China • Indonesia

Supporting Informatization and IT

External Evaluator:
Center for Global Communications, International University of Japan

Field Survey:
April-August 2003

Outline and Objectives of Evaluation

The Kyushu-Okinawa Summit in Year 2000 was taken as an opportunity to reinforce efforts to apply ODA to the IT sector in developing countries with the aim of eliminating the information gap, the so-called digital divide; moreover, support for digitalization is also positioned as a key sector in JBIC's Midium-term Strategy for Overseas Economic Cooperation Operation. For this evaluation, the effects on the IT sector of several projects that had received ODA loan funding were analyzed, and attempt made to cross compare the evaluation findings from each of the projects and to investigate the success factors and restraints for each of the countries investigated. It is expected to provide valuable lessons for the implementation of subsequent IT projects in developing countries.

Outline of the three projects covered

	China: State Economic Information System Project	Indonesia: Equipment Supply For Installation of Computer For Industrial Statistics and Planning	Indonesia: Central Bureau of Statistics Computer Training Center and Regional Computer Installation Project
Loan Amount	24,070 million yen	1,731 million yen	3,027 million yen
Disbursed Amount	22,567 million yen	975 million yen	2,075 million yen
Loan Agreement	August 1988-November 1995	May 1982	November 1994
Final Disbursement Date	August 1995-December 2000	May 1989	December 2000

A meeting in Xinjiang Uighur Autonomous Region. The equipment installed through this project has been linked to a network and is serving a crucial role by creating an information bridge that overcomes vast geographical distances.

Statistics are processed using equipment that was installed via this project at Indonesia's Central Bureau of Statistics. The prompt and accurate consolidation of statistical data is critical for policy formation.

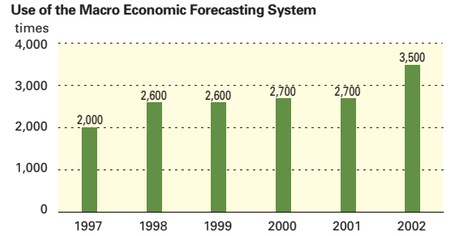
Evaluation Result

The China State Economic Information System Project involved the provision of computers and telecommunications equipment for the China Economic Information Network (CEI) and other central and provincial government organizations with a view to improving policy formation and data provision competence in relation to macro economic management, targeting the construction of economic systems and a domestic data network. It was consistent with plans to promote the market economy and other development programs in China, and was thus highly relevant. The project succeeded in improving the macro economic management competence of the government and rendered systematic economic policy formation and administrative operations more efficient. Added to which, the entire country was Internet enabled, training was provided in the information and telecommunications sector, and administrative reform and digitalization was promoted at the regional level. The devices and equipment that was procured for this project has been upgraded by CEI and continues to be used.

The Indonesia Equipment Supply For Installation of Computer For Industrial Statistics and Planning involved the provision of computer equipment for the Ministry of Industry and Trade in order to develop the industrial statistics database, targeting the collection of statistical data and internal departmental use, operational streamlining through the mechanization of processing tasks, and the provision of training for statistics and computer specialists. Thirteen years have elapsed since the project completion, and the Ministry of Industry and Trade has played an important role through the process to digital government and the digitalization of internal departments, and the project has had ripple effects on human resource development. The programs supplied by the mainframe computer have been transferred to personal computer systems and remain in use. On the other hand, Central Bureau of Statistics Computer Training Center and Regional Computer Installation Project had other objectives, including the installation of computers at the Central Bureau of Statistics and its regional bureau, the strengthening of data processing capabilities via the construction of training centers, and the provision of training for data processing technicians. The development of computer network equipment and personnel training facilities for regional statistics bureaus was especially relevant in terms of building the institutional competence of the executing agency and of affecting reform in the statistics system. The project succeeded in improving the data processing capabilities of the statistics bureau and of expediting data processing as Internet use became more widespread. Further, as the country moves towards decentralization, cases of provincial governments commissioning regional statistics bureaus to maintain statistics have been confirmed. If possible, measures should be taken to secure sufficient funding to upgrade the equipment at the regional statistics bureaus.

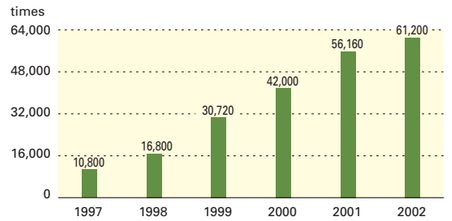
Findings from a cross-analysis of China and Indonesia, revealed that in the case of China, the project was more effective than initially planned because of the relevance of policy framework and planning, the existence of leadership in the upper echelons of government and the flexibility to change as the use of Internet technology. In Indonesia, improvements in data processing capabilities have not been effectuated in respect of all statistics operations of central bureau, demonstrating that post-project developments have been fewer than in China. Further, the comparison revealed that Indonesia's Ministry of Industry and Trade and the central bureau of statistics have experienced more difficulties in retaining personnel than their counterparts in China. By contrast, while the introduction of the Internet has not been as conspicuous as that seen in Korea during the latter half of the 1990s, the Asian currency crisis of 1998 served to accelerate the digitalization process. Promoting IT technologies is helping to foster greater desire for social reform, competitive government policy and stronger leadership among government leaders.

Use of the Macro Economic Forecasting System



Source: CEI questionnaire responses

Use of the Prices and Market Information System (market section)



Source: CEI questionnaire responses

Students in Banten, Indonesia using the equipment provided via this project to study.

Problems to be Solved and Recommendations

The examples of China, Indonesia and Korea point to: 1) the importance of realizing "good governance (= improving administrative transparency)" through comprehensive improvements in administrative operations not only merely seeking greater efficiency; 2) the need to select and consider priority areas for promoting digitalization (computerization) based on national characteristics; and 3) since intellectual workers including IT technicians are more mobile than workers in other industrial sectors, support to prevent the exodus of trained personnel is necessary (providing incentive). When undertaking future IT projects: 1) review methods based on hardware procurement, looking at the big picture and employing an integrated system covering equipment, devices, personnel, training, operation and management that will enable information systems to function effectively; 2) employ a system that focuses on customer satisfaction, involves regular checks on use status and that provides feedback to the executing agency and donors; and 3) build wide networks that link "many" to "many".

The outcome of feedback given to the executing agencies was the introduction of a number of specific approaches, including web-based user surveys, reviewing the introduction of the ex-post evaluation system for IT projects and so forth.

External evaluators meet with government representatives in Palembang, Indonesia. Lively discussions were held on the efficacy of the project.

Much of the equipment that was provided via the project has aged, but they continue to be used as a precious resource in cities that have limited budgets for new equipment.