



## Activity Update

# IndII Analyses Past Results to Guide to Future Activity Design

THE INDONESIA INFRASTRUCTURE INITIATIVE (IndII) is an AusAID funded facility that originally operated for a three-year period from 2008 to 2011. During that time IndII worked with a broad range of Indonesian government partners to address diverse infrastructure concerns and cross-cutting issues in the areas of infrastructure policy and financing, the transport sector, and the water and sanitation (watsan) sector.

Over the three-year period, nearly 200 discrete activities were approved and implemented, embracing infrastructure development across areas such as railways, national and subnational roads development and maintenance, urban transport, road safety, port development, civil aviation, access to water, solid waste disposal, and wastewater management. Technical experts from IndII assisted national and local government counterparts to undertake scoping studies; develop master plans; develop regulatory guidelines; and analyse and implement financing mechanisms such as Infrastructure Enhancement Grants and results-based financing. Dozens of technical reports were produced for use by counterpart agencies, focus groups and training workshops were conducted, and study tours and consensus-building activities were completed.

Given the ongoing urgency of the issues being addressed and the overall success of IndII's efforts, a second phase of IndII, to operate for an additional four years, has been approved. In order to ensure that Phase 2 benefits from all the lessons learned in Phase 1, IndII undertook a formal stocktaking process. For each major activity that was completed, IndII analysed the objectives, time line, which Indonesian government agencies had ownership of the activity, what outputs were outputs delivered, what was the response of partners to the work undertaken, what lessons were learned, and what follow-on support is appropriate in Phase 2. The results have been presented to AusAID and a summary version is being prepared for IndII's website. The stocktake results will serve as an ongoing reference as Phase 2 activities are designed and carried out. ●

*"Responses from GoI national and sub-national partners have been very positive...Potential IndII support to could include assessing feasibility and defining strategies...Lessons learned include the need for very high consultant competencies, establishing and supporting a working group implementation team, focus groups and workshops with a wide range of stakeholders...Major findings/recommendations must be reflected in government planning documents."*

– Excerpt from  
IndII Stocktake presentation

**Program Implementation - Improved Project and Contract Performance (#207)**

Substantial inefficiency has been identified in the project implementation process and organization - this study reviewed three key aspects and made recommendations for improvement:

- Balai organization** (2008) intended to consolidate network management. New processes right direction but: Fragmentation still high (200 contracts/yr \*median 3 km); procurement absorbs >60% of year; accountability needs realigning; performance monitoring needed. **Advantage in strengthening performance & accountability of Balais as focus for improving efficiency of program delivery.**
- Routine maintenance** has regressed, delivered mostly by force account, incl intensive equipment and day labour support. Lacks accountability for unit costs and performance. Improved options identified. **Recommends Performance-based.**
- Performance-based contracting** transfers quality and maintenance risk to the contractor over a medium-term period. An existing DGH trial of PBC was found to be inadequate in design and specification, and applied to an unsuitable road section. A suitable section and PBC design were prepared - **recommended for trial**

Stocktake results were summarized in a series of presentations to AusAID.

*Indonesia Infrastructure Initiative is an Australian Government funded project designed to promote economic growth in Indonesia by enhancing the relevance, quality and quantum of infrastructure investment*