



## Indonesia

# 10 The Telephone Outside Plant Maintenance Center Project (2)

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The project's objective was to improve quality of telecommunications services, such as reducing the fault ratio, improving the call completion ratio (CCR) and shortening recovery times, by developing and upgrading the telephone outside maintenance system, and thereby contribute to economic growth via IT-related developments.

**Loan Amount/Disbursed Amount:** 3,854 million yen/2,451 million yen

**Loan Agreement:** November 1994

**Terms and Conditions:** Interest rate, 2.6%; Repayment period, 30 years (grace period, 10 years); General untied

**Final Disbursement Date:** December 2001

**External Evaluator:** Atsushi Fujino (KRI International Corp.)

**Field Survey:** August 2003



## Evaluation Result

Telephone Outside Plant Maintenance Centers (OPMC) were constructed, and maintenance equipment was provided almost as planned. Implementation fell behind schedule because the time taken to complete domestic procedures in Indonesia together with the political and economic upheaval that resulted from the Asian Economic Crisis delayed the equipment procurement procedures, but project costs were lower than the planned figure. The construction of OPMC enabled maintenance technicians to be brought together at the centers, made it possible to organize focused and efficient managerial systems and allowed technicians to provide services flexibly in response to the volume of work. In consequence, the fault ratio\*<sup>1</sup> in the Jakarta region improved from 3.8% (1993) to 0.4% (2002), and in the East Java region from 9.6% to 5.7% during the same period. There were significant improvements in call completion ratio\*<sup>2</sup> (CCR), which in the Jakarta region climbed from 32.2% (1993) to 80.0% (2002) and in the East Java region increased from 54.0% (1993) to 79.7% (2002). In the Jakarta region, the mean time to repair was reduced from 76 hours (1993) to 12 hours (2002). In the beneficiary survey, more than 70% of

respondents stated that they were either "highly satisfied" or "satisfied" with current telecommunication services, citing "better communication with distant relatives" and "greater employment opportunities" among other reasons. There are no problems in the technical capacity, or operation and maintenance system of P.T. Telkom, the project's implementation agency, and its finances are also in favorable condition.

\*1 The ratio of faults per 100 calls per year

\*2 The ratio of calls placed to calls connected

## Third-Party Evaluator's Opinion

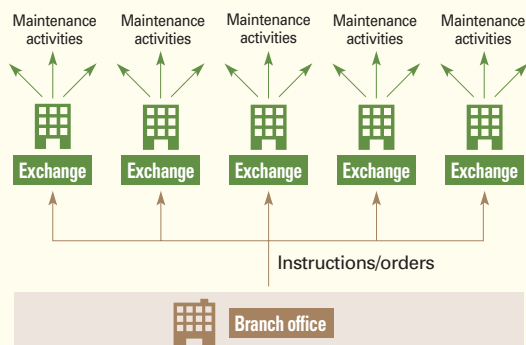
Combined with effects by several other telecom sector projects that were implemented during much the same timeframe, this project has improved reliability and quality of telecom services in the Jakarta Region and the East Java Region.

**Third-Party Evaluator:** Mr. Pande Radja Silalahi

Obtained a post graduate diploma in economics from University of Commerce, Kobe. Presently holds the post of Commissioner, Commission for the Supervision of Business Competition Republic of Indonesia (KPPU). Specializes in macro economics.

### More efficient OPMC maintenance activities

#### Before Project: scattered technicians and resources = inefficient



#### After Project: centralized technicians and resources = efficient

