

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has been one of Indonesia's main development partners supporting the Ministry of Public Works and Housing (MPWH) in the water resources, roads, and water supply and sanitation sectors. Other development partners engaged with the MPWH in these sectors are Agence Française de Développement, Export-Import Bank of China, Government of Australia's Department of Foreign Affairs and Trade (DFAT), Islamic Development Bank, Japan International Cooperation Agency, Korean International Cooperation Agency, United States Agency for International Development, and the World Bank. Table 1 below highlights development partner activities in these sectors.

2. The proposed Accelerating Infrastructure Delivery through Better Engineering Services Project (ESP) has benefited from the experiences of DFAT's comprehensive infrastructure sector partnership with the MPWH. DFAT's engagement in infrastructure has been active mainly through its (i) \$300 million East Indonesia National Road Improvement Project, 2005–2015; and (ii) the Indonesia Infrastructure Initiative (IndII), which focuses primarily on water and sanitation and transport sector issues (with particular attention to roads, ports, urban mobility, and multimodal connectivity). The new policies, approaches, and standards developed under the IndII for the national road sector were mainstreamed in the ESP's design. Implementation of the ESP will be also closely coordinated with the IndII given the linked institutional strengthening and capacity building agendas (especially in the national roads and water supply and sanitation sectors) of the IndII's phase 2 and the ESP.

Table 1: Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Agriculture, natural resources, and rural development			
ADB	Integrated Citarum Water Management Investment Program, Project 1	2009–2016	53.3
	Participatory Irrigation Sector Project	2004–2014	74.0
	Flood Management in Selected River Basins Sector Project	2016–2022	67.3
	Rural Infrastructure Support to the PNPM Mandiri Project	2008–2011	50.0
	Rural Infrastructure Support Project	2006–2009	50.0
World Bank	Water Resource and Irrigation System Management Program 2	2013–2016	150.0
	Water Resource and Irrigation System Management Program 1	2005–2013	70.0
	Jakarta Urgent Flood Mitigation Project	2012–2017	139.6
JICA	Dam Operational Improvement Safety Project	2009–2013	50.0
	Medan Flood Control Project	1998–2009	78.8
	Water Resources Existing Facilities Rehabilitation and Capacity Improvement Project	2003–2011	140.0
	Lower Solo River Improvement Project	2005–2015	89.0
	Urgent Disaster Reduction Project for Mount Merapi/Progo River Basin and Mt. Bawakaraeng	2005–2017	156.5
	Integrated Water Resources and Flood Management Project for Semarang City	2006–2015	111.5
	Participatory Irrigation Rehabilitation and Improvement Management Project	2008–2013	117.2
	Decentralization Irrigation System Improvement Management	2008–2013	85.4

Development Partner	Project Name	Duration	Amount (\$ million)
	Project in East Region II		
	Urban Flood Control System Improvement in Selected Cities	2009–2014	71.3
	Countermeasure for Sediment in Wonogiri Multipurpose Dam for Reservoir	2009–2014	57.7
KOICA	Rehabilitation of Nine Citarum Tributaries	2011–2013	44.0
	Flood Warning Early System Development in the Upper Citarum River Basin	2015	1.0
Export-Import Bank of China	Construction of Jatigede Dam	2007–2013	215.6
Transport			
ADB	Road Rehabilitation (Sector) Project	2000–2007	243.0
	Second Road Rehabilitation Project	2005–2010	215.8
World Bank	Sumatra Region Roads	1998–2005	219.3
	Eastern Indonesia Region Transport Project	1999–2006	262.0
	Second Eastern Indonesia Region Transport Project	2004–2011	296.2
	Strategic Road Infrastructure Project	2006–2013	287.0
Government of Australia's DFAT	Western Indonesia Road Infrastructure Project	2011–2018	A\$300.0
Water and other urban infrastructure and services			
ADB	Urban Sanitation and Rural Infrastructure Support to PNPM Mandiri Project	2011–2015	100.0
	Neighborhood Upgrading and Shelter Sector Project	2004–2010	88.60
	Metropolitan Sanitation Management and Health Project	2010–2015	35.0
World Bank	National Community Empowerment Program in Urban Areas for 2012–2015	2012–2015	500.0
	Local Government and Decentralization Project	2010–2014	220.0
	Third National Program for Community Empowerment in Urban Areas	2010–2013	217.5
	Jakarta Water	2007–2013	5.00
	Indonesia Slum Alleviation Policy and Action Plan	2010–2015	0.46
	Urban Sector Development Reforms Project	2005–2013	57.00
JICA	Infrastructure Reform Sector Development Program III	2011–2016	83.0
	Urban Flood Control System Improvement in Selected Cities	2009–2014	75.0
	Regional Solid Waste Management for Mamminasata	2010–2014	35.0
	Construction of Jakarta Mass Rapid Transit System Project	2009–2019	482.0
Government of Australia's DFAT	Indonesia Infrastructure Initiative Facility and Indonesia Infrastructure Support Trust Fund	2008–2015	17.00
	Water and Sanitation Formulation and Action Plan Planning Facility	2009–2013	10.00

ADB = Asian Development Bank, DFAT = Department of Foreign Affairs and Trade, JICA = Japan International Cooperation Agency, KOICA = Korean International Cooperation Agency, PNPM = Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment).

Source: ADB.

B. Institutional Arrangements and Processes for Development Coordination

3. Development partner coordination in the water resources, roads, and water supply and sanitation sectors is mainly conducted at the project level with the objective to exchange views on key policy issues, review best practices, share lessons, and coordinate on ongoing and future projects and programs to avoid conflicts and duplication. Recently, the development

partners agreed to jointly approach the MPWH to reactivate the water resources development partners' coordination group. In the urban development sector, coordination with development partners is guided by the National Urban Development Coordination Team chaired by the National Development Planning Agency (BAPPENAS). At the sector strategy and operation programming levels, all development partners coordinate with the relevant sector directorates and the directorates of multilateral and bilateral funding of BAPPENAS, and the Ministry of Finance's directorate of loans and grants.

C. Achievements and Issues

4. Coordination with development partners took place at the country programming level as well as during ESP preparation through individual and collective meetings with such development partners as the Agence Française de Développement, Government of Australia's DFAT (and DFAT-funded IndII), Japan International Cooperation Agency, KfW, Swiss State Secretariat for Economic Affairs, and the World Bank. Coordination with DFAT also helped to finance three individual consultants to support the MPWH with ESP coordination and implementation, including on quality assurance during the selection and management of project preparation consulting firms under the panel arrangement.¹ The coordination with development partners has facilitated a common understanding and support for the ESP's rationale and design features, including the panel arrangement for consultant selection.

D. Summary and Recommendations

5. The coordination with development partners will continue during ESP implementation to support coordinated policy advice as well as timely involvement of development partners in preparation of projects. This will promote proper mainstreaming of the concerned development partner's economic, fiduciary, safeguards, and other requirements in the work of the ESP-financed consultants, ultimately resulting in timely provision of Official Development Assistance funding for the infrastructure projects in question. In the road and wastewater sectors, close policy and project coordination will continue with DFAT, including through participation in sector-wide coordination platforms led by the MPWH's directorates general on highways and human settlements. The coordination will take place through (i) meetings during the project administration missions, and (ii) participation in project, policy, and other stakeholder consultation events and discussions.

6. In the road sector, the ESP will capitalize on the policies and tools developed under the IndII, such as national highways construction and maintenance standards, technical and financial audits, and national road master planning tools. The ESP will closely coordinate with DFAT and the IndII by (i) providing joint policy advice, and (ii) setting up a coordination arrangement between the IndII and the project management consulting firm that will be recruited under the ESP to support the Directorate General of Highways in ESP implementation. The ESP will try to participate or establish (if absent) effective development partner coordination platforms at the MPWH's directorates general of human settlements and water resources.

¹ ADB. 2013. *Technical Assistance to Indonesia for the Sustainable Infrastructure Assistance Program*. Manila. This technical assistance cluster amounting to A\$20 million is financed by the Government of Australia, through the Department of Foreign Affairs and Trade, and administered by ADB (C-TA0013-INO).