



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
NATIONAL AFFORDABLE HOUSING PROGRAM
APPROVED ON MARCH 17, 2017
TO
REPUBLIC OF INDONESIA

June 29, 2020

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
EAST ASIA AND PACIFIC

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ABBREVIATIONS AND ACRONYMS

1. Please include all acronyms used twice and above. Acronyms used once don't need to be included here.
2. When done, please sort alphabetically

BP2BT	Mortgage-linked Down Payment Assistance (<i>Bantuan Pembiayaan Perumahan Berbasis Tabungan</i>)
BSPS	Home Improvement Assistance (<i>Bantuan Stimulan Perumahan Swadaya</i>)
CD	Country Director
CMU	Country Management Unit
FLPP	Housing Finance Liquidity Facility (<i>Fasilitas Likuiditas Pembiayaan Perumahan</i>)
GOI	Government of Indonesia
M&E	Monitoring and Evaluation
MK	Construction Inspector (<i>Manajemen Konstruksi</i>)
MOF	Ministry of Finance
MPWH	Ministry of Public Works and Housing
NAHP	National Affordable Housing Program
PKS	Cooperation Agreement (<i>Perjanjian Kerja Sama</i>)
PMC	Project Management Committee
PIU	Project Implementation Unit
PDO	Project Development Objective
SK	[Location] Decree (<i>Surat Keputusan – Lokasi</i>)
QAQC	Quality Assurance and Quality Control
SSB	Housing Interest Rate Subsidy (<i>Subsidy Selisih Bunga</i>)
SLF	Occupancy Certificate (<i>Sertifikat Laik Fungsi</i>)
TA	Technical Assistance



BASIC DATA

Product Information

Project ID P154948	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 17-Mar-2017	Current Closing Date 31-Mar-2021

Organizations

Borrower Republic of Indonesia	Responsible Agency Ministry of Public Works and Housing
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Project Development Objective (PDO)

Original PDO

The development objective of the Program is to improve access to affordable housing for lower income households

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-87170	17-Mar-2017	30-Nov-2017	24-Jan-2018	31-Mar-2021	450.00	217.34	232.66

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

Overall Progress

Overview: Following the Mid-term Review (MTR) in November 2019, NAHP was assessed as a *problem project*, with both ratings for Progress Towards Achievement of the Development Objectives and Implementation Progress rated as Moderately Unsatisfactory. The two key issues reflecting the ratings were (i) *quality of works* financed through the project, and the urgent need to put in place robust quality assurance and quality control systems, and (ii) *speed of delivery*, noting that disbursements, particularly for Component 1 for the Mortgage-linked Down Payment Assistance Program, were ‘stuck’ and substantially behind schedule due to competing product from the Government incumbent programs with far less design constraints. Current disbursements are USD 217 million (48%) versus a USD 435 million target that put implementation 14 months behind schedule. An interim implementation support mission carried out between February 4 and March 4, 2020 showed improved progress post-MTR is encouraging, with the Government carrying out the key short- and medium-term actions that are showing early results in addressing the concerns and risks on quality, and in removing the bottlenecks affecting disbursement.

Improving quality delivery and systems: NAHP provides access to housing through supporting the *financing of new homes* (Component 1: Mortgage-linked Down Payment Assistance Program, *BP2BT*) and the *financing of housing improvements grant* (Component 2: Home Improvement Assistance, *BSPS*). Both were part of the Government large national housing programs to address home ownership and home upgrading needs that have been operating well before the NAHP. In practice, the pre-NAHP housing policy focus was on volume target over quality delivery as neither program had strong, systematic quality assurance and quality control systems. This was a risk found during appraisal, though the extent of the problem was brought out by the Bank’s first base-line construction quality assessment which found that only 16 percent of newly built houses financed under BP2BT, and only 11 percent of upgraded houses financed under BSPS achieved construction standards related to structural integrity. These findings highlighted the urgency to revamp and refocus government systems on quality delivery, particularly given high seismic risks in Indonesia.

During the MTR, a comprehensive plan was put in place to rapidly improve quality assurance systems to increase build quality for NAHP financed outputs. The government had demonstrated its commitment by swiftly rolling out these new measures - with systems combining ICT solutions and more technical facilitators and resources in the field. While developed under NAHP, these new systems and practices will also affect Gol’s broader and much larger housing portfolio, of approximately 500,000 subsidized units per year in addressing home ownership and upgrading needs. *Progress to date addressing quality is excellent with a good trajectory* – BSPS quality measures increased from 11 to 29 percent over a one-year period; and BP2BT increased from 16 to 35 percent (projected) between 2019 and 2020. Continued engagement and resources are needed to build on these early gains, which are expected to improve further during NAHP implementation and beyond.

Addressing disbursement and delivery: BSPS (Component 2) has disbursed home improvement grants ahead of schedule – already effectively achieving the original YR2 project target of issuance of 85,000 grants (NAHP funding) and of 275,000 (Government and NAHP combined funding). BP2BT (Component 1) has been the problematic area affecting NAHP disbursement. However, the two key bottlenecks affecting disbursement – requirement for occupancy certificate issuance and competing interest-rate subsidy (Subsidi Selisih Bunga - “SSB”) program – were removed, and the delivery volume of



5,178 down-payment assistance housing in December 2019, against the original YR2 project target of 47,000 units, to targeted households is a positive indicator of the market demand for this product.

Driving broader sector programs and policy reform. Despite slower than expected implementation progress of the NAHP and disbursement of the BP2BT, *NAHP has positively affected sector programs and policy beyond original expectations at appraisal.* The first area is on *quality* – where NAHP was instrumental to introduce and quickly put into practice sustainable QAQC systems that did not previously exist. These are now delivering results. The second area is addressing the *inefficiencies of the incumbent government mortgage-linked subsidy programs.* These programs are inefficient and poorly designed and crowd out the private sector. NAHP impacted policy reform by offering an alternative product (BP2BT's mortgage-linked down payment approach), enabling the government to terminate the risky and inefficient interest rate subsidy SSB program on December 2019 and though reinstated as part of the COVID-19 stimulus in March 2020, the subsidy tenure was truncated by half. The third area is the *targeting policy reform.* The Government adopted the BP2BT 'gross household income' targeting standard which is also commonly used by banks in Indonesia (and internationally) while shifting the maximum eligibility criteria downward for all incumbent mortgage-linked subsidy programs to serve households with income in the 60th percentile and below, leaving the higher income segments to be served by the private sector.

Implementation Progress by Component

Component 1 Mortgage-linked Down payment Assistance Program (BP2BT): After two years of little traction, BP2BT recently had its first significant disbursement of assistance to 5,178 first-time homeowners in December 2019. More importantly, this was a positive indicator of the demand for the product without the constraint of the competing SSB interest-rate subsidy program. However, given the current economic slow-down combined with the SSB program reinstatement as part of Indonesia broad economic stimulus, the Government has pared down its plan to disburse 68,000 units of BP2BT in 2020 to a more realistic volume of 32,000 units in 2020 and the remaining volume in 2021.

The Government has also committed to a new construction quality enhancement plan that includes: (i) strengthening existing third-party construction supervision mechanism by requiring that all construction inspectors (MK) use robust construction assessment worksheets and processes; (ii) monitoring and enforcement of the MK assessment by the Government monitoring (MONEV) team and the NAHP task team to ensure the reliability of the third-party inspection process; and (iii) strengthening developers' capacity to build housing that is in line with the minimum construction standards. These actions are linked to the existing government mortgage-linked subsidy program procedures, thus creating minimum disruption to the existing process and making it simpler and faster to incorporate. Ongoing monitoring by the World Bank will continue to ensure that the quality assurance system functions as anticipated and adjustments, if any, are needed. After a slow start, BP2BT has momentum, demonstrated demand, and improved QAQC systems.

Component 2 Home Improvement Assistance (BSPS): The Government has taken pro-active actions to improve construction quality that include: (i) the addition of technical facilitators and coordinators with construction knowledge, (ii) the reduction in the ratio of facilitators to monitored units from 1:50 to 1:30, (iii) the delivery of hands-on technical training in 6 provinces with largest volume, and (iv) the increase in training days in locations with high BSPS volume. These actions have increased the construction quality ratio for structural integrity from a low of 11% in 2018 (base line assessment) to 29% in 2019. To further widen the scope of quality assurance beyond NAHP funded housing, the Government is integrating the quality processes within its SOP and issue revised technical guidelines on new construction quality monitoring and enforcement requirements.

BSPS continues to be an important pro-poor targeting program of the government. The results of the home improvement program have helped to increase households with sanitation, from the baseline of 74% in 2018 to 86% in 2019, deliver clean water, and improve drainage for the communities.



Component 3 Technical Assistance for Housing Policy Reform: Support from different trust fund resources has bridged policy reform work as soon as the NAHP project became effective in 2018 which resulted in the following three key impactful policy reforms: (i) reduction of subsidy cost and risk of the interest-rate subsidy (SSB) by shortening the maximum subsidy tenure by 50%; (ii) enhancement of targeting design and scope of support of mortgage-linked subsidy programs to households with income in the 60th percentile and below; and (iii) construction quality rapid assessment that informed the QAQC system designs.

Five out of six TA activities procured under Component 3 of the NAHP are on track to be operationalized by June 2020. Two TA activities have commenced operation since Q4 2019: Housing Real Estate Information System (HREIS), and the housing market research and institutional arrangement study (National Housing Board). Three more TA activities are expected to launch operation by the end of June 2020 or earlier: Local Government Capacity Building, Secondary Mortgage Facility Enhancement, and Public-Private Partnerships for Affordable Housing. Procurement is underway for the final TA activity, Housing Policy Grand Design.

Project Audit: The FY 2018 audit report was received in a timely manner. While there is no pending audit report, there are pending follow-up actions on FY 2018 audit findings. In the last mission, PMC was reminded to submit follow up actions on audit findings. While update response received in June 2020, the follow up actions remain incomplete to date. The FY 2019 audit report will be due on June 30, 2020.

B. Rationale for Restructuring

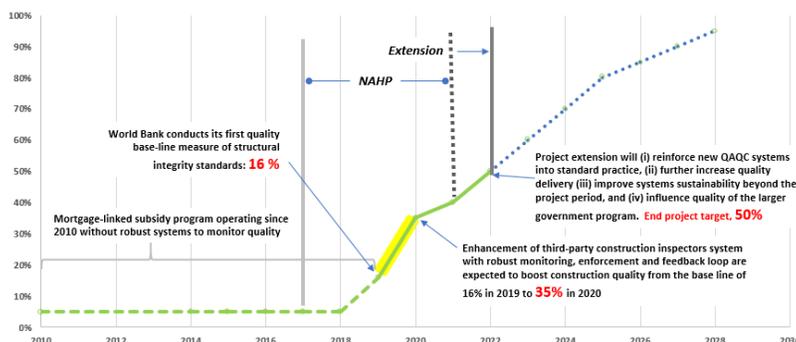
The proposed restructuring responds to the recommendation of the MTR – where proactivity is required to (i) accelerate disbursements under BP2BT, (ii) continue to support and enhance the effectiveness of QAQC systems, and (iii) advance implementation of technical assistance activities relating to the sector policy dialogue and reform agenda. The proposed restructuring will extend the project by 11 months and the length of the engagement to five years. This is important to provide an extra cycle to disburse and achieve the original targets, and have an extra year to strengthen the institutions, capacity, and practice for the focus on quality delivery.

Completing disbursements and delivery: The additional 11-month extension will enable Component 1 (BP2PT) to fully disburse following recent enabling policy changes, after the initial first two years of limited progress. With the extension, 72,000 houses can be delivered. The restructuring will adjust the end-target from 126,000 to 72,000 units – reflecting the increased assistance amount per housing unit, from IDR 32.4 million to IDR 40 million (accounting for 25,000 units less) and the Government decision not to fund BP2BT from its fiscal budget (accounting for 24,000 units less).

Addressing quality and improving resilience: Figures 1 and 2 illustrate the early challenges for NAHP to initially deliver

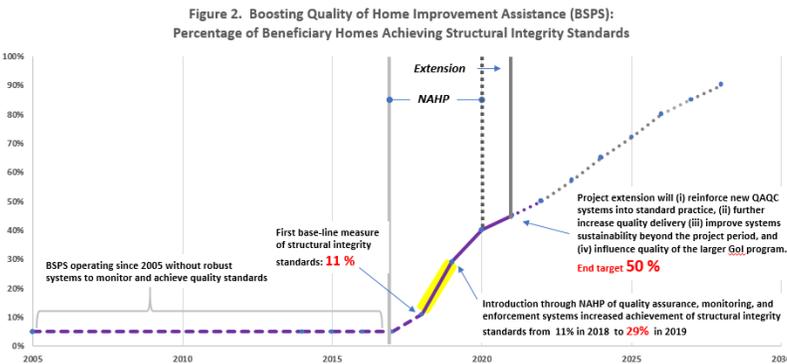
quality after joining incumbent programs that were focused on volume. The Bank's baseline of quality (homes achieving structural integrity standards) found low levels of quality, that were a substantial operational and project risk. NAHP has made significant gains introducing new QAQC systems into the project – boosting within a short period of time the percentage of homes achieving standards and obtaining the government commitment to the quality approach.

Figure 1. Boosting Quality of the Mortgage Linked Down Payment Assistance Program
Percentage of Beneficiary Homes Achieving Structural Integrity Standards





A complete turnaround in quality to 100 percent is not possible in the short-term. Under the restructuring, new indicators and targets will be included in the results framework reflecting the current trajectory of progress could help the government achieve 50 percent levels. The added year of implementation will help solidify newly introduced practices, build institutional capacity and systems for QAQC, and improve consumer knowledge and demand for quality products.



leveraging effect of 5 to 6 times, between NAHP and government and private sector resources.

Strengthening the policy reform agenda: The project extension will provide an important opportunity to further explore and test how to expand into under-served segment using mortgage-linked subsidy instrument under Component 1: BP2BT. Whilst the design of BP2BT constitutes an improvement as compared to existing subsidy instruments (e.g., liquidity and interest rate subsidy), the upcoming implementation of the Housing Provident Fund (BP TAPERA) in 2021, combined with the rising uncertainty surrounding the COVID-19 and slowing economic conditions, have spurred discussion on ways to enhance housing subsidy design and implementation effectiveness to increase budget efficiency. COVID-19 has also brought to light the lack of an effective subsidy instrument to support low- and informal-income sector which is disproportionately affected and housing upgrade financing to address households' health and safety in light of the pandemic. Innovation such as the use of Artificial Intelligence to help pre-qualify potential informal income beneficiaries and the use of technologies to plan and monitor housing upgrade remotely at scale are being examined. The 11-month extension of the NAHP program would enable the Bank to better engage in these important strategic initiatives and discourses through the development of a roadmap for affordable housing subsidies and innovative interventions.

Adjusting the results framework: The PDO Level Indicators' and Intermediate Result Indicators' (IRIs) targets need to be adjusted to reflect the current project's progress and extension, and to include the addition of a measurement of construction quality improvements and the removal of certain IRIs in light of the changes to the components.

Adjusting the scope of Components 1 and 3: Following the government's new strategy to focus on developing alternative solutions in urban centers, a new activity "PPP for Affordable Housing" will be added in Component 3, which falls within the current scope of the TA activities. While at the same time, several technical assistances related to the development of mortgage guarantee and public campaign will be dropped due to lower priorities.

Changing institutional arrangements: The change in the project's institutional arrangements reflects a decision of the Executing Agency to merge the initially planned two Project Implementing Units (PIUs) into a single PIU for better coordination and efficiency of implementation.

The quality agenda, together with on-going technical assistance in addressing seismic risks is critical in Indonesia, where natural hazards are routine. NAHP is pivoting key technical support - and will benefit from additional time - to elevate the resilient housing agenda. The restructuring will also allow loan funds to finance incremental operating expenses so the government can increase resources and capacity on the ground to improve quality delivery. The value added is that these QAQC actions through NAHP will impact the broader government programs, with an estimated



II. DESCRIPTION OF PROPOSED CHANGES

Summary of the Proposed Changes

1. The proposed Level II restructuring includes the following key elements:
 - a. **Changes to the results framework:** Changes to the results framework reflect the adjustment of Project Development Indicators targets, the addition and removal of Intermediate Results Indicators and targets to reflect the changes to the components (including addition of construction quality improvement activities), the current progress, and the addition of eleven months to the implementation timing.
 - b. **Changes to activities within components:** The components will not change. However, there will be adjustment to the scope of two Components. For **Component 1b:** Technical Assistance for Mortgage-Linked Down Payment Assistance, the Government has opted not to pursue procurement of the following TA activities Component 1b(iii) Developing consumer financial literacy around BP2BT; Component 1b(iv) developing a BP2BT public information campaign; and Component 1b(v) developing and strengthening the lending capacity to non-fixed income segment of Participating Lending Institutions. Without these TA activities, the Project capacity and focus to support access to housing finance for the Informal Income segment has been slower than expected. For **Component 3a:** Under the “Technical Assistance for Housing Policy Reform /Expanding Access for Housing Finance”, the TA activity “Mortgage Guarantee Mechanism” is being replaced as its output is deemed to be of lower priority and have lower impact on the housing sector, with a new TA activity, “PPP for Affordable Housing Model”. This new PPP TA activity is aligned with the recent Government mid-term housing strategy (RPJMN 2020-2024) and target for 1 million multi-story units to be built in the urban centers.
 - c. **Additional Use of Category 3 for Component 2 Operating Cost for Community Facilitation:** Category 3 (Goods, non-consulting services, consultants’ services and Training under Parts 1(b), 2(b), 2(c) and 3 of the Project) will be revised to include Operating Costs to cover community facilitation operating expenditures under Component 2: Home Improvement Assistance. The facilitation requires funding for ongoing operating expenditures, particularly for community socialization and group discussions, as well as strengthening the construction quality monitoring. As the existing Loan was not designed to finance these critical facilitation activities, the Loan restructuring will enable the use of the loan for incremental operating costs for sub-component 2(b): BSPS Management and Operations. Clear guidelines for use of IBRD proceeds to pay incremental operating costs will be agreed in advance with PMC as detailed in the operations manual. Retroactive funding will be allowed for operating costs from January 1, 2020 to accommodate the Gol’s current fiscal constraints.
 - d. **Extension of the loan closing date:** Extension of the closing date by eleven months from March 31, 2020 to February 28, 2022 to compensate for implementation delays and provide additional time for (i) building a cost-effective credit-linked subsidy under Component 3 (a): Expanding access to Housing Finance; (ii) delivering well-built subsidized housing, which is structurally sound and meets construction standards under Component 1: Mortgage Linked Down Payment Assistance (BP2BT) and Component 2: Home Improvement Assistance (BSPS); and (iii) developing a long-term sustainable roadmap for an affordable housing policy reform under Component 3: Technical Assistance for Housing Policy Reform.



- e. **Changes to disbursement estimates and implementation schedule:** The disbursement estimate will be revised to reflect disbursement delays and the addition of 11 months to the project’s lifetime. The implementation schedule will be revised accordingly. Considering the Project’s low disbursement rate, the Ministry of Finance and BAPPENAS, as the Steering Committee of NAHP would like to review the progress by December 2020 and may request additional restructuring to reflect any possible loan reallocation and/or partial cancellation.
- f. **Changes to institutional arrangements:** During project implementation, the Executing Agency decided to merge the initially planned two Project Implementing Units (PIUs) into a single PIU for better coordination and efficiency of implementation. The amended Loan Agreement will reflect one PIU instead of two. The World Bank task team has assessed the impact of this change and did not identify any complications, and the Project Operations Manual (POM) has been reflected this change in institutional arrangement.
- g. **Change to the project’s risk rating:** While the overall risk rating will remain Substantial, risk rating of two categories will be changed. The macroeconomic risk rating will be revised from Moderate to Substantial to reflect the declining global economic environment surrounding the COVID-19 uncertainty. The Project technical design will be revised from High to Substantial, to reflect that significant actions have taken over the last eighteen months to make adjustments to the design of Component 1: Mortgage-Linked Down Payment Assistance to better align with market demand and conditions, and to enhance construction quality monitoring processes for Component 1: Mortgage Linked Down Payment Assistance and Component 2: Home Improvement Assistance.
- h. **Amendments to the Loan Agreement:** The Loan Agreement will be amended in the following manners:
 - Deletion of the Preamble (B) to the Loan Agreement
 - Schedule 1 – Project Description:
 - i. Part 1.(b) – Technical Assistance for Mortgage-Linked Down Payment Assistance. Remove from the Project description: (iii) Developing consumer financial literacy around BP2BT; (iv) developing a BP2BT public information campaign; and (v) developing and strengthening the lending capacity to non-fixed income segment of Participating Lending Institutions
 - ii. Part 2.(b) – BSPS Management and Operations. Add to the Project description “, including *inter alia*, community facilitation activities covering community socialization, group discussion and strengthening of construction quality monitoring.”
 - Schedule 2 – Project Execution:
 - i. Section I.A.1.(b) – The requirement for two Project Implementation Units will be changed to one Project Implementation Unit. Corresponding amendments in other parts of the loan agreement to reflect this change will also be made (including in Section 1.A.1(c), Section 1.B and appendix).
 - ii. Section IV.A.2 - The table will be amended to reflect the inclusion of Operating Costs (incurred on or after January 1, 2020) under Part 2(b) of the Project as part of Category (3). A definition of Operating Costs will be added to the Appendix.
 - iii. Section IV.B.2 – The Closing Date will be changed to February 28, 2022.

I. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	



Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Overall Risk Rating	✓	
Institutional Arrangements	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-87170	Effective	31-Mar-2021		28-Feb-2022	28-Jun-2022

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2017	0.00	0.00
2018	90,000,000.00	17,500,000.00
2019	160,000,000.00	50,900,000.00
2020	185,000,000.00	148,000,000.00
2021	15,000,000.00	80,000,000.00
2022	0.00	153,599,200.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance	● Moderate	● Substantial
Macroeconomic	● Moderate	● Substantial
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate



The World Bank

National Affordable Housing Program (P154948)

Stakeholders	● Moderate	● Substantial
Other		
Overall	● Substantial	● Substantial



Results framework

COUNTRY: Indonesia

National Affordable Housing Program

Project Development Objectives(s)

The development objective of the Program is to improve access to affordable housing for lower income households

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
To improve access to affordable housing for lower income households								
Households assisted for affordable house ownership (Number)		0.00	0.00	3.00	5,000.00	37,000.00	72,000.00	72,000.00
Action: This indicator has been Revised	<p>Rationale:</p> <p>Targets revised downward due to:</p> <ul style="list-style-type: none"> Government decision not to fund an additional USD 50 million for BP2BT given fiscal constraint (accounting for 24,000 units less) Increase of BP2BT assistance amount from previously max. IDR 32.4 mm to IDR 40 mm, (accounting 25,000 units less) <p>The end target was shifted to account for the project extension.</p> <p>The wording of the indicator has been improved.</p>							
Households receiving a house improvement/ reconstruction stimulant through enhanced Home Improvement Assistance Program (Number)		0.00	0.00	100,000.00	375,000.00	520,000.00	620,000.00	620,000.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised								
<p>Rationale: Targets revised upward due to: - Government higher than expected funding, accounting for 170,000 additional units The end target was shifted to account for project extension. The wording of the indicator has been improved.</p>								

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Component 1: Mortgage-Linked Down Payment Assistance (Bantuan Pembiayaan Perumahan Berbasis Tabungan/BP2BT)								
BP2BT beneficiaries who are in the bottom 60 percent of the income distribution (Percentage)		0.00	0.00	0.00	75.00	80.00	80.00	80.00
Action: This indicator has been Revised								
<p>Rationale: No change in target. But the indicator definition is adjusted to reflect current program implementation. The indicator wording has also been improved. The end target was shifted to account for project extension.</p>								
Beneficiaries from non-salaried sector (Percentage)		0.00	0.00	0.00	9.00	10.00	10.00	10.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<p>Action: This indicator has been Revised</p>								
<p>Rationale:</p> <p>Target adjusted downward due to:</p> <ul style="list-style-type: none"> Shift in target market toward focus on salaried workers. As MPWH reduced BP2BT savings requirement from 6 months to 3 months, this limits proxy for income of non-salaried workers. MPWH's decision not to proceed with TA to support capacity building for non-salaried workers. <p>The end target was shifted to account for project extension.</p> <p>The wording of the indicator has been improved.</p>								
Participating lenders with >5 percent of program-financed BP2BT annual volume (Number)		0.00	0.00	1.00	2.00	3.00	3.00	3.00
<p>Action: This indicator has been Revised</p>								
<p>Rationale:</p> <p>Target was adjusted downward due to small universe of participating banks:</p> <ul style="list-style-type: none"> BP2BT requirement only allows commercial banks to participate. BP2BT has only 6 participating banks versus 45 for other Government credit-linked housing subsidy programs. <p>End target was shifted to account for project extension.</p> <p>Wording of the indicator has been improved.</p>								
BP2BT assistance-linked mortgage finance leveraged (Amount(USD))		0.00	0.00	23,500.00	34,000,000.00	240,000,000.00	470,000,000.00	470,000,000.00
<p>Action: This indicator has been Revised</p>								
<p>Rationale:</p> <p>Target was adjusted downward due to the reduction in total volume to 72,000 loans as above.</p> <p>End target was shifted to account for project extension.</p> <p>Wording of the indicator has been improved.</p>								



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Beneficiaries satisfied or highly satisfied with BP2BT Program (Percentage)		0.00	0.00	0.00	0.00	80.00	80.00	80.00
Action: This indicator has been Revised	<p>Rationale: <i>No change to the end target, however annual targets were adjusted to reflect a first beneficiary satisfactory survey in 2020. Informal discussion with 3 Beneficiaries during site visit in December 2019 reveals high satisfaction with the program. The end target was shifted to account for the project extension. The wording of the indicator has been improved.</i></p>							
BP2BT IT System developed and operationalized (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Revised	<p>Rationale: <i>No change in targets. The end target was shifted to account for the project extension.</i></p>							
BP2BT housing units fulfilling minimum construction standard requirements (Percentage)		0.00	0.00	0.00	16.00	35.00	50.00	50.00
Action: This indicator is New	<p>Rationale: <i>Indicator measures the GOI commitment toward construction quality monitoring and enforcement.</i></p>							
Recommendation on a sustainable housing subsidy model developed (Yes/No)		No	No	No	No	No	No	Yes



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator is New	Rationale: <i>Indicator measures Gol commitment toward demand-side subsidy development and innovation.</i>							
Component 2: Home Improvement Assistance (Bantuan Stimulan Perumahan Swadaya/BSPS)								
Reconstructed and/or improved housing units verified as accurate in beneficiary targeting (Percentage)	0.00	0.00	70.00	75.00	80.00	85.00	85.00	
Action: This indicator has been Revised	Rationale: <i>No change in target. The end target was shifted to account for the project extension. The wording of the indicator has been improved.</i>							
Percentage reconstructed and/or improved housing unit verified appropriately in fulfilling standard house requirement (Percentage)	0.00	65.00	70.00	75.00	80.00		80.00	
Action: This indicator has been Marked for Deletion	Rationale: <i>This indicator is being replaced with a new indicator "BSPS upgraded and re-constructed housing units verified as fulfilling construction quality - structural integrity".</i>							
BSPS implementation in urban area (Percentage)	20.00	0.00	30.00	30.00	35.00	35.00	35.00	
Action: This indicator has been Revised	Rationale:							



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
			<p>No change in target. The end target was shifted to account for the project extension. The wording of the indicator has been improved.</p>					
Complaints recorded and processed within the service standard applied (disaggregated by gender) (Percentage)	0.00	65.00	65.00	70.00	75.00	80.00	80.00	
Action: This indicator has been Revised			<p>Rationale: No change in target. The end target was shifted to account for the project extension. The wording of the indicator has been improved.</p>					
Beneficiaries satisfied or highly satisfied with BSPS Program for home reconstruction/improvement (disaggregated by gender) (Percentage)	0.00	60.00	70.00	80.00	80.00	80.00	80.00	
Action: This indicator has been Revised			<p>Rationale: No change in target. The end target was shifted to account for the project extension. The wording of the indicator has been improved.</p>					
Swadaya Management Information System developed and operationalized (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes	



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised	Rationale: No change in target. The end target was shifted to account for the project extension.							
System that tracks and enforces BSPS housing construction compliance towards the structural integrity and health standards developed (Yes/No)	No	No	No	No	Yes	Yes	Yes	
Action: This indicator is New	Rationale: This indicator measures the establishment of a system to measure, track, and feed information to enforce the quality of improved homes, specifically on the fulfillment of structural integrity and health standards							
BSPS upgraded and/or re-constructed housing units verified as fulfilling construction quality - structural integrity standards (Percentage)	0.00	0.00	10.00	25.00	40.00	50.00	50.00	
Action: This indicator is New	Rationale: This new indicator measures the construction quality monitoring and enforcement, particularly related to structural integrity work.							
Component 3: Technical Assistance for Housing Policy Reform								
A Housing and Real Estate Information System (HREIS)	No	No	No	No	No	No	Yes	



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
developed created and implemented (Yes/No)								
Action: This indicator has been Revised	Rationale: No change in target, and the end target was shifted to account for the project extension. The wording of the indicator has been improved.							
Mortgage guarantee mechanism developed (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Marked for Deletion	Rationale: This indicator is marked for deletion since this TA activity did not receive traction from mortgage guarantee companies							
Housing Policy Grand Design developed and submitted to key stakeholders (Yes/No)	No	No	No	No	No	No	No	Yes
Action: This indicator has been Revised	Rationale: No change in target, but the end target was shifted to account for the project extension. The wording of the indicat or has been improved.							
Institutional arrangement for housing sector developed and presented to key stakeholders (Yes/No)	No	No	No	No	No	No	No	Yes
Action: This indicator has been Revised	Rationale: No change in target. The end target was shifted to account for the project extension. Wording of the indicator has been improved.							



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Local Government Affordable Housing Plans developed (Number)		0.00	0.00	0.00	0.00	4.00	9.00	15.00
Action: This indicator has been Revised	Rationale: No change in target. Annual targets were revised to reflect progress and the end target was shifted to account for project extension.							
PPP for Affordable Housing Development (Yes/No)		No	No	No	No	No	Yes	Yes
Action: This indicator is New	Rationale: This indicator measures an added activity to support supply-side development.							



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