



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



Indonesia Compact

AS OF JUNE 2015

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

		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Compact Signed	11-19-2011	55%	Green Prosperity Project \$332.5
Entry Into Force	04-02-2013	22%	Community-Based Health and Nutrition to Reduce Stunting Project \$131.5
Compact End Date	04-02-2018	8%	Procurement Modernization Project \$50.0
Compact Total	\$600,000,000	2%	Monitoring and Evaluation \$12.2
Amount Committed	\$105,508,556	13%	Program Administration and Control \$75.8
Amount Expended	\$66,793,884		
Estimated Program Beneficiaries			
Estimated Increase in Household Income			

■ Project Preparation ■ Project Implementation

Green Prosperity Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹
		\$332,500,000	\$23,762,753

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.

Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
	TBD

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.

PROJECTED RESULTS BY END OF COMPACT

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.

PROGRESS TO DATE

MCA-Indonesia finalized a Partnership Grant Agreement with Rainforest Alliance and Olam, a food services wholesaler, totaling \$8.5 million. MCA-Indonesia also approved a total of \$7.5 million in Technical Assistance Project Preparation (TAPP) grants to 21 competitively-selected projects providing detailed feasibility and design studies for Community-based Renewable Energy projects.

PROJECT ACHIEVEMENTS

\$7.5 million of external resources were mobilized for Green Prosperity funded projects and partnerships. 21 proposals received project preparation support, and 10 Memorandums of Understanding (MOUs) were signed between MCA-Indonesia and new "cocoa" districts.

Community-Based Health and Nutrition to Reduce Stunting Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]				
	\$131,500,000	\$40,339,568	\$35,782,066				
<p>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.</p>							
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <thead> <tr> <th>ESTIMATED BENEFICIARIES</th> <th>ESTIMATED INCREASE IN HOUSEHOLD INCOME</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,700,000</td> <td style="text-align: center;">\$217,000,000</td> </tr> </tbody> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	1,700,000	\$217,000,000	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>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.</p>	<p>PROGRESS TO DATE</p> <p>MCA-Indonesia conducted the first phase of trainings for the Sanitation and Hygiene sub-activity during this reporting period. Multiple micronutrient sachet supply chain and quality control processes are under development prior to procurement of these sachets.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Initial Mother, Infant, and Young Children Feeding (MIYCF) trainings are now complete with 1,660 service providers trained. Trainings will begin at scale during the next reporting period when the payment mechanism is expected to be operational.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
1,700,000	\$217,000,000						

Procurement Modernization Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]				
	\$50,000,000	\$20,807,398	\$8,240,181				
<p>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.</p>							
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <thead> <tr> <th>ESTIMATED BENEFICIARIES</th> <th>ESTIMATED INCREASE IN HOUSEHOLD INCOME</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">TBD</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>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.</p>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	TBD	-	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>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.</p>	<p>PROGRESS TO DATE</p> <p>MCA-Indonesia and the National Public Procurement Agency (LKPP) have developed policies and procedures for framework contracting to populate the e-catalog system and first agreements are expected to be signed next quarter.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Mentoring and training activities continue and are on track. Procurement Service Units (PSUs) have received 142 mentor visits, which provide an individual roadmap for professional growth. 109 functional procurement positions have been filled.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
TBD	-						

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