



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



Indonesia Compact

AS OF DECEMBER 2014

COMPACT GOAL

The MCC compact with Indonesia includes three projects. The Green Prosperity Project aims to increase productivity in rural areas by expanding access to renewable energy and improving land use practices to support low carbon economic development, protection of natural capital, and increased household incomes. The Community-Based Health and Nutrition to Reduce Stunting Project intends to reduce and prevent low birth weight, childhood stunting and malnourishment, and increase household income through cost savings, productivity growth and higher lifetime earnings. Finally, the Procurement Modernization project aims to achieve significant government expenditure savings on procured goods and services, while assuring their quality satisfies the public need, and to achieve the delivery of public services as planned.



COMPACT AT A GLANCE

Compact Signed	11-19-2011
Entry Into Force	04-02-2013
Compact End Date	04-02-2018
Compact Total	\$600,000,000
Amount Committed	\$72,396,714
Amount Expended	\$54,997,260
Estimated Program Beneficiaries	
Estimated Increase in Household Income	

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
55%	Green Prosperity Project \$332.5
22%	Community-Based Health and Nutrition to Reduce Stunting Project \$131.5
8%	Procurement Modernization Project \$50.0
2%	Monitoring and Evaluation \$10.2
13%	Program Administration and Control \$75.8

■ Project Preparation ■ Project Implementation

Green Prosperity Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS					TOTAL PROJECT EXPENDITURES ¹					
	\$332,500,000	\$4,699,192					\$1,182,494					
<p>Green Prosperity will provide technical and financial assistance for projects in renewable energy and natural resource management to raise rural household incomes, and is expected to reduce reliance on fossil fuels, improve land management practices, protect natural capital, and complement efforts to reduce emissions from deforestation and environmental degradation.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table border="0"> <tr> <td style="width: 50%;">ESTIMATED BENEFICIARIES</td> <td style="width: 50%;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td colspan="2" style="text-align: center;">TBD</td> </tr> <tr> <td colspan="2"> <p>The majority of economic benefits produced by the Green Prosperity project are anticipated to arise from facility-funded investments. Because the facility is demand-driven and not yet open for business, there is not yet a basis on which to estimate the portfolio.</p> </td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	TBD		<p>The majority of economic benefits produced by the Green Prosperity project are anticipated to arise from facility-funded investments. Because the facility is demand-driven and not yet open for business, there is not yet a basis on which to estimate the portfolio.</p>		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME										
	TBD											
	<p>The majority of economic benefits produced by the Green Prosperity project are anticipated to arise from facility-funded investments. Because the facility is demand-driven and not yet open for business, there is not yet a basis on which to estimate the portfolio.</p>											
	Participatory Land Use Planning											
Technical Assistance and Oversight												
Green Prosperity Facility												
Green Knowledge												
	PRESENT											
	PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE			PROJECT ACHIEVEMENTS							
	<p>The project is expected to improve capacity for land resource management at the local level, including conducting participatory boundary setting and mapping exercises. The project is also expected to have made investments in a portfolio of natural resource management and renewable energy projects, some of which will also have received technical assistance funds to reach viability.</p>	<p>The second financing window of the Green Prosperity Facility opened with the release of a Call for Proposals (CfP) for a Community-based Natural Resources Management (CBNRM) Grant Manager. The CBNRM Grant Manager will identify, administer and monitor grants between \$250,000 to \$1 million in support of initiatives and investments that improve natural resource management at the community level.</p>			<p>671 stakeholders, including government, private sector, and community stakeholders have been engaged through multi-stakeholder forums. These forums are required to lay the groundwork for designing and implementing projects that are well coordinated with government and community activities prior grant funding being awarded to selected grantees.</p>							

Community-Based Health and Nutrition to Reduce Stunting Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$131,500,000	\$39,026,799	\$34,759,317

This project provides an incentives-based scheme to increase demand for tools to reduce stunting, while improving the health sector's capacities to respond to increased demand. The project builds on existing community engagement mechanisms which has successfully supported community efforts to improve targeted health and nutrition indicators.

Projected Long-Term Results (Up to 20 years)		PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	The project is expected to improve the ability of local health service providers to prevent, diagnose, and treat stunting and to improve sanitation-related behavior within communities. It will also fund village-level projects aimed at increasing use of health and education services and will increase awareness about stunting within government and at the local level.	Formative research for the National Behavior Change Campaign activity was completed, which aimed to understand knowledge, attitude, and practices around food consumption patterns of pregnant mothers, lactating mothers, and children under two years old, as well as hygiene and sanitation practices in different regions of Indonesia.	961 service providers have been trained on Maternal, Infant and Young Child Feeding, which aims to improve the knowledge and capacity of parents and other caregivers to provide adequate nourishment for growth.
1,700,000	\$217,000,000			

Procurement Modernization Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$50,000,000	\$11,457,722	\$4,009,914

This project includes activities to build a career path for procurement civil servants, create an institutionalized role and structure for procurement professionals that provides sufficient authority to implement good practice, and provide procurement professionals with new skills and tools to conduct procurements.

Projected Long-Term Results (Up to 20 years)		PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	The project is expected to improve skills and increase knowledge about proper procurement procedures in government employees engaged in the procurement process through training and on-the-job experience. It is also expected to improve the effectiveness of public procurement for government budget execution by establishing an institutional mentoring system, piloting a procurement information management system and establishing framework agreements.	An assessment of all 29 procurement services units (PSUs) was conducted finding that 12 units have achieved permanent legal status. An intervention is in development to assist the remaining PSUs identify and address those barriers to achieving legal status.	168 trainees from 29 Procurement Service Units have received training in Module 1 and have begun training in Module 2. The 29 pilot PSUs assessed their level of institutional maturity, developed their individual roadmap for growth and received preliminary mentoring in establishing and organizing their PSU. Procurements for most of the major service providers that will deliver the project goods and services are completed.
TBD	TBD			

Detailed data sufficient to reasonably estimate the economic returns and beneficiary population was not available at the time of compact development. Partly because of this, the project is being implemented in two phases and an Assessment is being conducted during Phase One. Phase Two will not proceed without quantitative estimates for beneficiaries and increased incomes.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.