive concerted technical support from IUWASH during this workplan period. A cluster approach will be applied to support program implementation with objectives as follows:

- Sharing information and experiences among the cities on water and sanitation sector plans;
- Developing mentoring programs to support exchanges between healthy and unhealthy PDAMs; and
- Increasing programmatic efficiency to achieve the target results and outcomes

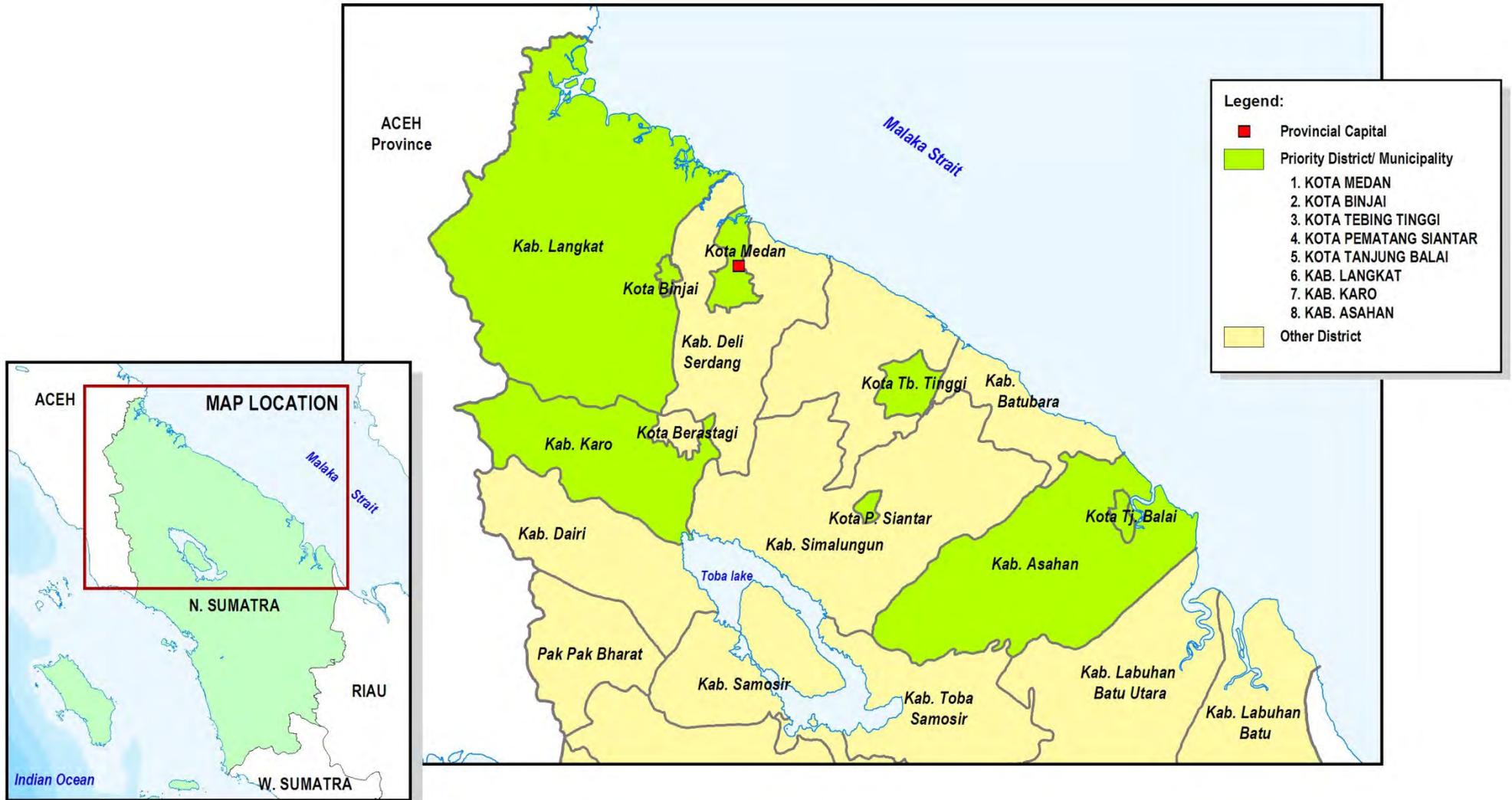
According to the results of first and second phase of the site selection, a cluster in North Sumatera province will consist of 8 cities: Medan, Binjai, Langkat, Tebing tinggi, Pematang Siantar, Asahan, Tanjung Balai, and Karo. From these 8 cities, IUWASH plans to select 5 cities to be supported during in the first and second workplan periods. A further site selection is planned to be conducted in the following work plan period to cover additional areas in North Sumatera province and new areas in NAD province. Below is the map of potential IUWASH sites of North Sumatra province.

Team Composition

The IUWASH team that will oversee activities in the region is now being developed. The composition of the team will consist of a highly experienced regional coordinator from the region, a group of technical professionals, all of whom have extensive previous regional experience, and a strong administrative team.



Priority District/ Municipality for North Sumatra Province



8.3 WEST JAVA, BANTEN AND DKI JAKARTA REGION

Regional Development Context and Challenges in West Java, Banten and DKI Jakarta Region

This region is particularly special as it covers three different provinces in Western Java, all of which have unique technical and managerial characteristics and challenges in terms of access to water supply and sanitation. In Jakarta for example, the operation of water service provider, PAM Jaya, was taken over by two private companies, PT Aetra Air Jakarta and PT PAM Lyonnaise Jaya since 1998. The special geographic location of Jakarta as the capitol city will increase national attention to IUWASH activities in this region. However, being located in the center of national government, Jakarta is also a potential to showcase for the IUWASH program to a wider audience and stakeholders group for advocacy purposes. Although a sewerage system is in place in Jakarta, this systems covers only about 2% of the population and the majority of the population relies on an individual onsite systems, mostly septic tank of which (according to a Mercy Corps study in 2007), 46% do not comply with the technical standards. The provincial government of Jakarta receives the highest APBD compared with other province though it is still a challenge for Jakarta to prioritize its investment in water and sanitation sector. Interestingly, a potential PPP activity aimed at increasing access to adequate and safe sanitation for urban poor communities in Jakarta is already under discussion between IUWASH and Indonesia Business Links (IBL), a foundation that is very active in promoting and assisting corporations in the implementation of Corporate Social Responsibility (CSR) programs in Indonesia.

The provinces of West Java and Banten are challenged by: low water supply coverage from local utilities (varying from 8% to 60%) and high non-revenue water (varying from 11% to 47%). The institutional setting is also relatively complex, as in the case of Tangerang where service provision has been split between two PDAMs—one for the city and another for the regency or district (kabupaten) level. Among others, one important challenge resulting from this is how to manage existing raw water sources to meet current and future demand. In the city of Bogor, access to loan funding has been made available to substantially expand service coverage, specifically via a loan from the World Bank to add 9,000 new connections annually for a 6-year period, starting from 2013. The District or Kabupaten of Bogor is also in the process of obtaining a loan through PP 29/2009 and is now waiting for an approval from the Ministry of Finance. As concerns sanitation, sewerage system coverage is only available in large cities, such as Bandung and Bogor, while others still rely on conventional individual treatment systems (septic tanks and pit latrines) of which, according to the World Bank study in 2008, 60% to 66% are categorized as unimproved. IUWASH has considered the above issues as both challenges and opportunities to collaborate with local government and to work with ongoing donor-assisted programs to strengthen and improve the capacity and mobilize demand from both the government and community sides.

In this first IUWASH program year, West Java-Banten-Jakarta region will focus on conducting a thorough assessment in order to help IUWASH synchronize its works with local government priorities and needs. The assessment will include an institutional assessment for water and sanitation service providers (PDAM and PD PAL Jaya), CSOs (including local NGOs and private companies), Puskesmas and communities, as well as an assessment of existing local governments water and sanitation policies and strategies, including Citywide Sanitation Strategies that have been developed. The assessment will be conducted in parallel with other regions and, prior to that IUWASH will develop an assessment checklist to ensure that all the data collected are complete and valid. The assessment results will help IUWASH develop profiles of institutions, organizations and

communities and to develop a list of priority cities and kabupatens which will be targeted in the first two years of IUWASH.

Site Selection

Following the cluster approach, this region will be divided into two clusters: Banten and West Java (plus Jakarta). Potential cities that will be included in each cluster are as follows:

- Banten Cluster: Tangerang city, Tangerang kabupaten, Serang, Cilegon and Lebak
- West Java/DKI Jakarta Cluster: Bogor city, Bogor kabupaten, Sukabumi kota, Sukabumi kabupaten, Karawang, Bekasi kota and Bekasi kabupaten

The cluster approach will help IUWASH organize its work and more efficiently mobilize resources to support local government initiatives and programs to improve and increase water and sanitation access for the people. In each cluster, IUWASH combines several PDAM with different levels of performance status as established by BPKP data of 2009 to be able to facilitate PDAM-to-PDAM mentoring and cross-fertilization. Below is the map of potential sites of the clusters for West Java, DKI Jakarta and Banten provinces.

Team Composition

The IUWASH team that will oversee activities in the region will be based out of the project's national office and is now being developed. The composition of the team will consist of a highly experienced regional coordinator from the region, a group of technical professionals, all of whom have extensive previous regional experience, and a strong administrative team.



Priority District/ Municipality for West Java, Banten and Jakarta Provinces



Legend:

- State Capital
- Provincial Capital
- Priority District/ Municipality
- 1. KOTA JAKARTA
- 2. KOTA BEKASI
- 3. KOTA TANGERANG
- 4. KOTA SERANG
- 5. KOTA BOGOR
- 6. KAB. TANGERANG
- 7. KAB. BEKASI
- 8. KAB. BOGOR
- 9. KAB. KARAWANG
- Other District



8.4 CENTRAL JAVA REGION

Regional Development Context and Challenge in Central Java Region

Generally, Central Java province still has reasonable quantities of raw water resources to support PDAM supply and expansion, but availability varies between the Northern, Central and Southern part of the province. PDAM coverage in the cities of Northern Central Java (target area of the IUWASH program) varies from 10% to 50% with substantial potential for supporting PDAMs with the provision of new connections. PDAM Kota Semarang and Kota Surakarta have already approached the IUWASH team and requested assistance in substantially expanding service coverage through the establishment of new connections, promotional campaigns, willingness to pay surveys, micro-finance, various technical efficiency improvements, tariff reviews, etc. Also, these cities have expressed their commitment to restructure their outstanding debts with Ministry of Finance. Demand to improve and expand PDAM services for other cities in the northern part of Central Java, including increasing the role of local governments and civil society groups will be determined during the course of planned assessments.

IUWASH will provide continuation supports to PDAM Kota Surakarta because the PDAM has investment planning to increase their production capacity about 300 L/sec through Semanggi water treatment construction where aiming 18.000 new connections. The investment fund are from central government and other source, IUWASH assistant are expected to identify the best and economical alternative source and preparation on tender requirement

In Central Java, 25% of the population has no improved sanitation facilities, which means that the people's behavior related to sanitation is still poor. IUWASH will firstly assess the condition of current city sanitation strategies of those cities which are already participating in the PPSP program, and provide tailor-made assistance where required. Cities who express strong interest to also join the PPSP program, will first enter in this program and then also can receive support by the IUWASH team, in close collaboration with the PPSP teams, to jointly develop strong Pokja/Sanitation and City Sanitation Strategies. For Semarang city which has many high density housing areas, yet no have domestic waste water system even though they has develop a sewerage system and centralize domestic wastewater treatment plant. , IUWASH will examine, with local stakeholders and in close collaboration with National partners the possibility to develop a centralized system and with other partners identify the first steps required (awareness building, various studies, financing options, institutional arrangements). Also for the larger cities in this region, IUWASH team will start discussing with local decision makers about the problem of sludge collection and treatment of existing septic tanks, and develop options to improve this.

IUWASH cluster approach will focus its attention on selected cities around Semarang and northern area of Central Java as the working basis of this the program and to accommodate the characteristic of local people, which is very cooperative. A specific approach for IUWASH support in Central Java is implemented through several aspects as follow:

- Increasing PDAM performance through assessment on technical, financial and management condition followed by custom approaches based on specific condition in each PDAM
- Identifying opportunities to provide critical support in areas where new connection can be developed rapidly
- Commence studies to safeguard raw water sources for future use.

- Promoting communal domestic waste treatment to the local government (especially for dense area like in Kota Semarang), initially by performing centralize communal pilot plant in couples of certain area.
- Identifying current status of city sanitation strategies implemented by various cities in this cluster and provide tailor-made support, in line with the PPSP and STBM approach

Site Selection

Site selection process for the potential cities in Central Java region follows a similar approach implemented in other IUWASH regions. Start from an initial rapid assessment at national level and based on defined criteria, the team selected a group of potential sites at regional level. This process then is followed by a road show (June 2011) to potential cities in the region to collect more data and discuss with Local Government and its institutions. After gathering data from these potential cities, the IUWASH team will select cities to work with for first and second work plan period. A cluster approach is applied to support the program implementation with targeted several objectives as follow:

- Sharing information and experiences among the cities especially on good intentions in water and sanitation sector
- Support each other between healthy and unhealthy PDAMs through a mentoring program

Based on the result of first and second phases of the site selection, a cluster cities of Central Java province consist of 10 cities: Kota Semarang, Semarang district, Kendal, Demak, Jepara, Kudus, Pati, Grobogan, Rembang and Kota Solo. From these 10 cities, IUWASH plans to select 4-5 cities to be supported during in the first and second work plan period.

Team Composition

Building an implementation team of IUWASH Central Java region is conducted in the beginning phase of this work plan period. A recruitment process of IUWASH Central Java team is conducted at national and locally at regional level. The composition of Central Java team consists of a group of technical professionals led by a regional coordinator and supported by an administrative team.



Priority District/ Municipality for Central Java Province



Legend:

- Provincial Capital
- Priority District/ Municipality
- Other District

1. KOTA SEMARANG
2. KOTA SURAKARTA
3. KAB. SEMARANG
4. KAB. KENDAL
5. KAB. DEMAK
6. KAB. GROBOGAN
7. KAB. KUDUS
8. KAB. PATI



8.5 EAST JAVA REGION

Regional Development Content and Challenge in East Java Province

East Java is the second most populated province in Indonesia, with more than 37 million people. A proliferation of landless and impoverished slum communities in the cities has led to dense and unregulated settlement at lower elevations, often on public lands. The pattern of increasingly dense settlements throughout East Java is having serious impacts on surface and ground water quality through uncontrolled sewage and solid waste disposal. PDAM Surabaya is implementing a GPOBA Water for the Poor program and some other cities/districts are implementing a water hibah program from Central Government financed by AusAID. IUWASH will work in coordination with those programs in order to support in accelerating the achievement instead of overlapping.

For sanitation sector, the team will support Local Governments in the preparation of City Sanitation Strategy (CSS) and/or other documents related to CSS and possibly a construction of Community Based Sanitation (CBS) facilities through grant programs. The team will also work in coordination with other donor programs such as High Five STBM (USAID), Sanimas (World Bank) etc.

Site Selection

The preliminary data in site selection used secondary data from Bappenas, Ministry of Public Works, ESP, ISSDP and PDAMs to identify Local Governments that offer the greatest potential for reaching the IUWASH targets. Also taken into account the on-going and planned donor and Indonesian Government activities. Due to efficiency of the implementation and high achievement of the program, IUWASH plan to work in cluster base with Surabaya city as the center. For the first year Work Plan, East Java region will work in cities/districts of: Surabaya, Sidoarjo, Gresik, Mojokerto (Kab & Kota), Pasuruan (Kab & Kota), Lamongan and Probolinggo. Below is the map of potential sites of East Java region.

Team Composition

IUWASH will commence preparatory work in East Java in June with negotiations over suitable office space and interviews with long term staffs. By mid of June 2011, East Java office will be fully functional with networked communications in place and all technical, administrative and supporting staffs recruited and mobilized. East Java Team will consist of a combination of technical professional and administrative team.



Priority District/ Municipality for East Java Province



Legend:

- Provincial Capital
- Priority District/ Municipality
 1. KOTA SURABAYA
 2. KOTA PASURUAN
 3. KOTA PROBLINGGO
 4. KOTA MOJOKERTO
 5. KAB. GRESIK
 6. KAB. LAMONGAN
 7. KAB. SIDOARJO
 8. KAB. PASURUAN
 9. KAB. MOJOKERTO
- Other District



8.6 SOUTH SULAWESI AND EASTERN INDONESIA REGION

Regional Development Content and Challenge in South Sulawesi and Eastern Indonesia Region

Generally Southern Sulawesi and Eastern part of Indonesia still facing problem related to their geographical characteristic. Some of areas are located in remote area with poor access to infrastructure facilities such as transportation, economic related facilities as well as the water and sanitation facilities. Increased population is also stimulating to the water and sanitation problems. The coverage services of PDAM in the cities of this area are still low with about 14% to 40%. Only in Kota Pare-pare the coverage of water services is about 80%. In Kota Makassar, the level of water supply services is low with a high rate of water loss and low coverage of water and sanitation services to Low-income communities (MBP). Currently a Waste Water Master Plan is prepared by AUSIAD financed program, which includes a plan for development of centralized wastewater system for this city. IUWASH team will collaborate on the demand site through sanitation marketing, promotion, willingness to pay services, provision of micro-credit to speed up new connections, etc. With regard the technical support to PDMA Makassar and other PDAM around Makassar (Gowa, Maros and Takalar, all part of the Greater Makassar region), the IUWASH team will discuss in detail with local stakeholders and JICA who is also implementing a Technical Assistance program. Since traditionally JICA Technical assistance programs focus on pure technical aspects, like non-Revenue Water reduction, network mapping, water quality improvements, the IUWASH program can then support the financial aspects, a pro-poor focus, larger involvement of civil society and stronger oversight by Local Government. IUWASH team will also assess current performance of PDAM Pare-Pare and together with them determine the areas where IUWASH support can be most beneficial to support PDAM to increase access to piped water.

For Kota Ambon, coverage of water services is low (25%) and Non revenue water loss of > 60% still high. Another critical issue is the safeguarding of raw water sources to supply sufficient clean water covering future demand of the city. IUWASH will examine current conditions and together with PDAM management and Local government determine priority support to be provided by IUWASH. This will be the opportunity to institutionalize and upscale the micro-finance program, which had just started under the ESP program. In the sanitation sector, the potential for further development of the program started under ESP is substantial, to build on installation of 2 communal septic systems through the national budget (2010). Kota Ambon already expressed strong commitment to expand this program to many other low income areas in Ambon and the IUWASH team can support the further planning, community participation and training and mobilizing of finance from local, provincial and national budgets augmented possibly by private sector (through CSR) and/or other donor agencies.

Jayapura city will be another target site for in this region. Even though performance of PDAM Jayapura has increased since 2009, the general condition is still categorized as “unhealthy” PDAM with coverage area around 50%, high Non-revenue water, old pipe network and highly motivated but largely untrained staff. During ESP the institutional setting was changed, so that one PDAM is now formally owned by two Local Governments and this provides a large potential for substantial improvement of service to existing households combined with increase in new connection due to increased support by two Local governments, including possibilities for increased budget allocations, in addition to potential increasing raw water to increase connections. With regard the Urban Sanitation sector, the potential for construction of Communal Septic Tank for water supply and sanitation is

already incorporated in the sanitation strategy of the Pokja/ Sanitation and the IUWASH team can immediately provide support in detailed planning, community mobilization, promotion campaigns, and mobilizing finance from local, provincial and national budgets combined with private sector and possibly other donor agencies.

In this region IUWASH team will work very close with all other donors supported programs, including ADB, AUSAID, JICA, PNPM Mandiri, to avoid overlapping and use them as potential to strengthen and expand the IUWASH program impact by coordinating programs of IUWASH, other agencies and local stakeholders, with special consideration for the USAID financed WATSAN programs implemented by CARE, UNICEF, CCP and Pacific Institute.

IUWASH Team in South Sulawesi and Eastern Indonesia region implements specific approaches to achieve the target set for this work plan period as follow:

- Support PDAM performance improvement by using the tools PDAM Performance Index and PDAM assessment condition, in close collaboration with other donor programs.
- Support increases access to urban sanitation services (following PPS and STBM approach) for all target areas, in close collaboration with other donor programs in this area and through strengthening of Pokja/ Sanitation and/or Pokja AMPL
- Where possible, involve the private sector, Local Provincial and National Government for CBS pilot programs (innovative, low cost, easy replicable)
- Engage Local Government Support (the Governor and Mayor)

Site Selection

The process of site selection in South Sulawesi is based on an integrated approach considering initial rapid assessment at national level and based on defined criteria applied to select a group of potential sites at regional level. This become the first step of site selection and it followed by a road show to these potential cities in the region (during June) to collect more data, have discussion with Local decision makers and subsequently use the obtained data and information as a basis for final selection of regional sites which will receive technical support from IUWASH team during in the first and second period of IUWASH work plan. A cluster approach is applied to support the program implementation with targeted several objectives as follow:

- Sharing information and experiences among the cities especially on good intentions in water and sanitation sector
- Support each other between healthy and unhealthy PDAMs through a mentoring program

According to the result of first and second phases of the site selection, a long list of potential cities for South Sulawesi and Eastern Indonesia consist of 8 cities: Kota Makassar, Kabupaten Gowa, Kabupaten Maros, Kabupaten Takalar, Kabupaten Barru, Kabupaten Pare-Pare, Kota Ambon dan Kota Jayapura. From these 8 cities, IUWASH plans to select 4-5 cities to be supported during in the first and second work plan period.

Team Composition

The IUWASH team for South Sulawesi and Eastern Indonesia region consists of technical and administrative teams. These teams led by a experienced regional coordinator who will coordinate with partners and stakeholders in the region. This management system is to build a strong IUWASH team to implement the program activities at the regional level. A recruitment process of IUWASH South Sulawesi and Eastern Indonesia team is conducted at national and locally at regional level.

Summary of Regional Program Activities

This year's activities will focus on establishing a strong foundation to further implementation of the program activities. This period of work plan will focus on conducting assessment within the selected cities and kabupaten to identify potential community groups to implement the activities at grass root level. Another important activity is identification of potential partner included Local Government institutions, private sectors, NGOs and universities. These potential partners will work together to improve advocacy, accountability and regulation in water and sanitation services delivery. The team will apply a demand and capacity building approach to improve access by engaging citizens and community groups to demand improved services, while simultaneously building capacity of both PDAM and local governments to deliver and oversee the quality of service.

The program will be implemented in a completed integrated fashion. The strategic approach is premise on the fact that most outputs and outcomes are interrelated and inseparable and will be mutually reinforcing initiatives to mobilize demand (Component 1), increase capacity for service delivery (Component 2) and improve the enabling environment (Component 3). In the first work plan period, the IUWASH regional teams focus on conducting a rapid initial assessment with Local Governments, PDAMs, and other stakeholders followed by signing of MoU with local decision makers of the selected cities (mayors and PDAM directors), This MoU will include the first year action plan, agreed by all parties and after IUWASH regional staff is fully mobilized in the region, the first of the selected priority programs can commence

Following are the list of activities which will be implemented during the month of March through September 2011 in all regions.

Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
Task MD 1.3 Conduct sanitation baseline study (existing condition, willingness to pay) and rapid assessment on sanitation actors and activities (refer to MD 5.1 and IC 7.1)	Assessment of potential sites at kelurahan level for CB sanitation program with local governments and CSOs	BCC, TFL	Sites identified and shortlisted	✓	✓	✓	✓	✓	July-Sept	MD.2
MD 2.1 Identify potential CSOs and/or government cadres to implement the programs	Identification of potential CSO(s) and Puskesmas(s) to collaborate with in conducting program activities	BCC, TFL	CSO(s) and Puskesmas(s) identified shortlisted	✓	✓	✓	✓	✓	July-Sept	MD.3
	Facilitate Civil society groups implementing OBA (Surabaya) or water hibah (other cities) programs to mobilize improved access to safe drinking water through Master Meter Scheme	BCC, UW and TFL	CBOs for Master Meter Scheme developed				✓		July-Sept	MD.1; MD.4; IC.5; IC.6; EE.4
MD 2.3 Capacity building for CSOs and/or government cadres on the topics related to the program	Conduct ToT for PPP CBS team of IBL	BCC, US and TFL	Training conducted		✓				June-July	HR.4
MD 2.6 Support civil society organizations and/or government cadres to implement the program, such as installation of community-based and or individual WATSAN systems	Support IBL to conduct PPP CBS program in one location in Jakarta	BCC, US and TFL	One CBS facility installed		✓				July-June ('12)	HR.2, MD.5

**USAID INDONESIA URBAN WATER SANITATION AND HYGIENE
ANNUAL WORK PLAN PROGRAM YEAR 1, 2011**

Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
MD 3.1 Assess existing CSO that can serve as customer forum to target PDAMs	Assessment of existing PDAM customer forum(CF) and CSO	BCC, WS, IG and TFL	PDAM CF(s) and CSO(s) are identified and shortlisted	✓	✓	✓	✓	✓	July-Sept	IC.7, EE.5
MD 5.1 Conduct baseline survey on hygiene practices (refer to MD1.3 and IC 7.1)	Assessment of potential sites for the survey → link to MD 1.3	BCC, TFL	At least two potential sites are selected	✓	✓	✓	✓	✓	July-Sept	MD.2, MD.1
IC 1.1 Determine baseline of PDAM performance index and agree with PDAM and PEMDA on concrete measures to improve specific aspects of PDAM performance index	<ul style="list-style-type: none"> Collection of PDAM baseline data and development of PDAM profile Develop draft of Collaboration Agreement (MoU) for local government and PDAM 	UW and MF	PDAM profile and MoU signed	✓	✓	✓	✓	✓	July-Sept	EE.1, HR-1
IC 1.2 Develop and Support improvements in PDAM financial aspect, including full cost recovery, tariff review, billing and accounting systems, financial efficiency and accountability measures	Identification of potential tariff adjustment activities	UW and MF	List of activities developed	✓	✓	✓	✓	✓	May-Sept	HR-1, IC-2, IC-3
IC 1.3 Develop and Support improvements in PDAM technical & operational aspects, including NRW reduction, energy efficiency, water quality improvements	Identification of potential NRW program	UW	List of program developed	✓	✓	✓			May-Sept	HR-1, IC-2, IC-3

**USAID INDONESIA URBAN WATER SANITATION AND HYGIENE
ANNUAL WORK PLAN PROGRAM YEAR I, 2011**

Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
IC 1.4 Develop and Support improvements in PDAM customer relation planning and programs	Identification of potential customer relation improvement program	UW and IG	List of program developed	✓	✓	✓		✓	May-Sept	MD.3, EE.5
IC 1.5 Develop and Support improvements in PDAM good governance, including increased accountability, transparency, pro-poor focus, and service expansion measures	identification of customer relation improvement program	UW, IG	Customer relation program identified	✓				✓	July – sep	HR-1, IC-2, IC-3, MD.3, EE.5
IC 1.6 Develop and Support improvements in PDAM business and human resource management, including use of corporate plan, standard operating procedures, staff incentives schemes	Assessment and identification of potential improvement program for PDAM corporate plan, SOP, HR, etc	UW	List of program developed	✓	✓	✓	✓	✓	May-Sept	IC.1, EE.1
IC 1.7 Support sharing information and experience among PDAMs, PEMDA and other stakeholders	assessment of current PDAM corporate plan, SOP, HR, etc. and identification for improvement program	IG, UW	Current PDAM corporate plan, SOP, HR, etc. are identified	✓	✓	✓			July – sep	MD.1; MD.3

**USAID INDONESIA URBAN WATER SANITATION AND HYGIENE
ANNUAL WORK PLAN PROGRAM YEAR I, 2011**

Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
	Assessment of current PDAM corporate plan, SOP, HR, etc and identification for improvement program	IG, UW	List of PDAMs to be facilitated in preparation or improvement of CP/BP, SOP, Tariff Structure etc.				✓	✓	July-Sept	MD.1; MD.3
IC 2.1 Conduct assessment on current debt restructuring status of target PDAM	<ul style="list-style-type: none"> • Identification and assessment of PDAM debt restructuring program • Revise business plan for Debt re-structuring program 	IG, MF	<ul style="list-style-type: none"> • PDAM debt restructuring program is identified • follow-up Debt restructuring program 	✓	✓	✓	✓	✓	Aug – sep	IC 1-2
IC 4.1 Support PEMDA/PDAM to conduct preliminary raw water sources vulnerability assessments, (current and future demand, quality and quantity risks to include those of climate stressors, protection measures and improvement / expansion plans	Assessment of existing raw water condition, potential new raw water sources and PDAM institutional capacity for climate change adaptation program	UW, WR	PDAM raw water profile developed	✓	✓	✓		✓	May-Sept	IC.1, EE.1

**USAID INDONESIA URBAN WATER SANITATION AND HYGIENE
ANNUAL WORK PLAN PROGRAM YEAR I, 2011**

Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
IC 5.2 Assess the status of City-wide Sanitation Strategies (CSS) developed in IUWASH cities/regions	Assessment of existing CSS and identification of potential supports for local government to improve/revise/implement CSS	US	City sanitation profile developed	✓	✓	✓	✓	✓	June-Aug	EE.1, EE.2
IC 6.2 Assess potential SMEs that have expertise on working in sanitation sector	Assesement of potential SMEs	UW, MF	Data of potential SMEs	✓				✓	July-September	MD 4.1
IC 7.1 Conduct baseline survey on satisfaction by poor communities with WATSAN services (refer to MD.1.3 and MD 5.1)	Assessment of potential sites of the baseline activities	UW, US, BCC	At least two potential sites are selected	✓	✓	✓	✓	✓	July-Sept	MD.2, MD.1
EE 1.1 Assess existing policies and budget allocation to improve WATSAN services by PEMDA	Assessment of local governments' existing policies and budget allocation for WATSAN and develop recommendation	IG	City/Kab profiles developed	✓	✓	✓	✓	✓	June-Sept	IC.5
EE 2.3 Present and socialize the investment plans and the result of feasibility study among relevant stakeholders and develop consensus on appropriate financing path	Identification of potential PDAM that can access funding from public sources	IG, MF	PDAM shortlisted	✓	✓	✓	✓		June-Sept	IC.2

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Task	Activity	Input (*)	Output	Region (**)					Timeline	Contribution to other outcomes
				NSA	DWB	CJ	EJ	SSE		
EE 2.4 Facilitate funding commitments through (a) allocation of public fund; (b) commercial financing agreement; (c) debt obligation; (d) donor fund allocation	(If there is) support PDAM that are ready to access funding from Presidential Decree 29/2009 mechanism	IG, MF	PDAM shortlisted	✓	✓	✓			June-Sept	IC.1
EE 4.1 Identify and develop possible micro-finance options and promote creative micro-finance options for household investments in WATSAN	Conduct introduction and socialization of IUWASH microfinance program to stakeholders	MC, BCC	Partners interested and ready to make agreement	✓	✓	✓	✓	✓	July	HR.4
EE 5.1 Assess existing mechanisms of citizen involvement in Local Governance systems and recommend improvements	Assessment of existing mechanism of citizen involvement and develop recommendation	IG	Mechanism identified and recommendation developed	✓	✓	✓	✓	✓	July-Aug	MD.3, IC.7

*) BCC = Behavior Change Communication Specialist; TFL = Technical Field Liaison; UW = Urban Water Specialist; US = Urban Sanitation Specialist; IG = Governance Specialist; MF = Municipal Finance Specialist; WVR = Water Resource Management Specialist; MC = Micro-finance Specialist.

***) NSA = North Sumatra/Aceh; DWB = DKI Jakarta, West Java and Banten; CJ = Central Java; EJ = East Java; SSE = South Sulawesi and Eastern Indonesia

APPENDICES

APPENDIX I: IUWASH OUTCOMES AND TARGETS FOR FIVE YEAR

High Level Results										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>HR.1.</u> People gain access to improved water supply as a result of US Government assistance	Number of people in urban areas gain access to improved water supply as a result of US Government assistance	Number	0	0	100,000	400,000	600,000	600,000	300,000	2,000,000
<u>HR.2</u> People gain access to improved sanitation services as a result of US Government assistance	Number of people in urban areas gain access to improved sanitation facilities as a result of US Government assistance	Number	0	0	10,000	40,000	60,000	50,000	40,000	200,000
<u>HR.3</u> Per unit water cost paid by poor in targeted communities decreases by at least 20% through more participatory, transparent, and financially enabled services	The per unit water cost paid by the poor in targeted communities decreases by at least 20% through more participatory, transparent, accountable and financially enabled services	Percent decreased (cumulative)	TBD	0	5	10	15	20	20	20
<u>HR.4</u> People participated in IUWASH training activities	Number of people trained in IUWASH training type of activities	Number	0	2,000	8,000	10,000	15,000	12,000	3,000	50,000

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Component 1: Mobilize Demand for Improved Water and Sanitation Services										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>MD.1</u> Household willing to pay for sanitation improvements	Number of households willing to pay for sanitation improvements	Number (cumulative)	0	0	6,000	9,000	12,000	13,000	0	40,000
<u>MD.2</u> Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation	Number of civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation	Number	0	0	2	10	14	14	0	40
<u>MD.3.</u> Civil society groups that report on PDAM operations or performance	Number of civil society groups that report on PDAM operations or performance	Number	0	0	1	4	8	7	0	20
<u>MD.4.</u> Sanitation for the poor toolkit developed	Number of sanitation for the poor toolkit developed	Number	0	0	1	0	0	0	0	1
<u>MD.5.</u> Household increased adoption of improved hygiene practices	Percent increased of household that adopted improved health and hygiene practices	Percent Increased (cumulative)	TBD	0	0	5	10	20	20	20

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Component 2: Improve Capacity to Provide Sustainable Safe Water and Sanitation Services										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>IC.1.</u> PDAMs with improved technical, financial and management performance	Number of PDAMs with improved technical, financial and management performance	Number	0	0	10	10	15	15	0	50
<u>IC.2.</u> PDAMs in default of old debts are assisted in restructuring their outstanding debts	Number of PDAMs in default of old debts are assisted in restructuring their outstanding debts	Number	0	0	3	6	6	5	0	20
<u>IC.3.</u> PDAMs with improved credit worthiness	Number of PDAMs with improved credit worthiness	Number	0	0	2	4	6	8	0	20
<u>IC.4.</u> Local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment	Number of local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment	Number	0	0	2	4	6	8	0	20

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Component 2: Improve Capacity to Provide Sustainable Safe Water and Sanitation Services										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>IC.5.</u> Local Governments implementing integrated sanitation and hygiene interventions reflected in their citywide sanitation strategic (CSS) plans	Number of local governments implementing integrated sanitation and hygiene interventions that reflect their citywide sanitation strategic plans	Number	0	0	5	5	5	5	0	20
<u>IC.6.</u> Small and medium business providing affordable construction and sanitation facility management services	Number of small and medium business providing affordable construction and sanitation facility management services	Number	0	0	2	6	10	12	0	30
<u>IC.7.</u> poor residents in targeted communities who report greater satisfaction with water and sanitation services	Increased percentage (%) of poor residents in targeted communities who report greater satisfaction with water and sanitation services	Percent increased (cumulative)	TBD	0	5	10	15	20	20	20

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Component 3: Create an Enabling Environment Supporting Equitable Water and Sanitation Services										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>EE.1</u> Participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases	Number of participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases	Number	0	0	5	10	15	20	0	50
<u>EE.2</u> PDAMs or local governments obtain access to long-term funding for water or sanitation investment plans	Number of PDAMs or local government obtain access to long-term funding for water or sanitation investment plans	Number	0	0	0	3	5	7	0	15
<u>EE.3</u> Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved watsan services	Increased percentage (%) in financial resources accessed by service providers from public and private sources for expansion of improved water and sanitation services	Percent Increased (cumulative)	TBD	0	0	5	5	10	10	10

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Component 3: Create an Enabling Environment Supporting Equitable Water and Sanitation Services										
Result	Indicator	Unit of Measurement	Baseline	Annual Target						Total Target
				FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	
<u>EE.4.</u> Low income households accessing micro finance for household improvements in water and sanitation	Number of low income households accessing micro finance for household improvements in water and sanitation	Number	0	0	2,000	6,000	10,000	16,000	6,000	40,000
<u>EE.5.</u> Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation	Number of Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation	Number	0	0	3	4	6	7	0	20

APPENDIX 2: TARGETS TOWARD PMP OUTCOMES FOR FINANCE YEAR 2011 BY PROVINCE

Note: The rows with yellow color indicate the IUWASH results and outcomes that contribute to the Operational Plan (OP) Performance indicators.

PMP Outcome	Indicator	Target Over the life of Project	To Date Achievement	2011 Target			Estimated Total Achievement by End of 2011
				Province	Target	Total	
High Level Result (HR)							
<u>HR.1</u> People gain access to improved water supply as a result of US Government assistance	Number of people in urban areas gain access to improved water supply as a result of US Government assistance	2,000,000	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>HR.2</u> People gain access to improved sanitation services as a result of US Government assistance	Number of people in urban areas gain access to improved sanitation facilities as a result of US Government assistance	200,000	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>HR.3</u> Per unit water cost paid by poor in targeted communities decreases by at least 20% through more participatory, transparent, and financially enabled services	The per unit water cost paid by the poor in targeted communities decreases by at least 20% through more participatory, transparent, accountable and financially enabled services	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>HR.4</u> People participated in IUWASH training activities	Number of people trained in IUWASH training type of activities	50,000	0 (0%)	NSA	450	2,000	0 (0%)
				DBW	600		
				CJ	250		
				EJ	450		
				SSE	250		

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PMP Outcome	Indicator	Target Over the life of Project	To Date Achievement	2011 Target			Estimated Total Achievement by End of 2011
				Province	Target	Total	
Component I: Mobilize Demand for Improved Water and Sanitation Services (MD)							
<u>MD.1</u> Household willing to pay for sanitation improvements	Number of households willing to pay for sanitation improvements	40,000	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>MD.2</u> Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation	Number of civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation	40	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>MD.3</u> Civil society groups that report on PDAM operations or performance	Number of civil society groups that report on PDAM operations or performance	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>MD.4</u> Sanitation for the poor toolkit developed	Number of sanitation for the poor toolkit developed	1	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>MD.5</u> Household increased adoption of improved hygiene practices	Percent increased of household that adopted improved health and hygiene practices	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		

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PMP Outcome	Indicator	Target Over the life of Project	To Date Achievement	2011 Target			Estimated Total Achievement by End of 2011
				Province	Target	Total	
Component 2: Improve Capacity to Provide Sustainable Safe Water and Sanitation Services (IC)							
<u>IC.1.</u> PDAMs with improved technical, financial and management performance	Number of PDAMs with improved technical, financial and management performance	50	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>IC.2.</u> PDAMs in default of old debts are assisted in restructuring their outstanding debts	Number of PDAMs in default of old debts are assisted in restructuring their outstanding debts	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>IC.3.</u> PDAMs with improved credit worthiness	Number of PDAMs with improved credit worthiness	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>IC.4.</u> Local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment	Number of local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>IC.5.</u> Local Governments implementing integrated sanitation and hygiene interventions reflected in their citywide sanitation strategic (CSS) plans	Number of local governments implementing integrated sanitation and hygiene interventions that reflect their citywide sanitation strategic plans	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		

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PMP Outcome	Indicator	Target Over the life of Project	To Date Achievement	2011 Target			Estimated Total Achievement by End of 2011
				Province	Target	Total	
Component 2: Improve Capacity to Provide Sustainable Safe Water and Sanitation Services (IC)							
<u>IC.6.</u> Small and medium business providing affordable construction and sanitation facility management services	Number of small and medium business providing affordable construction and sanitation facility management services	30	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
<u>IC.7.</u> poor residents in targeted communities who report greater satisfaction with water and sanitation services	Increased percentage (%) of poor residents in targeted communities who report greater satisfaction with water and sanitation services	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		

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PMP Outcome	Indicator	Target Over the life of Project	To Date Achievement	2011 Target			Estimated Total Achievement by End of 2011
				Province	Target	Total	
Component 3: Create an Enabling Environment Supporting Equitable Water and Sanitation Services (EE)							
EE.1 Participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases	Number of participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases	50	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
EE.2 PDAMs or local governments obtain access to long-term funding for water or sanitation investment plans	Number of PDAMs or local government obtain access to long-term funding for water or sanitation investment plans	15	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
EE.3 Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved watsan services	Increased percentage (%) in financial resources accessed by service providers from public and private sources for expansion of improved water and sanitation services	10	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
EE.4 Low income households accessing micro finance for household improvements in water and sanitation	Number of low income households accessing micro finance for household improvements in water and sanitation	40,000	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		
EE.5 Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation	Number of Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation	20	0 (0%)	NSA	0	0	0 (0%)
				DBW	0		
				CJ	0		
				EJ	0		
				SSE	0		

APPENDIX 3: LINK BETWEEN USAID IUWASH OUTCOMES AND TASKS

IUWASH High Level Result (HR): Contributing to MDG Goals	
Main Outcome	Contributing Outcomes*
<p><u>Outcome HR.1.</u> People gain access to improved water supply as a result of US Government assistance</p>	<ol style="list-style-type: none"> 1. <u>Outcome MD.2</u> Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation 2. <u>Outcome IC.1</u> PDAMs with improved technical, financial and management performance 3. <u>Outcome IC.4</u> Local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment 4. <u>Outcome EE.2</u> PDAMs / PEMDA obtain access to long-term funding for WATSAN investment plans 5. <u>Outcome EE.3</u> Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved WATSAN services 6. <u>Outcome EE.4</u> Low income households accessing micro finance for household improvements in WATSAN
<p><u>Outcome HR.2</u> People gain access to improved sanitation services as a result of US Government assistance</p>	<ol style="list-style-type: none"> 1. <u>Outcome MD.2</u> Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation 2. <u>Outcome MD.4</u> Sanitation for the poor toolkit developed 3. <u>Outcome IC.5</u> PEMDA implementing integrated sanitation and hygiene interventions that reflect their CSS plans 4. <u>Outcome IC.6</u> SME providing affordable construction and sanitation facility management services 5. <u>Outcome EE.2</u> PDAMs / PEMDA obtain access to long-term funding for WATSAN investment plans 6. <u>Outcome EE.3</u> Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved WATSAN services 7. <u>Outcome EE.4</u> Low income households accessing micro finance for household improvements in WATSAN

IUWASH High Level Result (HR): Contributing to MDG Goals	
Main Outcome	Contributing Outcomes*
<p><u>Outcome HR.3</u> Per unit water cost paid by poor in targeted communities decreases by at least 20% through more participatory, transparent, and financially enabled services</p>	<ol style="list-style-type: none"> 1. <u>Outcome MD.2</u> Civil society groups and/or government cadres implement programs to mobilize improved WATSAN access 2. <u>Outcome IC.1</u> PDAMs with improved technical, financial and management performance 3. <u>Outcome EE.2</u> PDAMs / PEMDA obtain access to long-term funding for water or sanitation investment plans 4. <u>Outcome EE.4</u> Low income households accessing micro finance for household improvements in WATSAN 5. <u>Outcome EE.5</u> Local Governments adopt new or improved mechanisms for citizens to engage PEMDA in WATSAN
<p><u>Outcome HR.4</u> People participated in IUWASH training activities</p>	<p>There is no specific task. All the training activities under all IUWASH tasks will contribute to this outcome</p>

*) Since the outcomes above are the High Level Result, all the achievements of these outcomes are reached by component outcomes, there for there are no specific tasks applied under these High Level Results (HR) outcomes.

IUWASH Component I (MD): Mobilize Demand for Improved Water and Sanitation Services		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome MD.1</u> Household willing to pay for sanitation improvements	Task MD 1.1: Conduct promotion and socialization on the benefit of improved sanitation services. Task MD 1.2: Arrange agreement with households to be connected to improved sanitation system (either individual, community based or centralized). Task MD 1.3: Conduct sanitation baseline study (existing condition, willingness to pay) and rapid assessment on sanitation actors and activities (refer to MD 5.1 and IC 7.1) Task MD 1.4: Conduct annual survey on sanitation improvement and willingness of the households to pay for sanitation improvement (refer to MD 5.5 and IC 7.3)	→ Outcome MD.2 ← Outcome MD.5 → Outcome IC.5 → Outcome IC.6 → Outcome IC.7 → Outcome EE.4
<u>Outcome MD.2</u> Civil society groups and/or government cadres implementing programs to mobilize improved access to safe drinking water and adequate sanitation	Task MD 2.1: Identify potential CSOs and/or government cadres to implement the programs Task MD 2.2: Develop module for capacity building of CSOs and/or government cadres Task MD.2.3: Capacity building for CSOs and/or government cadres on the topics related to the program Task MD 2.4: Assist CSO and/or government cadres to develop plans and design the programs Task MD 2.5: Support CSOs and/or government cadres to access co-funding from other sources, such as private sector, local government budget, IUWASH grants program, etc. Task MD 2.6: Support civil society organizations and/or government cadres to implement the program, such as installation of community-based and or individual WATSAN systems Task MD 2.7: Assist CSO and/or government cadres to share achievements, lessons learned to wider audience	← Outcome MD.1 ← Outcome MD.4 → Outcome IC.5 ← Outcome IC.6 → Outcome EE.3 ← Outcome EE.4
<u>Outcome MD.3.</u> Civil society groups that report on PDAM operations or performance	Task MD 3.1: Assess existing CSO that can serve as customer forum to target PDAMs. Task MD 3.2: Design capacity building module for advocacy, media relation and customer relation for PDAM, customer forum and others. Task MD 3.3: Capacity building on the importance of PDAM customer forum amongst PDAM/PEMDA Task MD 3.4: Support CSO and PDAM to develop new customer forum or strengthen existing customer forum Task MD 3.5: Assist PDAM and customer forum to access funding to support implementation of planned program Task MD 3.6: Promote the lessons learned and best practices of Assist PDAM and customer forum to access funding from other sources to support implementation of the planned program	→ Outcome IC.1 → Outcome IC.7 → Outcome EE.5

IUWASH Component I (MD): Mobilize Demand for Improved Water and Sanitation Services		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome MD.4.</u> Sanitation for the poor toolkit developed	Task MD 4.1: Collect and review existing best practices, examples and tools of sanitation for the poor Task MD 4.2: Develop toolkit outline and toolkit writing in close collaboration with IUWASH partners Task MD 4.3: Conduct workshop for toolkit content consultation with IUWASH partners Task MD 4.4: Finalization of the toolkit (production and launching) Task MD 4.5: Promote and socialize Sanitation for the Poor toolkit to different stakeholders	→ Outcome MD.2 → Outcome IC.5 → Outcome IC.6 → Outcome EE.4
<u>Outcome MD.5.</u> Household increased adoption of improved hygiene practices	Task MD 5-1: Conduct baseline survey on hygiene practices (refer to MD1.3 and IC 7.1) Task MD 5-2: Develop hygiene related campaign strategy Task MD 5-3: Design campaign materials, include modules and training materials Task MD 5-4: Campaign implementation, including community event, media advocacy, school activities, etc. Task MD 5-5: Conduct annual survey on increased adoption of improved hygiene practices (refer MD 1-4 ; EE 7.3) Task MD 5-6: Promote award mechanism for the most improved hygiene behavior communities	→ Outcome MD.1 → Outcome IC.6 → Outcome IC.7

IUWASH Component 2: Capacity Improvements to provide sustainable safe water and Sanitation Service		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome IC.1.</u> PDAMs with improved technical, financial and management performance	<p>Task IC 1-1 Determine baseline of PDAM performance index and agree with PDAM and PEMDA on concrete measures to improve specific aspects of PDAM performance index</p> <p>Task IC 1-2 Develop and Support improvements in PDAM financial aspect, including full cost recovery, tariff review, billing and accounting systems, financial efficiency and accountability measures</p> <p>Task IC 1-3 Develop and Support improvements in PDAM technical & operational aspects, including NRW reduction, energy efficiency, water quality improvements</p> <p>Task IC 1-4 Develop and Support improvements in PDAM customer relation planning and programs</p> <p>Task IC 1-5 Develop and Support improvements in PDAM good governance, including increased accountability, transparency, pro-poor focus, and service expansion measures</p> <p>Task IC 1-6 Develop and Support improvements in PDAM business and human resource management, including use of corporate plan, standard operating procedures, staff incentives schemes</p> <p>Task IC 1-7 Support sharing information and experience among PDAMs, PEMDA and other stakeholders</p> <p>Task IC 1-8 Conduct annual survey on changes in PDAM performance Index and share results with PDAM and Local Governments (PEMDA, BAWASDA, etc)</p>	<p>← Outcome MD.3</p> <p>→ Outcome IC.2</p> <p>→ Outcome IC.3</p> <p>↔ Outcome IC.4</p> <p>↔ Outcome EE.1</p> <p>→ Outcome EE.4</p>
<u>Outcome IC.2.</u> PDAMs in default of old debts are assisted in restructuring their outstanding debts	<p>Task IC 2-1 Conduct assessment on current debt restructuring status of target PDAM</p> <p>Task IC 2-2 Assist PDAM preparing and submitting debt restructuring plan in accordance with PMK 120/2008.</p> <p>Task IC 2-3 Assist PDAM to establish a monitoring system to ensure that they meet the targets set forth in their approved business plan.</p>	<p>← Outcome IC.1</p> <p>→ Outcome EE.2</p> <p>→ Outcome EE.3</p>
<u>Outcome IC.3.</u> PDAMs with improved credit worthiness	<p>Task IC 3-1 Develop and test Credit-Worthiness Ladder</p> <p>Task IC 3-2 Determine Baseline for PDAM Credit-Worthiness</p> <p>Task IC 3-3 Conduct Annual Survey on changes in PDAM credit-worthiness.</p> <p>Task IC 3-4 Where applicable, support PDAM to obtain certified credit rating</p>	<p>← Outcome IC.1</p> <p>→ Outcome EE.2</p> <p>→ Outcome EE.3</p>

IUWASH Component 2: Capacity Improvements to provide sustainable safe water and Sanitation Service		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome IC.4.</u> Local government institutions implementing necessary climate change adaptation measures, based on preliminary raw water sources vulnerability assessment	<p>Task IC 4-1 Support PEMDA/PDAM to conduct preliminary raw water sources vulnerability assessments, (current and future demand, quality and quantity risks to include those of climate stressors, protection measures and improvement / expansion plans</p> <p>Task IC 4-2 Improve PEMDA/PDAM planning capacity to adapt successfully to global and climate induced changes and impacts safeguarding future raw water sources</p> <p>Task IC 4-3 Assist PEMDA/PDAM to implement Climate Change Adaptation program base on results of the raw water sources vulnerability assessment and improved plans</p>	<p>↔ Outcome IC.1</p> <p>→ Outcome EE.1</p> <p>→ Outcome EE.2</p> <p>→ Outcome EE.3</p>
<u>Outcome IC.5.</u> Local Governments implementing integrated sanitation and hygiene interventions reflected in their citywide sanitation strategic (CSS) plans	<p>Task IC 5-1 Promote National Policies to PEMDA on acceleration of urban sanitation development</p> <p>Task IC 5-2 Assess the status of City-wide Sanitation Strategies (CSS) developed in IUWASH cities/regions</p> <p>Task IC 5-3 Improve local planning and implementation of CSS through technical assistance to multi-stakeholder Sanitation Working Groups</p> <p>Task IC 5-4 Engage local governments in implementation of National STBM as part of CSS) implementation</p> <p>Task IC 5-5 Implement innovative and low-cost sanitation solutions linked to CSS and STBM</p>	<p>← Outcome MD.1</p> <p>← Outcome MD.2</p> <p>← Outcome MD.4</p> <p>→ Outcome EE.1</p> <p>→ Outcome EE.2</p> <p>→ Outcome EE.3</p> <p>→ Outcome EE.4</p>
<u>Outcome IC.6.</u> Small and medium business providing affordable construction and sanitation facility management services	<p>Task IC 6-1 Assess current experience and lessons learned on sanitation marketing for SME</p> <p>Task IC 6-2 Assess potential SMEs that have expertise on working in sanitation sector</p> <p>Task IC 6-3 Design modules for SME capacity building on social marketing and program implementation</p> <p>Task IC 6-4 Capacity building for SMEs to develop and provide appropriate / affordable improvements to household and/or community based sanitation facilities</p> <p>Task IC 6-5 Provide technical assistant to SMEs on development of improved sanitation facilities</p> <p>Task IC 6-7 Promote the results of the program on improved sanitation program by SMEs</p>	<p>← Outcome MD.2</p> <p>← Outcome MD.4</p> <p>← Outcome MD.5</p> <p>← Outcome EE.4</p>
<u>Outcome IC.7.</u> poor residents in targeted communities who report greater satisfaction with water and sanitation services	<p>Task IC 7-1 Conduct baseline survey on satisfaction by poor communities with WATSAN services (refer to MD.1.3 and MD 5.1)</p> <p>Task IC 7-2 Capacity building to support the development of mechanism for poor resident to report greater satisfaction with WATSAN services</p> <p>Task IC 7-3 Conduct annual survey on satisfactory by poor (refer to MD.1.4 and MD 5.5)</p>	<p>← Outcome MD.1</p> <p>← Outcome MD.3</p> <p>← Outcome MD.5</p>

IUWASH Component 3 (EE): Create an Enabling Environment Supporting Equitable Water and Sanitation Services		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome EE.1</u> Participating local governments that put greater priority on safe drinking water and sanitation through supportive local policies and budget allocation increases	Task EE 1-1 Assess existing policies and budget allocation to improve WATSAN services by PEMDA Task EE 1-2 Supporting agreed advocacy efforts to expand political support for improving WATSAN access in urban settings among governments at local, regional and national level and local legislative bodies Task EE 1-3 Support Local governments to agree upon reform policy related to increased priority to support improved WATSAN services Task EE 1-4 Support Local governments on budget planning to allocate increased budget for WATSAN services Task EE 1-5 Improve/strengthen PEMDA (Bawasda) oversight responsibility toward PDAM, including management, recruitment, regulations and performance	⇔ Outcome IC.1 ⇔ Outcome IC.4 ⇔ Outcome IC.5 → Outcome EE.2 → Outcome EE.3 ← Outcome EE.5
<u>Outcome EE.2</u> PDAMs or local governments obtain access to long-term funding for water or sanitation investment plans	Task EE 2-1 Identify needs of project/investment and obtain preliminary consensus agreed by relevant stakeholders Task EE 2-2 Develop investment plans that accompanied by feasibility study Task EE 2-3 Present and socialize the investment plans and the result of feasibility study among relevant stakeholders and develop consensus on appropriate financing path Task EE 2-4 Facilitate funding commitments through (a) allocation of public fund; (b) commercial financing agreement; (c) debt obligation; (d) donor fund allocation	← Outcome IC.2 ← Outcome IC.3 ← Outcome IC.4 ← Outcome IC.5 ← Outcome EE.1
<u>Outcome EE.3</u> Percent increased (%) in financial resources accessed by service providers from public and private sources for expansion of improved watsan services	Task EE 3-1 Conduct base line survey to identify existing financial resources of service providers on improve water and sanitation services (refer to EE-1) Task EE 3-2 Conduct advocacy for public & private sectors to support expansion of improved WATSAN services Task EE 3-3 Conduct annual survey to identify increased in financial resources by service providers from public and private sources for expansion of improved WATSAN services	← Outcome MD.2 ← Outcome IC.2 ← Outcome IC.3 ← Outcome IC.4 ← Outcome IC.5 ← Outcome EE.1

IUWASH Component 3 (EE): Create an Enabling Environment Supporting Equitable Water and Sanitation Services		
Main Outcome	Tasks	Link to other outcomes
<u>Outcome EE.4.</u> Low income households accessing micro finance for household improvements in water and sanitation	Task EE 4-1 Identify and develop possible micro-finance options and promote creative micro-finance options for household investments in WATSAN Task EE 4-2 Engage banks and other financial institutions to support development and implementation of micro-finance program for low-income households to get improved access to WATSAN services Task EE 4-3 Capacity building for relevant stakeholders (PDAMs, banks, etc.) to implement, monitoring and evaluation micro finance program Task EE 4-4 Conduct promotion of WATSAN micro finance programs to households in target areas Task EE 4-5 Promote results, lessons learned and best practices of micro finance program to wider audience	→ Outcome MD.2 ← Outcome MD.4 ← Outcome IC.1 ← Outcome IC.5 → Outcome IC.6
<u>Outcome EE.5.</u> Local Governments adopt new or improved mechanisms for citizens to engage local government in water and sanitation	Task EE 5-1 Assess existing mechanisms of citizen involvement in Local Governance systems and recommend improvements Task EE 5-2 Develop citizen-based mechanisms (new or improved) Task EE 5-3 Conduct advocacy for PEMDA and citizen groups to adopt (new or improved) mechanisms Task EE 5-4 Monitor benefits and impacts of improved mechanism including the involvement of PEMDA (Bawasda) Task EE 5-5 Promote results, lessons learned and best practices of improved mechanism to wider audience	← Outcome MD.3 → Outcome EE.1

APPENDIX 4: INITIAL ENVIRONMENTAL EXAMINATION AND ENVIRONMENTAL MITIGATION AND MONITORING PLAN

Activity Title: IUWASH (Indonesia Urban Water, Sanitation and Hygiene) Project
Implementing Partner: Development Alternatives, Inc. (DAI)

I. BACKGROUND AND ACTIVITY DESCRIPTION

I.1 Background

The USAID Indonesia Urban Water, Sanitation and Hygiene (USAID IUWASH) is a five-year project funded by the United States Agency for International Development (USAID) and implemented by Development Alternatives, Inc. (DAI), a US-based consulting firm that specializes in the management of foreign assistance program. USAID IUWASH will be implemented in at least 5 regions as follows:

- Region 1: North Sumatera and Aceh
- Region 2: Banten, West Java, DKI Jakarta Raya
- Region 3: Central Java
- Region 4: East Java
- Region 5: South Sulawesi and Eastern Indonesia, Ambon (Maluku) and Jayapura (Papua).

The overall goal of the USAID IUWASH Project is to assist Government of Indonesia' to make significant progress in the Millenium Development Goals by expanding access to clean water and adequate sanitation within the 5 years project period.

The USAID IUWASH Project will provide a range of technical assistance, both long- and short-term to support USAID/Indonesia's assistance objectives related to increasing safe drinking water and adequate sanitation access. Access to safe water and sanitation has multi-faceted development benefits, positively impacting environment, health, economic growth, women's empowerment, and school retention outcomes.

The IUWASH project will support the Paul Simon Water for the Poor Act of 2005 priorities of ensuring both equitable and sustainable access to safe drinking water and sanitation. To contribute to more equitable access, IUWASH will emphasize expanding access among Indonesia's urban poor, currently those people with the most limited access to these services.

The project will also incorporate the climate change challenges, in particularly how climate change will affect the quality and availability of raw water sources that supply water utilities and their customers. For example, rising sea levels could affect the quality of groundwater due to the intrusion of saltwater into the groundwater aquifers. Changed rainfall patterns may exacerbate variability of raw water yields, with significant implications for technology choice and design of water/sanitation facilities. An increase in extreme climate events such as droughts, floods, or storms may increase risks of damage to expensive infrastructure investments. The project will assess climate-related vulnerabilities related to water supply and sanitation services delivery, support innovative adaptive measures and monitor results.

USAID IUWASH will focus on water and sanitation governance reform as a key element to achieving greater access to piped water services and improved sanitation. USAID IUWASH will engage central and local government agencies, community, private sector, NGO, community groups, and universities. Key government stakeholders are represented at the district and municipal, provincial and national levels. Thus, the USAID IUWASH strategic approach brings to scale water and sanitation investments by engaging the array of key stakeholders and central government counterparts in improvements to service delivery. **The overall goal of IUWASH** is that, at the end of 5 years, USAID assistance will have helped make significant progress in achieving Indonesia's safe water and sanitation MDG targets by expanding access to these services. The expected higher results to be achieved are:

- 2 million people in urban areas gain access to improved water supply as a result of US Government assistance.
- 200,000 people in urban areas gain access to improved sanitation facilities as a result of US Government assistance.
- The per unit water cost paid by the poor in targeted communities decreases by at least 20% through more participatory, transparent, accountable and financially enabled

The project will execute three main activities that will contribute to the higher results as follows:

- ***Demand mobilization for improved water and sanitation services:***
Demand for safe drinking water access and improved sanitation mobilized among urban communities and households with currently unimproved access.
- ***Capacity improvements to provide sustainable safe water and sanitation Services:*** The capacity to sustainably supply this mobilized demand with improved water and sanitation services built among the public and private sector institutions best placed to provide these services in urban areas.
- ***Create an enabling environment supporting equitable water and sanitation Services:*** A governance and financial enabling environment created that supports equitable access to safe drinking water and improved sanitation in urban areas.

1.2 Description of Activities

The Contractor will implement activities within the scope of the approved Initial Environmental Examination (IEE) referenced as ASIA 09-86 Indonesia IEE & ETD for IUWASH and a variety of other activities that will contribute to the three higher results mentioned above and an additional higher result of “people participated in IUWASH training activities”. Those other activities outside the scope of the approved IEE illustrated in this “umbrella IEE” may be implemented by either local government, the Contractor or the private sector through the CSR program of which the Contractor will do the oversight of the planning, design, and implementation. The illustrative activities within and outside the scope of the approved IEE are likely to be implemented repetitively within the five years period of the IUWASH Project. Unless there are other types of activities that are not foreseen and will be implemented during the course of the project and not listed in this umbrella IEE, the Contractor will coordinate with the USAID COTR to develop a respective “individual IEE”. The Contractor will not undertake new activities before receiving written USAID approval of environmental documentation amendments.

Activities in addition to the illustrative activities mentioned in the approved IEE mentioned above are only activities that fall under the category of Negative Determination with Conditions in accordance with 22 CFR 216.3(a)(2)(iii) that involve with field studies and other actions that directly effecting the physical or natural environment, including small-scale water and sanitation improvement and/or construction activities of the IUWASH. Any other activities that fall under the categorical exclusion 22 CFR 216.2 are within the scope of the approved IEE and will be implemented during the course of the project.

The activities outside the approved scope are distinguished between activities that are related to increasing safe drinking water supply and adequate sanitation access to urban poor as the following:

Water Supply: The activities include protection of raw water, pipe installations, water production, water distribution, and water connection services. The sub-activities will include:

- **Raw Water:** Supporting improved quality and quantity of raw water distribution, the project will ensure that the local government, the private sector and water utilities will improve the watershed area with tree planting, installation of infiltration wells, small-scale construction of river cascade, protection of springs, protection of pollutant to river flow and ground water, well-designed small-scale reservoirs, bore wells and pumps.
- **Pipe Installation:** Installing transmission pipes and distribution pipes to deliver safe drinking water to poor household to improve quality of life. The project will assist partners in the planning and design and ensure that the installations are done according to the Indonesia National Standard (SNI).
- **Water Production:** Improving small-scale water treatment plant and ensuring water are chlorinated and filtrated according to standard, and increased of water capacity. Improving the mechanical and electrical systems in order to avoid noise pollutions and hazard.
- **Water Distribution:** Installing water distribution accessories such as District Meter Area (DMA), Box Pressure Meter, individual water meter, including digging tranches for distribution pipe laying, pipe crossing, and construction of ground and/or elevated water tank.
- **Services:** Improving services to customers through water meter calibration, water meter replacement, pipe and water meter replacement, and improving billing system and payment points.

Sanitation: The activities include planning, designing, construction and maintenance of city-wide sanitation systems, communal sanitation systems and individual sanitation systems.

- **City-wide Sanitation System:** Assisting the local government with the support of other private sector partners and community in the planning, design, construction of pipe laying, sewerage system, waste water treatment plan and management. Ensuring best environmental practices in using high pressure flushing equipment that are safe for the environment.
- **Communal Sanitation System:** Developing communal septic tanks, MCK ++ (Bath, Laundry and Toilet Central) including digesters and bio-gas distribution, installing hand-washing stations, water pipe laying, and sludge management.
- **Individual Sanitation System:** Improving septic tanks, latrines, and sludge management.

EVALUATION OF ACTIVITIES FOR ENVIRONMENTAL IMPACT POTENTIAL RECOMMENDED THRESHOLD DECISIONS AND MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

1. All activities that are recommended for categorical exclusion are within the scope of the approved IEE referenced as Asia 09-86 Indonesia IEE & ETD IUWASH Project and will not be repeated in this document.
2. IUWASH activities involving field studies and other actions that directly effecting the physical or natural environment, including small-scale water and sanitation improvement and/or construction are expected to have some negative impacts on the natural or physical environment and are therefore recommended for a Negative Determination with condition under 22 CFR 216.3(a)(2)(iii). The related **Environmental Monitoring and Mitigation Plan** is attached to this IEE.

RECOMMENDED ENVIRONMENTAL ACTION

Recommended IEE Determination

A Negative Determination with Condition under 22 CFR 216.3(a)(2)(iii) is recommended for small-scale water and sanitation improvement and/or construction work, field studies or other actions that are determined to have a direct impact on the natural or physical environment. **The Environmental Monitoring and Mitigation Plan** for such activities is described in the attachment.

The Contractor will comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern. A summary of the national environmental policies and procedures is described below.

National Environmental Policies and Procedures

Like other nations, Indonesia faces the three most common constraints in consistent implementation of Sustainable Development principles: political, social, and institutional. Consistent implementation of Sustainable Development is not merely a decision or commitment but it is a process. Indonesia has tried to apply the sustainable development concepts in their environmental protection policies. The concept requires a nation to anticipate and prevent environmental damage by carrying out environmental assessment for proposed development activities.

Environmental regulation in Indonesia described that any plan, which is foreseen to bring about significant adverse impact to the environment shall be furnished with an environmental analysis. Significant adverse impact is determined by the size of population affected, size of the area disturbed, duration of impact, intensity of impact and reversibility and irreversibility of the impact. A preliminary environmental assessment is only required for activities involving a modification of soil features and natural environment; exploitation of natural resources; a process and activity that affects the social and cultural environment; a utilization of natural resources; a process and activity that affects the preservation of natural or cultural reserves; and introduction of new species plants, animal or microbes; or technological application which is foreseen to have considerable potential to affect the environment. Environmental procedures by sector are very well described in each province and district government. These procedures are based on the “umbrella” Environmental Law No. 23 of 1997 and the Government Regulation No. 27 of 1999 regarding the Environmental Impact Assessment procedures.

The Contractor will work closely with officials from various departments to achieve the IUWASH Project targets. Experts or specialists in related disciplines from the local provincial or district government and/or technical consultants from local universities are involved in the planning and evaluation of project activities as well as training of staff beneficiaries. This ensures that all Indonesian environmental policies and procedures are followed.

Environmental Mitigation and Monitoring Plan

Activity Title: Indonesia Urban Water, Sanitation and Health (IUWASH) Project
Implementing Partner: Development Alternatives, Inc. (DAI)

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
Drinking Water Supply	Raw Water Protection	<ul style="list-style-type: none"> Infiltration Well (IC4) 	<ul style="list-style-type: none"> Creation of pools of stagnant water Contamination of water with nutrients and pathogen Erosions and run off 	<ul style="list-style-type: none"> Monitor ground water quality at down stream Adequate protection from erosion 	<ul style="list-style-type: none"> Site has adequate slope No agricultural activities nearby Wells are dug above water table 	<ul style="list-style-type: none"> Monitoring and reporting quarterly/Water utility staff and community
		<ul style="list-style-type: none"> Tree Planting 	<ul style="list-style-type: none"> Pollution from pesticides and fertilizers Erosions, run off, and sedimentation Inadequate water supply Increase humidity 	<ul style="list-style-type: none"> Ensure adequate site selection Avoid use of pesticides and excessive use of fertilizers Plant selective native/local vegetation Site adequate selected 	<ul style="list-style-type: none"> Communities are assured of their ownership and secure community tenure rights Clear boundaries and no excessive clearing 	<ul style="list-style-type: none"> Community Organization, Local government monitoring and reporting quarterly/Community and respective local government units
		<ul style="list-style-type: none"> River Cascade 	<ul style="list-style-type: none"> Sedimentation Water conflict Contamination of ground or surface water when hazardous construction materials are spilled or dumped 	<ul style="list-style-type: none"> Use Gabion construction Socialization before construction 	<ul style="list-style-type: none"> Labor-based constructed gabions or rip-rap. Construction supervised by qualified water engineers. 	<ul style="list-style-type: none"> Community Organization, Local government monitoring and reporting quarterly/Community and respective local government units

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> • Raw water protection from waste water 	<ul style="list-style-type: none"> • Contamination of ground or surface water with pathogens and nutrients from agricultural, industrial and household wastewater • Contamination of drinking water – ground and surface. • Potential collapse of pipe due to faulty engineering or pipe clogging resulting in leakage 	<ul style="list-style-type: none"> • Local Government established a PERDA for waste water protection • Respective companies plan to improve water effluent quality 	<ul style="list-style-type: none"> • PERDA implemented 	<ul style="list-style-type: none"> • Monitoring and reporting quarterly by respective water utility
		<ul style="list-style-type: none"> • Bronkaptering 	<ul style="list-style-type: none"> • Erosion and Sedimentation • Water conflict • Contamination with polluted surface water entering water source • Diversion of ground water flow decreasing water discharge at other water sources nearby 	<ul style="list-style-type: none"> • Socialization before and after construction • Construction of embankments to divert water run-off entering water source • Construct alternative intakes for communities to have access to clean water 	<ul style="list-style-type: none"> • Protection zones developed • Not over used and well maintained • Stable water discharge • No conflict on water use among communities • Embankment constructed to protect water source from pollution 	<ul style="list-style-type: none"> • Monitoring and reporting by community and water utility and respective local government by quarter

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> Reservoir 	<ul style="list-style-type: none"> Reducing water access to communities Water use conflict Erosions and Sedimentation Land Conflict Biological contamination from inadequate protection of reservoir and water supply points 	<ul style="list-style-type: none"> Socialization before and after construction Test water quality before construction On-going water quality monitoring Put in place a regulatory system for water use 	<ul style="list-style-type: none"> Socialization before construction Regulation on water use in place Quality water sampling done at reservoir and outlet 	<ul style="list-style-type: none"> Monitoring and reporting by Public Works and Water Utility by quarter
		<ul style="list-style-type: none"> Pumps and Structure 	<ul style="list-style-type: none"> Arsenic and mercury poisoning Land Conflict Deepening of water table Contamination of ground or surface water with nutrients and bacteria from organic and human waste Creation of pools of stagnant water Biological contamination from inadequate protection of wells Noise pollution Electricity hazard 	<ul style="list-style-type: none"> Socialization before and after construction Construction site well selected base on specification Elevated or underground water tanks well constructed Pump site well protected 	<ul style="list-style-type: none"> Pump site well organized and maintained No complaints from communities Water well distributed to customers 	<ul style="list-style-type: none"> Monitoring and reporting by community organization quarterly

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> Bore Well 	<ul style="list-style-type: none"> Land conflict Deepening water table Creation of conflict between ground water users Contamination of ground water with nutrients and bacteria from organic and human waste Biological contamination from inadequate protection of wells Sea water intrusion Noise pollution Electricity hazard 	<ul style="list-style-type: none"> Socialization before and after construction Site selection according with the hydro-geological survey recommendation Site selection according with government regulation 	<ul style="list-style-type: none"> Well managed and organized water contribution to customers No complaints from water users on water quality Site selected according to recommendation 	<ul style="list-style-type: none"> Monitoring and reporting by community organization quarterly
	<ul style="list-style-type: none"> Pipe Installation 	<ul style="list-style-type: none"> Transmission Pipe and accessories(IC4) 	<ul style="list-style-type: none"> Erosions and Sedimentation Land Conflict Create pools of stagnant water Potential collapse of pipe due to faulty engineering material Clogging of pipe 	<ul style="list-style-type: none"> Socialization before and after construction Land-fill done correctly and compacted according to standard Pipe well coated to protect from corrosion Pipes well joints and no leakage 	<ul style="list-style-type: none"> Transmission pipe well placed and constructed No other construction on top of the pipe line No water contamination from faulty engineering 	<ul style="list-style-type: none"> Monitoring and reporting by experienced technicians from water utility, the contractor on monthly basis

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> Distribution Pipe and accessories 	<ul style="list-style-type: none"> Erosions and Sedimentation Land Conflict Contamination of ground or surface water from erosion to nearby water sources. materials are spilled of dumped Damage to ecosystem and degradation of surface water quality Create pools of stagnant water Potential collapse of pipe due to faulty engineering material Clogging of pipe 	<ul style="list-style-type: none"> Socialization before construction Construction base on specification and use less toxic alternative product Land-fill done correctly and compacted according to standard Pipe well coated to protect from corrosion 	<ul style="list-style-type: none"> Distribution pipe well placed and constructed No other construction on top of the pipe line No leakage at pipe connection 	<ul style="list-style-type: none"> Monitoring and reporting by experienced technicians from water utility, the contractor on monthly basis
	<ul style="list-style-type: none"> Water Production 	<ul style="list-style-type: none"> Chlorination 	<ul style="list-style-type: none"> Transmission of disease in handlers and processors Quantity of chlorine in accordance with specification 	<ul style="list-style-type: none"> Provide workers with appropriate protective clothing including rubber gloves, boots, long sleeved shirts and pants. Train workers to wash hands and faces frequently with soap. Train workers on water chlorination 	<ul style="list-style-type: none"> No complaints from water users on chlorine substance Adequate chlorine and other substance test 	<ul style="list-style-type: none"> Monitoring and reporting by experienced technicians from water utility, the contractor on monthly basis

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> Filtration 	<ul style="list-style-type: none"> Transmission of disease in handlers and inadequate installation of filters Pipe clogging 	<ul style="list-style-type: none"> Choose the correct filter for the system Test water before and after installation of filters Use better media for filters 	<ul style="list-style-type: none"> Water is clear, have no smell, no taste of other substance and is safe for consumption No complaints from water users. No clogging at filter and decreased in capacity at outlet 	<ul style="list-style-type: none"> Monitoring and reporting by experienced technicians from water utility, the contractor on monthly basis
		<ul style="list-style-type: none"> Upgrading Capacity 	<ul style="list-style-type: none"> Well selected upgrade filters media to increase capacity flow Transmission of disease in handlers 	<ul style="list-style-type: none"> Choose the correct system/media filter for upgrading Check the inlet, outlet, and flow control pipe and valves that accept the higher flow rates 	<ul style="list-style-type: none"> Increased in flow capacity without lesser water quality 	<ul style="list-style-type: none"> Monitoring and reporting by experienced technicians from water utility, the contractor on monthly basis
		<ul style="list-style-type: none"> Water Treatment Plant Improvement 	<ul style="list-style-type: none"> Sedimentation and erosion Uncontrolled sludge removal Pollution of river flow, surface and ground water, sea and shore 	<ul style="list-style-type: none"> Water quality at clear well and outlet are according to standard Aerated, sedimentation, coagulation tanks are well functioned. 	<ul style="list-style-type: none"> pH and BOD measurement at outlet are according to standard. 	<ul style="list-style-type: none"> Monitoring and reporting by water utility technicians on a quarterly basis

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> Mechanical Electrical 	<ul style="list-style-type: none"> Noise pollution Electricity hazard 	<ul style="list-style-type: none"> Noise protection Certified material and proper installation by qualified electrician 	<ul style="list-style-type: none"> All mechanical and electrical installation are according to standard No complaints from community No electricity hazards. System of reporting established 	<ul style="list-style-type: none"> Monitoring and reporting by water utility technicians on a quarterly basis
	<ul style="list-style-type: none"> Distribution (IC4) 	<ul style="list-style-type: none"> District Meter Area (DMA) 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Construction base on specification Construction and/or maintenance conducted by experienced engineers/technicians 	<ul style="list-style-type: none"> District meter at correct place 	<ul style="list-style-type: none"> Monitoring and Reporting by Water Utility technicians on a quarterly basis
		<ul style="list-style-type: none"> Box Pressure Meter 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Construction base on specification Construction and/or maintenance conducted by experienced engineers/technicians 	<ul style="list-style-type: none"> Box meter at correct place and constructed base on specification 	<ul style="list-style-type: none"> Monitoring and Reporting by Water Utility technicians on a quarterly basis

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> • Pipe Laying 	<ul style="list-style-type: none"> • Erosion and sedimentation • Pipe ditches across roadways causing public inconvenience • Stagnant water 	<ul style="list-style-type: none"> • Refill and compaction of pipe ditches completed according to standard 	<ul style="list-style-type: none"> • No stagnant of water • Convenient road way 	<ul style="list-style-type: none"> • Monitoring and Reporting by Water Utility technicians on a quarterly basis
		<ul style="list-style-type: none"> • Installation of individual water meter 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Installation done by certified plumbers 	<ul style="list-style-type: none"> • Meter function normally as standard 	<ul style="list-style-type: none"> • Monitoring and Reporting by Water Utility technicians on a quarterly basis
		<ul style="list-style-type: none"> • Installation Ground/elevated Water Tank 	<ul style="list-style-type: none"> • Land conflict • Erosion and sedimentation • Contamination of nutrients, pathogens and excreta (diarrheal and parasitic) 	<ul style="list-style-type: none"> • Construction implemented by certified engineers • Community well informed prior to construction 	<ul style="list-style-type: none"> • No standing water • Water quality in accordance to standard 	<ul style="list-style-type: none"> • Monitoring and Reporting by Water Utility technicians on a quarterly basis
		<ul style="list-style-type: none"> • Pipe Crossing 	<ul style="list-style-type: none"> • Erosion and sedimentation 	<ul style="list-style-type: none"> • Foundation and embankments constructed according to specification 	<ul style="list-style-type: none"> • No erosion and sedimentation 	<ul style="list-style-type: none"> • Monitoring and Reporting by Water Utility technicians on a quarterly basis
	<ul style="list-style-type: none"> • Water Services (IC4) 	<ul style="list-style-type: none"> • Water Meter Calibration and • Water Meter Replacement 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Calibration and replacement done by certified technicians 	<ul style="list-style-type: none"> • Water meter function normally matching actual use by customer 	<ul style="list-style-type: none"> • Monitoring and reporting by water utility technicians on a quarterly basis
		<ul style="list-style-type: none"> • Billing System and Payment Point 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Accurate billing system and convenient payment point 	<ul style="list-style-type: none"> • Billing according to correct meter reading 	<ul style="list-style-type: none"> • Monitoring and reporting by water utility administrators on a quarterly basis

**USAID INDONESIA URBAN WATER SANITATION AND HYGIENE
ANNUAL WORK PLAN PROGRAM YEAR I, 2011**

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
		<ul style="list-style-type: none"> • Service Pipe Installation and meter 	<ul style="list-style-type: none"> • Land and social conflict • Change of land surface • Potential collapse of pipe due to faulty engineering, material and/or misuse of land • Pipe clogging 	<ul style="list-style-type: none"> • Socialization before construction • Construction base on specification • Avoid heavy construction built on top of pipe • Place sign of pipe location 	<ul style="list-style-type: none"> • Sign of pipe location correctly place • No leakage and stagnant of water 	<ul style="list-style-type: none"> • Monitoring and reporting implemented by water utility technicians on a quarterly basis

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
SANITASI	KOTA					Component
		<ul style="list-style-type: none"> • Sewers 	<ul style="list-style-type: none"> • Erosions and change of land surface • Land conflict • Sedimentation • Contamination of ground or surface water when pipes leak • Odorous nuisance and/or increase in insect and flies. • Potential collapse of pipe due to faulty engineering, material and/or misuse of land 	<ul style="list-style-type: none"> • Socialization before and after construction • Construction base on specification • Avoid heavy construction built on top of pipe • Avoid plants growing near sewer pipes • Provide sewer pipe sign 	<ul style="list-style-type: none"> • Socialization done prior to construction or rehabilitation • No leakage • Proper safety signs installed • Sewer pipes clear from grease, tree roots and other blockage conducted 	<ul style="list-style-type: none"> • Monitoring and Reporting by local government agency engineers on a monthly basis
		<ul style="list-style-type: none"> • IPAL/IPLT 	<ul style="list-style-type: none"> • Erosions and change of land surface • Land conflict • Sedimentation • Contamination of ground water with escherichia coli • Contamination of the in-pipe and end-pipe pollution prevention • Odorous nuisance and/or increase in insect and flies. • Non aesthetic 	<ul style="list-style-type: none"> • Socialization before and after construction • Embankments well constructed • Regular testing of ground water quality • Testing of in-pipe and end-pipe pollution prevention • Reducing odor problem • Landscaping 	<ul style="list-style-type: none"> • Drainage and bufferzone well maintained • There are well trained staff for operating and maintaining the plant 	<ul style="list-style-type: none"> • Monitoring and reporting done by local government agency engineers on monthly basis

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Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
SANITASI	KOTA					Component
		<ul style="list-style-type: none"> Sewer Cleaning Equipment and operation 	<ul style="list-style-type: none"> Noise and odor nuisance to neighbors With high pressure water and vacuum capability there will be spilling and stagnant water 	<ul style="list-style-type: none"> Use well qualified plumbing sewer drain contractors Operate in smaller more confined environment 	<ul style="list-style-type: none"> Sewer drainage clean No spill of sewer sludge on site 	<ul style="list-style-type: none"> Monitoring and reporting by local government agency engineers on a yearly basis
		<ul style="list-style-type: none"> Simple Waste Water Treatment Plant 	<ul style="list-style-type: none"> Erosions and change of land surface Land conflict Sedimentation Contamination of ground or surface water from waste leakages and damage water quality Odorous nuisance and/or increase in insect and flies. Possible wastewater/by product run off Methane Gas Explosion Risk/Fire Risk Potential collapse of pipe due to faulty engineering, material and/or misuse of land Sludge spilling Transmit diseases to field workers 	<ul style="list-style-type: none"> Socialization before and after construction Construction base on specification Conduct proper maintenance Ensure proper drainage of wastewater run off Establish buffer zone between site and inhabitants and locate downwind from inhabitants Adequate SOP and training for operators Field workers equipped with gloves and maskers 	<ul style="list-style-type: none"> Clarification process well done Biological treatment either aerobic or anaerobic well implemented Water filtration and disinfection through a environmental friendly process e.q., ozone or UV Well organized sludge treatment 	<ul style="list-style-type: none"> Monitoring and reporting by local government agency engineers on a monthly basis

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
SANITASI	KOTA					Component
<ul style="list-style-type: none"> • COMUNAL (Community + Public Facilities) 		<ul style="list-style-type: none"> • Communal Septic Tank (Type) • Installation of Hand washing station • Pipe laying • MCK + Digester • Sludge Treatment • Gas Pipe Line 	<ul style="list-style-type: none"> • Contamination of ground or surface water from overflow of waste with nutrients, pathogens, BOD and suspended solid (SS) • Odorous nuisance and/or increase in insect and flies. • Possible wastewater/by product run off • Methane Gas Explosion Risk/Fire Risk • Pathogens remain immature due to insufficient time for maturity of compost • Potential collapse of pipe due to faulty engineering, material and/or misuse of land • Erosion and sedimentation from pipe laying 	<ul style="list-style-type: none"> • Periodic measurement of the combined sludge and scum depth • High vent pipes are used • Tank, lids, and access risers checked routinely • Effluent screen check regularly • Keep clean site • Adequate SOP and training for operator • Ensure a reliable system for safe sludge removal and transportation • Ensure that collected sludge is adequately treated and not directly apply to field • Erosion and sedimentation from pipe laying 	<ul style="list-style-type: none"> • Communal septic tank function normally • No odor • Sludge removal follow SOP • Compound clean. • Record kept well. 	<ul style="list-style-type: none"> • Monitoring and reporting by community based cooperative or Community organization on a monthly basis

Type of Activity	Activity Category	Activity	Potential Adverse Impact	Mitigation Measure(s)	Monitoring Indicator(s)	Monitoring, Reporting Frequency/ Parties Responsible
SANITASI	KOTA					Component
<ul style="list-style-type: none"> INDIVIDUAL 		<ul style="list-style-type: none"> Septic Tank Improvement Toilet/Latrine Improvement Desludging 	<ul style="list-style-type: none"> Erosions and change of land surface Land conflict Sedimentation Contamination of ground or surface from leakage of septic tank Odorous nuisance and/or increase in insect and flies. Possible wastewater/by product run off Methane Gas Explosion Risk/Fire Risk Pathogens remain immature due to insufficient time for maturity of compost Potential collapse of pipe due to faulty engineering, material and/or misuse of land 	<ul style="list-style-type: none"> Evaluate dept to the water table including seasonal fluctuations and ground water hydrology Ensure a reliable system for safe sludge removal and transportation Ensure that collected sludge is adequately treated and not directly apply to field Sites for septic tanks and drainage fields must be a minimum of 10 m from any groundwater sources Ensure sufficient time for compos maturation Use proper design Best practices according to SOP 	<ul style="list-style-type: none"> Septic tank function normally No odor No spilling during sludge removal 	<ul style="list-style-type: none"> Monitoring and reporting by community on a monthly basis

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