

497-0189

4970189 (C)
PD-ADD-752-A1

152

| | | | |
|--|---|--|-------------------------------|
| AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET | | 1. TRANSACTION CODE <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D | 2. DOCUMENT CASE # PP 3 |
| 3. COUNTRY/ENTITY INDONESIA | | 4. DOCUMENT REVISION NUMBER <input type="checkbox"/> 2 | |
| 5. PROJECT NUMBER (7 digits) <input type="checkbox"/> 497-0189 | 6. BUREAU/OFFICE A. SYMBOL ASIA B. CODE <input type="checkbox"/> 04 | 7. PROJECT TITLE (Maximum 60 characters) <input type="checkbox"/> Assistance to Agriculture | |
| 8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="checkbox"/> 78 | | 9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="checkbox"/> 77 B. QUARTER <input type="checkbox"/> 4 C. FINAL FY <input type="checkbox"/> 78 (Only 1, 2, 3, or 4) | |

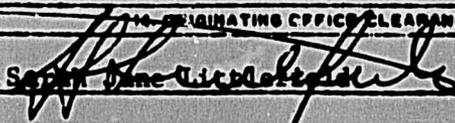
| A. FUNDING SOURCE | FIRST FY | | | LIFE OF PROJECT | | |
|------------------------|----------|--------|----------|-----------------|--------|----------|
| | B. FY | C. L/C | D. TOTAL | E. FY | F. L/C | G. TOTAL |
| AID APPROPRIATED TOTAL | | | | | | |
| (GRANT) | 316 | | 316 | 570 | | 570 |
| (LOAN) | | | | | | |
| OTHER U.S. | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| HOST COUNTRY | | 86 | 86 | | 258 | 258 |
| OTHER DONOR(S) | | | | | | |
| TOTALS | 316 | 86 | 402 | 570 | 258 | 828 |

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | PRIMARY TECH. CODE | | E. 1ST FY 77 | | H. 2ND FY 78 | | K. 3RD FY | |
|------------------|-------------------------|--------------------|---------|--------------|---------|--------------|---------|-----------|---------|
| | | C. GRANT | D. LOAN | F. GRANT | G. LOAN | I. GRANT | J. LOAN | L. GRANT | M. LOAN |
| (1) FN | 100 | 000 | | 316 | | 254 | | | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | | | | | | |

| A. APPROPRIATION | N. 5TH FY | | O. 5TH FY | | LIFE OF PROJECT | | 12. IN-DEPTH EVALUATION SCHEDULES |
|------------------|-----------|---------|-----------|---------|-----------------|---------|---|
| | C. GRANT | P. LOAN | R. GRANT | S. LOAN | T. GRANT | U. LOAN | |
| (1) FN | | | | | 570 | | <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> NA <input type="checkbox"/> 01/67/78 |
| (2) | | | | | | | |
| (3) | | | | | | | |
| (4) | | | | | | | |
| TOTALS | | | | | | | |

13. DATA CHANGE INDICATOR WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PWP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

NA 1 NO
2 YES

| | |
|--|--|
| 14. ORIGINATING OFFICE CLEARANCE SIGNATURE  TITLE Acting Director | 15. DATE DOCUMENT RECEIVED IN AID OFFICE FOR AID EVALUATION DATE SIGNED <input type="checkbox"/> 12/12/77 <input type="checkbox"/> 01/21/78 |
|--|--|

I. SUMMARY AND RECOMMENDATION

Assistance to Agriculture has been an effective means for responding to the GOI Department of Agriculture's development initiatives for the past eight years. The purpose of the project is to assist in the development of new agricultural programs and policies, some of which may receive AID support, and the corresponding increase in DOA agencies' capability to design and implement such programs and policies. This is achieved through a combination of technical assistance, training and related support, provided for the comprehensive analysis and initial design of possible new programs and policy initiatives generated by DOA agencies.

At the time of the FY 74 PROP revision, Assistance to Agriculture was scheduled to be phased out after FY 76; however, because of the project's excellent history of success and the continuing need for such a flexible, responsive source of funding both the Mission and the DOA feel strongly that it should be extended. The present PP requests an extension for a two year period, FYs 77 and 78, but it is hoped that if it continues to serve a critical function further extension may be considered at the end of this project period.

The PP follows the simplified format used in the previous PROP revision, as per AID Washington's instructions in State 90413 (Annex I). It consists of the following sections:

Background, Analysis of Progress to Date, Justification for Extension, Beneficiary Linkages, Proposed Sub-Projects and Financial Plan, Implementation and Evaluation Plan, and the Logical Framework Matrix.

II. BACKGROUND

Since its inception in FY 69, the Assistance to Agriculture Project (497-11-110-189) has proven invaluable in encouraging the GOI Department of Agriculture to develop new activities, test innovative techniques and meet timely technical assistance and training needs. The key is in the project's flexibility, which allows for rapid response to changing situations and provides funding to examine potential but unproven new programs. We believe that the project's responsiveness is as important as the activities it funds in fostering operational, administrative and organizational development of DOA agencies to bring about the overall project goal: increased agricultural production to increase rural incomes.

The PROP revision of December 31, 1974, describes the evolution of the Assistance to Agriculture Project from one which directed its efforts specifically towards BIMAS (Project Bimbingan Masal), the Indonesian agricultural credit and extension program, to one which provides assistance to discrete projects within any agency of the Department of Agriculture. Throughout this evolution the basic character of the project and its objectives have remained essentially the same: to support DOA initiatives to identify and develop new activities and programs aimed directly at increasing rural incomes by improving the conditions affecting small farm production. Once they have reached a sufficient level of development, these activities have frequently been approved by AID or other donors for discrete project assistance.

A brief description of the kinds of activities funded under Project 0189 since 1969 would include the following.

One of its original BIMAS-oriented activities was a series of advisors and training programs to improve extension services within the Directorate of Extension. Another major component of this effort was short term training over a period of three years for over 19,000 small farmers and extension workers and establishment of over 10,000 demonstration plots to utilize this training. In 1972 the GOI decided to implement a nation wide extension improvement/farmer education program, based on this demonstration effort.

Concurrently, project funds were utilized for seed improvement, utilizing the Sukamandi Seed Farm as a model for mechanized production. A series of short term consultancies and participant training in agronomy, aerial mapping, land leveling and related disciplines led to a comprehensive IBRD/IDA loan in 1971 to develop the Sukamandi farm as the seed production center for Indonesia. In addition, improved seed legislation drafted with assistance by a project consultant was passed in 1971. For a number of reasons the Sukamandi Seed Farm has been slower to meet its production target for certified seed than originally intended, but it does supply over 60% of national requirements for certified and commercial seed.

The area of supply, distribution and utilization of agricultural inputs (fertilizer and pesticides) has received project support since 1970, covering the whole range of management, marketing, inventory control, quality control, and pricing policy.

The Tennessee Valley Authority has provided major inputs to this effort. As a result of these activities, in 1972 an Interdepartmental Fertilizer Advisory Board was established and immediately approved an increase in price margins for fertilizers as a first step towards a flexible price system. Fertilizer policies were revised sufficiently to meet AID requirements for loan financing of fertilizer procurement (loans 023 and 026). The fertilizer quality control program, developed with assistance of a project consultant, was adopted in 1974. With project-funded technical assistance, the GOI is presently expanding fertilizer production facilities and expects self-sufficiency in nitrogen by 1978.

The Soils Research Institute in Bogor (SRI) has benefited from training and short-term advisors in the areas of laboratory and sampling equipment, standard operating procedures, and fertilizer marketing, distribution and management. In addition, the Assistance to Agriculture Project serves as the "umbrella" for implementation of the Benchmark Soils Project, a research activity of SRI and University of Hawaii funded by TAB. This project involves experimental technology transfers of foodcrops and soil and water management at four sites of differing soil types, to determine the transferability of these technologies for developing land potential.

In 1971 the project began to fund activities in the area of output marketing and credit assistance in order to assist the GOI in developing within the Departments of Agriculture and Trade, BULOG, and the private trade sector a system for handling, storage, milling and distribution of agricultural products to increase producer incentives and lower consumer prices. Several key constraints to producer incentives were identified: consumer oriented pricing, counter-productive tax policies, marketing policies which inhibit the flow of capital, and high inter-insular trade costs. Participants were trained in marketing development and technical services were provided to analyze the marketing problems of rice-surplus areas. As a result, BULOG has been able to maintain stable, low consumer prices through a reserve stock policy.

With approval of the FY 75 PROP revision, studies were expanded into several new areas for possible project development.

In the area of fisheries development, a team from Auburn University performed a technical appraisal of a proposal for an inland brackish water fisheries industry in the northern provinces of Sumatra which would provide an intermediate-level technology to small scale operators.

Their work has led to the FY77 Brackish Water Fisheries Project (497-0236).

A great deal of effort has gone into exploring the feasibility of secondary crop development in West Java, with technical assistance from IRRI Los Banos, in anticipation of development of a Secondary Crops Intensification Project (497-0235) for FY 77 implementation. Fortunately, the results of this feasibility study led to the discovery of factors which would preclude an effective secondary crops project before a great deal of time and effort had been committed to implementation of this activity.

The initial development of several other discrete AID projects occurred as feasibility studies or other technical assistance efforts funded through Assistance to Agriculture. Among them were Provincial/Kabupaten Planning and Management National Training Center (497-0238); Sederhana Irrigation (497-T-037); and the Lawu Area and Transmigration Development Project (497-T-038).

During 1975 a PASA team from the Economic Research Service of the U.S. Department of Agriculture assisted the Bureau of Planning, DOA, through an analysis of agricultural planning in Indonesia from the standpoint of organization, staffing requirements, personnel qualifications and policy role. The problems they cited and recommendations they made have served as the basis for the proposed Agriculture Development Planning and Administration Project (497-0265).

The activities cited above are meant to be illustrative of the manner in which Project 0189 inputs have in one way or another affected the development of larger-scale, discrete projects subsequently taken on by the GOI, in most but not all cases with assistance by USAID. It is not an exhaustive list. Additional participant training, technical advisors, seminars, and similar assistance have been provided at the request of the DOA to meet high-priority and rapidly needed requirements.

A prime example of the project's ability to respond quickly to high priority needs is the recent assistance to the Bureau of Planning for preparation of the Agricultural Sector Plan for Repelita III. Under no other source of funding would USAID have been able to provide three macro/micro agricultural planning consultants in the time span required to make substantive inputs to the Plan. This was USAID's most direct opportunity to assist in development of the Agricultural Plan for Repelita III. The proposed Agricultural Development Planning and Administration Project will, upon implementation, become USAID's primary source of assistance to the Bureau of Planning, but the project will not become operational in time to make input to the preparation of Repelita III. Project 0189 has been able to fill the gap.

III. ANALYSIS OF PROGRESS TO DATE

Project Appraisal Reports for the periods FY69 to FY75 and FY75 to FY77 are attached as Annex II. As these PARs indicate, not every activity funded under 0189 has been entirely successful in developing workable new projects or bringing about institutional changes. But an essential element of this project is that it provides funds for risk-taking on a small scale in order to ensure an effective use of funds for full fledged projects. It encourages the DOA to come forward with requests for development of innovative ideas and for needed training and technical assistance in amounts too small to warrant separate project funding. The risks are high, but frequently, so are gains. The important consideration is that the activities funded under the project are directed towards the eventual implementation of policies and programs to increase agricultural production and incomes of the rural poor.

The project on the whole has shown a good record of success as measured by the EOPS conditions from the FY75 PROP Revision logframe matrix:

EOPS Conditions:

Actual Status as of FY77

- | | |
|---|--|
| 1. Operationally effective Soils Research Institute assisting in providing national information and guidance in fertilizer quality control. | 1. The Soils Research Institute is effectively implementing a Benchmark Soils Project to develop appropriate soil and water management and food crop technology, in cooperation with University of Hawaii through TA/AGR. Flexible pricing policy and quality control program for fertilizers have been instituted. Self-sufficiency in nitrogen production is expected by FY78. |
| 2. Completed project planning and initiation of: | 2. Project status as result of 0189 inputs include: |
| 1) Upland/Secondary Crops Project | 1) Secondary Crops Intensification Project (0235) found economically unacceptable during feasibility research due to effects of dam construction. |
| 2) Inland/Brackish Water Fisheries Project | 2) Inland/Brackish Water Fisheries PP approved FY77. |
| 3) Two or three additional projects in agriculture | 3) a. Kabupaten Planning and Management (497-0237) scheduled for FY77 funding |

b. Luwu Area & Transmigration
Development (497-T-038)
approved FY75.

3. A well-organized and reasonably effective Bureau of Planning in Department of Agriculture.
3. Technical assistance provided to Bureau of Planning under 0189 indicated direction of needed training and organizational reforms in order to develop effective planning organization, leading to proposal for Agriculture Planning Development and Administration (0265) presently under consideration in AID Washington. As interim measure, three short-term advisors are assisting Bureau of Planning to develop Agriculture Sector Plan for Repelita III.

What this EOPS chart does not measure is the large number of participants who have received upgrading training in various agricultural specialities and other technical assistance not directly related to subsequent AID-funded projects. Some of the latter have been outlined in the Background Section.

IV. JUSTIFICATION FOR EXTENSION

The FY75 PROP Revision was written in anticipation of project phase out after FY76. It was felt that by that time the feasibility studies for the activities listed in the EOPS would have been completed and discrete projects would have resulted, participant training could be picked up by a General Participant Training Project, and subsequent technical assistance and feasibility studies could be funded by Technical Assistance Loan 040.

Now it is obvious that there is as great a need as ever for this flexible, highly responsive funding source. Participant training activities of the project cannot be picked up in the next year by a GPT project. Loan 040 has no funds which are not already earmarked, mostly for TA components larger than those generally funded by 0189.

And though the activities planned for the FY75 - FY76 project period have been essentially completed, there have been several requests for new activities to take their place.

Assistance to Agriculture is the Mission's only means of responding in a timely fashion to DOA needs for training and technical assistance where the amounts involved are relatively small and the feasibility of the activities in question often uncertain. The Mission is convinced, based on the results of 0189 activities to date, that Assistance to Agriculture is a high-priority and highly effective tool to encourage agricultural development.

That the DOA shares this feeling is expressed in the letter from Dr. Birowo, Bureau of Planning, to the Mission Director, attached as Annex III.

V. BENEFICIARY LINKAGES

The initial benefits of Assistance to Agriculture go to the DOA institutions which receive the upgrading training and specialized technical expertise. Perhaps an equally important benefit to the DOA is the generation of new ideas and techniques which the project encourages.

During the course of this project, over 150 participants have been trained in long and short-term studies in areas of specialization needed by the DOA. All have returned to use their new skills to work on needed reforms discussed in the Background Section such as seeds production; fertilizer quality, pricing and distribution; rice pricing policy; and fisheries and secondary crops. It is not possible to quantify the benefits of this training to the DOA and to the individuals involved but it is our belief that overall the DOA has put to good use the skills obtained by the participants.

Very few of the participants under 0189 have been women, although USAID has actively encouraged women professionals in the DOA to accept training. The problem is that married people are unwilling to leave their families for extended periods to study abroad, and since women marry at a much earlier age than men in Indonesia, almost all of the professionals who are willing to leave home are men. The long term answer to this is to improve the educational capabilities of Indonesian agricultural schools so that training abroad is no longer necessary. In the meantime, the Mission will continue to encourage DOA's women professionals to take advantage of training opportunities.

Despite the small number of women participants, women are taking an expanding role in agricultural development and policy. In the Bureau of Fisheries, for example, which is representative of the DOA as a whole, ten percent of the professional employees are women. Women make up twenty two percent of the entire student body of IPB at Bogor. Twenty five percent of all Central Research Institute for Agriculture (CRIA) employees are women, with thirteen percent at middle level positions (MS, Ir.). Last year the DOA sent four women to the USDA-sponsored "Women in Development" Conference in the US.

The impact of Assistance to Agriculture on the DOA spreads beyond the individuals who receive participant training and beyond specific programs which are developed with technical assistance. The returned participants provide a core group of experts who, through supervision, on the job training, or simply teamwork, upgrade the skills of the DOA staff in general.

The work of technical experts involve more than development of particular programs and policies; it involves attacking problems with certain analytical techniques to discover the most effective solutions. By working with their counterparts, technical consultants pass on knowledge of these tools to be used by the DOA in developing other programs and policies. This teaching element of technical assistance is strengthened further by careful briefing of consultants both in AID/Washington and in the Mission on the desirability of working in close coordination with DOA counterparts. Similarly, consultants selected carefully for their sensitivity to the problems of the rural poor influence their counterparts' sensitivity.

Of course the ultimate beneficiary to whom this project is directed is the rural, small-scale food producer. Once again, benefits directly attributable to this project cannot be quantified with any degree of accuracy. But Assistance to Agriculture has provided positive technical input into new policies and programs that impact directly on rural production and incomes. Agricultural inputs, particularly fertilizer and seeds, have improved in reliability, availability and price stability. The DOA's extension and credit program has been upgraded. Rice prices have been stabilized, although pricing policy has been more consumer than producer oriented.

In addition, several discrete projects in various stages of implementation which arose in part out of Project 0189 studies are aimed specifically at increased production for rural Indonesians:

Project

Sukamandi Seed Farm (IBRD/IDA)

Objectives/Targeted EOPS

Production of sufficient high quality

seeds to satisfy 100% Indonesia's needs, in order to increase agricultural production.

Inland/Brackish Water Fisheries (0236)

1. Increased fisheries production in project area, to 4,600/year
2. GOI infrastructure capable of handling additional intensification of production
3. Increased farmer net income and expanded job opportunities.

Luwu Area & Transmigration Development (T 038)

Increased agricultural productivity of rural poor through road and irrigation improvement, four pilot farm service centers, and transmigration of 3,550 families to newly irrigated areas.

Benchmark Soils (TAP/AG)

Discovery of soil and water management technologies transferable to Indonesian farmers to increase production and maintain soil quality.

Other projects developed with assistance from 0189 such as Kabupaten Planning and Management and Agriculture Planning Development and Administration aim at improving the capabilities of GOI agricultural planners and administrators to develop and implement policies which will increase production and employment of rural poor.

In each case project benefits are intended to accrue equally to women and to men. Individual project documents analyze their specific effects on the role of women in development.

The measure of this project's impact on the lives of rural Indonesians is not solely the number of development activities that grow out of it, however. As a source for the design and testing of new ideas of DOA agencies, the project promotes innovation. It promotes a willingness to look at problems in new ways, and then provides the wherewithal to experiment through training and technical assistance. If ideas prove unworkable, the experience in design and testing is nonetheless valuable. Gradually a capability to perceive problems and design, analyze and implement solutions is growing in the DOA which will enable it to more effectively reach the rural poor. Thus it is really the quality and not the quantity of development projects that is the most important measure of project impact. Assistance to Agriculture's success in this respect depends on the careful selection of participants and careful selection of technical consultants, to ensure technical competency, an ability to work closely and congenially with counterparts, and a sensitivity to the needs of the poor majority.

VI. PROPOSED SUB-PROJECTS AND FINANCIAL PLAN

Assistance to Agriculture will continue during the FY77 - 78 period to provide resources for a broad range of activities in the DOA in response to specific requests for assistance which are directed ultimately towards increasing small-farmer production and incomes. A total of \$ 570,000 is requested for the two year extension period, \$ 316,000 for FY77 and \$ 254,000 for FY78. In order to maintain flexibility to respond to DOA needs as they develop, it is not meaningful to set forth a hard and fast list of project activities. The following are offered mainly as illustrative examples.

The DOA has requested that USAID support the Rural Dynamics Study (RDS) of the Agro-Economic Survey, a jointly-funded research project by GOI/Ford Foundation/Agricultural Development Council. (Agro-Economic Survey performed the Luwu Microeconomic Study under previous O189 funding.) The aim of RDS is to provide policy makers with information and recommendations regarding economic growth, employment opportunities and income distribution in rural areas, with West Java selected as the first location in the study. This sociological research will concentrate on rural production systems, labor force and employment and rural institutions with special emphasis on interaction of governmental institutions with important rural sub-

groups such as small farmers, tenants, landless laborers and rural women. It will look at agricultural extension, credit cooperatives and marketing services. GOI contribution for general operating expenses is \$ 155,500; Ford Foundation and FAO will contribute \$ 110,000 for training and consultants. USAID is requested to contribute \$ 120,000 for research and analysis, training and publication of reports. This research effort is directly relevant to AID's own concern for ensuring positive sociological impact of development activities, and has potential for being enormously beneficial to future AID project design for social soundness analysis and women in development analysis. The results of RDS research can also provide important input to the implementation of the Agricultural Development Planning and Administration Project. USAID may later be asked to assist other research efforts of the Agro-Economic Survey through project 0189.

Assistance to Agriculture will continue to serve as the "umbrella" project for the Benchmark Soils Project of GOI/AID-Washington. Although no mission funds are involved, a monitoring and communications function will be served.

The project will provide for ongoing and new participant training for at least seven DOA officials in areas of needed technical expertise. Approximate cost of this training is \$ 100,000. As in other cases of participant training, the GOI contribution consists of airfares, salary while in training, and in most cases, continuance of family housing.

The project will provide support to DOA activities which enhance its institutional and technical capabilities to implement development projects in the form of technical advisors, feasibility studies, professional seminars and short-term training. Counterpart contribution will take the form of office space and facilities, counterpart salaries and benefits, in-kind services, in-country transportation and other support, and translation/interpreter services as required.

A very rough financial breakdown might be as follows:

| | <u>U.S.</u> (\$000) | | | | | <u>G.O.I.</u> (\$000) | | |
|-------------------------|---------------------|-----|------|------|------|-----------------------|------|------|
| | FY77 | | FY78 | | FY79 | FY77 | FY78 | FY79 |
| | Obl | Exp | Obl. | Exp. | Exp. | Exp. | Exp. | |
| U.S. Technical Services | 85 | 70 | 150 | 80 | 85 | 23 | 25 | 27 |
| Participants | 55 | 50 | 45 | 40 | 10 | 8** | 10** | - |
| Commodities | 26 | 15 | 30 | 25 | 16 | - | - | - |
| Other costs | 150* | 70 | 29 | 60 | 49 | 55 | 55 | 55 |
| Total | 316 | 205 | 254 | 205 | 160 | 86 | 90 | 82 |

* Primarily Rural Dynamics Study

**These figures exclude salary and family housing support for participants

VII. IMPLEMENTATION PLAN

An accurate implementation plan cannot be drawn up in advance, since the concept of this project is to be able to respond to needs as they develop with a minimum of lead time.

For those activities planned at the present time, however, the Rural Dynamics Study is already underway and is scheduled for completion in March 1979. At least three participants' training will be funded by the project for the remainder of FY77, beginning immediately upon project approval, and three to four more will begin training in the first and second quarters of FY78. Based on past experience, technical assistance requests are expected to come in fairly regularly throughout the funding period.

VIII. EVALUATION PLAN

A PAR will be submitted for the project during the third quarter of FY78 to cover the period following submission of the previous PAR (February 1977). This PAR will serve as the basis for a decision on whether or not further extension of Assistance to Agriculture is justified. Reports and other documentation resulting from technical services provided by the project will be routinely made available to AID/Washington.

IX. LOGICAL FRAMEWORK

The logframe matrix is included as Annex IV.

ANNEXES:

ANNEX I : STATE 90413

ANNEX II : PAR's for FY69 - 74 and FY75 - 76

**ANNEX III: Letter of April 20, 1977 from Dr. A.T. Birowo to
Mr. Thomas Niblock**

ANNEX IV : Logical Framework Matrix

UNCLASSIFIED
Department of State

OUTGOING
TELEGRAM

PAGE 01 STATE 090413
ORIGIN AID 31

0277

INFO OCT-01 LB-08 EA-09 /019 R

DRAFTED BY ASIA/PO EA: RSQUEENER, EB
APPROVED BY ASIA/PO: ARLOVE
ASIA/PO: JRMCCABE
ASIA/PO: HVAITAITIS
ASIA/IR/1: BDUPUIS (PHONE)
ASIA/IR: GROHLFS

-----220031Z 055704 /20

P 212112Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA PRIORITY

UNCLAS STATE 090413

1DAG

0 11652: N/A

1AAS:

SUBJECT: ASSISTANCE TO AGRICULTURE PROJECT (497-1091)

REFS. (A) JAKARTA 16403, (B) STATE 305968,
(C) JAKARTA 15740

1. OUR RECORDS INDICATE THAT CUMULATIVE FUNDING AUTHORITY TO DATE FOR SUBJECT PROJECT TOTALS DOLS 1,100,000, BASED ON PROP APPROVALS IN FY 70 AND 75. ADDITIONAL OBLIGATION PROPOSED FY 77 EXCEEDS FUNDING AUTHORITY AND THEREFORE CONTINGENT UPON APPROVAL OF PP REVISION. REQUEST USAID ADVISE CONCERNING SUBMISSION DATE FOR PP REVISION.

2. CONSIDERING OMNIBUS NATURE OF PROJECT, PP REVISION MAY FOLLOW SIMPLIFIED FORMAT USED IN PROP SUBMITTED IN FY 75. BASICALLY WE ARE INTERESTED IN PROGRESS TO DATE, PARTICULARLY IN DEVELOPING EFFECTIVE BUREAU OF PLANNING IN DEPARTMENT OF AGRICULTURE, CONTINUED RELEVANCE AND JUSTIFICATION FOR EXTENSION, PROPOSED SUB-PROJECTS AND EXTENT OF PLANNING TO DATE, ~~DIS~~ ~~CUSSION~~ ~~OF~~ ~~BENEFICIARY~~ ~~RELATIONSHIPS~~, FINANCIAL PLAN INCLUDING GOI CONTRIBUTION, IMPLEMENTATION ARRANGEMENTS, AND REVISED LOG-FRAME MATRIX.

3. ALSO REQUEST USAID SUBMIT PAR FOR SUBJECT PROJECT.

VANCL



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