

# **EINRIP Project Description**

## **EINRIP Overview**

AusAID, the Australian Agency for International Development, in partnership with the Government of Indonesia (GOI), administers the Australia Indonesia Partnership (AIP). The primary objective of the AIP is to support Indonesia's reconstruction and development efforts, both in and beyond tsunami-affected areas, through sustained cooperation focused on the Indonesian Government's programs of reform, with an emphasis on economic and social development. The Governments of Australia and Indonesia intend to commit AIP loan funds to the Eastern Indonesia National Road Improvement Project (EINRIP).

The major focus of EINRIP is those roads which have recently been reclassified as National roads, and which were previously Provincial or non-status roads, of which there are some 4,300 km in Eastern Indonesia. Other National roads and bridges are also candidates for inclusion in the program.

The Project will include:

- Betterment treatments including minor widening
- Bridge replacement or major repair as required for bridges on links for which betterment treatments have been identified
- A capacity expansion ('capex') project in Bali
- A separate steel truss bridge replacement program, with existing selected deteriorated bridges to be replaced by steel truss bridges, and associated works.

Project preparation, including all feasibility studies and final engineering design of identified works, is directly funded by Grant Funds from the AIPRD financing facility, and Project Preparation Consultants (PPC) are undertaking final engineering design of all road and bridge sub-projects. These Services are expected to conclude in late 2008.

The EINRIP Loan will provide for all civil works, and the procurement of steel truss bridges included in the project. It will also provide for Project Management Support Consultants (PMSC), Regional Supervision Consultants (RSC), and Procurement Advisory Services (PAS) during project implementation.

Project Monitoring and Evaluation will be undertaken by a separate consultant, directly employed by AusAID.

## **Important Features**

AusAID and DGH have worked effectively to include a number of important project design features in EINRIP, which are expected to result in substantial improvements in the effectiveness of project implementation, and the quality of completed works. These include:

1. Careful use of IRMS to identify priority betterment projects, including prior data collection to ensure IRMS fully up-to-date;
2. A corridor focus in the identification and selection of candidate projects, to ensure that all needs within a corridor are provided;
3. Environmental and Social Safeguards have been prepared and adopted for the project, and generally follow those used for similar projects funded by the World Bank;
4. Full final engineering designs are being prepared for all road and bridge projects, funded by AusAID. This is expected to both substantially improve quality and reduce overall project cost, by prolonging the life of the works;
5. The RSC Team Leader will be appointed by DGH as the Engineer for all Civil Works. This authority will be formally delegated to a Chief Supervision Engineer for each contract;
6. The RSC will prepare and implement a Quality Assurance Plan, which will be separately monitored by the PMSC. Independent Technical and Financial Audit programs will be conducted, directly funded by AusAID;
7. An Anti-Corruption Action Plan has been prepared and adopted by MPW, and will be actively implemented and monitored throughout the project;
8. Improved FIDIC-based Standard Bidding and Contract Documents have been prepared and translated to Bahasa Indonesia, and will provide greatly improved standards for subsequent DGH civil work contracts;
9. An improved Project Management Manual is being prepared, and will also be made available in both English and Bahasa Indonesia, for subsequent projects.

## **Program and Timing**

The work carried out under the Project Preparation of EINRIP commenced in March 2006 and is well underway. The identification of candidate subprojects for consideration in the program has been finalized, feasibility reports have been completed for the first Annual Works Program (AWP1), and are nearing completion for the remainder of the program. The preparation of the final design drawings and documents has been completed for the initial packages in AWP1 with the remainder of the designs for AWP1 anticipated to be ready for tender by

February 2008. Final designs of the remainder of the program for EINRIP are anticipated to be completed by the end of 2008, with tendering of the subprojects on a progressive basis during 2008, as designs and documents are completed.

Preparation of the Project Management Manual, for which completion and acceptance is a requirement for loan effectiveness, is at an advanced stage with the draft document to be completed by the end of September 2007. It is anticipated that the final document will be agreed and adopted in November 2007.

Procurement for the PMSC, RSC and PAS consultancies has recently commenced and it is anticipated that the consultants for each of these services will be in place by May 2008. One of the requirements of the loan agreement is that no EINRIP civil works contracts can be signed until the RSC is in place. Consequently the tendering of the first projects for AWP1 is likely to commence in November 2007, with procurement completed and contracts ready for signing soon after mobilization of the RSC.

The bridge replacement program which includes procurement of steel trusses for identified deteriorated or substandard bridges is anticipated to be finalized and agreed by the end of October 2007. Procurement for the trusses under a supply of goods contract will commence immediately thereafter with delivery of the steel trusses likely to occur in September 2008.

The projects included in AWP1 are those that have limited environmental and social impacts while those likely to have greater impact are included later in the program. Environmental and social studies are progressing on the AWP1 projects to ensure there is no delay to the implementation of the works. More detailed environmental and social studies are anticipated for some of the subproject in the remainder of the program and the PPC will procure, administer and monitor the services of outside consultants to carry out much of this work.