



Terms of Reference: Completion evaluation of the Eastern Indonesia National Roads Improvement Project (EINRIP)

Introduction

The Eastern Indonesia National Roads Improvement Project (EINRIP) provided over \$330 million in support for twenty major road and bridge construction packages. After almost 10 years under implementation the project concluded in September 2015. The Department of Foreign Affairs and Trade (DFAT) will undertake an independent completion evaluation of EINRIP in order to assess performance and document achievements and lessons learned.

Evaluation purpose

It is anticipated that this evaluation will help distil and disseminate valuable learning that can inform;

- › The approach taken by other Australian aid investments in infrastructure in Indonesia and beyond, and;
- › Current thinking within DFAT about the potential for the expanded use of loan financing.

The evaluation should also help guide the ongoing implementation of DFAT's recently released 'Strategy for Australia's Aid investment in economic infrastructure'. In particular the evaluation is expected to provide insight into focal areas such as project preparation, regulatory reform, safeguards and leveraging private sector finance as opposed to the direct funding of infrastructure.

Evaluation timing should facilitate the integration of key lessons from EINRIP into the design of a new Indonesia infrastructure program scheduled to commence in Quarter 3 of 2016.

Background and context

The Eastern Indonesia National Roads Improvement Project was established in 2006 as part of assistance to the Government of Indonesia (GoI) under the Australia Indonesia Partnership for Reconstruction and Development. EINRIP provided a highly concessional loan of A\$300 million alongside \$36 million in grant financed technical assistance for the reconstruction and improvement of national roads and bridges. EINRIP helps to promote economic and social development in Eastern Indonesia through the provision of twenty major road and bridge packages across nine provinces, totalling around 395km of roads and 1,300m associated fabricated steel bridge structures.

EINRIP's primary objective, as stated in the loan agreement, is "to support regional economic and social development in Eastern Indonesia by improving the condition of the national road network". This is complemented by secondary objectives associated with improving the quality and longevity of roads and building institutional capacity within partner agencies. In this manner EINRIP aimed, beyond the individual packages it financed, to make a broader contribution to Indonesian road and bridge construction practice.

To support these objectives, and maximise value from the loan funds provided, EINRIP was designed to incorporate a number of important features, summarised below:

Loan funds:

Loan financing provided funds for civil works associated with major road and bridge construction packages and the provision of implementation support. The EINRIP loan was managed through Gol systems with the Directorate General of Highways (DGH) of the Ministry of Public Works and Housing (MPWH) fully responsible for the management of all civil works contractors and engineering supervision consultants. In addition to civil works the loan funds financed:

- › Project Management Support Consultants (PMSC) who assisted the Project Management Unit (PMU) to execute project administration, coordination, monitoring and reporting functions.
- › Regional Supervision Consultant (RSC) who supervised civil works consistent with the role of ‘Engineer’ under a FIDIC*-type contract. The RSC ensured that contractors deliver work to specifications and correctly carry out quality control tests on materials and workmanship. The work of the RSC was monitored by the PMSC.
- › Procurement Advisory Services (PAS) consultants who helped ensure that procurement and award decisions were undertaken in accordance with agreed procurement guidelines (World Bank guidelines were adopted).

Grant Funds:

EINRIP grant funds were administered by DFAT (formerly AusAID) who engaged the services of managing contractors to support the following functions;

- › Project Preparation Consultants (PPC) were engaged by AusAID to undertake project preparation including development of Final Engineering Design (FED) for 24 separate road project packages. PPC also undertook some quality monitoring and evaluation.
- › Program Safeguards: environmental and social safeguards (ESS) were prepared and adopted by GOI, as was an anti-corruption action plan (ACAP). The ESS and ACAP mirror those applied to World Bank loan programs and were monitored throughout implementation.
- › FIDIC based contract was adopted, DGH delegated authority to the Team Leader of the RSC as “the Engineer” under the FIDIC-based general conditions of contract as used by the multilateral development banks (MDBs).
- › Independent technical and financial audits (TFAC) were used to help ensure the delivery of quality infrastructure. TFAC Auditors were contracted directly to DFAT.
- › Road safety audits were conducted for all packages to help ensure that EINRIP roads were properly designed and built to appropriate road safety standards. Audits were undertaken at both design and construction stages.
- › HIV/AIDS awareness campaigns were conducted by a local NGO at each DGH project site throughout the construction period.
- › Monitoring and evaluation (M&E) program included the regular collection of road and traffic data, and to a lesser degree information on social and economic variables, before, during and after road construction. Data was also collected for a number of ‘control’ roads which were not subject to EINRIP assistance.
- › EINRIP monitoring unit (EMU) provided ongoing internal technical and administrative support to DFAT and monitored all aspects of EINRIP.

Evaluation scope

The evaluation will provide a summative assessment on the performance of the Eastern Indonesia Roads Improvement program at completion. In doing so it will draw upon previous studies including; the independent Completion Report on the EINRIP Project Preparation Consultant (PPC), the EINRIP independent progress review and the Australian National Audit Office (ANAO) Report on AusAID’s Management of Infrastructure Aid to Indonesia. This will be accompanied by analysis of the cost, technical and socio-economic data gathered under the project’s M&E system. EINRIP adopted a comprehensive approach to data gathering and the evaluation intends to make

* International Federation of Consulting Engineers.

maximum use of this. Finally the evaluation will utilise a series of targeted semi-structured interviews to help assess the sustainability and effectiveness of the project's capacity building activities.

The evaluation team will spend up to 14 days in Indonesia to meet with key DFAT staff at post, those within the DGH and other key stakeholders. Limited field work to 2 -3 EINRIP road locations will be undertaken to verify information from interviews and documentary sources and gauge perceptions of road users.

As this is a completion evaluation the team will focus upon the identification of lessons of potential broader relevance, rather than specific targeted recommendations. It is anticipated that, in equal measure, EINRIP's achievements and disappointments will prove instructive. The primary intended users of this evaluation are the DFAT infrastructure thematic group, infrastructure teams and DFAT Indonesia program staff. It is also expected that GOI partners, including , Ministry of Public Works and Housing (MPWH), DGH, Bappenas and the Ministry of Finance will find the evaluation useful as will the multilateral development banks.

Key Evaluation Questions

Was EINRIP effective in the achievement of intended outcomes?

1. To what extent does the physical infrastructure and capacity gains established through EINRIP reflect those outlined at project inception?
2. What were the positive and negative, intended and unintended consequences associated with EINRIP?

Did EINRIP positively influence the approach the Government of Indonesia now takes to road infrastructure?

3. To what extent did EINRIP, either through targeted institutional strengthening actions, or by virtue of a demonstration effect influence the road construction practices employed by DGH on its general road construction activities?

Does EINRIP represent value for money, both relative to the quality of roads constructed and the institutional gains made?

4. Was the modality (mix of loans and grant TA) relevant to intended EINRIP outcomes?
5. What are the early indications as to the sustainability of both EINRIP supported institutional capacity and completed roads and bridges?
6. Do EINRIP roads represent value for money? Taking into account any increases in traffic volumes have the additional costs associated with project preparation and higher quality standards been effectively offset against levels of required maintenance expenditure and other economic benefits (e.g. reduced vehicle operating cost)?

Did ENRIP road packages take adequate account of cross cutting issues.

7. Did the design and implementation of EINRIP take adequate account of needs of women as road users and facilitate their involvement in project delivery?
8. Were other key safeguard and cross cutting issues, such as resettlement, road safety, environment, HIV/AIDS, given appropriate attention?

Evaluation methodology

The evaluation methodology will be developed in consultation with the DFAT Indonesia program and outlined in an evaluation plan. It is likely that the evaluation process will include:

- a. Initial team briefing provided by DFAT Indonesia and the Canberra Infrastructure Officer (by phone) to the evaluation team to highlight key priorities and expectations of the evaluation team and provide relevant documentation.

- b. Desktop review of documentation relating to EINRIP, the Australian aid program to Indonesia and the infrastructure sector. The evaluation team may identify documents additional to those provided by DFAT for inclusion in the desktop review. See annex two for an initial list of key documents.
- c. In-country DFAT briefing session in Jakarta at the start of the in-country field visit
- d. Internal stakeholder interviews including relevant DFAT staff (former and current) both in Canberra and in Indonesia. See annex one for initial list of DFAT stakeholders.
- e. External stakeholder interviews including meetings with key staff (former and current) in DGH, MPWH and relevant consultants and contractors. See annex one for initial list of external stakeholders. DFAT Indonesia will provide the evaluation team with the names, positions and contact details of all key stakeholders.
- f. Field visit to a small number (2-3) of project's sites selected according to criteria outlined in the evaluation plan.
- g. Aide memoire outlining the evaluation team's initial impressions and highlighting key lessons identified.

Evaluation timetable

Timeframes are as follows;

Date	Task
9 -20 May 2016	Evaluation field work in Indonesia
Friday, 3 June 2016	Submit draft evaluation report for review and comment
Friday, 17 June 2016	Deadline for receipt of feedback on evaluation report
Friday, 1 July 2016	Submit final evaluation report to Indonesia program for management response
Friday, 29 July 2016	Deadline for receipt of management response
Friday, 5 August 2016	Finalisation of 4 page brief
Friday, 19 August 2016	Publication of report & management response on DFAT website
Friday, 2 September 2016	DFAT seminar highlighting key findings and recommendations

Key deliverables

The evaluation team will provide DFAT with the following reports:

- i. Evaluation plan – articulating key evaluation questions, methodologies to collect data, a timeline linked to key milestones, identification of key evaluation informants, proposed schedule for in-country field work and a detailed breakdown of responsibilities between team members. The evaluation plan should meet DFAT standards and be submitted at 14 days prior to the in-country visit for stakeholder consideration (20 pages)
- ii. Aide Memoire – the initial findings to be presented to DFAT and to key Gol stakeholders at the completion of the in-country mission (2 – 4 pages).
- iii. Draft report – including an executive summary (4 pages) that summarises findings of the evaluation; explores key issues arising from the project, and highlights critical lessons which can help improve the effectiveness of Australia's ongoing support for infrastructure in Indonesia. The report is to be submitted to DFAT (for immediate distribution to the Gol stakeholders) within 14 days after completing the field visit (24 pages plus annexes).
- iv. Final completion report – incorporating any agreed changes to be submitted within 7 days of receipt of feedback. The final report should provide a succinct and clear presentation of key findings and lessons learned. The report should meet DFAT's accessibility guidelines and otherwise be fit for publication. (24 pages plus annexes).
- v. Summary brief – an attractive summary brief, incorporating photographs and other images, will be prepared and distributed in hard copy to help disseminated the key findings and lessons from the evaluation. (4 pages)

Timeframes for all deliverables are dependent upon the provision of timely feedback to the evaluation team as specified in the above timetable.

Evaluation team and responsibilities

Team Leader and M&E specialist: The Team Leader must have extensive M&E experience, including leading independent evaluation teams. Relevant post graduate qualifications and sound knowledge of the Australian aid program in Indonesia are desirable. The team leader is responsible for the technical quality of the evaluation, and directing the preparation of all deliverables including evaluation plan, aide memoire, draft and final reports. The Team Leader is responsible for ensuring the consistency and quality of all evaluation products. He/she also leads on establishing in-country and field visit arrangements and liaison with DFAT Indonesia. ODE will nominate a team leader to the satisfaction of the Indonesia program. Total input = up to 35 days (see below).

Infrastructure specialist: The infrastructure specialist must have a relevant qualification, and 15 years or more experience working on infrastructure development programs, especially in transport sector and preferably through partner/government systems. Experience on DFAT development programs and an understanding of DFAT's contracting processes is preferred. The infrastructure specialist must have a demonstrated understanding of different aid modalities in the infrastructure sector, including policy and project preparation technical assistance and capital investments. A good understanding of the Indonesian context is essential as is experience in undertaking rate of return analysis. This position is categorised as a C4 on DFAT's Adviser Remuneration Framework (ARF). The infrastructure specialist shall work under the broad direction of the team leader and is responsible for, inter alia, investigation of issues relating to construction quality, value for money and compliance with relevant standards. The infrastructure specialist will be responsible for drafting agreed sections of the draft and final report. Total input = up to 30 days (see below)

Task	Team Leader Input (days)	Infrastructure specialist input (days)
TOR preparation	2	
Evaluation plan preparation	4	1
Desktop review	5	5
Travel (Australia- Indonesia return)	2	2
In-country briefing & DFAT interviews	3	3
External stakeholder interviews	3	3
Site visits (including travel)	4	4
Aide Memoire preparation	1	1
Draft report preparation	5	8
Final report preparation	3	3
Summary brief	3	
Total input	35	30

Management arrangements

The Office of Development Effectiveness (ODE) will partner with the DFAT Indonesia program in conducting this evaluation. ODE will provide a suitably qualified staff member to fulfil the role of Team Leader. ODE's involvement presents certain benefits including a sound understanding of DFAT's institutional context and the Australian Government's aid policy priorities. This is expected to help ensure that the evaluation process and report is of the utmost relevance to DFAT's needs. As with all other ODE evaluations the evaluation team will draw upon the advice of DFAT's Independent Evaluation Committee (IEC) which will formally review all deliverables. The IEC will play an important role in helping ensure the quality and independence of the evaluation. ODE will work with the DFAT Indonesia program to ensure that the review of evaluation products by all stakeholders is conducted in parallel, so as to not unduly complicate or prolong the evaluation process.

Given ODE's status within the department it is well placed to disseminate the findings and lessons emerging from this evaluation. A summary brief will be prepared to help make key messages more accessible for busy DFAT staff and managers. A short internal, or possibly external, seminar will be held to launch the evaluation, and stimulate discussion and reflection on the evaluations findings. Consistent with DFAT's evaluation policy ODE requires, as a condition of its involvement, that the final evaluation report be published, inclusive of DFAT's management response within a short period following finalisation of the evaluation report. ODE will fund all costs associated with the evaluation team.

The DFAT Indonesia program will also play an important role in commissioning and managing this evaluation. DFAT Indonesia will liaise with GOI counterparts and facilitate their consolidated input into all evaluation review processes within the timeframes specified. DFAT Indonesia will provide the evaluation team with ready access to all relevant documents and provide the team with comprehensive briefings upon inception and at commencement of the in-country mission. DFAT Indonesia will assist with all preparations for the in-country mission including the scheduling of appointments with stakeholders, organisation of accommodation and transport logistics and the provision of interpreters if required. DFAT Indonesia will assign a staff member with whom the evaluation team can liaise on all matters. DFAT Indonesia staff may accompany evaluation team members during field work and interviews but it is not anticipated that such staff will form part of the evaluation team. As program owner DFAT Indonesia will negotiate with ODE on these terms of reference in order to ensure that its needs will be met by this evaluation.

Annex One: Partner agencies and stakeholders

1. Directorate General of Highways, the Minister of Public Works and Housing
 - a. Director of Planning
 - b. Director of Region and Head of Balai where the EINRIP corridor exist
 - c. PMU and Satker Staff
 - d. PPK from selected packages
2. National Development Planning Agency (Bappenas)
 - a. Director of Transportation
 - b. Director of Bilateral Funding
3. Directorate of Financing and Risk Management, Ministry of Finance
 - a. Director of Loans and Grants
 - b. Director of Evaluations, Accounting and Settlement
4. Multilateral Development Banks (World Bank, ADB)
 - a. World Bank: Elisabeth (Lies) Goller, Transport Sector Specialist (and team)
 - b. ADB: Tony Gill, Country Specialist (and/or any relevant transport specialists)
5. PAS, PPC and RSC consultants
 - a. Hugh Brown, (former) EINRIP Monitoring Unit (EMU) Team Leader
 - b. Les Robertson, EMU Engineering Specialist
6. Related Contractors
 - a. John Lee, IndII Transport Technical Director, SMEC
 - b. David Foster, IndII Lead Adviser in Directorate General of Highways (SMEC) and former Team Leader of the PPC
 - c. Ted James, Team Leader for IndII National Roads Delivery Program (CARDNO), and former Team Leader of the EINRIP technical audit program (CARDNO), as well as heavily involved in the PPC
7. DFAT Indonesia
 - a. Counsellor Development Cooperation, Infrastructure Economic Governance
 - b. Transport and Infrastructure Manager
 - c. Senior Program Manager, Water and Sanitation and Infrastructure
 - d. Program Officer, Infrastructure
8. DFAT Canberra
 - a. Infrastructure Officer, Indonesia Desk

Annex Two: Key documents

1. EINRIP Loan Agreement
2. EINRIP Project Implementation Plan
3. EINRIP Project Management Manual
4. EINRIP Loan Implementation Progress Review (from EMU and PMU)
5. Independent Completion Report (ICR) for EINRIP Project Preparation Consultant (PPC).
6. EINRIP Implementation Progress Review (IPR)
7. The Australian National Audit Office (ANAO) Report on AusAID Management of Infrastructure Aid to Indonesia particularly related to EINRIP and Indonesian Infrastructure Initiative (IndII) implementation.
8. EINRIP Monitoring and Evaluation Report and dataset.
9. EINRIP technical lessons to improve preparation and implementation of future major road projects in Indonesia.
10. TFAC report from selected packages.
11. DFAT infrastructure sector strategy.