

30 December 1976.-

Jakarta.

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Col. HERU SUSANTO  
Project Manager Luwu  
Palopo.-

Dear Col. Heru :

I enclose herewith my second and final report on my work as special consultant to the project. I trust that this report in addition to my ninety - six days of actual consultation have met your approval and acceptance.

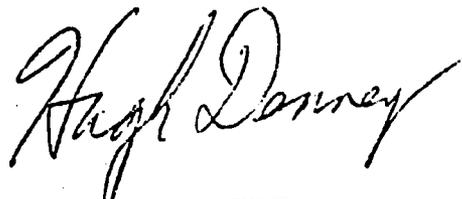
You are working under great hardships. It is unfortunate that those responsible for the sub - projects are not all as committed as the irrigation personnel - your job would be much easier.

Let us hope that your government will further implement the decrees which give you responsibility to coordinate the project by also giving you the necessary authority to activate the sub - project on schedule.

Presumably your full time consultant will be available soon and will be of great help.

It has been a privilege to assist you for the past four months. I will follow your project with real interest in the future and if I can be of further service, please call upon me,

Very sincerely



HUGH DENNEY

Advisor to Project Luwu.

# FINAL REPORT

Ujung Pandang, December, 28, 1976

Col. HERU SUSANTO  
Luwu Project Manager  
Palopo/South Sulawesi.

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SUBJECT : Final report of special Technical Advisor to the  
Luwu Project, Prof. HUGH DENNEY, University of  
Missouri, U.S.A.

## SCOPE OF WORK

The advisor to provide over a period of up to four months,  
advice and assistance to the LATDP Project Manager for :

- (1) overall management and coordination of the LATDP, and
- (2) expanding the community development impact of the LATDP.

His duties will include :

- (1) Advising the Project Manager on managerial, administrative, finan  
cial and institutional procedures to more effectively execute the  
LATDP ;
- (2) Identifying and recommending solutions to obstacles deterring the  
progress of the LATDP ;
- (3) Planning and coordinating the logistical support for the various  
Sub-Projects of the LATDP ; and
- (4) Exploring and developing alternative Community development activi  
ties which complement the LATDP.

Reporting requirements include submission to the Project Ma  
nager report of his activities and relevant observations :

(1) two months

- (1) two months after initiation of consultants services, and
- (2) at the end of his services.

( N O T E : Originally the Technical Advisor was to spend most of his time at the Palopo Head Quarter but in response + to the urging of U.S.A.I.D. advisor in Jakarta and the need for coordinating with Sub-Project officer ; a much (larger percent of time in the last four weeks + has been spent in Ujung Pandang and Jakarta meeting with other agency personnel on sub-project and coor dinating the project). This has of necessity increased the per diem cost of the Technical advisor because of the differential bet ween Palopo and Jakarta ).

1. Advising the Project Manager.

On managerial, administrative, financial and institutional procedures to more effectively execute the LATDP :

The project suffers from the delay in completing the contract for Technical services for the Project Manager, the original invitation to bid was announced in January 1976, twelve months later it has not been signed and the project manager desperately needs Technical help.

One year of the budget has elapsed without Technical advice except the writers short term help in Sept - Dec. 1976.

Too many people - take too long to review the paper - Bureacracy - whether USAID or GOI must be streamlined both in contracting and reimbursement processes.

Inspite of the above comments some things are finally moving. The (second house and office building at Ujung Pandang are under construction and buildings at Palopo Head Quarters are also underway.) Construction at both places should be completed by March.

Following the (recommendation of the November report the Project Manager is now scheduling 2 weeks at Palopo and 2 weeks divided between Ujung Pandang and Jakarta.)

While monthly meetings of the sub project managers and local committee have been held regularly since September. The adviser suggest each agency and sub project submit a 1 page summary in writing, out-lining : (a) the work started, and progress during the month, (b) obstacles to overcome (c) recommendations for expediting action. These agency reports to be put together and circulated to the steering Committee with the recommendation of the Project Manager and Comments of USAID advisor.

The time has come for (activating the steering Committee with at least Quarterly meetings as provided in the Loan Agreement.)

The (recommendations of the Technical consultants should be included with the Project Manager report to the Steering Committee.)

Specific recommendations.

a. Organization .....

a. Organization

Jakarta : Strengthen the position of the assistant manager with a bilingual person capable of conducting inter agency meetings to expedite the sub project in the absence of the project Manager in the field. The position in addition to the bilingual requirement, requires a more experienced Mature person capable of chairing meetings between agencies.

Ujung Pandang: Pending completion of the office building this Staff is operating quite satisfactory. The recent addition of Mr. Najamuddin Saleh adds materially to the office capability in cooperating with the Technical assistants and USAID. Additional Staff may be needed as activity picks up next year.

Palopo : In my previous report I recommended a full time Deputy Project Manager to be in charge in the absence of the Project Manager. This position was to be filled by a temporary official in the Decree Number Kep. 71/1976.

The temporary office is badly overcrowded but the building now under construction will correct the physical problems. Stronger leadership will be needed with commencement of the Technical consultant work and the larger staff in the immediate future. A Bilingual person would most desirable.

b. Communications.

The time has arrived for improving communications. With the completion of the Masamba air strip an effort should be made to have government communications from Ujung Pandang carried by air to Masamba and then to Palopo on a daily or frequent basis.)

Personal .....

(Personal travel between Palopo and Ujung Pandang should also use the Masamba air-strip to save time of expensive personnel. )

A radio (short-wave) net-work is needed between Palopo Head Quarters and the sub-project workers in the field at Luwu. It will be even more necessary as the road and irrigation construction gets underway next year. Cost for radio communications will be compensated by greater use of expensive Technical manpower and use of expensive jeeps.

c. Administrative Procedures.

An instruction sheet from the Project Manager to all sub-project managers and USAID staff working on sub-project should be issued. This sheet to indicate the routing of copies of correspondence and reports between agencies and their contacts with USAID. An integrated while individuals make direct contact with no record of such contact coming to the attention of the Project Manager and the USAID advisor.

A Complete file of all such communications should be kept in the Project Managers office at Palopo, by agency.

A wall chart in the Palopo, Ujung Pandang & Jakarta office should show the last meeting with sub-project leaders and the next scheduled meeting so other travel plans will not interfere with attendance.

A suggestion box is recommended for staff use to improve efficiency of office operations and reports.

Each .....

Each sub-Project should be required to send at least 1 copy of each new sub project map and report to the Project Managers office Palopo as they are prepared.

A photo record of project activities should be maintained throughout the life of the project at the Palopo Head Quarters.

Agreement reached since last report. ✓

All maps will be on a standard scale of 1 : 20.000 for the Luwu area. More detailed construction maps will be on 1 : 10.000 or 1 : 5. 000 scale when necessary, but all general plans for sub projects will be on 1 : 20.000.

2. Identifying and Recommending solutions to obstacles Detering the Progress of the LATDP. -

IdentEfication of Roles

Marked improvement in recognition of the role of the Project Manager as the operating administrator of the Project and responsibility of all sub-project managers to report to his office has been demonstrated in recent weeks. The role of the USAID advisor to the Project Manager is also improving. There is (still a need to recognize that GOI policies ✓ must prevail in contract tender, letting and operation.) Flexibility in administrating the Loan Agreement is badly needed when delay in paper work within USAID Jakarta/Washington interferes with scheduling and completion of contract work during GOI buget period, and limitations of the rainy season.

Distinction between Loan-Grant Programs.

USAID needs to examine its role as a money tender for a project backed with the provisions that delay action while red-tape is being complied with can be waived under a Loan that is backed by the General Obligation of resources of the GOI. Merely clearing internally between Jakarta and Washington consumes Weeks of valuable time.

If USAID makes a grant then certainly they are entitled to more restrictive guidelines for expenditure of grant money.

The advisor .....

The adviser believes USAID representatives in Jakarta recognize this problem but it is not apparent that Washington USAID is prepared to streamline rules, and regulations and provide for flexibility to improve operations.

Integrated vs Sectorial Approach to Development.

While the Luwu Project is considered to be an integrated development project - most of the sub-contract agencies behave as if it was a sectorial or functional project and their performance delays other sub-projects.

Ideally an integrated project would have a time schedule showing how each sub-project flows into the schedule for maximum coordination.

(If Transmigration is to be a part of the project it would have been far better if the plans for irrigation could have been finalized before families were moved to the area and the villages could have been located in conformity to irrigation plans.)

(Land clearance then could have been timed to prepare the area as irrigation construction proceeded and transmigration villages could have been started as paddy fields become available to the transmigrants.)

As it is, land is being tree cut for transmigrants that cannot be irrigated until near the end of the project. Because of this the irrigation sub-project and the Project Manager have agreed that land clearing for irrigation areas should be under the contract of irrigation and tree cutting for homesites and dry farming areas to be under Transmigration and/or the Project Manager.

(Agreement has been reached to distinguish between Tree Cutting and Land Clearing. Land Clearing means stripping all trees brush, and stumps from the land to permit levelling and irrigation. This misunderstanding of terms caused a major problem during the past year within USAID and resulted in GOI assuming financial, responsibility for work now under contract on 2,000 Hectares. (While the Technical Advisor agrees that complete land clearing (stripping) and levelling are technically desirable he is not convinced that the Government of Indonesia can afford the additional investment per hectare that this will require. If they can afford it - fine, if not, a very satisfactory irrigation effort can still be carried out with less complete land clearing.)

Communication Problems and commitment.

Perhaps the biggest obstacle to progress has been the great amount of time required under present systems of communication between sub-project personnel in Jakarta, Ujung Pandang and Palopo.)

Mail from Jakarta to Palopo takes 5 - 7 days or longer. Personal travel requires at least 2 days if plans have to be reworked additional days are lost. Personnel in Luwu may have to wait until they return to Ujung Pandang or Jakarta to redraft their plans and duplicate them.

The problem of lost time in communication, illustrated above could be shortened considerably by use of the Masamba air strip both for mail and staff travel and even more time could be saved if shortwave radio were available between Palopo Head Quarters and workers in the field at Bone-Bone and Kalaena.

The construction of bridges and improvement of the coast road, south from Palopo will also help the next 2 years.

Given improved communication it is hoped that the sub-project agencies will dedicate themselves to a time schedule for completion of their part of this integrated project, the project like a chain is only as good as its weakest link.)

To improve commitment each sub-project needs a manager at Palopo to meet regularly with the Project Manager and other sub-project managers and to develop a team approach to scheduling and cooperation.

3. Planning and Coordinating the Logistical Support for the various sub-projects of LATDP :

a. Road construction under Loan Agreement.

Progress on road work has been most disappointing. Improved roads are needed to facilitate all other sub-projects and save wear and tear on vehicles of the project. There is a possibility of regaining some lost time if bids by contractors now finishing work for (INCO - Bechtel ) at Malili are successful.

They have the equipment on site and experienced man power that other wise will be jobless in July. It is vital that work begin on both ends of the road and at least 60 Km's be started in 1977 - 78 budget year.

New road work - Masamba to Malangke.

In order to accommodate more transmigrant families, a feeder road is needed soon from Masamba south to Malangke (Pao/Amassangan). The Camat has made 10,000 hectares available to transmigration and additional area is available for fish farming. The area is accessible only by boat at this time.

b. Irrigation. ✓

This project is now moving on schedule after a slow start. The agreement to put land clearing of paddy area under Irrigation should improve timing of land preparation. 1<sup>st</sup> efforts should be on Kalaena A and Bone-Bone areas, then proceed to Kalaena B and later to Kalaena C areas. This follows the plan for extending Primary and secondary canals.

Additional Irrigation Projects.

It is estimated that a total of 135,000 hectares in Luwu can be irrigated and preliminary planning should be started now on the Lamasi area 7,000 hectares, Malangke 10,000 hectares, Masamba 10,000 hectares, and Sabbang 10,000 hectares. Some of this area has village irrigation now but needs improvement to permit 2 crops per year.

A one crop system means low level subsistence, the 2 crop systems will permit the farmer to rise above the subsistence level.

Feasibility Study of Detention Reservoirs.

While there is adequate water in the Kalaena River for current project and water can be diverted to Bone-Bone project from other areas - it is necessary to study the requirements of the area under full development of 135,000 Hectares. Indications now are that storage reservoirs will be necessary on the Kalaena, Kanjiro, Sabbang, Baliase, and Lamasi river if feasible.

Irrigation

Irrigation is using a 5 year average discharge for present planning. But plans should be based on the worst year (lowflow or the 2 consecutive lowest years.

While studying the feasibility of detention reservoirs for low flow augmentation the possibilities of hydro-power should be examined as a source for rural-electrification. It appears foolish to transport diesel fuel to this area from other islands, with such an abundance of streams with potential hydro-power. Electricity is also needed for the industrial development of the area and for refrigeration and for fisheries. (Some people think there will be power from the INCO project but INCO informed me - no power west of Malili).

C. AGRICULTURE -- REC.

This sub-project still does not have a manager assigned to the Palopo Head Quarter and progress is difficult to determine.

Certainly more progress is needed in order to facilitate the cooperative sub-project which is dependent on agricultures prior work. There are already many farmers in the area needing agricultural assistance. Better methods handling livestock, and producing food crops are needed now and should not be delayed until irrigation is completed. Debate over alternative types of R.E.C. stations continues but must be resolved within limits of the loan agreement and soon. The Project Manager has a right to expect immediate go ahead on the agriculture sub-project.

A year has been lost already.

D. COOPERATIVES F.E.C.

This sub-project also still needs a manager assigned to Palopo.

Work on this project is delayed by delays in Agriculture. Next years budget includes funds to start a building in Palopo.

The Technical Consultant for cooperatives is needed very soon to help guide the project in its formative stages and to help coordinate with Agriculture.

E. TRANSMIGRATION.

An additional 700 families will be accommodated next year and many more families can be located in the Malangke area in the future, but plans for irrigation and roads should precede the location of new villages.

F. HEALTH.

F. HEALTH.

This sub-project also needs a manager located at Palopo. Funds available this year appear underutilized. The Health center at Suka Maju is unstaffed. The center at Motu lacks refrigeration to store some medicines and all centers need a greater supply of drugs. My stay at Palopo (indicated widespread colds, flu, ✓ bronchial conditions and tuberculosis.) These diseases allow the patient to continue moving around but reduce their capacity as workers. Some greater attention to respiratory diseases would appear warranted.

G. OVERALL COORDINATION.

The consultant has attended 3 meetings of the sub-project representatives. With the exception of irrigation the reports have been meagre and the activity in the projects minimal. An integrated development program will die unless authority is combined with responsibility and budget. Agencies that operate on sectorial programs have not been enthusiastic participants in the Luwu project - plenty of words - but few deeds or actions.

(Authority above the Project Manager should note the delays by all sub-project agencies and give direction to implementation.)  
The time has come to perform as members of a team, not independent agencies.)

Perhaps upon arrival of the long term consultants for Organization and Administration the situation can be improved.

F. EXPLORING AND DEVELOPING ALTERNATIVE COMMUNITY DEVELOPMENT ACTIVITIES WHICH COMPLEMENT THE LATDP :

This project call for 2 year study, with support of the Canadian Government. Certainly liaison is needed between this study and the Luwu Project. The short term advisor has been unable to contact the Regional study team thus far.

b. West German.

b. West German Project

A review team visited 2 days at Palopo in connection with plans for a road project from Palopo south, this project would materially enhance the Luwu area by better access to Ujung Pandang.

The West Germans were encouraged to consider an integrated plan for the southern Luwu Area in addition to road work.

c. U N H A S.

Preliminary meetings have been held with the Rector and officials of UNHAS on the possibility of a Community Development Training program for South Sulawesi. The consultant has offered to help recruit expatriate (including the Philippines and Thailand) instructors to help train UNHAS faculty. Further discussion on this subject is expected.

5. REGIONAL PLANNING.

Although this was not a part of the original scope of work the Project Manager requested my efforts in this area.

A set of maps depicting a hierarchy of growth centers with effective radius of service ranging from 6 - 12 Km (class 4) up to 96 - 192 Km (class 8) was prepared and submitted to the Project Manager. The Technique of using growth centers was further explained to the sub-project personnel at a monthly meeting and to the Technical committee at Jakarta.

The technique also needs to be passed on to the Canadian Sponsored Regional Planning Group for South Sulawesi.

S U M M A R Y.

At the end of a four month tour the consultant has mixed emotions. Few areas in the world have as much potential as the Luwu area. The INCO project alone is an enormous undertaking. Considering the population density of Java the Luwu area offers great opportunity for development and further transmigration while taking care of its own natural increase. Hydro - electric potential appears to be significant.

Further

Further mineral activity in North Luwu is also probable.

Forestry could be a major long term project using many workers.

Cloves, Pepper and other crops may be extensively developed in this area.

Fisheries can become a major industry if Refrigeration and transportation problems can be solved.

However - the failure of sub-project agencies to move from talk to action raises serious doubts as to whether the present loosely grouped agencies can or will commit themselves to an all out effort to activate their project.

The project must have a complete staff of sub-project managers dedicated to the total effort and between the Project Manager and sub-project managers there must be authority to act. The Presidential Decree gave the Project Manager the responsibility To coordinate but not the authority to act.

Responsibility without authority is inadequate when agencies, fail to carry out their part of the work on schedule.