

Third Party Evaluator's Opinion on Airport Safety Facilities Improvement Project

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Relevance

The project is indeed relevant for a vast country like Indonesia with its thousands of islands spreading in three time zones. While the project was prepared and mostly executed prior to the introduction of the decentralization laws, the safety facilities improvement of 33 small and medium-sized regional airports all over the country can really support the decentralization process in this culturally diverse country. This is also in line with the general directive of adapting all sector policies to support the decentralization process. With more responsibilities on hand, local governments are facing a daunting problem of developing local economies to eventually improve the local people's welfare. Local economic development requires better accessibility, including through air transportation. In the meantime, liberalization in air transportation regulations has also resulted in more domestic airlines as well as rapidly increasing number of flights and passengers. Regional airports are more congested than ever. Recent air transportation accidents indicated that safety in this sector is really an issue. Yet improving regional airports is certainly beyond the capacity of most local governments. It is therefore pertinent that this project was carried out. Moreover, by emphasizing on small and medium regional airports, this project has helped facilitating a more equitable development as mandated by the Medium-Term National Development Plan 2004-2009.

Impacts

This project should have positive impacts to the regions in which the improved airports are located. It is therefore important to look at how those regions have been performing as the combined result of both decentralization and improved airports (note: knowing specific impacts of the project apart from other factors may need a special study). Tarakan has been an example of how decentralization can work for the betterment of the people. The physical and social-economic development in this city-island has been impressive since the start of decentralization. Increased number of flights to Tarakan facilitated by its improved airport can be an indicator of how this project has helped local development. Other project-related cities that this Third Party Evaluator happens to have witnessed as economically growing with partial facilitation of their improved airports are Palembang, Yogyakarta, Tanjung Pinang and Bandung. In the mean time, the Banda Aceh airport has also played critical role – and became more frequently used – in the post-tsunami humanitarian as well as reconstruction efforts in Aceh.

Sustainability

It is understood by this Third Part Evaluator that this project focused primarily on physical improvement works and procurement of related equipment. However, sustainability of the benefits of a project also involves non-physical factors, primarily the financial, institutional and human resource capacities of the operators. It has been reported that PT. AP-I and PT. AP-II are financially healthy. This should give partial confidence that the airports under both state-owned companies will not be under-funded. However, this should be vigorously and formally combined with continuous improvement in institutional and human resource capacities, which should be more than just training related to the maintenance of the facilities. In the meantime, the airports operated

by DGAC are more of concern in term of sustainability. It is important that DGAC develops more appropriate institutional mechanism that accommodates future demand for better airports maintenance in the small airports that currently operated directly by DGAC.