

East Java Provincial Infrastructure Strategy



Indonesia
World Bank; East Java Provincial Government

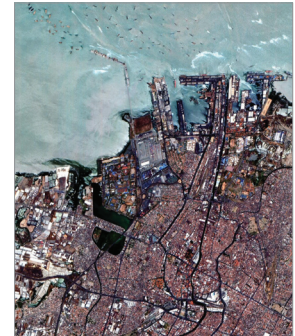
Issues The East Java Provincial Government (EJPG), with World Bank support, proposed extensive investments in strategic infrastructure to meet growing demands across the province caused by urbanization, industrialization, and widening disparities between more developed areas and lagging regions in the periphery. These demands are large and have been exacerbated by low levels of public and private investment in infrastructure since the Asian financial crisis in 1997. To guide these investments, the World Bank commissioned Chreed to prepare the East Java Provincial Infrastructure Development Strategy, the first of its kind in Indonesia.

Approach We began by analyzing key economic and demographic trends that led to current conditions and defining, using methods developed in our work in China, the provincial sub-regions as the principal functional territories that the strategy needs to serve. We defined how infrastructure conditions are causing problems that detract from meeting EJPG's regional development goals, and how infrastructure is constraining the realization of existing and latent development opportunities in the province. Goals and objectives were established in consultation with EJPG for the key infrastructure sectors to be initially targeted under the Strategy.

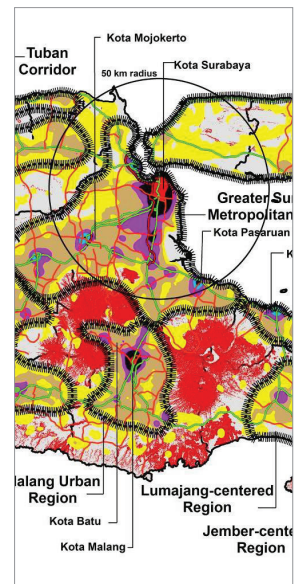
Five key types of intervention were defined for the provincial government: 1) improving developmental outcomes associated with infrastructure; 2) coordinating infrastructure development and management; 3) improving the equitable delivery of infrastructure services; 4) expanding infrastructure financing options; and 5) monitoring, evaluating, and reporting progress, especially to the public.

Detailed policies and actions were recommended to reduce travel-times to markets (through improvements to ports, roads, and transport services), meet growing energy demands, improve the management of East Java's water resources, and improve the living conditions in vulnerable communities in lagging regions.

Results The Strategy outlined an action plan to: rationalize the allocation of functional responsibilities related to infrastructure among governments and the private sector; improve coordination in the planning of infrastructure; better coordinate the delivery of infrastructure services; build accountability to customers and civil society; and improve efficiencies in the operation and management of strategic infrastructure. A \$15 billion capital investment program was prepared to 2030.

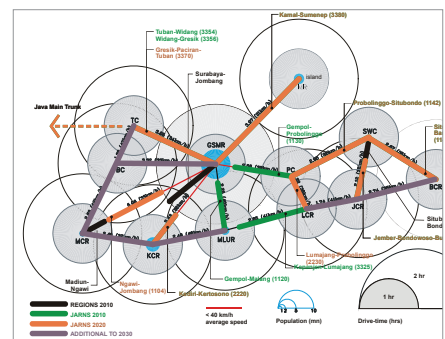


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- 01 Surabaya is the principal metropolitan region in East Java
- 02 Functional regions were defined across the province
- 03 A major element of the strategy is improving market accessibility across the province



03

2005-2006

Client:
World Bank: East Asia Infrastructure Dept.
East Java Provincial Government

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Project Area Population:
36 mn