



Indonesia

19 Road Maintenance Improvement Project (2)

- A
- B
- C
- D

The project's objectives were to develop and improve the road maintenance management system for national and provincial roads by deploying Routine Maintenance Units (RMU) and Disaster Recovery Units (DRU) and providing training to maintenance personnel, and thereby contribute to infrastructure improvements and regional development targeting economic growth.

Loan Amount/Disbursed Amount: 7,300 million yen/5,639 million yen

Loan Agreement: December 1996

Terms and Conditions: Interest rate, 2.7%; Repayment period, 30 years (grace period, 10 years); General untied

Final Disbursement Date: December 2001

External Evaluator: Takako Haraguchi (Global Link Management, Ltd.)

Field Survey: July 2003



Evaluation Result

Additional RMU and DRU equipment was supplied in accordance with the status of deployment in each of the regions and training of personnel was implemented almost as planned. The project period took longer than planned to coordinate the deployment of equipment, but project costs were lower than budgeted due to the depreciation of the local currency. The utilization status of the equipment is favorable and routine maintenance work on national and provincial roads is up 73% from approximately 11 thousand kilometers (1994) to approximately 19 thousand kilometers (2002); sections with good surface conditions have increased 20% from 35 thousand to 42 thousand kilometers in the same period. Although difficult to define the connection with routine maintenance activities, despite the fact that traffic volumes are now double their pre-project levels, journey times have decreased by around two-thirds and the number of traffic accidents has decreased from approximately 20 thousand incidents in 1997 to around 11 thousand incidents in 2000. In the beneficiary survey, respondents pointed out that: "better road conditions have eased traffic flows, which is helping to stimulate local industries". There are no problems in the technical capacity, operation and maintenance system, or

financial condition of the Provincial Public Works, which are responsible for road maintenance. However, since decentralization, the development of national and provincial roads now falls under separate jurisdictions, and in some cases the national road development units that manage the equipment are prioritizing their own operations and are limiting the access of provincial road development units to the equipment. Operation and maintenance budgets have also been shrinking since decentralization. To facilitate long-term use of the equipment, it is hoped that road maintenance plans in which the locus of responsibility and funding sources are defined and which reflect the decentralized system can be developed and implemented.

Third-Party Evaluator's Opinion

It is challenging for future time to secure the sustainability under decentralization, though the project contributes to increase number of economic activities through more safe-roads and so on.

Third-Party Evaluator: Mr. Bambang Permadi Soemantri Brodjonegoro

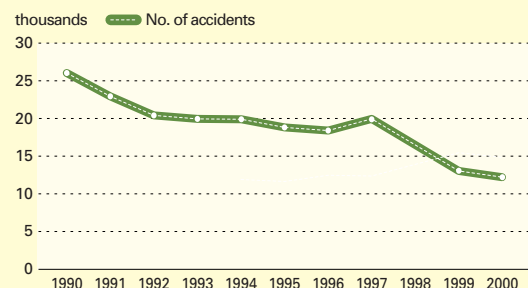
Obtained a doctorate in urban regional planning from University of Illinois. Presently holds the post of Professor, Faculty of Economics, University of Indonesia. Specializes in urban regional planning, economics of development, regional economics, etc.

DMU equipment and current road maintenance conditions



In the beneficiary survey, respondents stated that disaster recovery work takes less time and that roads have become smoother.

Changes in the number of traffic accidents



Source: Central Bureau of Statistics

Traffic accidents declined throughout the 1990s, with the decreases being particularly marked from 1997 onwards.