



Australia Indonesia Partnership
Kemitraan Australia Indonesia



M&E - CASE STUDY

LEAD ADVISORY UNIT – DIRECTORATE GENERAL OF HIGHWAYS, MINISTRY OF PUBLIC WORKS



INDONESIA INFRASTRUCTURE INITIATIVE



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INDONESIA
INFRASTRUCTURE
INITIATIVE

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IndII M&E Team

Jakarta, May 2011

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ACRONYMS

AD	Activity Design
DGH	Directorate General Highways
GoI	Government of Indonesia
IndII	Indonesia Infrastructure Initiative
INTP	Indonesia National Traffic Police
LAU	Lead Advisory Unit
MoF	Ministry of Finance
MoT	Ministry of Transport
MTEF	Medium Term Expenditure Framework
PBB	Performance Based Budgeting
PBC	Performance Based Contracting
PIU	Project Implementation Unit
PMU	Project Management Unit
QA	Quality Assurance
RSU	Road Safety Unit
ToR	Terms of Reference
WB	World Bank

EXECUTIVE SUMMARY

The Lead Advisory Unit (LAU) was established within the Directorate General of Highways (DGH) following a request to assist the DGH achieve an efficient and effective road management system.

LAU was established in November 2009 after the completion of a small scoping study in July 2009. The primary role of LAU to date is to operate as a management support unit providing management, oversight, and evaluation of IndII's portfolio of activities in DGH.

The objective of the case study is to **demonstrate, based on evidence, the impacts and results of LAU to highlight performance in DGH for future IndII programme implementation.** Ultimately, the case study is seeking to address the research question: **to what extent has LAU, through IndII, contributed to enhanced programme management and implementation of activities in DGH?**

To date, 19 activities with a total value of over AU\$ 10 million, have been or are currently being implemented and managed under the guidance of LAU. The key achievements of LAU, to date, include:

- It represents a flexible, responsive, dynamic approach to meeting DGH programming priorities and institutional arrangements
- Underpins and supports bureaucratic reform and change processes in DGH in accordance with the Medium Term Expenditure Framework (MTEF)
- Is a source of ongoing advice and support to DGH systems and processes
- Supervision and management of eight current activities funded through AusAID
- Ensures no significant delays, cost overruns, or negative feedback regarding performance of activities
- Procurement, contracting, and mobilisation of high quality consultants and companies to complete specified tasks
- Contributes to greater coordination and harmonisation across DGH Directorates
- Strengthening DGH ownership of outputs and results through ongoing facilitation and coordination
- Quality control of all consultant deliverables

The study found that LAU has contributed significantly to the oversight, management, and evaluation of IndII funded activities in DGH and has facilitated and enabled the development of strong relationships with key stakeholders. LAU has met its stated objectives as outlined in the Activity Design.

In terms of capacity building, to date there has been limited impact due to a focus on management oversight and implementation of activities. However it must be stated that capacity building does occur through the consulting teams working under the guidance of LAU. Moving forward into Phase II, LAU is looking at options to develop more formal capacity building approaches with a particular focus on *Balai* (*small working units within DGH*) and key counterparts.

LAU is seen as a 'relationship building model' and is recognised for facilitating strong coordination and interaction with DGH representatives. Road safety is recognised as a prime example of solid partnerships both internally and externally. DGH also recognises that more visibility is required in terms of its coordination role and that continued effort is required to maintain relations both 'upwards and downwards', i.e. with the upper echelons and also with operational levels within DGH. This is also dependent on the availability of counterparts to participate and engage.

Ongoing work is required by LAU to maintain and continue building relations with external donors and stakeholders. Good relations are maintained with Gol agencies, however it has been noted that continued work is required to coordinate with donors such as the World Bank. It is noted that senior IndII management, namely the Facility Director and the Technical Director for Transportation, handle much of the coordination on behalf of LAU.

Policy setting and implementation is not a key feature of LAU at this stage, however LAU is heavily involved in the strengthening of existing systems and processes. Specific areas for future work include assisting DGH maintain systems to meet existing Government Regulations and requirements.

Overall LAU has had a very positive impact upon the management of activities and in building relationships with DGH representatives and key stakeholders. A key conclusion from the study is that the current management and oversight role should be maintained into the future. DGH would like to see full-time technical support in some areas (e.g. Performance Based Contracting).

As priorities emerge and DGH develops its work programme into the future, there will be a need for LAU to adjust slightly its current approach to undertake more advisory functions. LAU should maintain its flexible and dynamic work ethic and remain proactive to emerging priorities within DGH. In order to support such an approach additional advisory support should be considered, particularly in areas such as Performance Based Contracting and Road Management Systems.

Specific examples moving forward include; developing formal capacity plans and structured work programmes with Balai, maintenance of current management and oversight functions, incorporating more advisory support around management systems, and processes and further engagement to enable DGH to meet its current work programmes and mandate.

LAU continues to maintain a strong presence, is well respected, and is contributing to IndII broader work programmes across Gol generally.

CHAPTER 1: BACKGROUND AND CONTEXT

The Lead Advisor Unit (LAU) was established within the Directorate General of Highways (DGH) following a request to assist DGH achieve an efficient and effective Road Management Systems. LAU was tasked with supporting DGH achieve overall key objectives in the MTEF and the Rencana Strategis (Renstra) through a series of targeted and defined interventions across a range of Directorates and Sub-Directorates.

The key objective of LAU is to oversee and support the following IndII activities:

- Four road programme consultant packages
- Road safety programmes and potential expansion into other agencies including MoT and the Traffic Police
- Provincial and Kabupaten Road Maintenance Management Plans for selected subnational government agencies
- Urban Transport support for Surabaya (Area Traffic Control System implementation and public transport initiatives)

Specific activity objectives include:

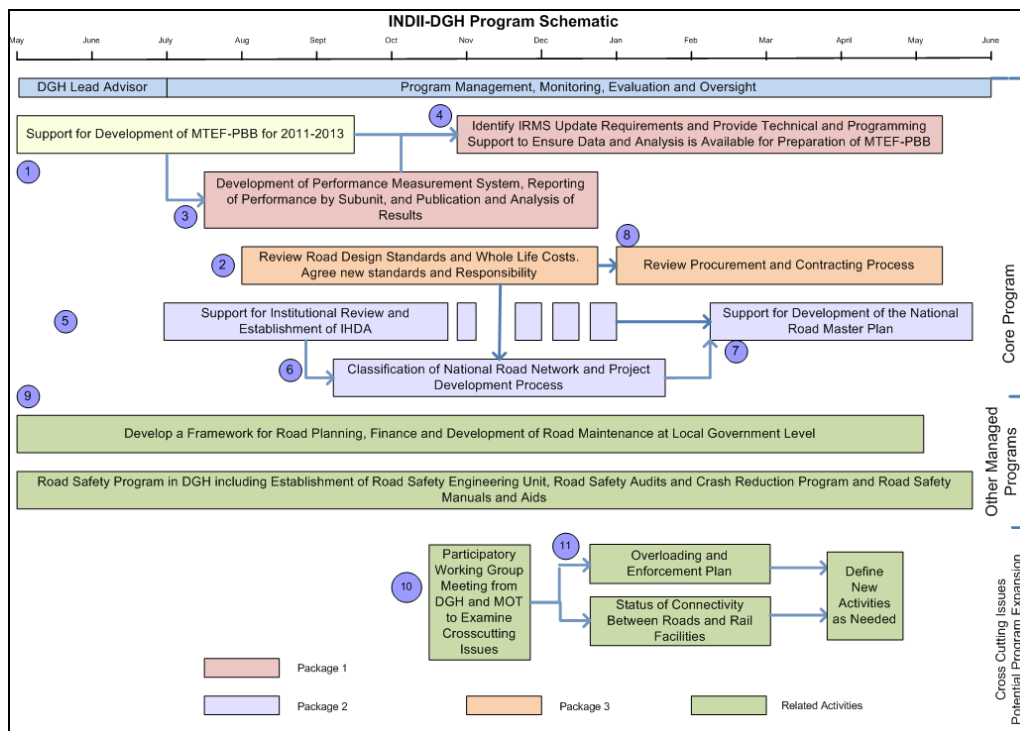
- Provide direct IndII supervision of activities currently underway in DGH
- Provide assistance in the development of programmes and activities consistent with changes in DGH, as a result of the MTEF and PBB (Performance Based Budgeting) and RENSTRA for 2010-2014
- Identify specific areas of expertise that can be provided through IndII in the development of these programmes and activities

LAU was established in November 2009 after the completion of a small scoping study in July 2009. LAU was initially funded for a three month trial period. A larger programme was approved in April 2010 based on the increased size and scope of activities being implemented and a need to ensure careful management and supervision of proposed activities and deliverables.

LAU is primarily a **management support unit** providing management oversight and evaluation of IndII's portfolio of programmes in DGH. LAU is responsible for recruitment and supervision of consultants and study teams, procurement and tendering, monitoring and support of ongoing activities and technical advice and support as required.

Diagram 1 provides a summary outline of the key management functions and activities currently under its management and guidance.

Diagram 1: Overview of key management functions and activities under LAU



CHAPTER 2: CASE STUDY METHODOLOGY

The case study approach is a methodology used by IndII to assess a sample of activities funded across the broad spectrum of the programme. The methodology used to select activities for inclusion includes:

- Activities of strategic importance to the Government of Indonesia (GoI), AusAID and IndII
- Activities of a certain financial size
- Activities with specific management and advisory functions and services
- Activities of specific geographical focus
- Activities in technical areas that are representative of the programme (i.e. activities that are representative of the resources used by IndII – e.g. water and sanitation activities)

The case study for LAU followed a semi-structured interview process and engaged with a wide range of stakeholders to obtain a series of views and observations. Evidence was sourced and sighted as a means of strengthening the case for LAU's contribution towards agreed outcomes and objectives outlined in the Activity Design (AD) and towards broader IndII facility and development objectives.

The main objective of the case study is to **demonstrate, based on evidence, the impacts and results of LAU to highlight performance in DGH for future IndII programme implementation**. Ultimately, the case study is seeking to address the following research question: **to what extent has LAU, through IndII, contributed to enhanced programme management and implementation of activities in DGH.**

The Activity was assessed against its defined objectives as well as its contribution to the broader IndII result areas of increased capacity, strengthened partnerships, and improved policy/systems formulation and implementation. The study also considered aspects of sustainability, Australian identity, and issues of gender.

Key differences in the case study process compared to common reviews include the attempt to remove bias and opinion, the identification of common and key themes and the verification of views supported by evidence. In effect, the case study process is used to verify and present information that is validated and supported by a range of sources in order to remove elements of subjectivity and bias. A technical report was used as evidence (**Annexe 1**). The report provided a programmed Mid-Term Technical Review¹ of activities being implemented under the guidance of LAU as compared to this current case study.

¹ Undertaken by an independent reviewer, Mr William Paterson.

The programmed Mid-Term Review Study was completed between 21 March and 5 April 2011. The case study used semi-structured interviews (**Annexe 2**) with questions for particular stakeholders. A range of stakeholders and individuals involved with the Activity were consulted and feedback was sought against key questions (**Annexe 3**).

CHAPTER 3: INDII INVOLVEMENT IN DGH

IndII has been involved with DGH since the commencement of the programme in 2009.

A total of 19 activities have been funded to date – 14 projects and five scoping studies. Presently, LAU is overseeing a total of 12 activities with a combined value of AU\$ 8.8 million. A total of 30 consultants and advisors have been engaged over the period representing a significant investment of time, resources and management capacity.

Table 1: IndII Activities in DGH under management by LAU

Act. No.	Activity Title	Counterpart	Approved Budget (AusAID)	Date approved (AusAID)
	Support activities			
14	Road Safety Audit	DGH	AU\$ 757,300	30-Apr-09
16	MTEF Road Sector	DGH	AU\$ 384,300	08-Jun-09
174	Lead Roads Advisor DGH	DGH	AU\$ 209,859	29-Sep-10
176	Provincial and Kabupaten Road Maintenance Management Plans			
	a. Phase 1 + Phase 2 + Roads Hibah	DGH	AU\$ 798,863	24-Dec-10
	b. Additional Component to Phase 2	DGH	AU\$ 171,361	20-Apr-11
189	Support for Area Traffic Control System – Surabaya	Local Gov.	AU\$ 244,035	07-Sep-10
194	Road Safety Audit and Crash Reduction Programme	DGH	AU\$ 1,588,025	28-May-10
195	Road Safety Manuals and Training DVD	DGH	AU\$ 1,200,000	19-Apr-10
200	2011-2013 MTEF and PBB	DGH	AU\$ 350,000	18-Jun-10
201	Road Design Standards	DGH	AU\$ 762,380	23-Jun-10
205	Establishment of an Indonesian Highway Development Authority	DGH	AU\$ 495,000	22-Jul-10
206	Development of National Road Master Plan	DGH	AU\$ 873,000	22-Jul-10
207	Procurement and Contracting	DGH	AU\$ 380,000	23-Jun-10
208	Programme Management	DGH	AU\$ 1,291,529	24-Feb-11

Act. No.	Activity Title	Counterpart	Approved Budget (AusAID)	Date approved (AusAID)
233	Bappenas National Road Safety Master Plan	Bappenas	AU\$ 90,563	04-Mar-11
	Scoping Studies			
154	Activity Preparation and Design Fund			
	a. Road Safety Engineering Unit	DGH	AU\$ 40,550	18-May-09
	b. Support the design and development of IndII - MPW Road Programme	DGH	AU\$ 47,150	08-Feb-10
	c. Vehicle Weight Scoping Study		AU\$ 49,998	01-Mar-11
209	Road Safety Scoping INTP-MoT	DGH	AU\$ 89,247	05-Jul-10
237	Road Safety Scoping Assistance	MoT	AU\$ 97,030	09-Mar-11
241	Road Safety Scoping Assistance to INTP	DGH	AU\$ 99,572	31-Mar-11
242	Road Safety Implementation of IRAP (Stage 1)	DGH	AU\$ 98,864	31-Mar-11
	TOTAL		AU\$ 10,118,626	

The following table denotes DGH (IndII) contract expenditures and commitments at the end of April 2011. This table highlights the levels of commitment managed by LAU and also the current variances between contracted and expended amounts.

Table 2: DGH (IndII) Contract Expenditure and Commitments End April 2011

Act. No.	Activity Title	Contract value	AusAID Approval	Expenditure
14	Road Safety Audit	AU\$ 759,157	AU \$ 757,300	AU\$ 751,637
16	MTEF Road Sector	AU\$ 375,977	AU\$ 384,300	AU\$ 375,977
154	Road Safety Engineering Unit	AU\$ 42,758	AU\$ 40,550	AU\$ 42,758
154	MPW Road Programme	AU\$ 37,541	AU\$ 47,150	AU\$ 37,541
154	Vehicle Weight Scoping Study	AU\$ 45,480	AU\$ 49,998	AU\$ 2,176
174	Lead Roads Advisor DGH	AU\$ 209,859	AU\$ 209,859	AU\$ 209,859

Act. No.	Activity Title	Contract value	AusAID Approval	Expenditure
176	Provincial and Kabupaten Road Maintenance Management Plans	AU\$ 955,257	AU\$ 970,224	AU\$ 442,554
189	Support for Area Traffic Control System – Surabaya	AU\$ 271,176	AU\$ 244,035	AU\$ 195,657
194	Road Safety Programme - Stage 2a (RSA and Crash Reduction)	AU\$ 1,635,049	AU\$ 1,588,025	AU\$ 1,328,927
195	Road Safety Programme - Stage 2b (Manuals and Training DVD)	AU\$ 1,203,663	AU\$ 1,200,000	AU\$ 850,209
200	2011-2013 MTEF and PBB	AU\$ 345,209	AU\$ 350,000	AU\$ 329,568
201	Road Design Standards	AU\$ 764,979	AU\$ 762,380	AU\$ 307,137
205	Establishment of an Indonesian Highway Development Authority	AU\$ 489,716	AU\$ 532,746	AU\$ 459,131
206	Development of National Road Master Plan	AU\$ 950,155	AU\$ 950,254	AU\$ 400,518
207	Procurement and Contracting	AU\$ 376,702	AU\$ 380,000	AU\$ 300,744
208	Programme Management	AU\$ 1,173,913	AU\$ 1,291,529	AU\$ 862,284
209	Road Safety Scoping INTP-MoT	AU\$ 117,832	AU\$ 89,247	AU\$ 117,832
210	Bali Airport Development (Stage 1)	AU\$ 83,695	AU\$ 101,655	AU\$ 62,471
233	Bappenas National Road Safety Master Plan	AU\$ 26,246	AU\$ 90,563	AU\$ 6,956
237	Road Safety Scoping Assistance	AU\$ 109,953	AU\$ 97,030	AU\$ 13,167
241	Road Safety Scoping Assistance to INTP	AU\$ 99,357	AU\$ 99,572	AU\$ 14,486
242	Road Safety - Implementation of IRAP (Stage 1)	AU\$ 98,864	AU\$ 98,864	AU\$ 14,178
TOTAL		AU\$ 10,172,537	AU\$ 10,335,281	AU\$ 7,125,767

IndII is committed to ongoing programming support within DGH and responding to needs based on clear priorities and agreed policies including the MTEF and Renstra.

The interview process revealed that LAU is a well respected and appreciated unit working with DGH to achieve its programme mandate and requirements under the respective Government regulations. The following comments were made directly by interviewees:

"IndII is a solid programme with a flexible approach that is responsive to the needs of DGH."

"Very happy with IndII and the assistance provided." "IndII is assisting the broader reform agenda process within DGH."

"LAU are flexible and responsive and provide direct assistance to further establish linkages and change scope if necessary and required."

"Very happy with IndII and the existence of LAU. LAU has demonstrated good management works, is well organised and focused."

"In regards to the placement of LAU within DGH – it is acknowledged as indispensable in order to create better coordination and partnership between IndII and DGH."

The results gained from the interview process with stakeholders indicate that LAU is an effective model and is achieving its key objectives. Importantly, the quality of management and support is ensuring effective implementation processes and this is evidenced by the quality of activities (Please refer to **Annexe 1**).

Key achievements of LAU to date, as evidenced through the interviews and observations of the M&E team reveal that LAU:

- Represents a flexible, responsive, dynamic approach to meeting DGH programming priorities and institutional arrangements
- Underpins and supports bureaucratic reform and change processes through DGH in accordance with the MTEF
- Is a source of ongoing advice and support to DGH systems and processes
- Ensures no significant delays, cost overruns or negative feedback regarding performance of activities
- Ensures the procurement, contracting, and mobilisation of high quality consultants and companies to complete specified tasks
- Contributes to greater coordination and harmonisation across DGH Directorates

Key challenges LAU has encountered to date include:

- Capacity constraints within DGH in terms of weak systems and processes around management, contracting and procurement

- A limited focus by DGH on performance measurement and accountability
- Limited visibility and explanation of role and differentiation from broader IndII programmes
- Need to identify and strengthen capacity with direct counterparts – both at individual and institutional level
- Changing DGH Directors – hard to maintain and build effective partnerships

LAU is primarily a management unit overseeing the implementation of IndII's portfolio of activities in DGH. LAU also does provide advisory support as required and requested. The focus of this paper is to assess LAU's performance in achieving this mandate.

An initial observation is that LAU's role as a management unit is changing as DGH becomes more sophisticated and aware of what it aims to achieve and the work programmes required to achieve those outcomes. Therefore it is necessary for LAU to maintain its current focus of management oversight but maintain flexibility to incorporate a more 'advisory' approach as IndII moves towards Phase II; particularly with regard to emerging issues in DGH.

CHAPTER 4: CAPACITY BUILDING

Capacity building activity to date has been quite limited through LAU. This is not to suggest that capacity building is not important but rather it has not been a primary focus in the establishment and ongoing management of activities. Capacity building activities occur through consultants working on specific activities.

The interview process with LAU staff revealed that while there is not a formal capacity building structure or plan at present; that 'informal and practical approaches through professional linkages' act as a means of capacity building by transferring knowledge and change in practices.

Consultants working on activities managed by LAU indicate that they see their own role as the formal point of capacity building. Consultants interviewed suggested that LAU has too much responsibility at present to focus on long-term capacity building of DGH counterparts and therefore the responsibility should lay with consultants. For example, "Consultants bought in for specific activities should be the main focus for capacity building."

LAU's role should primarily be in management intervention and support. As outlined by one consultant, "Advisory support is not the main function of LAU – too busy to effectively plan and implement capacity building."

These findings are supported by a range of DGH stakeholders who prefer the current model of having advisors with specific technical skills providing support and technical assistance in key areas. The Road Safety Unit (RSU) appears to have the most effective capacity building strategy in that staff enjoy the informal nature of learning through engagement and application. Importantly, RSU has a longer-term strategy of engaging "with Balai to undertake Road Safety Audits and Blackspot Investigation through more workshops and training." The interview process revealed that the RSU themselves will coordinate and facilitate the training. This is a significant progression in capacity in its own right.

However, interview respondents at the DGH Director level would like LAU to employ a more formal capacity building plan and structure moving forward into the future. A senior director indicated that, "There is a huge gap in knowledge between senior and junior staff – there is a real need for more on-the-job training." Another commented that "I haven't seen any capacity building occurring through the IndII programme (LAU) to date." From a director perspective, capacity-building needs appear to be around design, operations and technical management with a preference given to road design and maintenance management – "This will assist us in accelerating our progress."

In response to this, LAU is looking to implement a more comprehensive capacity building programme during IndII Phase II, whereby assistance will be provided directly to a sample of Balai to improve systems and process management around contracting, procurement and management oversight. This is a positive approach given the needs

of the Balai and also an area where LAU can have influence and achieve desired outcomes.

There is recognition by DGH and LAU that limitations in budget, expertise and capacity hamper capacity-building strategies and plans at the moment. Interestingly, senior directors in DGH also see a need for more formal training and support around procurement, planning and contract management. In addition to the technical support received through activity consultants, LAU are able to play a role in the support of 'management' related tasks and functions.

Despite the wishes of DGH directors, there is an inherent problem in the availability of suitable counterparts to work with technical experts. This limitation stifles capacity-building strategies and there is a need for DGH, if serious about capacity building, to address this shortage and identify suitable counterparts through existing internal approaches.

Despite pressure from AusAID for LAU to become more 'advisory' in its approach, there is limited scope in the current environment. Sufficient and quality 'technical advice' is being sourced through activities (e.g. consultants) and there is not a strong demand for more advice but rather for practical training for specific functions. This appears to be more 'management' in style.

Specifically, proposed advisory work should centre around DGH's ability to meet its own requirements with specific focus on Government Regulations – 22/2009 (Traffic and Transport), 38/2004 (Roads) and 34/2006 (Roads). As one senior director indicated, "Once we have systems in place we will then be in a better position for more formal training. So no capacity building - we need support to implement the systems first."

Capacity building needs will also emerge in the future; not only through the implementation of regulations but as the DGH continues to focus on the priorities identified by the Director of Planning; road networks (specifically Kabupaten/Provincial Roads), Performance Based Contracting (PBC), improved service delivery and the implementation of relevant decrees.

LAU should be positioned to provide ongoing support in these areas, both at a technical and management level and to continue its focus on aligning support with emerging and priority needs within DGH. Flexibility should also be maintained and resources provided to potentially scale up 'technical support' in these priority areas.

CHAPTER 5: PARTNERSHIPS

LAU is recognised widely as a coordinating unit and contributor to improved communication and partnership within DGH. The partnerships formed are primarily aimed at enabling effective implementation of IndII activities, but there is also progress in establishing partnerships to enable DGH to identify and prioritise future work programmes and agendas.

Discussions with LAU staff reveal that they perceive their role as being to “facilitate interaction and relations between GoI and consultants and through that to generate GoI buy-in.” LAU is essentially a relationship building model. In recent months, LAU has begun to increase interaction with senior directors within DGH following a growing appreciation and understanding of the work completed to date.

Interviews with key DGH staff reveal that they perceive LAU’s role as significant in terms of strengthening partnerships and coordination – “A key strength of LAU is the ability to form a partnership and communicate and coordinate effectively.” While this is positive and a strong indication of the role LAU plays, there is also a need to increase partnerships in order to develop the systems, and support the functions that are needed for DGH to achieve its overall mandate under the MTEF – not just for the implementation of IndII activities.

A challenge for LAU is to make the role of internal coordination and partnership more visible. Most directors indicated that they did not have any evidence that LAU is promoting coordination but are aware that sub-directorates are getting involved at the invitation of LAU/IndII. A higher profile role in this area would add further credibility to the coordination and liaison process.

Follow-up interviews to clarify these findings suggest that LAU is currently strengthening partnership arrangements by adjusting its work to facilitate and guide (where appropriate) subtle changes around what DGH is required to achieve under the MTEF.

An area for continued focus is between IndII teams working on DGH Activities. Interviews with consultants revealed they were very positive about the role of LAU and the provision of support and advice on aspects of their work. However some believed that LAU could strengthen its coordination role within DGH by focusing on key individuals at the senior echelons. A current lack of engagement at this level means that important messages are not filtered down to operational levels. Essentially there is a need to use the successful IndII communications strategy to *‘raise the work portfolio and disseminate results more proactively.’*

Importantly, consultants felt they could progress with their own work requirements under respective Terms of Reference (ToR) as LAU handles much of the contracting, invoicing and management issues with IndII. This was an important buffer to efforts to complete work to agreed schedules.

However, there is a role for greater networking and coordination between activity teams and consultants - “Often we work in isolation – there are opportunities to share ideas more and address problems jointly.” Follow up interviews with LAU staff indicate that they were willing to conduct more formal and informal gatherings on a regular basis. Also they will look to have consultants make presentations on their respective work areas in order to promote greater coordination and sense of belonging to a larger team.

LAU maintains good partnerships with external stakeholders. Relations with GoI agencies in the road safety area, Indonesian National Traffic Police (INTP), and the Directorate General Land Transport (DGLT) have been very productive and enhanced through LAU interactions. It is recognised within DGH that IndII has a successful programme and is well engaged. Because the LAU model is perceived as beneficial this has caused some tension with other donors (i.e. World Bank). This is not the responsibility of LAU but due to the pressure placed on other donors by DGH who see the benefits of having a ‘LAU model’ and have easy access to the technical support and advice provided.

As part of a greater coordination role, LAU should seek to engage with donors more frequently to ensure alignment and to assist with prioritisation of work. This should be a formalised coordination process or more time to engage informally and keep donors apprised of the work of IndII. The Technical Director of Transport Services does facilitate this process and protocol does dictate that engagement is primarily through this role. Consulting teams working under the guidance of LAU do engage with donors as required and needed.

This partnering approach will become more important. As the Deputy Director of Technical Affairs – Roads states, “As we move towards PBC there will be a need to engage more with external donors to ensure standards are used and agreed upon and that all donors are aware of these expectations.” LAU has a central role and a responsibility to be involved in these efforts.

A positive working relationship has been established with AusAID in the implementation of activities in DGH under LAU. However issues to emerge include the coordination and communication roles between AusAID and IndII. In some instances, consultants and LAU have been contacted directly by AusAID for information and updates. Communication protocols need to be adhered too and reaffirmed if necessary. This also applies to LAU in its dealings with external partners. Communication is a critical element in the efficient functioning of LAU and underpins its achievements to date.

CHAPTER 6: POLICY SETTING AND IMPLEMENTATION

The focus of LAU is not on policy development as a key function in itself but rather on strengthening existing systems and processes within DGH through the management of effective and appropriate activities. This approach enables LAU to focus more on Quality Assurance (QA) and the achievement of quality results through effective activity implementation and management. Importantly, LAU has been able to maintain ‘traditional project management and implementation’ in accordance with its defined scope. However, LAU has also been able to move towards providing more ‘specific technical support and advice’. This contributes to the broader IndII policy of engaging and supporting GoI partner ministries.

The proposed Hibah scheme for road maintenance that is currently being designed is “an important step towards influencing policy and existing systems within the Road Department. When approved, DGH will need further assistance in monitoring the implementation, a greater role for LAU into the future.” Evidence suggests LAU is adjusting its approach and planning further policy support to enable DGH to incorporate Hibah approaches to maintenance. The experiences of the Water and Sanitation Hibah funded through IndII are being used in this approach.

Discussions with senior directors reveal that they see no real evidence of policy setting and implementation. This is not to suggest LAU has not contributed but rather that the questions in the interview process were aimed more at policy, rather than the systems that support the policy process – where LAU is currently focused. Overall policy setting and engagement is the responsibility to DGH.

Importantly, a key theme that emerged from the interviews was the focus by DGH on the need to set and report against outcomes. It is clear the DGH has a clear sense of direction regarding where they want and need to be – implementing MTEF and the bureaucratic reform process – but struggle in adopting and implementing the necessary steps to reach desired outcomes. As indicated earlier this is where LAU could focus its efforts in terms of future advisory support. “IndII motivate us to accelerate our own programme, so that when we run, we will be able to operate it ourselves.”

This will become more evident if DGH adopts a Hibah approach for road maintenance and additional policy support will be required moving forward into the future – particularly around policy development and support.

The greatest interest in policy development and support that emerged from the interviews is a continued focus on supporting DGH in implementing existing Government Regulations. “The regulations are in place...we need support to manage and implement the requirements of the regulations.” Specifically, the interest is not in developing more policies but rather looking at strengthening standards, bidding, design and contractual activities - “Planning, programming and budgeting...these are the priority areas for DGH.”

CHAPTER 7: SUSTAINABILITY AND CROSS-CUTTING THEMES

The LAU model is demonstrating some key sustainability elements; subject to some minor adjustments in approach and coordination. LAU is also making positive steps to ensure cross-cutting themes are addressed, namely through improved gender awareness and participation.

If assessing LAU from a purely financial point of view, one could conclude that the model is not sustainable as it is dependent upon external help to ensure there is adequate technical assistance moving forward. However, this simple approach does not recognise the significant contribution LAU has and continues to make in terms of quality management and oversight, establishment of partnerships, and provision of technical advice and quality assurance. Support could be better utilised by DGH by having direct counterparts attached to LAU to observe and learn management approaches. A formal capacity-building strategy and plan would be ideal to support this approach and future work with Balai is a positive step in the right direction.

The LAU model is an effective use of resources in that DGH has recognised that having a quality management unit does improve the performance of activities. It is important that the model is well resourced, targeted and utilised. The DGH prefer the LAU model over other forms of Project Implementation and Project Management Units (PIU and PMU) traditionally used by the DGH and donors alike.

Further integration of advisory support to complement traditional project management would add further value and generate value-for-money considerations across a range of activities. This would be evident by direct policy support for a future Hibah programme for road maintenance.

The LAU concept is well regarded by DGH and has strong institutional and leadership support. It is seen as a model for other donors to follow in dealing and working with DGH. The concept in itself is sustainable but requires the ongoing support of all stakeholders – financial support from donors to enable suitable advisory support and commitment from DGH to identify individuals to participate in planned capacity building activities.

CHAPTER 8: AUSTRALIAN IDENTITY

LAU maintains a high level of Australian identity and represents IndII in a proactive and positive way. Responses from DGH directors indicate a high respect and appreciation for the assistance provided by AusAID and many commented on the flexible and dynamic approach to technical assistance provided. They also believe that the LAU model is something other donors should be following. LAU maintains strong consistency with the IndII approach and this is expected given the Unit is an extension of the broader programme.

However more importantly, it highlights a strong commitment to management, and oversight by the IndII Technical Director for Transportation to ensure LAU maintains a professional approach while working with DGH to achieve priority and emerging needs.

CHAPTER 9: CONCLUSIONS

The evidence derived from interviews indicates that LAU is a sound model for project management and advisory support. It is consistent with the broader IndII approach of maintaining flexible, dynamic and pragmatic approaches with key partners. Most importantly, LAU provides a 'presence' combined with 'visibility' for DGH and demonstrates a level of commitment in supporting efforts related to the MTEF and Renstra.

LAU has made considerable progress in terms of its management of activities to date. The evidence and feedback received suggest that the presence of LAU has ensured that all AusAID funded activities in DGH are implemented according to schedule, within budget and with limited adjustments and modifications. The question remains as to what the situation would be if LAU did not have a presence in managing and guiding activities? The overwhelming response is that the quality of the portfolio of activities would suffer and AusAID /IndII would not enjoy a high level of satisfaction and support from the upper echelons of DGH.

Whilst traction has been made in terms of project management (and this will remain a core function of LAU), there is a need (and a request from DGH) that LAU maintain its current focus, but in IndII Phase II develop and add an advisory role in areas of management, procurement, budgeting, planning and Performance Based Contracting.

This will require some additional thinking and allocation of adequate resources from IndII, but also additional commitment from DGH to appoint 'counterparts' and support more formal capacity- building strategies and plans.

In terms of communication and coordination there is a need to engage more with consulting teams working under LAU. This can be done through formal and/or informal gatherings and meetings and opportunities given to share experiences and work programmes. This will keep various groups aware of individual activities and contributions to the broader programme.

In terms of coordination with DGH, LAU has contributed to coordination at operational levels but there is a need to engage further with higher echelons and decision makers, particularly in light of anticipated changes in the coming 12 months. This is important so as to consolidate gains and raise the profile of AusAID's work in the sector.

Continued work is required to engage with other donors, namely the World Bank. LAU enjoys considerable access and prestige within DGH but there is still a need to coordinate and share information and resources where possible. Proactive meetings do occur with the IndII Facility Director and the Technical Director for Transportation and these will continue.

With regard to policy development and implementation, LAU should maintain its current focus on supporting and strengthening systems and processes. The focus of

policy should be advising and assisting DGH to meet its own requirements through existing Government Regulations. More specialised policy advice will be required if and when DGH adopt a Hibah model for road maintenance and as priorities in budgeting, planning and Performance Based Contracting emerge.

In returning to the original research question, the evidence and findings from the review process present LAU as a positive model and it does contribute to enhanced activities in DGH through effective, timely and efficient management and support. LAU is a proactive model that adds value to both DGH and Indll.

ANNEXES

ANNEXE 1: INDEPENDENT MID-TERM REVIEW TECHNICAL REPORT ON ACTIVITY PERFORMANCE UNDER LAU

Memorandum

Date: 25 March 2011

To: David Shelley, Technical Director Transportation, IndII

Copy: David Ray, David Foster, IndII

From: William Paterson, Technical Advisor, IndII

Subject: IndII Program – End-Term Review of Program Under Lead Advisory Unit in DG Highways, Ministry of Public Works

1. Critical Juncture in Government's Implementation of Public Expenditure Reforms. This visit, from 16Feb to 7Mar2011, came at the time when MPW and DGH were beginning the first formal cycle of multi-year budgeting under MTEF-PBB, preparing the 2012-2014 multi-year program, and beginning implementation of the administrative reforms under Reformasi Birokrasi. The three sets of studies under IndII DGH – on Road Network Planning, Road Program Implementation, and Sub-national Roads Management – which are scheduled to be completed by June 2011, are therefore timely, though slightly late, to influence and support the DGH procedures for this new planning cycle. The coordination of the Lead Advisory Unit (LAU) in DGH and the interaction between the study teams and DGH counterparts is crucial at this time to ensuring that the outputs result in relevant and effective changes to DGH processes, and to a large extent it has been very effective in this respect. The Implementation study (AD 201) appears to have the best integration with the likelihood of changes to the project design policy being made through Bintel in the new cycle. In Road Planning, DGH has very urgent needs in optimizing and prioritizing capacity improvement investments and in upgrading their planning policies, but the study outputs have not yet provided effective assistance. For subnational (Provincial and Kabupaten) roads (AD 176), direct assistance is being provided through some pilot jurisdictions but opportunities for broader coverage and linkage to public financial management in local government need to be deployed in parallel. Finally, in the management systems activity (AD 207) where the main activity has been postponed, the early support in restoring the IRMS road management system to operational status has proved to be very effective and has restored a vital lifeline and basis for the annual budgeting and programming cycle – however, vital guidance and support for development of the greatly expanded program budget has been missed. These are now reviewed in more detail below.

2. Road Network Planning (AD206). The study team has taken a fairly traditional approach to reviewing economic feasibility and timing of trunk route widening and expressway development in primary corridors on Java and Sumatera. As the study terms of reference specified the use of available data it was expected to add a strategic element to the more detailed planning and design studies that have preceded the existing investment program in these two areas. However, it has not really tackled the larger agenda set by the connectivity vision that was identified by the MTEF-PBB report and that has become a key part of the Government's cross-sectoral goal for development. In particular, prior to a review meeting comprising the Consultant, IndII, AusAID and the peer reviewer, the team did not appear to be identifying and addressing the key new development corridors where the planning and investment policies are most crucial, such as the trans-Kalimantan corridor (where proposals have been reported in the media) and trans-Sulawesi (where significant programs for widening and upgrading of existing national roads are included in the current RENSTRA and expenditure plan). Furthermore, mega-projects such as the proposed Sunda Strait bridge linking Java and Sumatera will have a significant impact on east-west connectivity, and some measure of the connectivity impact would be a useful addition to inform the debate on investment value. Comments made during the review meeting with the study team advised that the output should help DGH to change its thinking on how to plan major road infrastructure. The Standard Chartered report has identified infrastructure as the top constraint to economic growth in the future, and the President's six-corridor connectivity strategy is not going to be achieved by the previous incremental approach and a micro-level focus. What is needed is a clear broad policy on delivering adequate connectivity in the six corridors and a master plan that will provide high-capacity road infrastructure supporting it. The plan needs to drive the construction ahead of economic demand because of the extended period required to complete it, and should be accompanied by a clear policy on Viability Gap funding so that private investment funding is properly leveraged with public funds. The planning should therefore extend to 25 and 50year horizons, with appropriate use of new green-field alignments and staging from initial single carriageway modern alignments to dual carriageway facilities when economically viable. As the terms of reference for the study did not fully capture this broad focus, the study team was directed to address these issues in a policy note within the present scope. Moreover it will be essential to plan better focused assistance under IndII Phase 2 to support this high profile Government policy.
3. Road Planning – Expressways (AD 205). The previous proposal for assistance to BPJT for restructuring the BLU land unit into a broader project execution role and remodeling BPJT into an expressway authority has been deferred and a diagnostic study undertaken instead. The diagnostic study viewed the underperformance of BPJT to be an issue of process more than of the institution. It revealed that BPJT is greatly understaffed at present for handling the pipeline of expressway construction projects and lacks core capability and capacity for handling PPP

arrangements. The diagnostic study however was very light on metrics so it was difficult to gauge the specific measures needed in the short-term to expand its capacity and the appropriate target level for professional staffing. The study went beyond diagnostics to review options for reform and analyzed three options, revisiting the ground covered by a previous unpublished IndII report on BPJT reform. During review these were reduced to two primary options, which implicitly recognized that some institutional restructuring would be beneficial in the longer term – (1) expansion of resources within the existing BPJT institution; and (2) restructuring the institution and expanding resources. In the meantime, there are three urgent priorities – (1) Defining an expressway network and long-term plan that identifies corridors, financing needs and staging; (2) Expanding professional staff in BPJT for processing projects and a cluster of PPP expertise that can handle a variety of funding modalities; and (3) Strengthening the BLU to handle a greater volume of land acquisition (which has been a key constraint to better performance, and is now being accelerated through large allocations of funding in 2011 and beyond). For the first task, on producing an expressway plan, a new unit in DGH Bipran is currently responsible for expressway planning – in this instance, it would be useful for IndII to assign an advisor to work directly with this DGH unit to provide support in methodology, in particular in regard to the question of staging and of prioritization between investment in trunk route expansion and expressway construction. This should also bring an updated view of the current planning for trans-regional highway and expressway connections. A second advisor could assist in identifying staff capacity improvements and PPP capability in BPJT, together with enhancements of the land acquisition BLU (this potentially could be an extension of the diagnostics study).

4. Work Program Implementation (AD 201). The work on road design policy appears to be going well – the study team’s draft report showed a good understanding of the issues on design life and actual life, and has produced a fair case for increasing the axle load limits. The approach shown however did not fully reflect the benefits of lengthening the design life and survival rate (achievement of actual life versus expected life), because of the economic life-cycle cost analysis method used, and alternatives were discussed with the team. This team has had an effective interaction with the Deputy Director of BinteK (Dr. Hedy Rahadian) and every effort should be made by LAU to ensure that the relevant changes are made to the DGH design policy and implemented during the current program cycle.
5. Work Program Implementation – Maintenance (AD 207). The study team has made an effective review of the implementation of road and bridge maintenance, and the findings show a substantial regression in practices over the past decade since the work was being contracted out in the 1990s. Routine maintenance is now fully implemented through force account, and equipment is being purchased to support the work and for hire, although management of the equipment fleet is reportedly being consolidated to Balai level this year, 2011. The work is managed through satkers (special implementation units) but additional layers of control are being added, such as inspectors (penilik). Consequently the implied costs are substantially higher than the Rp 50 million/km allocated directly for routine

maintenance in FY2011, which was already high compared to international benchmarks, and it is reasonable to deduce that the full routine maintenance costs (including management) are probably 80-100% higher than an expected efficient level under contract. Moreover the road monitoring results indicate very weak performance from these inputs. On a positive note, there appears to be potential for piloting maintenance by contract in Balai IV, and that Balai would monitor performance by regular quarterly surveys with automated equipment. In general however, this trend shows a deeply entrenched policy towards labor deployment, and DGH staffing is reported to be increasing each year. While it would be appropriate for the IndII program to support a pilot of area maintenance by contract, and performance-based maintenance contracts, meaningful reform will need a high-level policy decision to remove the force account approach and reduce staff numbers accordingly. In the meantime, it is recommended that IndII assist DGH to strengthen and disclose the reporting on routine maintenance performance, including full real costs.

6. Provincial and Kabupaten Roads Maintenance Management (AD 176). The Phase I study focused on 5 provinces and 13 Kabupaten in NTB and West Sulawesi, compiling statistics on the status and a brief analysis of needs on the road networks in the 18 jurisdictions, compared to the regional GDP. The results indicated for the provincial roads adequate overall spending but significant underspending on maintenance, and for Kabupaten roads substantial underspending overall that met less than a third of maintenance needs. The Phase II study is proposing to establish minimum maintenance funding targets, give priority to 'connectivity' road links, and conduct formal road surveys and road management analysis on a sample of at least 2000 km of network in NTB. These efforts are helping to restore the road management capacity and methods that had been implemented extensively on Kabupaten roads during the 1990s (SK77 and later LVRMS) and which appear to have been lost in many jurisdictions since decentralization. However the sample is very small and the team was advised, in addition to that technical work, to give a strong focus to regular disclosure of the budget, spending categories, outputs and actual expenditures by the local government and road department. This is standard public financial management, which would have strong demand from government oversight agencies and would therefore be able to be replicated broadly across many jurisdictions more quickly than an increase in technical capacity. It is potentially also more sustainable as it would be an administrative requirement and be less dependent on technical capability. Contact should be made with the World Bank team (under Peter Ellis), that has been implementing financial management at the local government level (DAK), to coordinate these efforts. A substantial portion of subnational spending is on roads, and so the focus on accountability for public spending becomes a key element affecting sector performance.
7. Road Management and Performance Monitoring (AD 202/AD 203). The new Budget Policy standard operating procedures (SOP) had just been issued in February 2011 with an instruction on how to handle new initiatives. Bappenas provided guidance on this to MPW and DGH on 24 Feb 2011. The budget cycle will provide three stages at which the new initiatives to be implemented under the 3-year rolling

budget are to be proposed and refined – at the end of February, May and September this year. Changes to the Government Work Plan (RKA-KL) can either reallocate funds from year to year or add additional funds, depending on the justification. The new planning directorate in DGH appeared to lack the tools and methods for undertaking this task, which is especially crucial given the huge 80 percent increase in budget for 2011-14. Fortunately the ‘quick response’ activity by IndII in 2010 that saw the restoration of IRMS to working order enabled Bipran to analyze the network needs with the latest 2010 data during February. However, there was no understanding in the Bipran team on how to handle the capacity issues and they were proceeding with the prescriptive approach of incremental widening to 6 or 7 m on designated corridors and widening to 4-lane divided on trunk roads without the benefit of a long-term policy on road improvement. Here IndII was unable to accommodate an important opportunity that was flagged as a priority by the MTEF study. There was a need to have a team specifically to assist with the formulation of the 2011-14 work program, helping to prioritize road rehabilitation and improvement works especially in the major corridors and applying the new long-term design policy. This task was omitted from the terms of reference, and furthermore activities AD 202 and 203 were postponed, initially due to the work carried out on the IRMS review (under activity 200) and then due to lack of available time to carry out a suitably comprehensive program under IndII Phase 1. It may still be useful to provide short term individual advisor assistance to the Bipran team over the period April - August to help with refining the program, but any opportunity for influencing the budget and design policy will only materially impact the preparation of the 2013-15 program next year.

8. Budget Policy and Performance Monitoring (AD 200). A workshop on the new budget policy standard operating procedures being organized for March - April 2011 by IndII (Geoff Dixon and Didi Rasidi) comes just after the new budget policy was introduced but will be timely because of the imperative for DGH to implement the new policy. Further attention was being given to the performance indicators also and this should be followed up during this year with specific processing procedures to ensure that the monitoring and evaluation performed at the end of the year is done effectively.
9. Administrative Reform (Reformasi Birokrasi). MPW is required to prepare a roadmap for reform by September 2011 to be implemented through 2012-14, with the objectives of delivering better infrastructure services, reducing corruption, improving government functions and reaching unqualified financial reporting. Discussions with Ir. Taufik (Director, Sec Gen MPW), Purnarachman (Assistant to Minister on Expertise and Functional Development) and Purnomo (Head of task force in DGH) sought IndII assistance on this. They are required to identify a number of ‘Quick Wins’ which can be implemented and achieved in each year – using measurable indicators and demonstrable improvement in performance within one year. Arising from these discussions, a framework for considerations in budget policy and sector reform was developed around three key reform areas, that is:
 - Weak Connectivity

- Premature Asset Failure
- High Cost of Business

The issues, drawn from the MTEF-PBB report in 2010 and updated to current status, were outlined in a presentation discussed with T. Nirata Samadhi, Advisor to the President's Delivery Unit for Development Monitoring and Oversight (UKP4) who will be monitoring the administrative reform results (A similar meeting with Vice Minister Hermanto Dardak was cancelled). The presentation is attached as Annex A and discussion of it was issued in a memorandum dated 03 March 2011. Preliminary suggestions of topics to be considered for 'Quick Wins' included: (1) Definition of expressway network and pipeline; (2) Strengthening of BPJT; (3) Electronic survey of national road network, to benchmark inventory of road assets (and simultaneously gather information on asset survival rates); and (4) deployment of improved design standards extending the expected life of road assets. While these are all critical stepping stones for improved sector performance and need to be done, it was noted that these do not generate visible results and so may be unsuitable as 'Quick Wins' per the GoI definition. On the corruption objective, it was noted that the current salary of DGH staff (Rp 1-2 million/month) barely covers the cost of the journey to work so that substantive progress on the corruption issue will be dependent on reform of compensation or institutions (e.g., Jasa Marga employees earn about six times more than DGH staff). Further consultations and work will be needed on the reform agenda in the months ahead.

10. Partnering. Discussions with the World Bank office in Jakarta revealed significant areas where increased partnering could benefit the IndII program. The linkage between the connectivity agenda and economic development is seen as increasingly central and crucial to the shape of infrastructure investment programs. How the reform elements identified by the IndII program are applied in recent corridor improvement projects like WINRIP and through performance indicators in a forthcoming large budget-based project, could be developed through more effective partnering discussions. For subnational roads, the programmatic budget financing being provided under the Local Government Decentralization Project is introducing significant changes to the management and disclosure of the DAK budget, including a system of incentives and transparency, which is likely to have a considerable impact on the spending and performance of subnational roads. Greater exchange of information with this and other development partner programs is likely to improve the performance of the development programs including IndII.

ANNEXE 2: SEMI-STRUCTURED INTERVIEW

IndII Case Study Questions March 2011 Lead Advisory Unit (LAU) – DGH

1. Background and Context

- Please provide us with some background to the (Activity name) – what was the initial problem that the activity was meant to resolve?
- What have been two major achievements to date for the Activity?
- What have been major challenges to date for the Activity?
- Have the stated objectives of these activities been met?
- Overall, how satisfied are you with the input and support of IndII and in particular LAU? (e.g. contributing to change and impact – road safety, roads design etc.)

2. Capacity Building

- Have appropriate staff been identified and actively participating in the (Unit)?
- What capacity building initiatives have been used in the (Unit)? What have been positive contributions (i.e. new skills, knowledge applications etc.)?
- Have training workshops and other activities increased your knowledge and awareness in your job function? Please provide examples.
- Do you perceive you have more capability to execute your job tasks and functions? What about for others in the (Unit)?
- Is the (Unit) formally recognised as part of the broader DGH restructure?
- What are you doing in your job differently now to what you were doing before?
- What has changed in the (Unit) as a result of support? (i.e. what systems, processes and approaches are being used now that did not exist before?)
- Is continuing LAU support important for further expansion and consolidation of road safety capability?

3. Partnership Building and Performance

3.1 External

- Has IndII support assisted (Unit) to improve relations with other agencies (e.g. traffic police and DGLT)

- Will the partnership be sustained after LAU and IndII involvement? If yes, how will this be managed?

3.2 Internal

- Have partnerships been established with other units within DGH?
- Have there been any barriers to forming strengthened partnerships? How has LAU assisted you strengthen partnership and interactions?
- Do you believe your work unit has established good partnerships? If yes, please explain why and provide an example of how the partnership has worked.

3.3 Work Unit Performance

- Overall would you say your (Unit's) performance has improved with LAU support? Please explain why and use examples.
- How will performance be maintained and improved with the completion of the activity (i.e. Exit Strategy)
- Have you considered strategies to use to increase the effectiveness of the (Unit) after LAU completes its assignment?

4. Policy Setting and Implementation

- Has the Activity contributed to improved policy dialogue and development? If so what have been some tangible outputs (new strategies, new processes etc.)?
- What systems and processes have been strengthened in the (Unit)?
- Have new systems contributed to improved capacity and capability to complete job functions?

5. Sustainability

- What are the next steps in promoting policy and capacity enhancements derived through IndII support?
- Has LAU developed a long-term strategy including an exit strategy to transition responsibility?

6. Australian Identity

- Were you aware that the Australian Government through IndII funds LAU?

7. Concluding Questions

- Based on your views, understanding and experience – what improvements could be made to the Activity?
- Is there anything else you would like to add to the discussions?

Thank you for your time and effort to contribute to this case study.

ANNEXE 3: LIST OF KEY PEOPLE CONSULTED

Name	Position
Mr David Shelley	Technical Director – Transport, IndII
Mr David Foster	LAU Adviser
Ms Hisaria S.M. Rene'e	LAU Adviser
Mr Andrew Whillas	LAU Adviser
Ir. Taufik Widjoyono M.Sc	Head of Bureau Planning and International Cooperation, Secretariat General, MPW
Mr Ed Vowles	Team Leader/Procurement and Contracting Specialist – Road Sector Development Project – Package 3 (Activities 201 and 207)
Ir. Nurmala Simanjuntak M.EngSc	Head of Road Safety Section, DGH
Dr.Ir.Slamet Muljono	Deputy Director of Policy and Strategy, DGH
Ir. Ir.Darda Daraba M.Si	Deputy Director of System Development and Performance Evaluation, DGH
Ir.Sugiarto M.T	Section Head of Systems and Data Development Section
Mr Philip Jordan	Road Safety Adviser, DGH
Mr. William Paterson	MTEF Consultant, DGH
Ir.Purnomo S.	Director of Technical Affairs, DGH
Ir.Herman Darmansyah M.T	Former Deputy Director of Preparation of Standards and Programme, DGH
Dr. Ir. Hedy Rahadian. M.Sc	Deputy Director of Technical Affairs – Roads, DGH
Ir. Harris H. Batubara, M.EngSc.	Director of Planning, DGH
Dr. Drs. Max Antameng, M.A	Senior Planning Officer (Former Deputy Director of General Planning, DGH)
Mr Tyrone Toole	Team Leader – Maintenance Policy and Strategy Specialist (Activity 176)

ANNEXE 4: INTERVIEW TRANSCRIPTS

Questionnaire Section	Response Transcript
Background and Context	Initial focus was based on the work of MTEF and PBB. MTEF is the broad framework – PBB identified the shortcomings, LAU emerged from these activities and was an opportunity to be based in DGH to have greater influence with systems and processes. There was a major concern around the design and implementation for road programmes in DGH that also gave a basis for LAU to be set up, primarily to facilitate some diagnostic studies for design purpose. Aid in determining where IndII resources could be best provided. Initial focus was on Road Safety but the initial reviews highlighted considerable work required in pavement design; Performance Based Contracting and organisational systems and support. The work is also expanded to cover the development of National Road Master Plan. Request for LAU was made by DGH.
Key Achievements	Review process completed – highlighted areas for engagement, strengthening and participation. Contribution to institutional arrangements within DGH – establishment of Road Safety Engineering Unit (RSEU). Development of supporting documentation to enhance processes and procedures – e.g. Standard Operating Procedures. Contribution to ongoing DGH MTEF – supporting Gol systems. Relationships with key DGH departments and individuals – a critical success factor. Responding on a continuous basis to needs and requests. Targeted approach – small steps and focused in priority areas.
Key Challenges	Working from a low base in terms of functioning systems – long-term focus to approach to road maintenance in particular. Performance based maintenance. DGH lack of performance – will give greater focus on Balai for future engagement.
Overall Satisfaction	IndII is a solid programme – flexible approach and responsive to the needs of DGH. Greater identity and association with DGH compared to other donors (World Bank and ADB). A good overall approach – “multi-objective approach.” – PBB, PBC, Road Safety, etc.
Capacity Building	Capacity not a major focus of the activity – but practical approaches and professional linkages with DGH is a form of knowledge transfer and practice change. Indirect capacity building activities.

Questionnaire Section	Response Transcript
Partnership	<p>1. Internal</p> <p>A key strength of the activity has been the relationships and partnerships within DGH. Main role is to 'facilitate interaction and relations between Gol and Consultants and getting Gol's buy-in' LAU is essentially a 'relationship building model'. Interaction with senior directors – more requests for direct advisory and technical support.</p> <p>2. External</p> <p>Coordination with external agencies has increased. Particularly evidenced in road safety through engagement with Indonesia National Traffic Police (INTP). Additional requests for ongoing assistance and input into key policy documents – e.g. Decade Action Plan – Road Safety.</p>
Policy Setting and Implementation	<p>Focus not so much on policy but rather strengthening existing systems and processes. Greater focus on Quality Assurance (QA) and results. Has been a noticeable shift away from traditional project management and implementation to more specific technical support and advice. Part of the broader IndII strategy to engage. Hibah scheme for Road Maintenance which currently being designed will be an important step to influencing policy and existing systems within Road Development, particularly because Hibah scheme is currently given for capital instead of maintenance. When the Hibah scheme is approved, Gol will need assistance in monitoring the implementation. Hence, LAU role will be much more significant in the future.</p>
Sustainability	<p>Foundations have been set for long-term engagement. Proposed activities into the future include selecting two pilot activities (Balai), establish effective performance measures. In lead up to exit strategy – focus more on mentoring roles – also build support from top down (DGH to Balai). Road Safety – roll out to all Balai and include in University curriculum. Subnational roads – large programme – implement planning + programme + budgets. Performance Based Contracting needs to be strengthened.</p>
Australian Identity	<p>LAU has considerable results in the branding of AusAID and IndII and provides high visibility to the DGH. "Quality of the work promotes identify and adds value." The use of quality consultants also enhances reputation and identity. LAU is having much better opportunity to promote and support work in DGH through high visibility and continuous engagement.</p>
Conclusions	<p>The system and approach continues to evolve. The quality and depth of relationships/partnerships is key. Key strength has been having LAU based in the DGH – better positioned to manage and task. Can manage from anywhere but the locality has helped build the relationships necessary to implement quality activities. Remain focused on three key areas: 1. Schedule; 2. Budget; 3. Quality.</p>

Questionnaire Section	Response Transcript
Background and Context	Grateful for IndII assistance – contributing to DGH's broader agenda of bureaucratic reform to improve services and service delivery. The main issues for DGH include safety and the environment, also a need for better specifications and designs. Procurement and Planning are essential functions that require assistance also. IndII links its support to the MTEF – aims to make the MTEF effective and also assist DGH implement its requirements. Personally benefitted from the activities – participated in study tour to South Africa.
Key Achievements	LAU assist in 'crystallizing ideas' (in the process of TOR and AD development) Key achievement is partnership and coordination – bridging communication between DGH and IndII and DGH with other agencies, such as Bappenas. Using "international best practice approaches and staff to assist DGH"
Key Challenges	Limited understanding of the full role of LAU – confuse management team with IndII activities managed under LAU
Overall Satisfaction	Very happy with IndII and the assistance provided. IndII is assisting the broader reform agenda and process within DGH.
Capacity Building	Mixture of formal and informal meetings and assistance. Would like to see more formal training and capacity support into the future. Becoming more important as part of the broader institutional change and reform process underway. Specific areas for consideration would include: management, procurement and tendering. Since DGH is in the process of implementing 'new areas' such as MTEF and Road Safety, capacity building in programme management and implementation is important. Capacity also required in the future for human resource functions – job descriptions, pay and grading, categories.
Partnership	<p>1. Internal</p> <p>Key strengthen of LAU is the ability to form a partnership and communicate and coordinate effectively. Key is to now build on partnerships to develop the systems to support the functions</p> <p>2. External</p> <p>Evident in work through Road Safety – good external relations with key stakeholders. Important within DGH as well the coordination and interaction with other donors. LAU model is the only one of its kind in DGH and the "benefits are clear, particularly in terms of availability and profile".</p>

Questionnaire Section	Response Transcript
Policy Setting and Implementation	No real influence in terms of policy setting and implementation for the department
Sustainability	Would like to have more DGH staff engaged with LAU (part of establishing ownership) or establish a larger Project Management Unit (PMU) of which LAU would be a part. It is important to institutionalize the system for sustainability, particularly due to fast rotation within DGH (PMU will be more stable function).
Australian Identity	N/A
Conclusions	LAU is a concept that works but would like to see more nationals involved and formalise the placement of staff. LAU has demonstrated its ability to coordinate not only IndII's activities but to engage and coordinate with DGH more broadly. It is hoped that LAU will still exist to facilitate communication and coordination. Partnership is very good and assistance is very important as part of the reform process. LAU provides direct guidance and assistance – design and improvements in specifications. The direct support “raises the profile and coordination role of LAU.”

Questionnaire Section	Response Transcript
Background and Context	More interaction and coordination is required – particularly the interaction between the consultant and LAU. Team is separated (different locations) and also from the client. Separate offices make it difficult to meet and discuss ideas.
Key Achievements	Developed strong partnerships and the key is that we have flexible and responsive advisors who can address issues and provide solutions. Approach is flexible and accommodating. “Definitely not bureaucracy.” A cooperative and joint process and approach.
Key Challenges	“Our Client is IndII.” – “How much do we share with DGH?” Consultants need to use the resources available more directly. Limited capacity building opportunities, as we do not work directly with one or a group of individuals.

Questionnaire Section	Response Transcript
Overall Satisfaction	Specific requests are met – LAU is good at addressing issues. Key is "Let's talk about it and change direction." LAU are flexible and responsive and provide direct assistance to further establish linkages and change scope as required (i.e. adjust ToRs if required).
Capacity Building	Capacity building – no direct counterpart – a challenge.
Partnership	<p>1. Internal</p> <p>Need to promote better networking – often work in isolation and plenty of opportunity to share ideas and approaches and address problems jointly. More regular meetings and schedules – needs to be further encouraged</p> <p>2. External</p> <p>Good external relations. Have some linkage with ADB and WB – direct interaction with planning. Still a challenge.</p>
Policy Setting and Implementation	Working towards improving systems and part of the package – DGH is keen on outcomes and are slowly identifying systems required to improve.
Sustainability	Hard to say at this stage but the intent is there.
Conclusions	The ToR for Package 3 could have been designed better and tightened up. Ability to address issues as we progress is a key feature of LAU. Also the consistency in the approach - "We have a direct line to LAU and we solve issues together." Need to address different views about what is to be expected from activities.

Questionnaire Section	Response Transcript
Background and Context	IndII assistance for Road Safety Programme is very helpful for DGH – contributing to the formal establishment of Road Safety Section from a Unit form through Directorate General Decree. Since 2011, this section has a clear role and responsibility (<i>Tupoksi</i>). The existence of LAU within DGH is acknowledged as very important in facilitating communication and coordination between Sub-Directorate and IndII, also between Sub-directorate and Road Safety consultants, in order to developing and implementing Road Safety programmes. The relationship between LAU and Road Safety Section is very good. The section always involves LAU in every discussion, meeting, etc. so LAU could keep abreast of Road Safety programmes within DGH. Personally benefitted from the activities – participated in Road Safety Fact Finding Mission (FFM) to Melbourne. LAU has been well known as very helpful in facilitating the FFM implementation.
Key Achievements	Key achievement is partnership and coordination – bridging communication between Sub-Directorate and IndII and Sub-Directorate with other agencies (DGLT and INTP), also Sub-Directorate between Road Safety consultants. “Important to have a management unit such as LAU with technical and ‘bureaucratic’ skills to bridging all bureaucratic procedures residing in each institution (DGH and IndII).”
Key Challenges	Nothing major. The only problem is limited space within DGH to enable Road Safety consultants to be placed in DGH so as to smoothen the programme implementation.
Overall Satisfaction	Very happy with IndII and the existence of LAU. Coordination has run so well. LAU has demonstrated good management works, well organised, and focused.
Capacity Building	Capacity building or transfer of knowledge occurs in informal way, such as during the meeting or discussion where LAU personnel often providing their technical insights. In terms of Road Safety Programme, the next step will be focused on building Balai capacity to undertake Road Safety Audits and Blackspot Investigation through more workshops and trainings. Current programme is mainly aiming to raising Balai awareness on the importance of Road Safety.

Questionnaire Section	Response Transcript
Partnership	<p>1. Internal</p> <p>A stronger partnership is established between DGH and Balai in terms of road safety programme.</p> <p>2. External</p> <p>LAU has facilitated external relations with INTP and DGLT. Currently there are no other donors working for road safety issues, but World Bank has shown their interest to play a role in this field, which potentially will be focused on studies area.</p>
Policy Setting and Implementation	No real influence in terms of policy setting and implementation for the Sub-directorate.
Sustainability	LAU should still exist in the future with greater involvement from Ibu Jany (note: road safety consultant, DGH retiree) to better facilitate the technical advisory needs for Road Safety. Could not place a DGH Road Safety staff in LAU because the section itself still experiences lack of human resources.
Australian Identity	Very aware that the current Road Safety programme is funded by Australian Government.
Conclusions	LAU has demonstrated its ability to bridging communication and coordination between DGH and IndII management as well as with other external agencies and consultants, where this will be very difficult to be handled directly by DGH. Facilitating the delivery of IndII assistance beyond planned programme is also seen as the benefit of having LAU in DGH, such as funded the Minister's trip to Cambodia for Global Road Safety Partnership, socialization of Law No 22/2009 to subnational levels, etc.

Questionnaire Section	Response Transcript
Background and Context	IndII assistance in DGH is helpful. DGH had requested IndII to enhance DGH capacity using best international practices on road managements and road networks provision. Do not have much knowledge around LAU role. But LAU personnel often asking assistance in terms of road data (for MTEF purpose), running workshops, and facilitate meeting with senior management.
Key Achievements	For LAU existence is not clear. But for MTEF programme, IndII has provided good recommendation of MTEF and DGH has accepted the recommendation. However coordination with Bappenas and MoF is needed to implement the MTEF.
Key Challenges	IndII needs to reduce its 'ceremonial' events, which require the presence of top-level management. To some extent, this requirement often causes delays. While accomplishment of a programme is a major focus, IndII needs to start giving some thought to working with operational staff.
Overall Satisfaction	Do not have depth knowledge about IndII. Just hold the current position for two months. Learning about IndII from its website and its really helpful. Needs more involvement. Hoping that IndII assistance around IRMS (data base system) could be applied to support the tasks of sub-directorate policy and strategy in terms of formulating road provision policy. Currently the system is not fully utilised – many works still done manually and time consuming. In regards with the placement of IndII unit within DGH, it is acknowledged as indispensable in order to create better coordination between IndII and DGH.
Capacity Building	At present, there is a huge gap of knowledge between senior and junior staff. Hence, capacity building for junior staff in a form of on-the-job training is very much needed. The main issue that needs to be enhanced is around road management. Have not seen capacity building occurring through IndII programme.
Partnership	<p>1. Internal</p> <p>Could not comment because do not recognize if there is an improvement upon internal partnership as a direct result of IndII. However sub-directorate of policy and strategy often being invited to attend IndII activities carried out by other sub-directorates.</p> <p>2. External</p> <p>Could not comment due to similar reason above.</p>

Questionnaire Section	Response Transcript
Policy Setting and Implementation	IndII has developed some recommendations for MTEF. In general, the recommendation is in line with DGH needs but do not have knowledge around whether those are adopted within DGH and what has changed.
Sustainability	IndII should place its management unit within DGH to create better coordination. However, it is difficult to place DGH staff or sub-directorate staff to work with IndII under the unit unless this staff is exempt from his/her routine tasks.
Conclusions	Would like to have more 'applicable' assistance in which the results could be directly applied (e.g. IRMS). IndII needs to do more work with middle and low level DGH staff and reduce dependence on the presence of senior management.

Questionnaire Section	Response Transcript
Background and Context	The sub-directorate is working with IndII for the programme of Subnational Road Maintenance. Coordination with IndII-LAU in terms of this programme has been running well, primarily during programme preparation. IndII had presented their plans to work in road maintenance area at subnational level and the sub-directorate had given some inputs to refine the ToR, but were not involve in design development. As per request, the sub-directorate has also facilitated the coordination between IndII and Lombok government as the targeted province. Grateful with IndII assistance in this area (road maintenance) as it is deemed in line with GoI target to have 60% stable subnational roads in 2014.
Key Achievements	LAU within DGH is a must. It is important for DGH and IndII to always have coordination without the hindrance of distance and time for the smoothness of a programme. LAU have played a big role in the programme preparation through formal and informal meetings with DGH staff. It is acknowledged that informal approaches during programme preparation likely to have significant contribution towards the success of programme acceptance (up to 90% if it is quantified).
Key Challenges	LAU is still on the right track. No major improvements required.

Questionnaire Section	Response Transcript
Overall Satisfaction	Satisfied with the presence of LAU to manage IndII programmes within DGH. Also satisfied with IndII programme as a whole. Specific to Road Maintenance programme, it is important for IndII to avoid the approach WB used in 2005/2006. The WB was giving assistance on how to plan, design, and budget road maintenance programmes but failed to turn the theories into practice because the fact is districts experience budget shortcomings to fund their road programmes. The answer of this problem should not be how to prioritize a programme because all programmes must be delivered, but how to find other funding sources to fill the gap. The planned IndII programme on Hibah for road maintenance is deemed as an appropriate approach to resolve the problem.
Capacity Building	No capacity building evidenced as a result of IndII programme or LAU existence.
Partnership	<p>1. Internal</p> <p>No evidence of improving internal partnership.</p> <p>2. External</p> <p>Good coordination has been established between IndII and sub-directorate. Head of Systems and Data Development section is involved in field monitoring. No evidence of external partnership with other agencies built by IndII for this sub-directorate. The sub-directorate facilitates coordination with subnational level, not otherwise.</p>
Policy Setting and Implementation	No evidence of policy influence just yet but if IndII runs Hibah programme for road maintenance in the next phase, there will be significant contribution around policy setting.
Sustainability	As previously mentioned, a unit needs to be placed by IndII in DGH to manage programmes, coordination, discussions, to ensure the smoothness of the programmes. In the future, it will be good if DGH staff could have more involvement in this unit to enable knowledge transfer.
Conclusions	LAU presence is good to establish better coordination between IndII and counterpart in running the programme. Need to have the involvement of DGH staff in the unit.

Questionnaire Section	Response Transcript
Background and Context	LAU provides a centralised point and offers some form of stability for mobile consultants. DGH happy to see LAU as an outpost of IndII – “recognition of partnership.” Offers a bridge between IndII and DGH.
Key Achievements	Consultants are based within DGH and have good linkages with DGH counterparts.
Key Challenges	No one in IndII has really explained the management structure – who do you have to report to? Have not been clear entirely on the role of LAU. Balance is not specifically right – need a greater mix of technical and management experience. Current workloads are too high. Administrative tasks are high and often limited time for professional interaction.
Overall Satisfaction	
Capacity Building	Very difficult to shake the current management functions and responsibilities. Consultants bought in for specific activities should be the main focus of capacity building. Advisory support is not the main function of LAU – too busy to effectively plan and implement capacity building.
Partnership	<p>1. Internal</p> <p>Need extra support and resources. Different personalities required to strengthen partnerships and coordination into the future. More interaction and engagement with stakeholders. Reduce management functions and burdens. Resource requirements. Need to bring all the consultants together rather than having some on site and others off campus.</p> <p>2. External</p> <p>Same issues above apply but efforts made in particular areas to strengthen coordination and partnership with external parties and stakeholders.</p>
Policy Setting and Implementation	Systems and processes suitable for my work. LAU part of the IndII administrative process – as IndII has grown, more systems and administrative tasks have emerged. In some instances – the systems and processes have “become the blockage and problem themselves.”
Sustainability	Hard to see the LAU extending in its current form beyond IndII. Basically designed to perform a function within the existing IndII structure.

Questionnaire Section	Response Transcript
Conclusions	With the growth of IndII, the growth of LAU has grown as well. The future is to provide more technical support and advice – enable a broader engagement and relevance to DGH – mixture of management and advisory functions. There is skilled and technically competent staff in DGH who could engage in a future LAU.

Questionnaire Section	Response Transcript
Background and Context	
Key Achievements	Very close working relationship with DGH. Close linkage to discuss needs and interact – has made consultant's tasks easier in the main. Good interaction with working elements as activities move. Road maintenance work going well due to interaction of counterparts, however struggling with network planning aspects – less 'buy in'. Use of experienced consultants has helped.
Key Challenges	Need better liaison and consultation with top echelons. IndII activities occurring in parallel to what DGH is actually doing. Issues arriving on an ad hoc basis – could be better managed with closer relations at the senior levels. Example – first stage of MTEF – LAU only marginally involved.
Overall Satisfaction	Managing activities could be done better through more consultation and communication with higher levels on a regular and timely basis. Possibility for LAU to develop a more 'advisory' role but the right skills are required. Advisory okay to a point but need to focus attention at the right level
Capacity Building	Difficult for LAU to undertake capacity building with its current workload. Need to have the right person to undertake the capacity building. A model around advisory support would work into the future – effort to combine technical and management experience.

Questionnaire Section	Response Transcript
Partnership	<p>1. Internal</p> <p>Could definitely be improved. Absence of regular meetings with higher echelons an inhibiting factor in management and not getting an integrated view. New DG not really interested in IndII work – needs to be consulted. Good to focus on Director of Planning. Need to raise profile of work portfolio and disseminate results.</p> <p>2. External</p> <p>IndII perceived as quite standoffish with other donors. Need to maintain contact and keep the door open and establish links – particularly at subnational road strategy – link with other provincial activities. Higher level partnership and interaction.</p>
Policy Setting and Implementation	Good systems and processes in place
Conclusions	Set-up regular meeting and oversight – formal structure – need to be involved as part of Steering Committee. Useful to have bought Andrew Whillas in to review and comment on technical aspects. Need better follow-up communication with consultants when not in country – keep informed on important decisions related to activities.

Questionnaire Section	Response Transcript
Background and Context	With Performance Based Budget provided by Directorate General of Highway, it makes Directorate General of Highway consistent with performance that was already promised, such as good performance of National Road by the end of 2014, must achieve more than 94 % for Provincial Roads and also more than 60% for Local Road, Road Safety and others. In reality, it difficult to achieve that target because of early problems that come from overload, quality of design that is not good, poor quality of construction, road safety that has been neglected, and others. Problem that must be solved to make system improvement; it starts from programme, to design, construction and also operation and maintenance, so that road quality will satisfy the customer.

Questionnaire Section	Response Transcript
Key Achievements	In concept, road safety handling already applied, but for system design is not applied yet.
Key Challenges	System Programming, design, construction, and also systems operational and maintenance that are qualified, so that will not make early problem that are a challenge for DGH in the future. For IndII, we expect to participate also to solve the problems. With good quality of road maintenance, customer satisfaction will be achieved including road safety for the user.
Overall Satisfaction	We want IndII to give concrete steps, such as: to help us compiling Technical System Design, System Programming especially for Provincial Roads and Local Roads, maintenance system with Performance Based and Maintenance Contracts, including training preparation that we are compiling now. If this is a success, Road Safety will be automatically become a success.
Capacity Building	Road safety IndII is already involved a lot but for not yet in other areas. We have already suggested to IndII to give us input for the problem that we mention above, but this is not operational yet. Especially for Safety Workshop Training already make by IndII but for the other, we please ask IndII to assist with Programming Workshops, technical design, operational systems, and maintenance problems, so that we can accelerate programme that we currently do. In general, we are capable of solving these problems, but because of limitations of budget and experts, progress is slow, and on the other hand, the community already need this as soon as possible. Concurrently with Bureaucracy Reformation that will be adopted in DGH in 2012. In 2011, we are formulating the concept, so that when we apply it in 2012, we can achieve well. We hope so, because in DGH there have already been changes made, such as: Performance Contract with the Applicator, and others. In general, we have already made changes, such as: maintenance handling and design, etc. We are inviting LAU to handling improvements that we made also.
Partnership	<p>1. Internal</p> <p>General partnerships have been made</p> <p>2. External</p> <p>Particularly in the road sector. Limited opportunity for ongoing partnership.</p>

Questionnaire Section	Response Transcript
Policy Setting and Implementation	Overall, LAU support is already good enough, especially in road safety and input for road design and Performance Maintenance based contract, but for the latter, IndII not optimal yet. In the future, we hope IndII will also participate for this case. Basically, here IndII has already motivated us to accelerate a programme as suggested by Directorate General of Highway, so that when it runs, we will be able to operate by ourselves. We are currently considering strategies to increase performance further based on LAU guidance.
Sustainability	It needs monitoring as to whether the results are good; for this task IndII needs much longer.
Conclusions	We expect IndII not only to work for road safety, but also for other improvements. We expect IndII also to participate to make improvements in system design, maintenance systems, and others. Now, we work for reformation so that in the future, we will not meet early road problems and road performance will become better.

Questionnaire Section	Response Transcript
Background and Context	Very good impression of IndII and the support provided. Strong engagement around road activities and development of appropriate standards. Professional management of the suite of activities under their management. Working with roads, road safety and PBB – but need to focus more attention on programme budgeting and linking to Performance Based Contracts (PBC) We need to know how to develop budgets to support road maintenance and need better planning and relevant tools to support this
Key Achievements	IndII support key activities but need to consolidate focus – performance budgeting, contracting and development of appropriate design standards.
Key Challenges	Constrained by budgets and limited planning around roads. Also lack of consistent design standards.

Questionnaire Section	Response Transcript
Overall Satisfaction	<p>Very happy with work to date: Key areas for focus into the future:</p> <ol style="list-style-type: none"> 1. Budgeting and planning 2. Development of a RAMS systems and general improvement in data collection, analysis and presentation 3. Prioritisation of road conditions and maintenance based on the data - "Hard to do this based on budget arrangements." 4. Shift towards more Performance Based Contracting (PBC) – New Presidential Decree 5. Standards for roads – need to adopt to Indonesian conditions
Capacity Building	<p>Follow regulations – 22/2009, 38/2004 and 34/2006 – once we have systems in place – codes, standards etc. we can then receive more formal training on how best to approach and implement these standards. No formal capacity building yet. We need the systems in place first</p>
Partnership	<p>1. Internal</p> <p>Good coordination but more required based on the systems and processes to be developed.</p> <p>2. External</p> <p>As we move towards PBC – need to engage more with external donors to ensure standards are used and agreed upon and other donor funds are aware of these.</p>
Policy Setting and Implementation	<p>IndII is a large programme and we need support for systems on 'how to make a road', very clear criteria and design standards. "The regulations are in place." Policies on data collection and data use are required – recording conditions and highlighting 'what you have done' part of the overall QA process. Recommendations linked back to PBC. Avoid policies around implementation but rather look at standards, bidding, design and contractual activities. "Planning, programming and budgeting" - These are the priority areas.</p>
Sustainability	<p>Sustainability can be achieved. Need to get the systems and processes right rather than focus on the actual road infrastructure.</p>
Australian Identity	<p>Yes</p>

Questionnaire Section	Response Transcript
Conclusions	We want to see LAU continue – Australia has many similar conditions and good standards and we need to learn from these experiences. We have good management in DGH and we need to strengthen that around the Govt. Regulations and proposed standards. Ultimately we “need support around the implementation of regulations”.

Questionnaire Section	Response Transcript
Background and Context	Working in partnership with IndII in a number of areas – PBB, MTEF, Road Network and Road Safety. Liaise directly.
Key Achievements	LAU very helpful. MTEF is now being applied and commenced bureaucratic reforms.
Key Challenges	Need to have more analysis and detail in our work – particularly for RMP and Kabupaten/Provincial Roads.
Overall Satisfaction	Very satisfied with IndII and LAU.
Conclusions	Key issues for consideration into the future: 1. Road Network – need to adapt analysis to local conditions – link with MoT Master Plans and connectivity issues; 2. How to improve level of services of public – through provision of infrastructure; 3. Follow Presidential Directions – economic development – Six Corridors. Technical support is critical moving forward – two areas – 1. Performance Based Contracts – link to Indonesian context; and 2. Kabupaten and Provincial Roads – financial aspects how to increase and prioritise budgets for roads.

Questionnaire Section	Response Transcript
Background and Context	IndII offers an approach that is different to traditional technical assistance – unlike other donors. They have strong interactions, share ideas and promote a sense of belonging. They sit with us. This has never been done before in DGH.
Key Achievements	They are very active in their role as facilitators and very successful in bringing people in to decision-making. A new paradigm. LAU and IndII are able to source very strong candidates for assistance – internationally the best people. "The interaction is there, they are not just consultants."
Key Challenges	IndII needs to provide its communication material to a broader audience – key stakeholder should be Ministry of Economic Affairs – share information more broadly. Need to expand communication to influence policy and decisions at the national level. Not just at the Ministerial level.
Overall Satisfaction	IndII is support processes and programmes aligned to the needs of DGH. IndII is doing their job properly – supporting us and not interfering with us. Generally there is suspicion with donors but IndII works with DGH – concerned about issues and have high acceptance based on trust. IndII does not have vested interests like other donors. IndII moving to second floor was indication of the commitment and recognition of LAU/IndII – seen as a formal part of DGH.
Capacity Building	Strong example is the study tour to South Africa. Before DGH was focused on yearly budgets – study tour facilitated by IndII enabled us to have a strong input into PBB and we were a pilot project. Now we are developing multi-year budgets.
Policy Development	IndII introducing new ideas to DGH – particularly incentive based schemes (e.g. Hibah systems for roads). A partnership with DG/MoF and IndII. Procurement of activities – LAU has asked DGH to be part of the committee – DGH nominated as contact point and easy to get access and acceptance. Road Safety is a good example of new policies being developed as a result of IndII support – development of an Alumni for Road Safety
Conclusions	Need to consider social aspects of our infrastructure. Calculate social costs/benefits as part of our designs, tendering, standards and processes. Don't change the team – can't expand too much further or do much more with the current workload. People are also too busy in DGH jobs to actively participate. However room to engage to have people involved to strengthen capacity around procurement, contract management and process development. Domestic training and capacity building – have national staff working alongside international experts.

Questionnaire Section	Response Transcript
Background and Context	<p>Activity is providing support of Kabupaten road network – road maintenance and management planning. Three main features – 1. Road Policy statement and technical guidelines; 2. Procedures for planning and road maintenance; 3. Pilot programmes - trial demands on the network – development of the maintenance programme – funding options for stakeholders.</p> <p>Policy – owned by the government and cannot be created in a vacuum – ownership at different levels of government also linking in with funding mechanism options. Socialisation strategy important – how do you put a policy together? Steps of commitment – analysis, policy statement – workshop discussion and cooperation and commitment. Procedure of technical aspects follows this – institutionalization. Pilot programme – realistic assessment of need. Prioritise levels of work – package then trial locally – needs rigor to be tested – relationships at all levels of government. LAU is participating in this relationship building</p>
Key Achievements	<p>1. Cooperation with decentralized agencies – discuss and share visions and support appropriate policy, planning and funding options to meet DGH objectives. 2. LAU formal role in promotion of subnational road unit (SMRU) – formal unit within DGH. 3. Assist in meeting deliverables and targets – mobilisation of projects in the province.</p>
Key Challenges	<p>1. Ensuring formal status for SNRU going forward – has no sub-directorate. Needs better coordination. LAU needs to clarify their role with the SNRU. 2. Delivering activities in a short-time scale and procurement delayed – a big ask in the short timeframe – LAU is supporting. Objectives progressively met – big interest in rural roads – support agencies to help themselves – Hibah Grants for Roads? LAU is under pressure with communication – is client asking too much, give and take – identify issues early. Discuss issues to get the job done. “Regular meetings are required – face to face meetings on a regular basis.” LAU need to facilitate more meetings and discussions – let’s not be blasé about the work – “Don’t just rely on personal relationships.”</p>
Overall Satisfaction	<p>“Need flexibility for additional support if required.” “More about social economics than just engineering.” LAU is very passionate about providing support – motivation and drive – real interest in the process. Facilitation is provided – relationships are key – “need to have the right people” – history of involvement. Improved levels of access. Focus on content of work – ability to have and maintain the relationship. LAU available and on call to have discussions and maintains flexible approach. “Everyone has a contribution to make and people need to be sensible about what can be achieved in the timeframe.”</p>

Questionnaire Section	Response Transcript
Capacity Building	With technical assistance you need to get the right mix - output driven activities a risk. "Balance between the sharp end and what we are doing.' Hard to measure effectiveness and efficiency. Need to provide practical specialized work. There is a danger in being general. A resource base is being developed that provides the necessary support. Training and capacity building – need to make it relevant and proactive. Option is a 'Capacity Building Activity' provides an open door and flexible fund policy to support priority capacity building activities. Communication to team on how it could work – need to get the right people – Virtual Unit and support – recognition of need. Need to support the use of government systems.
Partnership	<p>1. Internal</p> <p>People need confidence to talk to Directorates – need to bring people together. Time is required as people need to be informed and interaction is required. Concept of 'spinning out' - engage with others outside the Directorates but work through existing systems. Most important that we have people working with people rather than 'Units' working together. Coordination with LAU – meetings between professionals, need balance in terms of time and issues, regular meetings are good but not just to chat we need agenda and formal structure.</p> <p>2. External</p>
Policy Setting and Implementation	See notes above – policy developments.
Sustainability	Need effective policy and regulations to support. Activity 176.201 – developing policy sustainability, DGH recognition. Need to think where knowledge and experience will reside. Who is coordinating? Policy and research unit? Need to keep in mind that DGH is quite capable and has systems and processes in place. Adjust support for policies – focus on developing systems and regulations to implement – not just design and build. Already localized – need to know how it works and where it will apply.
Australian Identity	Yes
Conclusions	Formal communications are key – where are we, where are we going. Need to involve our local teams. Understand government functions and their role – look at strengthening systems. Government – need support to keep them on the right track and have input where required and asked.