Annex 15: Anti-Corruption Action Plan

INDONESIA: Strategic Roads Infrastructure Project

Since 2003 all new projects supported by the World Bank in Indonesia have needed an agreed Anti-Corruption Action Plan (ACAP) in place. This particular ACAP builds upon experience in the sector over recent years. The main actions are stated below, and in an Action Plan Table that is arranged in accordance with six key elements, namely:

1. Enhanced Disclosure
2. Civil Society Oversight
3. Mitigation of Collusion Risks
4. Mitigation of Forgery and Fraud Risks
5. Complaint Handling Systems
6. Sanctions and Remedies

Increasing effectiveness of procurement procedures within MPW

One key area for corruption concerns is in the procurement process. Ongoing road sector projects (SRRP, EIRTP-1 and EIRTP-2) have procurement at the local/provincial/kabupaten levels involving local administrations in the procurement of about 300 NCB contracts per project. SRIP is a national government, national roads project with a limited number of works procurement packages (expected 21 ICB contracts for works) and all the procurement will be directly undertaken by MPW itself, whether physically in Jakarta or in the relevant province. This ACAP is built around this more “centralized” model which should lend itself to easier monitoring and a higher quality. The following procurement packages are expected.

- Approximately 22 ICB works contracts (15 in first year) with an average value of US$10 million
- Three goods contracts at a total approximate value of US$1.325 million
- Few consultancy contracts including three large consultancy contracts for management namely the Core Team Consultant and Design & Supervision consultants.

The following procurement related aspects are introduced for SRIP:

- **E-procurement** on the MPW official public web-site for both works and consultant services contract - “semi” e-procurement initially in line with the system already in place in MPW, full transaction based e-procurement when the new e-procurement system is launched (expected in July 2006) and assessed by the Bank to be acceptable.
- MPW to hire a Procurement Advisor for the works contracts. Procurement Advisor to provide a set of services to ensure that procurement and award decisions are carried with measures to avoid collusion and fraudulent practices
- MPW to hire a Procurement Agent for the four large consultancy contracts expected under SRIP including short listing, technical evaluation and contract negotiations
- Revise and improve on the selection process and qualifications of Civil Society Representatives (current suggestion is to request assistance from local universities wherever this is appropriate)
External technical audits procured by MPW to assess on-going and finished works.
Inspectorate General role, responsibilities, facilities to be reviewed and strengthened where needed.
Review criteria for nominating procurement committees
Provide project implementers with needed facilities and budget

E-Procurement within MPW

MPW already has in place a "semi" e-procurement system for public bidding which is up to the limit of what is currently allowed under current Indonesian law. In line with this "semi" e-procurement system, MPW has agreed to use their official website www.pu.go.id for publishing key information related to SRIP, including: Invitation to Bid, download of bidding documents, bid clarifications, minutes of bid opening, information on bid award. This level of e-procurement is already in place for many of their current bids. MPW is technically ready to move to full transaction based e-procurement on enactment of a pending Presidential decree. After enactment of the decree or other relevant legislation MPW will, within three months, commence use of a transaction based e-procurement system. This is being synchronized with the overall dialogue with the Government on e-procurement. Any use of transaction based e-procurement for SRIP will be compliant with the "E-Bidding Requirements for MDB Loans, Grants and Credits", May 2005.

Procurement Advisor within MPW

MPW will hire a Procurement Advisor with reporting responsibilities to the Inspectorate General of MPW. This Advisor is required to provide a set of services to ensure that procurement and award decisions for works are carried with measures to avoid collusion and fraudulent practices. The provider of these services will be a specialized reputable firm, preferably separated from the regular project management consultancies, but with access to national expertise and ability to mobilize staff at the provincial level. Short listing and selection of this firm will be scrutinized/reviewed by the Bank.

With regard to the first six works contracts, given that the Procurement Advisor will not yet be in place, the MPW will ensure that a public notary attends the bid opening. The public notary will hold in escrow the one sealed copy of each bid submitted and deliver directly to the Procurement Agent on his appointment. The MPW will ensure that the Procurement Agent reviews the bids and the bid evaluation report prior to submission to the Bank for no objection.

The scope of the services of this firm will be detailed further in a terms of reference; however, at a minimum the assignment should include the following:

- Assisting in setting and managing an e-procurement system for SRIP initially and with prospects for expanding to all World Bank-financed projects in the sector in line with government systems;
- Developing measures/protocols to avoid collusive/fraudulent practices for bidding of works contracts based on experience in the country: discourse of all information, participation in the evaluation process, verification of participation of bidders, verification of owners estimates versus submitted prices;
• Setting up a monitoring system to capture salient information about contract processes, participating bidders, awarded contractors, variation in contracts, unit prices, etc… with the objective of identifying any collusive trends;
• Ensuring all procurement processing and awarded decisions are carried within the agreed time frame avoiding delays and need for extension of bids validities; and
• Reviewing the procurement system in MPW particularly with regard to consultant selection and work with MPW to develop a revised system

Procurement Agent within MPW

The history of the process for selection of consultants reveals long delays and weaknesses in the short listing and evaluation reports. In addition to delaying the project, such practices make these selection processes vulnerable to corruption. The need to mobilize the large consultancies in a timely, efficient and transparent manner will require specialized support to the MPW. The optimum form of this support is to recruit a Procurement Agent to carry the full selection process on behalf of MPW for the Core Team Consultant, Design and Supervision Consultant and Procurement Advisor. Given MPW concerns about legal issues, the Procurement Agent will carry all the required tasks (i.e. short listings, evaluation, etc.) and will submit his recommendations to the procurement committee who will be expected to adopt them. The profile of this consultant should be an internationally reputable firm specialized in these services.

Anti-Corruption Action Plan as adopted by Ministry of Public Works

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<th>Enhanced Disclosure</th>
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<td><strong>1.</strong> The MPW will provide the following information in the PIP, PMM, the MPW website, and in the bidding documents: “The contact point for complaints related to the Strategic Roads Infrastructure Project: To: Directorate of Planning Ministry of Public Works Tel: Fax: e-mail: To: Inspectorate General Ministry of Public Works Tel: Fax: e-mail: To the World Bank Fraud and Corruption unit Email: <a href="mailto:investigationshotline@worldbank.org">investigationshotline@worldbank.org</a> Website: <a href="http://www.worldbank.org/integrity">http://www.worldbank.org/integrity</a> If you prefer to remain anonymous, you may wish to make use of a free email service (such as Hotmail or Yahoo) to create an email account using a pseudonym. This way, we could correspond with you as necessary, to seek clarification or additional information. This would be helpful for us in pursuing your allegation. Through a Fraud and Corruption Hotline hired by INT for this purpose: (24 hours/day;</td>
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Each annual Work Program and the Procurement Plan will be published on the official website of MPW and made available to the public as a part of the public disclosure policy of this project.

MPW will publish a quarterly newsletter on the official website of MPW including information concerning the list of contracts, implementation progress, project-related workshops and the number, typology and status of complaints for each location. MPW will send the quarterly newsletter to the civil society (e.g. NGO) forum in each project province in hardcopy or through an electronic mailing system.

Guidelines on disclosure of information to the public on project and procurement activities shall be incorporated in the PMM, and will include the following key actions:

a. The MPW will and the World Bank may make publicly available, promptly after completion of a mid-term review of the project carried out in accordance with the loan agreement, the mid-term review report and the aide-memoire prepared for this purpose. MPW will also post this on the MPW official website within 2 months of the completion of the mid-term review.

b. The MPW will and the World Bank may make publicly available promptly after receipt all final audit reports (financial or otherwise, and including qualified audit reports) prepared in accordance with the loan agreement and all formal responses of the government in relation to such reports. MPW will also post this on the MPW official website within 1 month of the report being accepted as final.

c. The MPW will and the World Bank may:

- Make publicly available promptly after finalization all annual Procurement Plans and schedules, including all updates there to; MPW will also post this on the official website of MPW within one month of the end of the fiscal year.

- Make available to any member of the public promptly upon request all bidding documents and requests for proposal (this provision does not include actual bids and proposals) issued in accordance with the procurement provisions of the loan agreement, subject to payment of a reasonable fee to cover the cost of printing and delivery. Each such document will continue to be made available until a year after completion of the contract entered into for the goods, works or services in question.

- Make available to any member of the public promptly upon request all shortlists of consultants.

- Actively encourage representatives of civil society groups to attend the public bid openings and other key procurement steps. Representatives of civil society will be included as observers and sign the attendance list for the Procurement/Selection
process.

- **For works:** (i) For the first six civil works contracts, if the Procurement Advisor has not been hired, then a public notary will (A) attend the opening of bids, and certify the Minutes of bid opening of bids (B) send one copy of the bids (after the bid opening) to the PMU within 24 hours; and (C) keep in a safe place one copy of the sealed bids (after bid opening) and make available on request the copy of the bids and the minutes of the opening of the bids to the Procurement Advisor when hired (ii) For the remaining civil works contracts, the Procurement Advisor will do all of the above steps.

- **For consultants services:** (i) For the CTC consultants, the DSC consultants and the Procurement Advisor, a Procurement Agent will be used. (ii) For the procurement of the other consultants’ services where a Procurement Agent is not used, a public notary will be invited to officially witness the opening of the technical and financial proposals, and certify the Minutes of Opening of technical/financial proposals. The public notary will also keep in a safe place one copy of the technical proposals submitted by each consultant (once they are open), the sealed financial proposals (before they are open), and one copy of the financial proposals submitted (after they are open).

- In line with the Procurement Guidelines, within two weeks of contract award (Bank’s no objection) publish in UNDB online, dgMarket, on MPW website, and send to those who submitted bids, contract award information identifying the bid and lot numbers and the following information (a) name of each bidder who submitted a bid (b) bid prices as read out at the bid opening, (c) name and evaluated prices of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reason for their rejection; and (e) name of the winning bidders, and the price it offered, as well as the duration and summary scope of the contract awarded.

- Make available, promptly upon request by any person or company, a list of all contracts awarded in the three months preceding the date of such request in respect of a project, including the name of the contractor / supplier / consultant, the contract amount, the number of bidders / proposes, the procurement method followed and the purpose of the contract.

The MPW will establish a webpage within the official website of MPW that provides monthly updated information on project activities. This information would include, for each province or district, inter alia: nature of contracts awarded (estimated cost, scope of works, contractor details); current estimate of the progress of implementation (e.g. gross estimate of completion as a percentage of works to be carried out); other project-related activities such as workshops; data concerning complaints and remedial actions.

**Civil Society Oversight**

MPW will actively encourage representatives of civil society groups to attend public bid openings and other key procurement steps. Civil society observers may be invited from local universities or other independent institutions. Experience in other projects strongly suggests that the unit being monitored should not control the selection and briefing of such representatives, therefore a third-party, the Inspectorate General, acting on behalf of the Project, may be required to perform these roles. Details concerning the selection and
A briefing of representatives must be recorded at the national level. Guidelines on appropriate procedures will be provided in the PMM.

The MPW will establish a mechanism whereby the media and civil society groups can become involved in monitoring the progress of the project including implementation. This mechanism will include regular sharing of information with the media. Copies of press clippings (etc.) will be sent to the national level for discussion and filing.

Regular (e.g. annual) Accountability Meetings will be held to enhance accountability and sharing of information. The first of these will occur at the province level, before procurement of contractors or service providers, so that any civil society and community representatives required for the procurement processes (etc.) can be selected in a transparent manner. Each meeting must be properly organized and the agenda widely distributed amongst interested parties.

**Mitigation of collusion risks**

*Works contracts.* MPW will hire a Procurement Advisor to support the management of the procurement of goods and works for the Project

- MPW will use “semi” e-procurement and publish on its official website for all works contracts:
  - all Invitations to Bid,
  - bidding documents and drawings,
  - clarification of bids,
  - bid opening minutes,
  - information on contract award.

Manual system will continue to run in parallel for contractors who wish to use it.

- Bidding documents will be available for download on-line. No charge for electronic documents.
- “Procurement Advisor” to certify the documents are on-line prior to the issuance of the Invitation to Bid and remain available to bid opening.
- No pre-qualification
- List of bidders remains confidential until bid opening.
- No Pre-bid meetings. The specifications shall be defined clearly in the bidding documents. Clarifications can be sought through written correspondence and replies will be sent to all bidders. Appropriate guidelines providing for this will be prepared.
- “Procurement Advisor” to be present to observe the bidding process and opening
- Bids to be under control of “Procurement Advisor” during the “Bid Submission Period”.
- Two sealed copy of the bids submitted to be kept by “Procurement Advisor”, which will send one sealed copy to PMU within 24 hours to be kept by PMU.
- “Procurement Advisor” to immediately check the bids for any signs of collusion (using tracking software) and to certify the minutes to be submitted to Procurement Committee, and copy to the PMU.
- Bid Evaluation Report to be complete and submitted within 4 weeks and prepared by “Procurement Advisor” to be submitted to Procurement Committee, and copy to the PMU.
- Bids awarded within original bid validity period. Any extension of bid validity period for the second time or for cumulatively greater than 8 weeks requires Bank no
objection. Bank would not provide such no objections.

- No rebids. If needs a rebid due to corruption and/or collusion, Sub-Project is not eligible for financing.
- MPW to use FIDIC arrangements with the independent supervision consultant having responsibility as the "Engineer" in the works contract.
- MPW will track the following indicators from the bill of quantities of the SRIP contracts and eight randomly selected ABPN financed contracts and report in the quarterly Progress Report: bid price of concrete, bitumen,

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<tr>
<th>Consultant services</th>
<th>MPW will hire a Procurement Agent to assist Procurement Committee to undertake the procurement of the consulting services for the project. This is expected to apply to three key consulting contracts for consulting services.</th>
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<td>MPW will use “semi” e-procurement and publish on its official website for all consultant contracts</td>
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<td>- Request for Proposals. Only the CVs of key personnel with be requested and evaluated up to about 10 staff. (Currently up to 100 CVs have been requested and evaluated making this a very mechanical process).</td>
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<th>NCB procedures</th>
<th>No NCB procurement of works is expected. The clarification of NCB procedures following Keppres 80/2003 to be acceptable by the Bank is included in the Legal Agreements. Following such clarifications, the implementation plan includes:</th>
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<td>- Advertisement in national newspapers</td>
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<td>- Removal of geographic and other restrictions</td>
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<td>- Use of post-qualification which allows participation by bidders without any restriction</td>
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<th>Advertisement of bids</th>
<th>The MPW will employ a standard agreed format (minimum column size=10) of advertisement and place in a nationally circulated newspaper, on the MPW official website, on the UNDB on-line and dg Market websites.</th>
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<td>Project Managers</td>
<td>Project Managers to be assigned based on agreed qualifications as stated in MPW criteria requirements to be put in the Project Management Manual.</td>
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<th>Guidelines for preparation of specifications / selection criteria in the Bidding Documents / request for proposal will be prepared to ensure compliance with Bank guidelines. This will include suggestions to conduct simple surveys on available products in the market and the alternative of hiring consultants for procurement of works / services to define the specification / terms of reference.</th>
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<td>Guidelines to prepare owner estimates, particularly for consultancy work will be defined. This will include the requirement to provide a detailed breakdown of estimates, suggestions to conduct simple market price surveys, maintaining data base of survey results and previous purchases under EIRTP-1 and EIRTP-2, which will be accessible to all Implementing Units</td>
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<td>A narrative justification of each shortlisting will be required for proposing shortlists for prior review contracts. Guidelines on preparing these justifications will be prepared</td>
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<td>Public openings for ICB and QCBS processes will be attended by the Procurement Officer / Treasurer / civil society representatives.</td>
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<td>The reports / records of public openings for all prior review contracts shall be submitted promptly to the Bank (2 x 24 hours)</td>
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<td>The MPW will provide guidelines and training on how to conduct clarifications /negotiations that are in line with the Bank guidelines.</td>
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The MPW will prepare guidelines and training on monitoring contract implementation.

**Mitigation of Forgery and Fraud Risks**

Each Project Implementation Unit will include a qualified procurement specialist / officer and financial management specialist / officer

The MPW will establish procedures to maintain proper project and procurement filing including filing of advertisements, bidding documents, evaluation reports, contract award and final contract documents.

Timelines for procurement decisions will be agreed between GOI and the Bank to establish service standards and avoid procurement delays to reduce opportunities for corruption. These will be clearly stated in the Project Management Manual.

The MPW will establish procedures for regular review of accounting reports including all supporting documents (i.e. travel report, receipts, etc.)

Guidelines for submission of complete documentation required for requests for payments (SPP) to KFKN will be prepared by MOF via Circulated Letter of DG Treasury MOF to all KPPN.

The MPW shall conduct regular interim audits by third parties, which will include review of procurement process and procurement results (end use checks, quality and quantity of acquired goods / works / services, verification of payments, price comparison between contract price and market price, etc.).

The MPW shall conduct training as needed to improve the capability of key personnel at all levels. This will include, as necessary, aspects of procurement, financial management, design, and supervision of implementation. The design capability and the quality of design will be improved in order to avoid any design review in post contract signing.

The MPW shall delegate the authority for supervision of works by stating clearly and in detail the bidding/contract document the authority for Engineer’s and Engineer’s Representative.

**Complaint Handling System**

A complaints handling mechanism, which includes maintaining a project complaint log and filing to monitor status of follow up of each received complaints, will be established by the implementing Agency and the Bank. The mechanisms will include provision for follow up investigations of substantial complaints by the internal Auditors, or third party audit to ensure independency and reliability of the system.

All complaints received shall be responded to by the Project Implementation Unit (PIU) within 7 days of receipt, with copy to PMU, World Bank and DGRI.

All complaints handling component will be included in the website to be established for the project. This will be updated on a monthly basis.

For the complaint mechanism to function, it is essential that information concerning the alternative conduits for complaint (telephone hotline, dedicated email ad+ and PO Box) is widely disseminated.

Strict procedures to ensure anonymity of informants will be enforced.

Recording and appropriate referral of all incoming complaints will be undertaken by the
Implementing Agency with each case generating an automatic, standard format report to the Bank.

Tracking of the status of investigations and measures taken will be reported in monthly reports to management and the Bank. Complaints deemed possible serious infringements may be further investigated by the Bank.

**Sanctions and remedies**

Remedies for non-compliance with agreed time-lines for procurement decisions / service standards will be established and will include the following remedies:

- An Evaluation report must be submitted to the Bank within four weeks of bid/proposal submission. Failure to do so will be deemed to be a failure of due diligence; timely and appropriate action acceptable to the Bank will be required to remedy the situation.
- Request for extension of bid validity for 8 weeks beyond the original validity will require the Bank's prior approval. Bank will not give such no objections.

The MPW will establish the remedial actions and sanctions for cases of fraud and corruption that are reported and for which evidence is found. This will include sanctions to staff proven to be involved in such cases.

In all contracts, evidence of fraud, corruption, collusion and coercive practices will result in termination of the relevant contract, possibly with additional penalties imposed (such as fines, blacklisting, etc. in accordance with Bank and/or Government regulations and may result in suspension of disbursement of funds with respect to that contract. Any entity that is found to have misused funds may be excluded from subsequent funding. Information regarding such cases, where lessons are learned and funds are retrieved, will be widely disseminated.

Disbursement to any given contract/location can be suspended or stopped completely if cases of corruption are not dealt with effectively.
World Bank supervision

The World Bank team will supervise implementation of the six elements, through *inter alia*:

**Disclosure of information** will be supervised mainly through (a) checking the frequency and comprehensiveness of website updates and, (b) checking the distribution of materials to key CSOs in participating provinces.

**Civil society oversight** will be supervised mainly through (a) reviewing the attendance of CSOs in Public Accountability Meetings and (b) reviewing the inclusion of CSOs in project activities, particularly in monitoring procurement.

**Mitigation of collusion risks** will be supervised mainly through (a) tracking key data related to procurement (e.g. unit costs, schedules) and (b) periodic analysis of all bids that have suffered from collusion, to identify weaknesses in the system.

**Mitigation of forgery and fraud risks** will be supervised mainly through (a) reviewing the findings of strong technical and financial audits, to be held during (interim audits) and after (post audits) each year for a significant sample and (b) reviewing incoming remarks from third party observers/monitoring.

**The complaints handling system** will be supervised mainly through (a) periodic review of statistics based on problem typology, severity and location, and (b) field level checks to ensure that problems are being reported and acted upon.

**The system of sanctions and remedies** will be supervised mainly through (a) periodic review of the sanctions that have been enforced by the project based on typology, severity and location, and (b) periodic review of sanctions enforced by agencies external to the project such as the police, attorney general and Corruption Eradication Commission.

As a part of the work of the Bank-executed External Supervision Team, outlined in Attachment A below, there will be a need to make comparative studies/evaluations between “project and non-project” activities. The government is therefore requested to make information regarding SRIP and similar activities available to the Bank.

**External Supervision of Roads Projects – Enhanced WB Supervision**

This note focuses on the External Supervision Team or EST which will assist the Bank to supervise the project and carry out related tasks. The team may be mobilized under one or more contracts, depending on need, under a Bank-executed trust fund.

The primary function of the proposed EST is to advise and support the Bank and the Bank’s internal Anti-Corruption committee for Indonesia (ACI) in supervision, specifically to help identify the risks of fraud and corruption at an early stage, and to bring these to the attention of the Bank and Government institutions for further processing. The EST will include a dedicated
core team of experts with additional members “on call.” This team must possess strong skills for successful field and desktop reviews – including financial, procurement, accounting, legal and technical. The focus of the services will be the SRIP, assisting the TTL and ACI primarily through:

1. **Identifying and tracking simple indicators of corruption.** Starting with the procurement process through implementation. These indicators will include those related to quality and cost as well as those related to the critical path of Sub-Project timelines. The aim is for the Bank to catch problems earlier than would otherwise be possible, ideally before funds are put at risk. The experts will prepare and implement processes for collection and analysis of relevant, easily available data – including comparative analysis of the data against that originating from comparable non-SRIP sources (e.g. other MPW activities). They will also assess data entry to help ensure that it is entered correctly and in a timely fashion. They will also help to coordinate remedies with project management.

2. **Helping with supervisory reviews of the project’s progress.** through Sub-Project site checks, both on a periodic and troubleshooting basis. The TTL will have a high degree of flexibility in deciding which locations are visited, the type of review and the frequency/timing of visits. The main purpose of this is to allow site reviews to take place at strategic times between the formal supervision missions. These reviews will cover the entire range, from simple checks on progress to a small number of targeted, international quality, forensic audits. Particular attention will be given to shortcomings in quality of work during implementation and fiduciary risk flags. This holistic set of supervision support services is considered vital because recent Bank investigations have found recurring cases of poor project-based implementation supervision and output quality due to corruption in some recent roads projects. It has also been noted that increased frequency of audits can have a preventative effect, indicating that Sub-Projects “being under the spotlight” has a positive impact.

A second set of functions relate to the Bank’s stated enhanced disclosure functions, primarily:

1. **Summarizing key data for the TTL/ACI for internal use and for public consumption.** Materials for external dissemination will include all those items highlighted in the ACAP and any others that the TTL determines with government counterparts. As a part of this work the experts will establish an independently maintained and publicly accessible website, with key project implementation information to facilitate public oversight. They will also assess possibilities of direct collaboration with local media groups. Preparation of external information will be done in consultation with the External Affairs (EXT) team in the WBOJ. Different possible methods for information dissemination will be assessed on behalf of the TTL/ACI. Internal reports will include information regarding suspected problems and cases.

2. **Disclosing project information to civil society and encouraging civil society interest in the project.** The EST will work closely with the TTL, the ACI and the EXT team, to design disclosure and networking processes related to the project. Beyond simple dissemination of information, these processes should contain opportunities for civil society to give feedback and pose questions to the TTL and project management. This work will include the design of possible supervision/monitoring activities that can be carried out by civil society in relation
to the project. It is necessary to provide access to reports and other data to key civil society
groups through newsletters and other dissemination of reports. To this end the experts will
develop a list of interested civil society groups along with suggestions on how to foster
improved information dissemination to them. As mentioned above, they will help the project
to access media networks, particularly radio and print media, and encourage investigative
journalism. They will also develop and implement strategies to develop linkages, with civil
society, including mechanisms to encourage civil society organizations as voluntary
monitoring bodies, and the issuance of contracts for specific monitoring services. The experts
will also channel feedback from meetings with civil society back to the WB and PMU.

The EST will also assist the WBOJ, particularly the ACI and EXT in:

1. **Designing Complaint Handling processes** to strengthen the Bank’s own systems and to the
   extent possible link with and support the office of the Inspectorate General (IG) of MPW.
   The EST will develop a system for the Bank to receive, classify and prioritize complaints
   from any source for suspected fraud and corruption at any stage of the project. The system
   must ensure fast referrals of cases and transfer of information to the BPK/KPK, and close
   tracking and processing of cases of suspected fraud and corruption in the selected projects.
   The system should provide wide and open access to complainants, including beneficiaries of
   projects, civil society and public: contact information for the system will be widely
   publicized in all project locations. Standard operating procedures will be developed for
   handling complaints. These will include data entry monitoring to help ensure that it is entered
   correctly and in a timely fashion. The EST will prepare periodic reports for Bank
   management (TTL, ACI) with copies to BPK and KPK and help to monitor the status of the
   complaints referred to external agencies. Linkages to the system in the office of the IG
   should be encouraged in order to emphasize the importance of the IG in handling incoming
   the complaints.

2. **Designing mechanisms for coordination with institutions.** The EST will help the Bank to
   coordinate with BPK and KPK. They will provide access to working papers, as requested, to
   enable BPK to endorse or certify reports and forward them to KPK. The External Monitoring
   Team will not investigate or prosecute cases, but it will provide the Bank’s INT (Department
   of Institutional Integrity) section and the BPK/KPK with information related to suspected
   corruption cases. The experts will ensure that all evidence of corruption or fraud found
   during reviews will be diligently documented or recorded in other media, for possible later
   use by the INT and/or the IG, BPK/KPK. The EST will also accommodate participation of
   INT, IG, BPK and KPK team members in reviews where requested and appropriate. The EST
   will also help the Bank to prepare materials that can promote harmonization with other
donors in relation to anticorruption measures.

**External Supervision Team Timeline**

Month 0 to 4 - starting prior to SRIP being launched
- Mobilize consultant team
- Design and test indicators and supervision strategy, prepare tools (e.g. checklists)
- Summarize project preparation, procurement and launch materials
• With the office of the IG, design Complaint Handling System
• Prepare draft communications and networking strategy for the TTL, including mechanisms for CSO feedback (create and update list of interested CSOs)
• Preparation and launch of website
• Design possible support and coordination strategy with IG, BPK and KPK.

Month 5 to 10 - overlapping with first cycle procurement and implementation
• Continue improving and consolidating new systems
• Use indicators to track procurement and implementation
• Start routine supervisory reviews and troubleshooting reviews as requested by TTL
• Prepare case information for the TTL, INT, IG, BPK and KPK as appropriate.
• Design and test mechanisms for coordination with BPK and KPK (etc.).
• Fully hand over Complaint Handling System to the IG.

Month 11 to 12 - wrapping up first year
• Continue improving and consolidating new systems
• Hand over all other systems to Bank and/or Government of Indonesia as appropriate

Parallel Activities

During this same period discussions will continue between the MPW the Bank, KPK and the BPK concerning the strengthening of their respective roles in relation to Bank-assisted projects, particularly in sectors deemed vulnerable to corruption problems. These discussions will include two key areas of concern. The first, requested by the Minister of Finance, is to identify means of applying greater positive incentives within the MPW, to encourage fairer practices that will give meaningful benefits to those who do not engage in corrupt practices. The second set of issues relates to sanctions, with particular emphasis on the strengthening of investigations and prosecutions.
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22. AMBARAWA RING ROAD
7.30 km. - New Road

7. BREBES-TEGAL BYPASS
17.02 km. - New Road

9. PEJAGAN-LOSARI (Sec.1)
9.43 km. - Betterment
+ KABUYUTAN BRIDGE
0.05 km. - Bridge

18. PEMALANG BYPASS
7.00 km. - Capex

17. SEMARANG-KENDAL (PBC)
10.40 km. - Betterment
SEMARANG-PEKALONGAN (PBC)
100 km. - Maintenance

2. SEMARANG N. RING ROAD
2.23 km. - Capex

3. DEMAK BYPASS
7.00 km. - Capex

8. SEMARANG-DEMAK
20.11 km. - Capex

19. MAGELANG-KEPREKAN
8.60 km. - Capex

20. SEMARANG-BAWEN
22.55 km. - Betterment

21. BOYOLALI-KARTOSURO
15.40 km. - Capex

7. BREBES-TEGAL BYPASS
17.02 km. - New Road

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