

Internal Ex-Post Evaluation for Grant Aid Project

Conducted by Indonesia Office: March 2015

Country Name	The Project for Improvement of Port Security System
Republic of Indonesia	

I. Project Outline

Background	On the occasion of the several heinous terrorist attacks which occurred concurrently in the U.S.A. on September 11, 2001, the International Maritime Organization (IMO) strengthened the anti-terrorism security measures such as amendment of the International Convention for the Safety of Life at Sea (SOLAS Convention) and its annexed International Ships and Port Security Code (ISPS Code) in 2004. As a member country of IMO, the Government of Indonesia ratified the amended SOLAS Convention and has been tackling to enhance security system for the international ports in Indonesia in order to fulfill the requirements set by the ISPS Code. However, due to budgetary constraints, installation of security equipment in the Indonesian ports has not been progressed.				
Objectives of the Project	To improve the security of port facilities in the target eight ports in Indonesia based on ISPS Code introduced by IMO, by installation of security equipment.				
Outputs of the Project	<ol style="list-style-type: none"> 1. Project sites: 8 Ports in Indonesia (Belawan, Dumai, Tanjung Pinang, Teluk Bayur, Palembang, Pontianak, Benoa, Makassar) 2. Japanese side <ul style="list-style-type: none"> • Procurement of a range of equipment for port security: CCTV cameras (indoor and outdoor) and CCTV monitoring system, lighting system, communication system, X-ray inspection system, walk through metal detector, emergency generator, Uninterrupted Power Supply (UPS) 3. Indonesian side: <ul style="list-style-type: none"> • Revision of Port Facility Security Plan (PFSP), installation of fence and gates, securing power supply and location for installation of facilities, storage area and site office space during period of equipment works, permission to use radio transmission in Belawan Port, banking arrangement 				
Ex-Ante Evaluation	2008	E/N Date	June 25, 2008	Completion Date	August 10, 2010
Project Cost	E/N Grant Limit: 545 million yen, Actual Grant Amount: 434 million yen				
Implementing Agency	Directorate General of Sea Transportation (DGST), Ministry of Transport				
Contracted Agencies	(Consultant) Japan Port Consultants, Ltd. (Contractor) Kanto Business Kaisha Ltd.				

II. Result of the Evaluation

1	<p>Relevance</p> <p>This project has been highly consistent with Indonesian development policy “fight against terrorism and improvement of international security” as set in the policy documents including the National Mid-term Development Plan 2004-2009 and 2010-2014, and development needs to improve security system in international ports in Indonesia at the time of both ex-ante and ex-post evaluation. It is also consistent with priorities of Japan’s ODA policy for peace and stability including maintaining public security such as anti-terrorism measures, anti-piracy measures and maritime safety under the Japan’s Country Assistance Program for Indonesia (2008) at the time of ex-ante evaluation.</p> <p>Therefore, relevance of this project is high.</p>
2	<p>Effectiveness/Impact</p> <p>The project has not achieved its objective, “to improve the security of port facilities in the target eight ports in Indonesia based on ISPS Code in SOLAS Convention”. Before the project, monitoring and inspection of port security in the target eight ports had been conducted by round patrol every 2-3 hours by patrol cars and motorcycles. After the project completion, seven out of eight target ports were able to conduct constant monitoring a whole day (24 hours) at monitoring room. However, only 20 out of total 54 units of CCTV monitoring system procured by the project are functional and the rest of 34 units are not utilized properly or broken at the time of ex-post evaluation. In particular, all equipment of CCTV monitoring system installed in Belawan, Teluk Bayur, and Pontianak Ports were not utilized (the reason of non-utilization is mentioned later). Almost target ports, which had some non-functional CCTV, were able to conduct 24 hours monitoring by the project equipment in combination with other CCTV equipment provided by the Indonesian Port Corporation (PELINDO)^(Note1).</p> <p>The project procured X-ray inspection system and walk through metal detector to three ports such as Belawan, Dumai and Benoa Port for inspection of baggage and personal possessions of passengers. However, only Benoa Port could inspect baggage and personal possessions by utilizing the equipment and reduced the inspection time. Regarding Dumai Port, they conducted 100% of baggage inspection, but they utilize the equipment provided by the Indonesian customs and the project equipment were not utilized anymore due to breakdown. Regarding Belawan Port, the walk through metal detector procured to the international passenger terminal of Belawan Port were not utilized because the terminal has been closed in 2012^(Note2) due to decrease in the number of passengers. Therefore, as long as the project concerned, only one out of three ports could improve the inspection system for baggage and personal possessions of passengers.</p> <p>There were various technical factors that caused non-utilization of the equipment procured by the project, but some common</p>

problems reported include the following: (i) some inner components (software/hardware) were broken, (ii) the cable was accidentally cut off by some construction works; and (iii) insufficient or unstable electricity/power supply. At the time of ex-post evaluation, these problems have not been solved due to the insufficient takeover of O&M information among the implementing agencies' staffs and the delay of asset transfer issue as mentioned in more details in Sustainability^(Note3).

On the other hand, in order to fulfill the requirements of ISPS Code in SOLAS Convention, PELINDO has taken the following measures by their own initiative: (i) installation of CCTV, walk through metal detector, and X-ray machine, (ii) construction of additional fences and the repair of broken fences; (iii) separation between public area and restricted area; (iv) skill and capacity improvement of security officers through in-house trainings/drills; and (v) increase in number of security personnel, etc. It was confirmed by the field survey that three ports such Belawan, Dumai and Benoa Ports obtained the certification based on the audit of ISPS Code implementation by DGST.

To sum up, the project supported the target ports to meet the requirement of ISPS Code in SOLAS Convention by the time of installation of security equipment, but its contribution was limited since more than half of the project equipment were not utilized at the time of ex-post evaluation.

The project has a limited positive impact on increase in the number of people and goods coming/going to/from the target ports to some extent. According to the interview results with DGST, PELINDO and shipping agents, they recognized that the continuous and proper security and safety measurement by utilizing the project equipment gave the sense of comfort into the activities in the ports, and this had positive impact on increase in the number of cargo and passenger increase to some extent. However, considering that more than half of the project equipment were not utilized, the contribution of the project to the above positive impacts were limited.

No negative impact on natural environment was observed, and there were no land acquisition and no resettlement of people associated with the project.

Therefore, effectiveness/impact of this project is low.

(Note 1) PELINDO is a state-owned enterprise and four PELINDO are established in 1992 to cover all ports in Indonesia.

(Note 2) Closure of international passenger terminals at Belawan Port was decided in June 2012 and the terminal was closure later in the year.

(Note 3) Regarding Belawan, the closure of international passenger terminals in 2012 was another reason for non-utilization of CCTV monitoring system procured by the project.

Quantitative Effects

Indicator	(Before the project) 2008 Actual	(After the project) 2010 Planned	(After the project) 2010 Actual	(Ex-post evaluation) 2014 Actual
Indicator 1 : Improvement of monitoring system and inspection way				
Belawan	Round patrol every 2-3 hours by patrol cars and motorcycles	Constant monitoring a whole day (24 hours) at monitoring room	24 hours CCTV monitoring (provided by PELINDO)	24 hours CCTV monitoring (provided by PELINDO) in container terminal
Dumai			24 hours CCTV monitoring	24 hours CCTV monitoring
Tanjung Pinang			24 hours CCTV monitoring	24 hours CCTV monitoring
Teluk Bayur			24 hours CCTV monitoring & car patrol	No CCTV monitoring is conducted in container terminal
Palembang			24 hours CCTV monitoring	CCTV monitoring in some area
Pontianak			24 hours CCTV monitoring (provided by PELINDO) & Car patrol	24 hours CCTV monitoring (provided by PELINDO) & Car patrol
Benoa			CCTV monitoring when ships come	CCTV monitoring when ships come
Makassar			24 hours CCTV monitoring (provided by PELINDO and procured by the project) & Car patrol	24 hours CCTV monitoring (provided by PELINDO and procured by the project) & Car patrol
Indicator 2: Improvement of inspection system for baggage and personal possessions of passengers				
Belawan	A few baggage and personal possessions are checked selectively by security guard	Inspection of all baggage and personal possessions by the equipment (Inspection rate: 100%)	100%	The international passenger terminal has been closed since 2012.
Dumai			100% (equipment provided by Customs)	100% (equipment provided by Customs)
Benoa			100%	100%

Source: Basic Design Report and DGST.

Allocation of project equipment and its status of utilization at ex-post evaluation

No	Port	CCTV monitoring system	Lighting system	Communication system	X-ray inspection system	Walk through metal detector	Emergency generator	UPS
1	Belawan	12 (0)	10 (0)	8 (0)	-	1 (0)	-	2 (0)
2	Dumai	4 (4)	-	3 (0)	1 (0)	1 (0)	-	1 (1)
3	Tanjung Pinang	4 (2)	-	-	-	-	1 (1)	1 (1)
4	Teluk Bayur	6 (0)	7 (3)	3 (0)	-	-	-	1 (1)
5	Palembang	8 (5)	-	5 (0)	-	-	-	1 (1)
6	Pontianak	4 (0)	6 (0)	3 (0)	-	-	-	1 (1)
7	Benoa	6 (4)	-	3 (1)	1 (1)	1 (1)	-	1 (1)
8	Makassar	10 (5)	-	4 (4)	-	-	-	1 (0)

Source: DGST

Note: The number in bracket shows the number of equipment that is still being utilized as of August 2014.

3 Efficiency

Although the project cost was within the plan (ratio against the plan: 77%), project period significantly exceeded the plan (ratio against the plan: 160%) because construction period of Dumai port has been extended due to a breakdown of UPS during its transportation. Therefore, efficiency of this project is fair.

4 Sustainability

The operation and maintenance of the project facilities have been carried out by PELINDO office. Meanwhile, the Port Administrator (ADPEL) offices of each port, which are regional branch offices of the Directorate General of Seat Transport (DGST), the Ministry of Transport, are responsible for port security affairs. Each port is under the management of PELINDO No1-4 as follows: (i) Belawan, Tanjung Pinang under PELINDO No.1, (ii) Teluk Bayur, Palembang, Pontianak under PELINDO No.2, (iii) Benoa under PELINDO No.3, and (iv) Dumai, Makassar under PELINDO No.4. Basically the number of staff of PELINDO office and ADPEL office in target eight ports is sufficient to conduct the O&M for the existing equipment. However, there is no skilled staff who are able to maintain the project equipment as mentioned below. Also ownership of the project equipment has not been transferred from DGST to each PELINDO after the project completion in spite that it had been confirmed between Indonesia side and Japanese side at the time of Basic Design, and this has caused a problem that DGST could not allocate the O&M budget for the project equipment.

Regarding the technical aspect, the technical capability of O&M of PELINDO and ADPEL is not sufficient to conduct a proper maintenance of the project equipment, while guidance for initial operation and normal maintenance was provided by the contractors before handing over the equipment. In the Basic Design Report, it was noted that periodical maintenance of the machines and replacement of the spare parts by engineers of relevant makers and agents was necessary. However, due to inappropriate takeover of O&M related information among the implementing agencies' staffs, the current staffs do not know the contact lists of engineers of relevant makers and local agents. Except PELINDO No.3 in charge of Benoa Port, almost all ports do not provide the O&M training for their staff in charge. Generally operation manual is utilized but maintenance manual is not utilized by some PELINDO offices.

Regarding the financial aspect, due to delay of asset transfer issue as mentioned above, in all target ports PELINDO cannot receive the O&M budget from DGST for project equipment. Only PELINDO No.3 has made special discretion to include the project equipment into their O&M budget list for Benoa Port by its own initiative ^(Note 4). This is because it is considered that Benoa port should have budgetary priority to other ports since it has more passengers than other ports.

Regarding the current status of operation and maintenance, many project equipment are not utilized or broken. Particularly, all equipment of Belawan Port are not functional. Also there was a problem of procurement of spare parts because of inappropriate takeover mentioned above. Most of broken equipment has been replaced with the new ones made of parts, which could be easily and surely procured and maintained in Indonesia, by PELINDO.

From these findings, it is considered that the project has some problems in the institutional aspect and major problems in the technical, financial aspects as well as the current status of the operation and maintenance. Therefore, sustainability of the project is low.

(Note 4) The annual budget of the target ports were not disclosed except for Dumai and Benoa Ports.

5 Summary of the Evaluation

The project has not achieved its objective, "to improve the security of port facilities in the target eight ports in Indonesia based on ISPS Code in SOLAS Convention". The improvement of monitoring system and inspection way was realized in only four out of eight target ports. Similarly, the improvement of inspection system for baggage and personal possessions of passengers was achieved in only one out of three ports where X-ray inspection system and walk through metal detector were installed by the project. The main reason for the above limited achievements was that many of the project equipment were broken or not utilized at the time of ex-post evaluation. The project's contribution to meet the requirement of ISPS Code in SOLAS Convention by the target ports is limited. Therefore, effectiveness/impact of this project is low.

Regarding sustainability, the project has some problem in the institutional aspect and major problems in the technical, financial aspects as well as the current status of the operation and maintenance due to the insufficient takeover of O&M related information among the implementing agencies' staffs concerning O&M and the delay of asset transfer issue. Therefore, sustainability of the project is low.

As for efficiency, the project period significantly exceeded the plan due to extension of construction period of Dumai port associated with a breakdown of UPS during its transportation.

In light of the above, this project is evaluated to be unsatisfactory.

III. Recommendations & Lessons Learned

Recommendations to Implementing Agency

- (1) DGST is recommended to hand over the project equipment to PELINDO as soon as possible in order to allocate the O&M budget for the project equipment, based on the agreement at the time of Basic Design. According to DGST staff, the reason of the hand over delay is not clear, so first step to do by DGST is to identify the bottleneck for hand over and make action plan to overcome it.

Lessons learned for JICA

- (1) In case that the executing agency and the O&M agency are different in the project, at the project planning stage, these agencies should clarify their own responsibility securing the necessary manpower, technical capacity and financial sources of O&M, and JICA should confirm and agree with these agencies that these agencies will surely conduct the

appropriate O&M activities including the transferring ownership of equipment.



(Broken CCTV in Belawan port)



(Broken X-ray inspection system and Walk through metal detector in Dumai port)