# Jabotabek Urban Development

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The JABOTABEK Urban Development project having a total project cost of US$274.5 million, was supported by Loan 2932-IND for US$150 million equivalent (approved in FY88). The loan was closed in FY97 two years later than scheduled, and US$1.3 million was canceled. The Implementation Completion Report (ICR) was prepared by the East Asia and Pacific Regional Office. A summary of the Borrower's report is included as an appendix.

The institutional objectives of the project were to: (i) support integrated infrastructure development planning and programming in the JABOTABEK region (which includes DKI-Jakarta, Bogor, Tangerang, and Bekasi) and urban transport programming in DKI-Jakarta; (ii) increase DKI-Jakarta's technical capabilities in preparing and implementing road construction, road rehabilitation and maintenance programming; (iii) improve traffic management in the region; (iv) improve Government's policies, operations, public transport regulation; and (v) prepare for future integrated development of the urban sector. Through physical improvements the project would (a) reduce traffic congestion in DKI-Jakarta, (b) improve pedestrian access and road safety, (c) introduce public transportation priority schemes, and (d) open up additional land for urban development in environmentally safe fringe areas. To achieve these objectives, the project comprised technical assistance, training and physical works.

The project achieved most of its physical objectives. The main road construction and junction improvements provided much needed increases in road network capacity. Although traffic congestion is still apparent in many corridors during peak-hour, traffic moves steadily albeit slowly. On the institutional side, the results were mixed: on the one hand, the project provided much needed training and technical assistance for project management and in general upgraded skills of the project staff; on the other hand, the project failed to develop an institutional framework to achieve its stated objective of developing an integrated infrastructure development planning and programming process in the JABOTABEK region. On land acquisition and resettlement, the project failed to meet Bank's requirement that no one would be adversely affected by the project. The re-estimated economic rate of return for sub-projects ranged from 54 to 110 percent; this was somewhat higher than the appraisal values of 45 to 102 percent for the same sub-projects.

OED rates the project's outcome as satisfactory, sustainablity as likely, institutional development as modest and Bank performance as satisfactory. These ratings are consistent with those in the ICR.

The key lesson from this project is that a JABOTABEK-wide urban transport organization would have been needed and should have been created to: (i) provide a forum for coordinating the decision making process of the different jurisdictions, institutions and interest groups concerned with the development of urban transport in the region; (ii) facilitate the planning, programming and financing of a multi-modal urban transport improvement; and (iii) integrate transport improvements with land-use development and environmental improvements in the region, including resettlement and land acquisition.

The ICR is satisfactory. But it could have been improved by a discussion of and ways to address the dysfunctions and lack of transparency in the existing institutional framework and organizational arrangements for transport in the JABOTABEK region.

The project is being audited along with four other transport projects in Indonesia.