

# Proposal Summary

## Indonesia Slum Alleviation Policy and Action Plan (SAPOLA)

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### East Asia and Pacific - Indonesia

<p><b>Summary</b></p>	<p>The Government of Indonesia, through the Director of Housing and Human Settlements in the Ministry of National Development Planning (BAPPENAS), has initiated steps to develop a national policy and action plan to address the needs of the poor who live in urban slums, especially regarding land tenure, access to housing finance, and housing stock. This project would support the development of a National Slum Upgrading Policy and a National Slum Upgrading Action Plan would focus on the role of the national government in enabling local governments to improve living conditions in urban slums by transforming them into legal, viable communities. These initiatives would be included as part of the Government's Long Term National Plan, which will be launched in 2008.</p>
<p style="text-align: center;"><b>Objectives</b></p> <p>The overarching objective of SAPOLA is to develop a national slum upgrading and slum prevention policy and strategy that will define the role of the national government so that it can enable local governments to promote the upgrading of existing slum settlements and put in place policies and programs to adequately house new urban populations.</p> <p>The specific objectives of the project include:</p> <ol style="list-style-type: none"> <li>1. Review and measure progress on Indonesia's 'Policy Development' Program (HOMI) considering especially housing finance and access to housing by low income groups.</li> <li>2. Review past experiences in Indonesia in implementing urban slum upgrading programs to document lessons learned and potential for new models;</li> <li>3. Establish a baseline for existing urban informal settlements as well as the capacity of local governments to engage with land markets and enforce procedures in the housing sector.</li> <li>4. Develop a national housing microfinance policy to reflect the housing procurement process that is compatible with the commercial underwriting practices of microfinance institutions (MFIs).</li> <li>5. Develop a strategy to support upgrading informal settlements through increased efforts in urban environmental planning and effective land use management, laws and regulations;</li> <li>6. Establish a National Working Group to develop a national policy framework for urban slum upgrading and slum prevention in Indonesia considering the institutional, legal, regulatory, financing and advocacy role of the national government vis-à-vis local governments; and</li> <li>7. Develop an implementation action plan, and accompanying guidelines and manuals, for a select group of local governments to implement pilot projects in upgrading and land/housing access;</li> </ol>	<p style="text-align: center;"><b>Activities</b></p> <p>BAPPENAS (Ministry of Planning) will develop a general methodology for the project and will be responsible for the preparation of the work plan and for overall project implementation, in cooperation with the project partners. This ministry will coordinate all aspects of the project, including engagement with local governments, development of relevant workshops, preparation of manuals, policies, and practical application of the developed methodologies. The Ministry of Housing and Ministry of Public Works are responsible for the operation of formal government housing policies. The financial execution of the Cities Alliance grant will be carried out by the World Bank (with oversight from BAPPENAS and in cooperation with implementing partners).</p> <ol style="list-style-type: none"> <li>1) Deskstudies to provide assessments of (i) the 'Policy Development for Enabling the Housing Market to Work in Indonesia Program (HOMI) report, and (ii) past efforts at bringing slum upgrading to scale.</li> <li>2) Informal Settlement Mapping.</li> <li>3) Assessment of Local Conditions.</li> <li>4) Assessment of Housing Microfinance.</li> <li>5) Urban Land Markets and Land Use Management in Indonesia.</li> <li>6) Development of a national policy framework for slum upgrading in urban areas.</li> <li>7) Creation of a policy implementation scheme for local governments.</li> <li>8) Pilot projects.</li> </ol>

Overall, SAPOLA is designed to support Government of Indonesia to pursue improvement of Human Development Index (HDI) and to accelerate Millenium Development Goals (MDGs) achievement, Goal 7, Target 11: By 2020, to have achieved a significant improvement in the lives of slum dwellers.

### Submission

**Submitted by:**  
National Planning Agency  
(Indonesia)

**CA Sponsor:**  
AusAID; UN-HABITAT; World  
Bank

### Implementation

**Implemented by:**  
Ministry of Housing  
(Indonesia)  
**CA Monitor:**  
Andrea L. Merrick

### Budget and Time

<b>Request to CA:</b>	\$ 500,000	<b>Duration:</b>
<b>Co-Financing:</b>	\$ 500,000	31 months
<b>Total Budget:</b>	\$ 1,000,000	

### Expected Impacts

The primary impact of the proposed work will be:

- An increased national awareness of the scale of the slum problem in Indonesia and new National Policy Framework for addressing it that takes into account the impact of the decentralization policy;
- A Strategic Action Plan for carrying out the national policies; and
- An intergovernmental and inter-agency working group that will be the platform from which the policy will be developed and disseminated and any potential implementation of the Strategic Action Plan would be monitored.