



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	\$140,485,117
Amount Expended	\$87,339,598
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 \$12.2
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	\$39,213,664					\$7,161,181																																					
<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="text-align: right;">ESTIMATED BENEFICIARIES</td> <td style="text-align: left;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td></td> <td style="text-align: center;">TBD</td> </tr> <tr> <td></td> <td>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.</td> </tr> </table>	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.	<table border="1"> <thead> <tr> <th></th> <th>YEAR 1</th> <th>YEAR 2</th> <th>YEAR 3</th> <th>YEAR 4</th> <th>YEAR 5</th> </tr> </thead> <tbody> <tr> <td>Participatory Land Use Planning</td> <td colspan="2" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td></td> <td></td> </tr> <tr> <td>Technical Assistance and Oversight</td> <td colspan="2" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td></td> <td></td> </tr> <tr> <td>Green Prosperity Facility</td> <td colspan="2" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td></td> <td></td> </tr> <tr> <td>Green Knowledge</td> <td colspan="2" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td></td> <td></td> </tr> </tbody> </table> <p style="text-align: center;">PRESENT</p>						YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Participatory Land Use Planning						Technical Assistance and Oversight						Green Prosperity Facility						Green Knowledge						<p>PROJECTED RESULTS BY END OF COMPACT</p> <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>PROGRESS TO DATE</p> <p>The centerpiece of the Green Prosperity Project is a funding facility (the "GP Facility") that will support investments in two areas: renewable energy and sustainable management of natural resources. To date the GP Facility has provided technical assistance project preparation grants for opportunities in natural resource management, for renewable energy projects for on and off-grid.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The GP Facility awarded two matching one-to-one Partnership Grants focused on cocoa intensification worth over \$23 million. Green Knowledge Grants were awarded to seven (7) grant recipients for a total of \$15 million to develop technical skills and policy analysis to strengthen the green economy.</p>
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Community-Based Health and Nutrition to Reduce Stunting Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]				
	\$131,500,000	\$52,825,824	\$49,289,135				
<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>The first phase of trainings and socialization activities have begun now that the payment mechanism, an interagency agreement between the Government of Indonesia and MCA-Indonesia, is now operational. Community-level trainings are expected to increase significantly.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The first phase of trainings or socialization activities and has trained 197 service providers on growth monitoring. 1,660 service providers were trained on socialization activities for Infant and Young Child Feeding activities.</p>
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1,700,000	\$217,000,000						

Procurement Modernization Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]				
	\$50,000,000	\$24,073,810	\$9,473,929				
<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>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. The establishment of procurement service units (PSUs) is largely on track and the Maturity Model, the tool used to measure development of procurement systems, will continue to be refined over the life of the compact.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Mentoring and training activities continue and are on track. PSUs have received 201 mentor visits, which provide an individual roadmap for professional growth. In addition, PSUs have participated in a total of 324 trainings hours. These trainings will strengthen the Government of Indonesia’s human resource development strategy for a certificated procurement workforce.</p>
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[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.