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DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D.C. 20523

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PROJECT PAPER

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INDONESIA - Family Planning Development and Services

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PROJECT PAPER

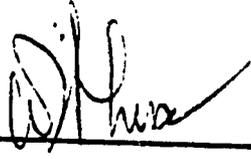
INDONESIA - Family Planning Development and Services

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<b>10. ESTIMATED COSTS (ESOB OR EQUIVALENT \$) -</b>											
<b>A. FUNDING SOURCE</b>		<b>FIRST FY</b>			<b>LIFE OF PROJECT</b>						
		<b>B. FY</b>	<b>C. L/C</b>	<b>D. TOTAL</b>	<b>E. FY</b>	<b>F. L/C</b>	<b>G. TOTAL</b>				
<b>AID APPROPRIATED TOTAL (GRANT)</b>		1,260	2,920	4,180	5,405	19,840	25,245				
<b>(LOAN)</b>											
<b>OTHER U.S.</b>		1. _____ 2. _____									
<b>HOST COUNTRY</b>		NA	NA	33,100	NA	NA	218,100				
<b>OTHER COUNTRIES</b>		NA	NA	13,900	NA	NA	84,500				
<b>TOTALS</b>		NA	NA	51,180	NA	NA	327,845				
<b>11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)</b>											
<b>A. APPROPRIATION</b>	<b>B. PRIMARY PURPOSE CODE</b>	<b>PRIMARY TECH. CODE</b>		<b>E. 1ST FY 78</b>		<b>H. 2ND FY 79</b>		<b>K. 3RD FY 80</b>			
		<b>C. GRANT</b>	<b>D. LOAN</b>	<b>F. GRANT</b>	<b>G. LOAN</b>	<b>I. GRANT</b>	<b>J. LOAN</b>	<b>L. GRANT</b>	<b>M. LOAN</b>		
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<b>TOTALS</b>											
<b>A. APPROPRIATION</b>	<b>N. 6TH FY 81</b>		<b>O. 5TH FY 82</b>		<b>LIFE OF PROJECT</b>		<b>12. IN-DEPTH EVALUATION SCHEDULED</b>				
	<b>Q. GRANT</b>	<b>P. LOAN</b>	<b>R. GRANT</b>	<b>S. LOAN</b>	<b>T. GRANT</b>	<b>U. LOAN</b>					
(1) PH	4,455		4,905		25,245			MM YY 06/719			
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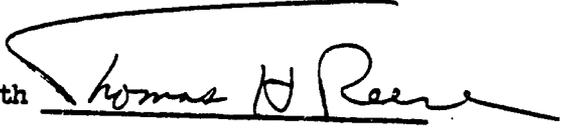
PROJECT PAPER

MISSION CLEARANCES

PROGRAM 

MANAGEMENT N/B

LEGAL Draft

OTHER:  
Office of Population and Health 

## FAMILY PLANNING DEVELOPMENT AND SERVICES

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## B. RECOMMENDATION

USAID recommends this Project Paper be approved on grant terms for total five year funding of \$25,245,000. USAID will execute annual Project Agreements with the Government of Indonesia's (GOI) National Family Planning Coordinating Board (BKKBN). Funds will be sub-obligated for specific purposes such as technical assistance, commodities, training and local costs through Project Implementation Orders (PIOs) and Letters of Agreement (LOAs) which will contain sub-project detail.

USAID estimates that over the life of the project (1978-1982), total direct financial support to the population/family planning sector will be \$327 million, of which the GOI will contribute 66%. If the second IBRD/GOI Population Project Loan is added to the GOI budgets, the GOI proportion of the total estimated expenditures is 74%. USAID and other donors account for the remaining 26%.

Over the life of this project, two additional large population projects will be implemented. One is a USAID/GOI Oral Contraceptive (OC) Loan Project that will provide \$50-\$55 million for five years to support OC supplies and OC materials for OC production in Indonesia. The second project is a loan IBRD/GOI Population Project for \$24.5 million that will enhance the mobility of family planning staff; widen and strengthen the program's education and motivation activities by assisting the BKKBN to reorganize and direct family planning training on a national basis; support BKKBN administration by improving facilities; and, assist plans for a national oral contraceptive production capability by studying the feasibility of producing OC raw materials in Indonesia.

A brief description of these two projects is contained in Appendix F-1 and 2.

FIGURE 1

# INDONESIA

## FAMILY PLANNING PROGRAM



<u>AREA</u>	<u>% POPULATION</u>	<u>CONTRACEPTIVE USE*</u>	
		<u>ACTUAL 1976</u>	<u>ESTIMATED 1982</u>
■ JAVA & BALI	66	25.6	52.0
▨ OUTER ISLANDS-I	25	6.4	40.0
□ OUTER ISLANDS-II	9	-	11.0
INDONESIA	100	18.4	47.6

\* PERCENT MWRA USING CONTRACEPTION

### C. DESCRIPTION OF THE PROJECT

The project will support four interrelated activities: Family Planning Development and Evaluation; Family Planning Services; Training; and Population Policy Studies. The objective of these activities is to assist the GOI in achieving country-wide availability of modern family planning services and a high level of contraceptive use by early 1983.

Family Planning Development and Evaluation activities will focus on innovating and experimenting with new and improved means of delivering family planning services; increasing the demand for family planning services; gathering refined population measures for fertility and mortality levels and trends; and, supporting increased rigorous program evaluation and impact analyses through special studies, surveys and analyses.

Family Planning Service support will increase the availability of a variety of contraceptive means such as the IUD, pill, condom and voluntary sterilization (VS). USAID will also provide assistance to complete the institutionalization of village family planning on Java and Bali and accelerate the development of village family planning in the Outer Islands.

USAID will continue to support (not including travel costs) the development of trained manpower in concert with the National Family Planning Coordination Board (BKKBN) through an acceleration of long-term academic training in the U.S. and selected short-term overseas training; increased in-country technical training through seminars and workshops; and, the initiation of in-country, long-term training at the university level for the BKKBN and supporting agencies and institutions.

USAID will provide modest assistance for population policy studies to gauge the impact of other developmental programs on fertility, population growth and population pressure on Java and also to study organizational alternatives for improving the management and administration of the Government's population programs.

The project will be implemented in cooperation with the Government of Indonesia's (GOI) National Family Planning Coordinating Body - an independent GOI Agency. Many of the activities of this project will be conducted by regional BKKBNs and implementing units such as the Ministries of

Health, Communication, Education, Social Affairs, Religion and the Armed Forces. Private groups such as the Moslem social organizations, the Christian social organizations and the Planned Parenthood Association will be involved in the implementation of the project. However, all inputs will be coordinated and directed by the BKKBN.

The proposed activities are designed to assist the BKKBN in accelerating and improving the national family planning program. This will be accomplished through expanding and increasing the effectiveness of the activities described above. These activities, in concert with the BKKBN's inputs, as well as inputs from other donors such as the IBRD and the UNFPA, will result in country-wide availability of modern contraceptive services by the end of the project. By early 1983, the BKKBN and USAID expect that service outlets (clinics, mobile clinics, village contraceptive depots and village family planning supply groups) will have increased substantially. Availability of family planning services will increase from the current (1977) level of 2.4 outlets per 1,000 married women of reproductive age (MWRA) to about 5 outlets per 1,000 MWRA - or one outlet per every 200 women. Country-wide availability of family planning services will result in an increase in the number of couples practicing modern family planning. USAID predicts that contraceptive use in Indonesia will increase from 18.4% in 1976 to 47.6% by early 1983. The crude birth rate for Indonesia will be reduced from its 1976 level of 36 births per 1,000 population to 24 in 1982 and 21 in 1983.

D. SUMMARY FINDINGS

This project is ready for implementation. The project builds upon a base of seven years of experience of USAID assistance to the Indonesian National Family Planning Program and is an expansion and acceleration of past USAID population assistance activities. The GOI has the managerial and administrative capacity to integrate this project into its population program efforts. The project does not duplicate GOI or other donor activities. The project meets all applicable AID project statutory criteria.

E. PROJECT ISSUES

Issues were raised by AID/Washington regarding this project in the PRP approval telegram State 010861 dated January 18, 1977. The issues and where they are addressed in this PP are noted below:

<u>Issues</u>	<u>PP</u> <u>(Where addressed)</u> <u>Page</u>
1. BKBN Organization and Administration	40, 47-49
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## PART 2

### A. BACKGROUND

Population growth is a multi-dimensional problem which shows little respect for national boundaries and poses dangers to mankind. These dimensions include impending food shortages, pollution and disruption of the earth's ecosystem, depletion of mineral and water resources, energy shortages, erosion, deforestation, expanding deserts, unemployment, overcrowded cities, crime and juvenile delinquency, deteriorating living conditions, social unrest, authoritarianism, and political conflict. Many of these serious manifestations of overpopulation can be found in Indonesia.

The official estimated 1977 population of Indonesia is 138 million\*, the fifth largest in the world. The population is characterized by uneven distribution among the various Indonesian islands. Java and Madura, which comprise only 6.7% of the land area, have 63.2% of the population. Kalimantan which accounts for 27.3% of the land area has only 4.3% of the population.

The country's population profile reflects a largely agrarian population with 83% of the people living in rural areas and 17% in urban areas. The population is young with 44% of the population below 15 years of age and 60% below the age of 25.

The most pressing problem presented by this large, maldistributed population is the increasing demand for job opportunities. Unfortunately, Indonesia's agricultural economy has not been able to cope with the swelling labor force. In the next five years the working age population will increase by more than 10 million and the GOI will face the challenge of providing an additional 5.7 million people with jobs. Most of these job seekers will be young (age 10 to 24), unskilled and undereducated.

Rapid population growth coupled with the rising aspirations and expectations of the people has increased the demand for

\*Based on the preliminary findings of the Intercensal Survey, the 1977 population is reported to be only 133,000,000.

educational opportunities. This is especially true at the elementary level where in 1973 only 57% of the population age 7-12 was in school. The school age (5-19) population will expand by 16% from 1975-1981 with increased demand for new schools and teachers.

13 In the area of housing, the GOI is concerned about providing low cost housing for its population. From 1975-79, the number of houses required to match the population increase is 440,000 per year, while the capacity to build houses at present is only 230,000 per year.

In terms of food - the delicate food/population balance - the GOI is determined to become self-sufficient, especially in rice. Continued rapid population growth, coupled with a strong drive on the part of the populace to increase their level of living, will increase the demand for food. This increasing demand combined with natural setbacks such as droughts, floods, and rice pests have slowed the drive for self-sufficiency. Indonesia continues to need to import annually 0.5 to 1.7 million MT of rice. Based on present population growth rates and increasing consumption patterns the cereal deficits could reach 6 to 8 million MT by 1985.

In the health field, the GOI places top priority on improved family welfare. Most health problems are complicated by poor sanitation, nutrition and crowded living conditions. The most prevalent diseases are: respiratory diseases, skin infections, tuberculosis, diarrhea, malaria, eye infections, anemia and nutritional deficiencies. Half of all deaths are among pre-school children and the leading causes of death are: diarrhea, enteritis, pneumonia and brochitis. With limited capital and a population doubling every 33 years, it is difficult to make inroads into poor sanitation, nutrition and crowded living conditions.

In short, Indonesia is a developing country facing many hurdles on its road to progress - employment, education, housing, food and health problems. In the face of rapid population growth, progress in any of these problem areas is exceedingly difficult. Population is clearly one of the most pervasive and important factors in Indonesia's socio-economic development efforts.

#### 1. National Family Planning Program

Under former President Sukarno, the official

attitude of the Government was strongly pro-natalist. Sukarno called for more children and proclaimed the country could easily support 250 million people. He saw the need for more people to exploit Indonesia's wilderness areas. Notwithstanding this official policy, the Indonesian Planned Parenthood Association (IPPA) was formed in 1957 and pioneered family planning services in Jakarta.

The change of Government in 1965 brought a transformation in the official attitude toward family planning. In 1967 the IPPA organized the first national congress of family planning in Jakarta. In 1968 a National Family Planning Institute was set up as a semi-governmental body to direct family planning activities. In January 1970 it was replaced by a Government unit, the National Family Planning Coordinating Body (BKKBN).

Government policy at that time was formulated primarily in terms of the social objective of improving the health and welfare of the mother, child and family. Increasingly, Government statements emphasized the economic objective of the program to raise the standard of living by limiting the birth rate so that population growth would not exceed the increase of food production.

#### The First Phase (1969 to 1974)

During the initial phase, family planning activities were limited to the islands of Java and Bali. The emphasis was on integrating family planning services into health service clinics on these islands.

By late 1974 there were some 2,400 clinics on Java and Bali offering services. In addition to making family planning available, the GOI endeavored to win the support of formal as well as informal community leaders and create a general awareness and support for the program among the people.

From 1969 to 1974 the BKKBN made creditable progress in promoting the program and recruiting family planning acceptors. Family

planning acceptors increased from 53,100 in 1969 to 1.5 million in 1974. It is particularly interesting to note the rapid increase in the use of the pill in the program. Oral pill acceptors increased from 27% of all acceptances in 1969/70 to 60% in 1974/75. USAID believes this was due to increasing availability of the pill and ease-of-use by the acceptors.

In terms of achieving a demographic impact as well as providing a service to the low income families on Java and Bali, age and parity characteristics of the acceptors have been encouraging. Age of acceptors dropped from an average of 29.0 years in 1971 to 27.9 years in 1974, while the number of living children per acceptor fell from 4 to 2.8. At the end of 1974, 82% of acceptors reported the head of household as either a farmer, fisherman, manual laborer or unemployed. 37% of acceptors described themselves as illiterate and 92% as having had six years or less of schooling. This suggests that younger women with fewer children were entering the program. Moreover these women were representative of the rural poor.

In summary, the first phase of the program aimed at consolidating Government support, winning local formal and informal leader support, introducing services into the public health clinic system, and of critical importance, building a viable administrative organization.

#### The Second Phase (1975 to 1979)

The evolution of the Indonesian family planning program is evidenced by the reformulation of the goal of the program from a qualitative statement - "... to improve the health and welfare of the mother, child and family..." - to a quantitative one. Policy explicitness stated in Repelita II (the national

development plan), now calls for a 50% reduction in the current fertility level by the year 2000. The evolution of the program is also marked by an increased emphasis on continuance of contraceptive practice. The 7,000 fieldworkers employed on Java and Bali have had their job description broadened to include follow-up activities. They are to ensure that acceptors return for periodic medical checkups and are provided with an adequate supply of contraceptives.

The Government has continued to encourage the participation in the program of various other Government agencies such as the Ministries of Health, Social Affairs, Education and Culture, Religion, Information, as well as private organizations such as the Indonesian Council of Churches, the Muhammadiyah and women's organizations.

In addition, the Government has actively encouraged the participation of the private sector in expanding and extending the family planning program. These efforts have focused mainly on the condom. Condoms are currently being distributed through traditional herbal preparation (jamu) dealers in Java.

The BKKBN, with USAID assistance, has launched an impressive village family planning (VFP) program that seeks to place the responsibility for recruiting new acceptors and supporting and maintaining family planning users at the village level. Village family planning is a generic term and individual regional programs are tailored by the provinces to suit their needs. Although local organization and administration may differ, village family planning usually involves the establishment of a contraceptive depot in the village and formation of sub-village family planning

17  
groups. The depot is supervised by a family planning clinic and provides contraceptive supplies of oral pills and condoms. The family planning group dispenses contraceptive supplies obtained from the depot and reinforces its members, as well as seeks to recruit new family planning acceptors. Thus, the family planning "chain" reaches from the clinic to the smallest community unit. USAID estimates that on Java there are currently (1977) 25,000 depots and 20,000 family planning groups.

In 1974 clinical family planning services were officially offered by the BKKBN in 10 of the 21 Outer Island provinces. Recently (early 1977) pilot village family planning projects have been established covering about 25% of the villages in these provinces to test the feasibility of implementing village family planning in the Outer Islands.

In summary, the second phase of the program to date has: quantified the goal of the program; shifted from an emphasis on new acceptors to continuing users; broadened the participation in the program of various governmental and non-governmental groups; expanded the program into the private sector to take advantage of commercial distribution systems; launched a research and development program to stimulate local problem identification and resolution; and implemented "village family planning" on a massive scale on Java and Bali and on a pilot basis in the Outer Island provinces.

## 2. Program Results

The program to date has produced impressive results. From the 1974 total of 1.5 million new acceptors, Java/Bali increased recruitment to 2.0 million new acceptors in 1976 for a cumulative total since 1969 of over 8.2 million new acceptors. From 1974 to 1976 the Outer Islands got off to a good start by registering a total of 600,000 new acceptors. As illustrated in Table 1, over half of the married women of reproductive age (MWRA) on Java/Bali

have become new acceptors and an estimated 24% are currently using contraception. On the Outer Islands 12% of MWRA have become acceptors and an estimated 6% are currently using contraception.

TABLE 1  
Program Results (as of 3/77)

	<u>Java/Bali</u>	<u>Outer Islands</u>
Total New Acceptors	8.2 million	.60 million
New Acceptors per 1000 MWRA	568 (56.8% MWRA)	120 (12% MWRA)
Current Users	3.4 million (24% MWRA)	.29 million (6% MWRA)

Source: BKKBN Service Statistics

As Table 2 illustrates, the program is continuing to reach the rural poor. The "average acceptor," on Java/Bali and the Outer Islands may be described as follows:

Java/Bali - 27 year old woman with less than primary school education with 2.54 living children, whose husband is a farmer, laborer, fisherman, or unemployed.

Outer Islands - 28 year old woman with primary school or better education with 3.60 living children, whose husband is a government official or tradesman.

TABLE 2

Family Planning Acceptor Characteristics  
(3rd Quarter 1976/77)

<u>Characteristics</u>	<u>Java/Bali</u>	<u>Outer Islands</u>
Age-Percent women 15-29	66.7	57.0
Parity-Number of living children	2.54	3.64
Education-Percent acceptors with less than 6 years of education	58.3	32.0
Husband's occupation-Percent acceptors whose husband is farmer, laborer, fisherman, or unemployed	81.8	58.0
Desire for additional children-Percent acceptors with 3 living children who do not desire additional children	41.7	22.0

Source: BKKBN Service Statistics

In 1976 an Intercensal Survey was conducted by the GOI Bureau of Statistics with considerable USAID financial assistance. The Survey consisted of a 250,000 household listing, a 60,000 household population survey and a 11,000 Java and Bali fertility survey. The third phase is known as the Indonesia World Fertility Survey.

Preliminary tabulations of Phase III indicate that fertility is falling rapidly on Java and Bali. The survey also indicates that family planning use of modern contraceptive methods is somewhat higher on Java and Bali than previously thought. These data are reflected in Table 3.

TABLE 3

Java and Bali Fertility Estimates  
and  
Contraceptive Use\*

---

<u>Province</u>	1970 CBR	1975 CBR	1970-1975 % Change	Modern Contraceptive Use (Early 1976)
Jakarta	40	38	- 5%	18%
West Java ,	42	37	-12%	17%
Central Java	38	34	-11%	29%
Yogyakarta	N/A	N/A	N/A	N/A
East Java	38	29	-24%	34%
Bali	<u>41</u>	<u>27</u>	<u>-34%</u>	<u>42%</u>
Java/Bali	41	34	-17%	27%

\*These estimates are derived from preliminary WFS tabulations and should be viewed with caution. USAID believes the directions and magnitudes are reasonable.

Table 3 reflects a decline in the crude birth rate (births per 1,000 population, CBR) of 17% for the period 1970-75. Modern contraceptive use (program and non-program) on Java and Bali is 27% of the married women of reproductive age (MWRA). For the same approximate time period, the BKKBN service statistics system indicates contraceptive use through the national program was 21% (April 1976). The difference is attributed to undercounting by the BKKBN data system and modern use (pill, IUD, condom, sterilization, injectable and diaphragm) through the private sector. Interestingly, much of the BKKBN undercount appears to be in Jakarta, Central Java and Bali. Central Java and Bali have programs designed to switch women from the pill to the IUD. The discrepancy in the Jakarta data are, as yet, unclear. This overall problem is being addressed by the BKKBN.

A more detailed analysis of the demographic impact of the family planning program and the expected impact of the family planning program over the next five years is included in Appendix 5-E.

The total estimated cost of the program from 1968 through 1977 is 158.5 million dollars, around a \$1.25 per capita. The GOI has financed 46% of this cost, USAID 27% and the other donors combined 27%. An analysis of the budget is contained in Part 3-D. The estimated cost effectiveness indices of these inputs over the 1968 to 1977 period are impressive and are as follows: cost per acceptor of \$14.28; cost per couple year of protection \$12.00; and cost per birth averted of \$48.00.

The results could not have been achieved without strong GOI support. President Suharto continues to meet quarterly with the provincial governors to review family planning progress. Ministry of Interior officials at the provincial, regency and sub-regency levels share responsibility with the BKKBN for family planning progress. This governmental support from the top down to the village has been instrumental in creating a socio-political climate conducive to progress. In addition, the family size implications of Government policies, laws, programs, and activities are frequently under review.

In the legal area, for example, the following

actions have been taken:

- (a) Compilation of laws as they directly or indirectly relate to population;
- (b) Involvement of the law departments of various regional universities in the population/law issue;
- (c) Elimination of import duty on contraceptives;
- (d) Revision of the marriage law to set a minimum age of marriage of 19 for males and 16 for females;
- (e) Promulgation of decree that the rice ration for dependents of government workers and military personnel will only be provided through the third child;
- (f) Reduction of the cost of public schooling for the first 3 children only.

## B. DETAILED PROJECT DESCRIPTION

The project is a five year (FY 1978 - FY 1982) grant activity with four interrelated components. A Logical Framework Matrix contains the design of the project and is attached as Appendix 5-H.

### 1. The project inputs are:

#### a. Family Planning Development and Evaluation

##### Development:

The development activity is the cutting-edge of this project and will assist the BKKBN in pilot-testing, innovating, experimenting and problem solving. Development activities will generally be designed for rapid implementation and quick feedback to BKKBN program administrators. These sub-activities will focus on improving and extending the delivery of family planning services and increasing the demand for family planning services through awareness and understanding activities. The criteria for project selection will be need, approach, timing, costs and capability. In general, regional BKKBNs will design these development activities with central BKKBN guidance and approval. Project implementation will be by local BKKBNs, implementing agencies (i.e., Ministries of Health, Education, Information, etc.), regional universities, and institutes. Examples of the types of development activities that will be supported are:

- Pilot test of "Village Family Planning" in the Outer Islands.
- Development of two person family planning-health teams (STMK) for delivery of OCs and condoms door-to-door.\*
- Demonstration project to test the feasibility of utilizing village depots for rudimentary nutrition and health activities.

\*West Java is currently testing 900 such teams. Early results are impressive. New acceptors per month have increased from 22,000 to 40,000.

- 27
- Experimentation with the use of mobile sterilization units in remote areas.

In addition, the BKKBN and USAID expect to utilize development funds for specific regional problem-solving projects. The regions will be encouraged to define and resolve local program constraints and problems. An example of this type of project is Bali's effort to stimulate areas in that province where family planning is lagging.

### Evaluation

The BKKBN will increase the emphasis on evaluation at all levels of the program. At the national, or macro-level, the GOI Bureau of Statistics (BPS) has proposed a Population Evaluation Program for the period 1977-1981. This program will focus on:

- i) in-depth analyses of the 1976 Inter-censal Survey to estimate the demographic impact of the national family planning program;
- ii) improved population measures by instituting a vital registration system and initiating multi-purpose surveys with fertility/mortality modules; and
- iii) preparations for the 1981 census.

USAID estimates assistance to this BPS population program will total \$1.5 million over the five years of this project. Details of this support are contained in the Financial Plan, Appendix 5-D of this PP. In addition, centrally-funded technical assistance will be provided by various institutions, such as: East-West Population Institute, UNC POPLABS and University of Chicago for population program evaluation.

Additional to the BPS population evaluation activities, regional BKKBNs, universities and institutes

will undertake demographic impact and program evaluations.

The BKKBN will continue to coordinate regional family planning acceptor surveys conducted by local universities. These surveys are important to confirm the accuracy of the BKKBNs service statistics system and, more importantly, provide data regarding contraceptive continuation.

USAID and the BKKBN also anticipate there will be increased emphasis on program evaluation. Examples of the types of program evaluation that will be undertaken are:

- In-depth evaluation of the West Java STMK.
- Evaluation of the impact of the village family planning movement on village people and their way of life.
- Analysis of what happens to family planning dropouts and how dropouts can be reduced and/or encouraged to return to the program.
- Evaluation of the multitude of on-going training programs. For example the village family planning training program for the contraceptive depot holders.

These evaluations will be conducted by regional BKKBNs and universities and agencies. Evaluation will be through analysis of existing data, surveys and administration of specially designed questionnaires.

Finally, USAID and the BKKBN will provide partial support to a "University Population Network" project sponsored by Gadjadara University's Population Institute. USAID and the BKKBN will provide assistance (\$75,000-\$100,000) for population technique upgrading, technical workshops and small

population research grants for mid-level university population faculty. The Ford Foundation will provide major support (\$160,000-\$200,000) to the Network.

29

b. Family Planning Services

This component is the backbone of the project. This section will support the BKKBN's efforts to make family planning services fully available country-wide through the national family planning program. The project will focus on contraceptive means such as the IUD, pill, condom, and voluntary sterilization (VS).

USAID will also assist the BKKBN in institutionalizing the Java and Bali family planning contraceptive depots and sub-village family planning groups. "Village Family Planning" (VFP), as mentioned above, is a generic term applied to the provincial family planning programs. Each one of these programs has a regional identity and is conducted in a different manner. They have, however, common characteristics:

- 1) "Village Family Planning" is designed locally;
- 2) contraceptive depots are established in villages and sub-villages;
- 3) sub-village family planning groups are formed;
- 4) all village family planning programs have essentially three goals:
  - a) encourage new acceptors;
  - b) support continuing users;and

- c) institutionalize village family planning by obtaining local support and funding.

USAID expects that by 1980-81, Village Family Planning on Java and Bali will be self-sustaining through provincial, regional, district and village support. Self-financing is already underway and almost half of the Central and East Java family planning programs are locally financed.

USAID and the BKKBN anticipate that demonstration VFP projects on the Outer Islands will be successful and "take-off" over the next few years. Once Village Family Planning has been successfully demonstrated in an Outer Island province, USAID and the BKKBN will provide three to four years of full funding until local support can be obtained. The Outer Island provinces will locally plan and implement VFP programs with central assistance as required. The same Java and Bali VFP guidelines will apply to the Outer Island programs: flexibility will be allowed in order to tailor programs to local situations.

West Kalimantan, for example, designed the VFP program to cover the accessible population, while the less accessible population will be reached by other means, perhaps mobile units. In North Sulawesi, on the other hand, the VFP program is aimed at complete coverage of the population. In Nusa Tenggara Barat (NTB), the "Tuan Guru" or the village religious leader is a catalyst in the NTB VFP proposal. Thus, the BKKBN and USAID expect each one of the Outer Island VFP projects to have a distinct regional identity.

USAID and the BKKBN agree that USAID

should avoid the support of recurring costs such as salaries and rent. USAID support for the VFP program will largely cover training, supervision, materials, equipment, additional outreach activities, reporting and evaluation. USAID will also support the clinic family planning service program by providing medical equipment, vehicles, office equipment, and periodic upgrading training.

USAID will assist the GOI in expanding the availability of VS services on a country-wide basis. VS training and upgrading is currently coordinated by the Indonesian Association for Voluntary Sterilization (PUSSI) and there are five sterilization training centers in Indonesia - Jakarta, Medan, Yogyakarta, Surabaya and Manado. Training will be accelerated in calendar year 1978 in order to meet the increasing demand for VS. Training will generally be conducted at one of the above training centers and will last 4-6 weeks for physicians and 6-8 weeks for nurses. This training will be supported by AID/Washington intermediaries and monitored closely by USAID.

USAID anticipates that the demand for VS will continue to grow and U.S. services will become increasingly available outside the major provincial cities. USAID expects that over the five years of this project, VS will be introduced into regency hospitals throughout the country as well as in selected sub-regency health facilities. USAID expects VS centers to increase from the current (1977) 75 centers to 521 centers by 1982. This means approximately one center for every 2.75,000 population by 1982.

USAID assistance to the VS program will include renovation, supervision, equipment, reporting and evaluation,

and payment of general hospital U.S. overhead costs.

c. Training

USAID will provide selected out-of-country training at the graduate level in the area of population and family planning. USAID is convinced there is a critical shortage of trained manpower in Indonesia, which is essential for the long-run success of the family planning program. The BKKBN, EPS and various Population Institutes have in the past been strengthened with the return of personnel from graduate level training abroad. In the population sector the experience has been outstanding with participants returning to Indonesia and assuming important roles in the population activities of the Government. Of the more than 500 population participants trained by USAID since 1968, 90% are active in the field.

Additional efforts must be made to upgrade the regional universities through long-term training opportunities for interested faculty. USAID and the BKKBN hope these universities will become regional population resource centers that provincial authorities will call upon for development, research and evaluation needs. This approach is in keeping with the BKKBN's desire to continue its emphasis on "decentralized planning."

A key element in the USAID-BKKBN manpower development plan is the intent to upgrade BKKBN and implementing agency staff through in-country training at local universities and institutes. USAID will assist the BKKBN by providing local fellowships and stipends in order to allow

selected personnel to take advantage of 1-2 year long-term in-country training opportunities. USAID and the BKKBN agree this will be a phased program in which the BKKBN will gradually assume the cost of this upgrading. The emphasis will be on mid- and low-level staff in the regions to upgrade skills. Criteria will be established to insure that personnel who take advantage of this opportunity will be required to stay with their respective agencies for a reasonable period of time.

d. Population Policy Studies

This section is the "think component" of the project and provides a modest amount of funds for population policy studies. Examples of such studies are: investigation of the relationship between other development programs and family planning; the influence of transmigration on fertility; population program organization alternatives; increased expansion of population activities by the private sector; and, alternatives to accelerate the movement to a small family norm.

The above are just a sample of the types of studies that might be undertaken under this section. These studies will probably be decided upon jointly by the BKKBN and BAPPENAS. Implementation will be by local universities and institutes with possible outside technical assistance.

2. Project Outputs

The project outputs will be family planning service availability throughout the country by the end of 1982; an increase in the trained manpower available to assist in the administration and management of the program; an institutionalized in-country manpower development program; and, a series of population policy studies.

The availability of family planning services will be evidenced by the increase of family planning service outlets from the 1976 level of 1.78 outlets per 1,000 married women of reproductive age (MWRA) to 5.35 outlets per 1,000 MWRA. Thus, by 1982 there will be about one family planning service outlet per every 200 MWRA.

Family planning service outlets are of four types. The principal outlet is the clinic, usually located at the sub-regency level and providing services for a population of 30,000-40,000. Clinics are static and multi-purpose with integrated health and family planning services. Generally clinics offer IUD, pills and condoms for family planning. On Java and Bali there is a village depot system linked to the clinic with an average of 7.5 depots per clinic. The depot is run by a villager and may be located in a private home, the village headman's house, the village office, or an auxiliary building. Contraceptive stocks of pills and condoms are maintained in the depot and simple records are kept, which feed into the clinic record system. This allows month-to-month monitoring of the system of contraceptive stocks and flows. Below the village depot, there are sub-village family planning groups formed to insure contraceptive resupply. As some villages on Java are widely dispersed, a member from the sub-village "group" will go to the depot for contraceptive supplies for her sub-village, which generally consists of 30-50 members.

On Java and Bali, USAID estimates that for 1977 there will be 25,000 village depots and 20,000 sub-village family planning groups. A precise count is difficult as the depot and sub-group formation process is continual and reporting of the number of depots and groups is still not complete or regular. USAID is assisting the BKKBN with the development of a simple, quarterly report on depots and family planning groups. At the end of the project USAID estimates there will be 30,000 depots and 50,000 groups on Java and Bali.

In the ten Outer Island provinces now participating in the family planning program, Village Family Planning is being pilot tested by local BKKBNs. As Table 4 shows, USAID expects that by the end of the project there will be 22,000 depots and 20,000 groups in these ten provinces.

The final element in the family planning delivery system is the VS facility. VS services usually will be located in a provincial, regional or sub-regional hospital. As Table 4 indicates, USAID expects there will be 285 VS facilities on Java and Bali by the end of the project, 221 in the first ten Outer Island provinces and 15 in the remaining 11 Outer Island provinces that will enter the national program in 1979.

In terms of manpower development, USAID expects that 50 participants will be trained abroad over the five year period of the project and 60-75 participants trained in-country. USAID also expects that 10-15 population policy studies will be conducted over the life of the project.

TABLE 4

Indonesia Family Planning Service Points 1976-1982

Area	Year							
		<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
<b>Java/Bali (65% of population)</b>								
Clinics		2,700	2,750	2,750	2,750	2,750	2,750	2,750
VSS		25	35	49	92	145	171	285
Depots		20,000	25,000	30,000	30,000	30,000	30,000	30,000
Groups		15,000	20,000	25,000	35,000	40,000	45,000	50,000
<b>Outer Islands - I (26% of population)</b>								
Clinics		884	890	920	1,100	1,100	1,100	1,100
VSS		10	40	62	94	140	165	221
Depots		-	4,000	6,000	12,000	18,000	20,000	22,000
Groups		-	-	5,000	8,000	12,000	15,000	20,000
<b>Outer Islands - II (9% of population)</b>								
Clinics		-	-	-	200	300	400	460
VSS		-	-	-	-	5	10	15
Depots		-	-	-	-	500	1,000	3,000
Groups		-	-	-	-	-	1,000	3,500
<b><u>All Indonesia</u></b>								
Outlets per 1,000 MWRA		1.78	2.38	3.08	3.84	4.42	4.79	5.35

Increasing Service Availability



### 3. Project Purpose

37 USAID and BKKBN are convinced there is a direct link between the effective use of modern contraceptives and a decline in fertility, thus the purpose of this project is to accelerate as rapidly as possible the use of modern contraception. This is to be accomplished by attracting and keeping couples in the family planning program. USAID expects the level of program contraceptive use to increase from 18.4% in 1976 to 48% in early 1983. Contraceptive use on Java and Bali will increase from the 1976 level of 25.6% to 52%; on Outer Islands I from 6.4% to 40%; and, on Outer Islands II from zero to 11%. USAID anticipates that by early 1983, 23% of the MWRA will be using the pill; 15% will be using the IUD; and, 10% will be using other methods.

### 4. Project Goal

The goal of the Indonesian National Family Planning Program is to reduce fertility 50% by the year 2000. This target is explicitly stated in the second five-year development plan (1974-1979), and translates into a reduction in the country crude birth rate from a level of 40 births per thousand population to 20 births per thousand population. USAID and the BKKBN believe this goal - a CBR of 20 per 1,000 - can be met some 10 to 15 years ahead of schedule. USAID estimates that by the end of this project (1982) the CBR of Indonesia will be 24, 21 on Java and Bali and 31 for the Outer Islands. Based on these projections, Indonesia will attain its target of a CBR of 20 by 1985-1990.

USAID expects a corresponding reduction in the death rate from the current (1977) level of 16 deaths per 1,000 population to around 11 by 1982. The population growth rate will be in the range of 1.3 per thousand population - down 35% from a level of 2.0% in 1976.

### PART 3

#### A. TECHNICAL ANALYSIS and ENVIRONMENTAL ASSESSMENT

This project is feasible and builds upon a solid base of seven years of experience by the GOI in implementing a national family planning program.\* The goal of the program is a 50% reduction in the birth rate by the year 2000. The current contraceptive technology is appropriate and widely in use on Java and Bali.

The major program constraints are viewed as the time and distance involved in attempting to accelerate the family planning program in the Outer Islands. Lack of sufficient, committed manpower is also a problem in rapidly stimulating village family planning on the Outer Islands.

USAID believes the project is reasonably priced and designed. A cost-effectiveness analysis is contained in Part 3-D which presents past cost-effectiveness indicators and projects future cost-effectiveness results through 1982. The design of the project meshes well with the BKKBN's decentralized planning model and provides the wherewithal for provincial BKKBNs with Central guidance, to design, pilot-test and implement village family planning programs in conjunction with expanded clinic based family planning services.

The Environmental Assessment is attached as Appendix C. The environmental action recommended is a negative determination.

\*This project combines two former USAID-BKKBN projects. See the Family Planning Assistance-Services PROP (188.0) approved through U.S. FY-1977 on June 10, 1975 and the Population/Family Planning Research and Development PROP (188.3) approved through U.S. FY-1977 on October 23, 1974

**B. FINANCIAL ANALYSIS AND PLAN**

The total AID bilateral inputs for this five-year project are \$25,245 million. The budget by project component is as follows:

	<u>(\$000)</u>
Development and Evaluation	\$ 3,710
Family Planning Services	18,415
Training	2,620
Population Policy Studies	<u>500</u>
<b>TOTAL</b>	<b>\$25,245</b>

Details of this budget are contained in Appendix 5-D.

This project is technically sound and meets FAA Section 611 (a) and (b).

USAID expects that the GOI will sustain the ongoing activities developed by this project. The GOI has a good record of providing budgetary support for successful family planning activities. With USAID assistance in the early 1970s, the BKKBN developed the family planning services statistic system. The system, one of the best in the world, is now 100% supported through the BKKBN budget. During the mid-1970s, USAID funded a contraceptive newsletter that was developed by the BKKBN in cooperation with the Ministry of Health (MOH) for physicians throughout the country. The purpose of the letter is to keep them abreast of contraceptive technology. The MOH now supports this newsletter. In 1974 BKKBN and USAID pilot-tested village family planning to evaluate the feasibility of establishing village contraceptive depots. By 1977 the regional governments in Central and East Java support more than half of the village contraceptive depots.

Development and Evaluation activities will supplement GOI efforts in this area. Sub-projects will be discreet, time-limited activities. Items such as preparation for the 1981 census will be non-recurring. The special fertility survey planned for 1979 will be a non-recurring project that will be undertaken to gain an interim measure of fertility. Recurring items such as the acceptor surveys will be absorbed into the BKKBN's budget.

The activities supported under Family Planning Services will focus on the start-up and spread of village family planning. Most of USAID's assistance will be for preparations, training, supervision and operations. USAID and the BKKBN expect that VFP operations will be locally financed after 2-3 years of USAID support. USAID will provide support to upgrade clinic family planning services such as medical equipment and training. These are mostly non-recurring items. The BKKBN is currently budgeting GOI funds for the purchase of Lippes Loop IUDs. If the copper-T IUD is successful in the pilot tests currently being conducted in urban areas and there is a continuing demand for this IUD, USAID and the BKKBN expect the BKKBN will be purchasing these IUDs with GOI funds by the end of this project (1983).

USAID support for VS will assist the GOI with the expansion of VS services. This activity will assist with building rehabilitation, equipping of VS centers and the payment of VS operating expenses. USAID and the BKKBN expect VS operating costs will be 100% assumed by the GOI during the last year of the project.

As indicated previously, Training will consist of two types of long-term training. Long-term overseas academic training will be provided to upgrade population skills. Long-term, in-country training will be supported for personnel involved in the population effort. By the end of the project this in-country training program will be phased over to the GOI and supported with BKKBN or other agency funds.

Assistance for Population Policy Studies will fund discrete, time-limited projects of a non-recurring type. The objective is to better understand interactions between fertility/mortality and developmental programs, as well as study re-organization alternatives in order to better administer the GOI's various population efforts, such as family planning and transmigration.

Financial Management - the BKKBN has a proven record of capable financial management of foreign assistance. AID and other U.S. agency audits of the utilization of AID population resources by the GOI have continually reported favorably on GOI administration and management.\* In general, the BKKBN delegates financial responsibility to the implementing agencies. For example, if the Central Bureau of Statistics (BPS) is contracted to undertake a survey, records and receipts are

\*See recent AID-AG "Indonesia Family Planning Program" Audit Report," July 1977.

maintained by BPS with periodic line-item reporting to the BKKBN and USAID. The implementing agencies understand that such projects are subject to U.S. Government audit.

41 The local cost VFP projects throughout the country are reviewed by way of on-site field inspections to insure that these projects are on schedule and proceeding as planned. USAID disbursements for these projects are phased; second and third disbursements are made only after a field inspection and USAID and BKKBN confirmation that the project is proceeding satisfactorily.

USAID and the BKKBN believe that the expanded USAID grant program of \$2.905 million for U.S. FY-1977 has been extremely useful in accelerating the family planning program and paving the way for this five-year project. USAID and the BKKBN have obligated the grant funds as follows: \$1 million for Java and Bali VFP; \$1 million of pilot VFP projects on the Outer Islands; \$.5 million for equipment such as vehicles, medical kits and data entry units; and, the balance of \$.405 million for training, development and evaluation activities such as the family planning acceptor surveys on the Outer Islands.

USAID and the BKKBN have recently completed a three-year \$2.1 million Population and Family Planning Research and Development Project,\* 35 R&D projects were developed and funded by BKKBN and USAID. Examples of these projects are:

- Vasectomy Evaluation Survey (\$5,485)
- Yogyakarta Condom Use Survey (\$5,761)
- Bali Banjar Project (\$115,000)
- West Java STMK Pilot Project (\$37,747)
- East Java Village Family Planning (\$242,000)
- Indonesia 1976 Intercensal Survey (\$210,000)

Based on the experience with the R&D project, USAID and the BKKBN are confident that this project can be implemented and well managed.

Costs. As noted above, the elements of this project are broken down by activity in the financial plan which is attached

\*See the Population/Family Planning R&D PAR dated March 1977.

as Appendix 5-D. The costs have been arrived at on the basis of past experience with a provision for inflation. Under the Development and Evaluation component, the BPS program has been carefully worked out by BPS staff. USAID has reviewed the details of the BPS plan. The cost estimate for the BKKBN's acceptor surveys is based on the current costs of these surveys which are currently being funded by the IBRD and USAID.

Village family planning costs are based on the experience on Java and Bali, which reveals it takes an average of \$50 a year to support a village depot and attendant family planning groups. Based on the pilot projects in the Outer Islands, we estimate the costs at \$100 a depot; we have budgeted \$150 for Outer Islands II - the remaining 11 provinces that will be covered by the program in 1979.

VS costs have been estimated on the basis of past experience and field calculations of what will be required to renovate and equip rural hospital operating rooms. The hospital overhead is based on the average amount (\$10) that the BKKBN pays to the hospital per VS procedure.

Out-of-country training costs have been estimated on past experience and with AID/Washington guidance. In-country training is based on actual costs in Indonesia.

Population Policy Studies are estimated to average two projects a year at an average of \$50,000 per project.

### C. SOCIAL ANALYSIS

43 To date the family planning program has not encountered insurmountable socio-cultural obstacles. The program has been well received on Java and Bali and, as noted previously, currently 26% of the MWRA are using contraception through the program. The strategy on Java and Bali of moving to the village has also been successful. VFP is in full operation and USAID and the BKKBN expect this program will be supported by the GOI and local regions within the next two to three years. The major obstacles at this time are limited manpower in the Outer Islands to initiate village family planning and the great distances involved - Sumatra with 20 million people is the sixth largest island in the world.

The national family planning program moved to the ten Outer Island provinces in 1974 and the initial determination is that there are no insuperable socio-cultural barriers to the rapid expansion of this program. Pilot VFP projects have been launched in the ten provinces and the preliminary results are encouraging. Formal and informal leaders from the Governor to regency, district, sub-district and village heads have endorsed the village family planning approach. Conversations with village informal leaders (religious, women's clubs, social organizations, etc.) have not reflected opposition or hostility toward the introduction of family planning into village life at the village and sub-village level.

Such conversations, admittedly brief and non-random, have impressed USAID and the BKKBN that villagers readily perceive the benefits from family planning and are willing to participate in the birth control program. Desired family size in the Outer Islands is often still large (4-5 living children), but couples interviewed are clearly interested in controlling and spacing their families.

There is also an expressed willingness at local levels to assume responsibility for the VFP program. The BKKBN has been unambiguous about local responsibility when explaining the VFP approach to provincial and local level officials. A 2-3 year time frame is outlined for people to be briefed, trained, supervised, records established and the VFP system to operate.

USAID believes that one of the great strengths of the Indonesian family planning program is the decentralized planning approach that has been used in promoting VFP. The country is a diverse, multi-ethnic one and it is USAID's opinion that it would be impossible - even foolish - to

attempt to plan an innovative village family planning level from Jakarta. The BKKBN has not made this mistake.

Planning for VFP is largely conducted in the provinces with provincial family planning officials. Even on Java and Bali there is a wide variance of traditions and cultures and the provincial VFP programs on these two islands reflect these differences.

On the ten Outer Island provinces, the BKKBN is attempting to repeat the decentralized VFP planning process. In each area, the socio-cultural nuances are studied and a joint determination is made as to how best to proceed with VFP. In South Sumatra the "Dusun" leader (village headman) is critical for gaining support of VFP. In North Sulawesi it is the "Hukum Tua". In West Sumatra, the village structure is similar to that in Bali and the "Daktu", (a traditional leader), is important if the VFP program is to become part of village life.

The major participants in this project will be rural couples who will have - some for the first time - ready access to modern family planning methods. An unexpected spillover effect has been observed on Java and Bali where family planning groups have begun to expand their interests beyond the field of family planning. Formed at the sub-village level to insure contraceptive resupply, these groups are currently engaging in a variety of development activities. Some groups are receiving lectures on other development programs such as health and nutrition and also have received lectures by local (district and regency) officials. Other family planning groups have diversified into economic activities such as raising chickens and making and selling handicrafts. USAID suspects the reason family planning has catalyzed these women is that they tend to be slightly "different." Although many villages have women's clubs, such established groups tend to be dominated by the older, more conservative women in the village. The family planning groups, on the other hand, are younger (most in the 15-44 age group) and the fact that they are family planning acceptors indicates they are forward thinking. Grouping these women, USAID believes, tends to create a dynamism that is directed toward self-improvement and development. USAID and the BKKBN expect that assistance will be provided in this project to these groups to test the feasibility of integrating more formalized developmental programs such as primary nutrition education into their activities.

The GOI plans to move prudently with the expansion of the VS program and it will be rapidly expanded only in those

45  
areas such as North Sulawesi and North Sumatra where there is strong support for VS and a recognized unmet demand for these services. In other areas such as Aceh, West Sumatra and South Sulawesi, VS will be introduced slowly and in the later stages of this project. The GOI's approach to VS is to introduce these services throughout the country in regency hospitals as backup family planning services for those women who are interested in VS. The GOI does not, and USAID believes will not, consider mass sterilization campaigns; any form of compulsory sterilization; or, incentives or disincentives that attempt to "induce" sterilization.

#### Role of Women

The role of women will be accentuated with achievement of the goal of population planning. Women's efforts and resources will be shifted from the requirements of motherhood into economically productive efforts in community development. Through the development of village clubs and women's groups in the Indonesian family planning program, village handicrafts are developed and promoted as a source of added income for the rural family. Additionally, delaying the marriage age of women is another means to increase the development of the rural women for their and the community's benefit.

The health of LDC women is also improved as a result of fewer pregnancies and less exposure to the risks of childbirth. Furthermore, women play a major part in the program itself as they account for over 50% of the clinic, field and volunteer staff.

#### D. COST-EFFECTIVENESS

In late 1972, an extensive analysis was carried out by the Demographic Institute, University of Indonesia on the relationship between population growth and economic growth.\* Among other things, the report showed the improvement in per capita income that results from reduced fertility. This is due to the numerator (gross national product) being divided by a smaller denominator (the size of the population).

In 1975, a monograph was published by the BKKBN that analyzed the cost-effectiveness of the national program for the years 1971-1973.\*\* The report showed that for the latest year (1973) the cost per acceptor of the program was \$11.02, cost-per-couple-year-of-protection (CYP) \$9.28 and cost-per-birth-averted \$39.98.

USAID has attempted to update this report by estimating the cost-effectiveness indicators for the period 1968-1977, then projecting estimated cost-effectiveness indicators for the period of the project - 1978-1982.

A word of caution in reviewing these figures. USAID has found it difficult to account for all inputs into the program. Donors, unfortunately, do not maintain accessible expenditure figures; also, fiscal years of the donors and GOI often overlap. Still, for the period 1968-1977, USAID believes the figures presented are a reasonable estimate of the direct inputs into the Indonesian National Family Planning Program. If the average population over this period is considered to be 127 million, the cost-per-capita is on the order of \$1.25.

As can be seen in Table 5, USAID estimates that \$158.5 million has been spent by the GOI and donors for the period 1968-1977. This results in a cost-per-acceptor of \$14.28, cost-per-CYP of \$12.00 and a cost-per-birth-averted of \$48.00. The cost-per-acceptor is derived by dividing the total number of

\* See "Beberapa Keuntungan Sosial Ekonomis Karena Reduksi Fertilitas." Lembaga Demografi, Fakultas Ekonomi, Universitas Indonesia. Jakarta 1972.

\*\* See "The Indonesian National Family Planning Program: A Cost-Effectiveness Analysis 1971/72-1973/74." "Technical Report Series, Monograph No. 10, Soedarmadi and Reese, National Family Planning Coordinating Board, Jakarta, April 1975.

acceptors for the period 1968-1977 into the total amount spent. The same process is repeated for couple-years-of-protection and births-averted. Couple-years-of-protection is estimated from the BKKBN service statistic data and USAID calculates that over this time period four years of CYP is equal to one birth averted.

47 For 1976, the combined GOI family planning and health development budget amounted to a total of \$122 million. This represented about 3% of the development budget with family planning 15% of the family planning and health budget.

For the forward period 1978-1982, USAID has estimated the total costs of the program and similar cost-effectiveness indicators. These are contained in Table 6. USAID estimates that \$328 million will be spent on the national family planning program over this period. GOI expenditures will be about 66% of the total. If the World Bank loan is added to the GOI expenditures, the GOI proportion is 74% of the total. Over this period, USAID inputs will be about 23% of the total.

In terms of cost-effectiveness, USAID estimates the cost-per-acceptor will be around \$15.75, the cost-per-CYP \$9.50 and the cost-per-birth-averted \$38.00. These are obviously order-of-magnitude figures as budgets and programs performance could change significantly over the five-year period.

TABLE 5  
 INDONESIA FAMILY PLANNING RESOURCES  
 1968 - 1977  
 (\$ millions)

<u>SOURCE OF FUNDS</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>TOTALS</u>
Government of Indonesia	.8	.3	1.3	2.3	5.1	5.9	7.7	13.3	15.9	20.7	73.3
USAID	.3	1.5	.7	1.3	2.2	7.1	5.3	4.7	8.5	10.2	41.8
World Bank - 1st Population Project	--	--	--	--	.2	1.5	6.0	6.0	6.0	6.0	25.7
Other Donors	.3	1.4	2.9	1.6	2.2	1.7	2.0	2.0	2.1	1.5	17.7
<b>TOTAL</b>	<b>1.4</b>	<b>3.2</b>	<b>4.9</b>	<b>5.2</b>	<b>9.7</b>	<b>16.2</b>	<b>21.0</b>	<b>26.0</b>	<b>32.5</b>	<b>38.4</b>	<b>158.5</b>

COST-EFFECTIVENESS

1968 - 1977  
 (\$)

Cost-Per-Acceptor

\$ 14.28

Cost-per-couple-year-of-protection

\$ 12.00

Cost-per-birth-averted

\$ 48.00

TABLE 6  
 --- INDONESIA FAMILY PLANNING PROGRAM RESOURCES ---  
 1978 - 1982  
 (\$ millions)

<u>SOURCES OF FUNDS</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>TOTAL</u>
Government of Indonesia	33.1	37.0	43.0	48.0	57.0	218.1
USAID						
Grant	4.1	5.2	6.5	4.5	4.9	25.2
Loan	8.0	11.0	11.0	10.0	10.0	50.0
World Bank - 2nd Population Project	3.4	5.1	5.0	6.0	5.0	24.5
Others	2.5	2.5	2.5	1.5	1.0	10.0
<b>TOTAL</b>	<b>51.1</b>	<b>60.8</b>	<b>68.0</b>	<b>70.0</b>	<b>77.9</b>	<b>327.8</b>

Cost - Effectiveness  
 1978 - 1982

Cost-per-acceptor  
 \$ ± 15.75

Cost-per-couple-years-of-protection  
 \$ ± 9.50

Cost-per-birth-averted  
 \$ ± 30.00

PART 4

A. ANALYSIS OF THE RECIPIENTS AND AID'S ADMINISTRATIVE ARRANGEMENTS

1. National Family Planning Coordinating Board (BKKBN)

This project will be administered for the GOI by the BKKBN. The BKKBN is a separate GOI Agency that reports to the President through the Ministry of Social Welfare. An organizational chart is shown in Figure 2. 5

The BKKBN is directed by a Chairman and three Deputy Chairmen. Deputy I is responsible for Support and Planning; Deputy II is responsible for Operations; Deputy III is responsible for Research and Development and will be USAID's counterpart in the day-to-day administration and implementation of this project.

At the provincial level, the six provinces on Java and Bali and the ten on the Outer Islands have provincial BKKBNs with staffs ranging from 60-75 people on Java and Bali to 10-15 people in the Outer Islands. Below the province level there are regency staff. On Java and Bali each one of the 114 kabupatens has a BKKBN office and staff of from 5-10 people; on the Outer Islands there is currently only one BKKBN person at the regency level.

On Java and Bali there are 7,000 fieldworkers who report to the regency BKKBN. The fieldworkers are charged with recruiting new acceptors; supporting continuing family planning users; and, assisting with the VFP program. At this time, the BKKBN does not plan to introduce large numbers of fieldworkers on the Outer Islands.

The BKKBN has a proven record of effective program administration and management; it has developed a unique method of decentralized planning and administration. The Central BKKBN:

- 1) Sets policy - a 50% reduction in births by the year 2,000.
- 2) Defines program parameters - no abortion; no promotional sterilization.

- 51
- 3) Sets targets - acceptors and users by province.
  - 4) Allocates budgets - by province.

Within this "guided framework," the provincial BKKBNs are given flexibility in designing their respective family planning programs. The result is that the provincial programs - especially the provincial VFP programs - are different. West Java, for example, has initiated the STMK (the two-person family planning-health teams that recruit new pill acceptors door-to-door). Bali, on the other hand, has rooted its program within the communal traditions of the sub-village (Banjar).

USAID anticipates that this management style will be followed in developing VFP in the Outer Islands.

## 2. Implementing Agents

Development and evaluation activities funded under this project will largely be conducted by other agencies and institutions. The Central Bureau of Statistics (BPS) will conduct fertility and mortality analyses as well as a variety of population data gathering activities. BPS is the GOI's principal statistical agency and is increasingly well regarded. The BPS conducted the 1971 census and detailed analyses of the results. It also conducted the three-phase 1976 Intercensal Survey in addition to a variety of other multi-purpose surveys. BPS has a good team of M.A. and Ph.D. level staff and is actively upgrading additional staff with long-term academic training.

In addition to BPS, USAID and the BKKBN expect that various population research activities in cooperation with the BKKBN will be conducted by the Demographic Institute, University of Indonesia and the Population Institute, Gadjja Mada University. Both institutions have conducted meaningful population research and have proven staff capability. Both Institutes have made effective use of foreign advisors in the population/social science field.

The demographic Institute undertook a 1973 fertility/mortality survey, which has provided baseline fertility/mortality data. The Population Institute conducted a transmigration study and a large survey of the value of children in 1974.

The BKKBN will contract program evaluation to provincial universities with expertise in population survey methodology. For example, regional universities are currently conducting family planning acceptor surveys for the BKKBN. Although these regional universities have limited capability and manpower, they generally have some staff trained in demographic methods. Many regional staff have attended the one-year demographic course at the Demographic Institute and are interested in remaining active in population activities.

The Ministry of Health will support the clinic family planning program through its clinic system. The MOH has a good clinic infrastructure that reaches to the district level. There is approximately one clinic per 30,000-40,000 population throughout the country.

USAID believes the BKKBN is well organized and capable of administering and coordinating these project inputs. The institutes that will be involved in the implementation of the project are capable of conducting the activities contracted to them as long as planning and scheduling are closely coordinated to insure that any one agency or institute is not overburdened. In the past, the BKKBN has shown good judgment in selecting agencies and institutions to conduct coordinated population activities. Private agencies have been given roles in reaching selected audiences such as religious groups. The Ministry of Education and Culture is heavily involved in population education activities funded by the World Bank.

The primary impediment that USAID foresees is that the provincial BKKBNs in the ten Outer Island provinces are thinly staffed with as yet part-time employees. The Central BKKBN is aware of this problem and some Outer Island BKKBN staff who cannot devote sufficient time to the task have been replaced. This problem is discussed in Section B of this Part 4.

### 3. USAID Population Staff

USAID will increase its staff from two population officers to three. USAID will continue to obligate funds through project agreements and sub-obligate local funding activities through Letters of Agreement (LOAs). The LOA process allows USAID to participate in the development of local cost activities such as VFP and development and

evaluation activities. Generally, the LOA calls for phased disbursements and onsite project reviews prior to second and third disbursements.

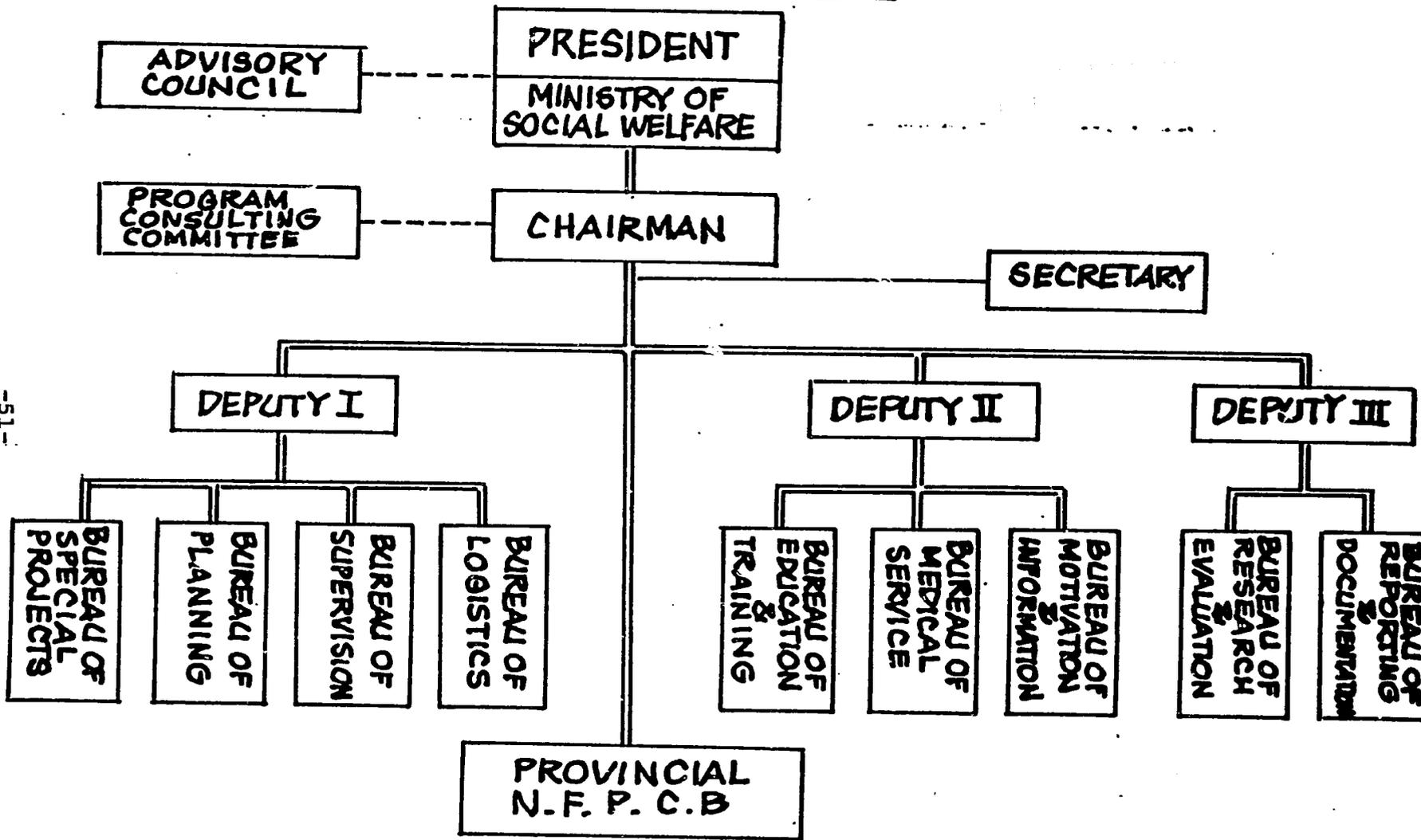
53 . Typically, a VFP project is initiated with a request from a province for a visit to review the VFP concept. USAID and BKKBN officers travel to the province and a presentation is made by Central BKKBN on the VFP approach. Following the presentation, which will involve the implementing units such as the Ministries of Health, Religion, Information, Education and other concerned government and private agencies, the BKKBN/USAID team meets with the BKKBN provincial staff and discusses the province plan to initiate VFP. The second day is spent in the field reviewing clinic facilities (to check on the clinic family planning program) and visiting local formal and informal leaders to gauge local receptivity to VFP. The third day is spent reworking the scope and budget of the VFP pilot project. Project reviews are scheduled six months after the start of a VFP project, with continued USAID disbursements and support contingent upon onsite findings.

Given the magnitude of the VFP undertaking, this collaborative VFP planning and review process will require a minimum of three part-time population officers. For development of the VS program, USAID will rely heavily on the services of VS expertise from AID/Washington to review the progress of the expanded sterilization activity.

For the other project activities, USAID population officers will tend to specialize. For example, one population officer will tend to focus on the development and evaluation activities and population policy studies. One population officer will monitor training and other activities such as the intermediaries that receive AID/Washington assistance. One population officer will have primary responsibility for the oral contraceptive project implementation and management and be assisted by a direct hire local employee.

FIGURE 2

# ORGANIZATION CHART - BKKBN



## B. IMPLEMENTATION PLAN

The BKKBN will coordinate the implementation of this project. A planned performance tracking network chart is attached as Appendix 5-A. Implementation of the project will vary according to project component:

### Development and Evaluation

55 Most of the development and evaluation activities will be contracted to implementing institutions, agencies and provincial BKKBNs. In general, provincial BKKBNs will undertake development activities such as new approaches to delivering family planning services (i.e., the West Java STMK). These are usually problem solving or experimental type activities and difficult to schedule in advance. Private and government bodies will undertake evaluation and research activities. Priorities and criteria will be set within the BKKBN, then proposals invited from various interested organizations. The BKKBN will monitor development and evaluation activities with periodic reporting to USAID on project implementation. From time-to-time, USAID and the BKKBN may require short-term technical assistance for development and evaluation activities.

### Family Planning Services

The provincial BKKBNs will implement village family planning with additional assistance as required. For example, the BKKBN/North Sumatera will hire two individuals to assist with the pilot VFP project in that province. The BKKBN has initiated VFP projects in the ten Outer Island provinces with FY-1977 USAID assistance. These projects will be reviewed in late-77 and again in early/mid-1978. If these projects are successful in establishing meaningful VFP programs, USAID will provide continued assistance to expand and accelerate VFP. The MOH will continue to provide family planning services through the MOH clinics and USAID will work with the MOH and the BKKBN in upgrading these services with the provision of additional medical equipment and other supplies. The BKKBN expects to send survey teams to the 11 provinces not yet in the national program to establish requirements for introducing clinic family planning services in these areas by 1979. USAID expects to assist these provinces.

USAID and the BKKBN have jointly developed an estimate of the clinical family planning requirements for the next five

years. These are included in the financial plan attached as Appendix 5-D. These figures are order-of-magnitude and each year they will be refined by the BKKBN to insure adequate medical kits, vehicles, other miscellaneous equipment, contraceptives (such as the Copper-T), and clinical upgrading training are sufficient to meet program needs. Plans are being made, for example, to provide refresher IUD training for midwives in Bali and also provide them with two weeks of on-the-job training in assisting with vasectomy procedures in Bali.

USAID has agreed with BKKBN to provide financial support for the development and expansion of voluntary sterilization services in Indonesia. This is based on a steadily growing demand for these services in many parts of the country.

This support will be in the following four categories:

- 1) Provision of operating room space for services by renovation and addition.
- 2) Provision of major and minor equipment needed for surgical services.
- 3) Support for hospital service costs. \*
- 4) Support for informational and educational materials and activities designed to describe and explain services.

The Financial Plan Table (Appendix 5-D) depicts proposed annual quantities and costs in each category of voluntary sterilization support for the five year project.

In providing this support, USAID and BKKBN have agreed the following guidelines will be observed in the use of AID funds to support voluntary sterilization services in Indonesia:

- a) Documented evidence of fully informed consent by all voluntary sterilization acceptors.
- b) Full availability at a common location of other methods of family planning in order to assure complete free choice by acceptors.
- c) No use of rewards for acceptance of voluntary

\*Hospital costs per procedure are estimated to be \$20.00-\$25.00. USAID will provide \$10.00 per procedure.

sterilization and no financial incentive created for voluntary sterilization over another method.

- 57
- d) High quality surgical service based on approved training and suitable equipment.
  - e) Close integration of voluntary sterilization with other health measures and facilities.
  - f) Special attention in offering these services to minority groups so that undue emphasis is not given to any such group within the country.

BKKBN has delegated to PUSSI, an indigenous private organization supporting voluntary sterilization, responsibility for developing and coordinating training in voluntary sterilization. In developing five such university-based training centers, PUSSI will be assisted by AID-funded grantee organizations. The Pathfinder Fund will support two training programs for the Outer Islands and AVS will support three for the central islands.

#### Training

USAID and the BKKBN will cooperate each year in identifying qualified students for long-term academic population training. There is still a demand for such trained people in the areas outside of Jakarta and USAID will work with the BKKBN in trying to identify such candidates in regional universities. USAID feels it is important to develop population expertise outside of Jakarta so as to reinforce the decentralized planning process adopted by the BKKBN. Such expertise will probably be located in the regional universities which, hopefully, will become local resource centers for the provinces to assist with population planning and evaluation.

#### Population Policy Studies

The BKKBN, often in collaboration with the National Planning Development Agency (BAPPENAS), will contract population policy studies to various universities, institutions and agencies. Early in each fiscal year, the BKKBN will set priorities and criteria, then will seek to contract out the studies. For

example, the BKKBN may contract the organizational study to a private management firm familiar with GOI operations.

The BKKBN will monitor project activities with periodic USAID review of results. For example, USAID will visit VFP projects with BKKBN officials to review and appraise village family planning progress and to assist in identifying and resolving unforeseen difficulties and problems. VS activities will be reviewed periodically with AID/Washington TDY assistance to insure the VS program is in keeping with the GOI's desires and progressing as planned.

### Contraceptives

A key input is, of course, an ample supply of contraceptives. USAID will supply oral contraceptives through a USAID/BKKBN Loan\* that will provide for five years of oral contraceptive assistance. This loan project will provide imported oral contraceptives to insure a full supplyline and also assist the GOI with the development of an in-country oral contraceptive manufacturing capability. USAID expects that by the end of this project (1983) Indonesia will be supplying most of its oral contraceptive requirements. The BKKBN will purchase IUDs for the program. USAID will assist in this project with the procurement of IUDs such as the Copper-T for the urban program. Unexpected demand for IUDs may result in occasional purchase of other types of IUDs for the national program by USAID.

There is currently a four year supply of condoms in country and the BKKBN expects that in the future condoms will be obtained through bilateral donors such as the Government of Japan or multi-lateral donors such as the UNFPA. USAID does not expect to provide condoms through this project, though we would be willing to consider such a request given a legitimate demand and lack of other supply alternatives.

### C. Implementation Problems and Obstacles

USAID believes the clinic family planning program is well integrated within the health services on Java and Bali and reasonably well integrated within the health services of the ten Outer Island provinces. Family planning services will be officially introduced into the health services in the remaining 11 provinces in the Outer Islands in 1979 - the start of the third national plan. BKKBN has established village family planning in 29,000 villages and 20,000 sub-villages, where there are no health and nutrition personnel. However, BKKBN is attempting and testing delivery of health, nutrition and social services through the village family planning workers. Some progress has been made in this delicate subject between the Ministry of Health and BKKBN even though there is no outright inter-agency integration at the village level.

\*See PRP 497-0271 approved by AID/Washington on January 10, 1977 in State 3786. PP is being prepared.

These clinic family planning services are operating well and we see no major problem with them. Clinic family planning services would be disrupted if there were a cessation of contraceptives, or if side-effects from contraceptives became serious. This has been a problem in the past with IUDs and is one reason pill usage has increased so rapidly. The pill would be setback if the locally produced product were to cause excessive side-effects or were perceived by the populace as being inferior.

Although the clinic family planning services are operating well, USAID is convinced that clinic family planning services, though necessary, are not sufficient to increase family planning usage to the required level (40-50%) to result in a substantial reduction in the birth rate. For this project to meet USAID's expectations the family planning chain must reach from the clinic to the village.

Village Family Planning is well based on Java and Bali and USAID is optimistic that VFP on Java and Bali will be almost 100% supported by the GOI and local governments within the next 2-3 years. VFP on the Outer Islands is still a question mark. Although pilot Outer Island VFP projects have been initiated, it is still too early to say that these projects can be effectively expanded and operated in every one of the ten Outer Island provinces. In some provinces, such as North Sulawesi and West Sumatra, USAID and the BKKBN are convinced that VFP will move quickly throughout those provinces. In other provinces such as Aceh and N.T.B., progress in developing and implementing VFP may be slow.

The main problem in the Outer Islands is the lack of full-time BKKBN staff at the province level and limited regency BKKBN staff to implement the VFP projects. This is currently being addressed by hiring additional personnel (North Sumatra) to work on the VFP project; involving the other implementing agencies such as Health, Social Affairs, Interior and Information in the VFP project; and, upgrading provincial BKKBNs with full-time staff. It should be recognized, however, that this still remains a problem that both the USAID and BKKBN are aware of. The Central BKKBN plans to address this problem on a case-by-case basis while simultaneously working to upgrade Outer Island staff capabilities.

As mentioned previously, the BKKBN does not plan to utilize fieldworkers in the Outer Islands on a large scale as on Java and Bali, though fieldworkers are employed by private agencies. BKKBN will use village volunteers available through the well-established village society as the most cost-effective method to implement village family planning. New approaches will be tried if the latter doesn't work.

The BKKBN plans to link the clinic with the VFP program by using personnel from other ministries such as Health, Interior, Education, Social Affairs and Transmigration. Currently the ten projects in the Outer Islands are testing this approach to VFP. Also, the BKKBN is attempting to involve local government administrators (for example, the village administration unit, or "Pamong") in the development and implementation of VFP. In Java and Bali the "Pamong" have been supportive, but not active, as most of the liaison between clinic and village has been performed by the fieldworkers.

VS is still opposed by conservative religious leaders as a means of birth control; however, it is acceptable as a "health measure" and is tolerated as long as it is not coupled with promotional schemes, campaigns, incentives or disincentives. The BKKBN's plan is to introduce male and female VS into provincial and regency hospitals throughout the country. Although USAID and the BKKBN are confident that VS will move quickly in provinces such as North Sumatra and North Sulawesi, expansion in the other provinces will depend upon the local situation with regard to formal and informal leader's attitudes and VS facilities and manpower. This will have to be approached on a case-by-case basis. A potential problem is that VS could become an "issue." USAID and the BKKBN do not anticipate this problem given the BKKBN's plan to introduce sterilization into the health system on a purely voluntary basis and as a health measure.

The identification of additional candidates for long-term training in the Outer Islands is a problem due to the time and distance involved in traveling. USAID and the BKKBN are cooperating in seeking better ways of finding and screening potential candidates.

Development, evaluation and population policy study priorities and criteria will be set by the BKKBN in cooperation with USAID. This component of the project builds upon a solid base of three years experience in such studies. Again, a potential problem may be in accelerating these activities in the Outer Islands due to the time and distance involved in traveling. However, the experience to date with the quarterly acceptor surveys has been reassuring; regional universities have shown interest and capability in undertaking these activities.

In order to assist the BKKBN with this manpower problem, USAID will provide technical assistance to the BKKBN as requested. USAID and the BKKBN will also consider providing 2-3 years of technical assistance to the Demographic Institute, University of Indonesia.

61 . A coincident problem that should be addressed is that of USAID assistance in training. In terms of local training, USAID believes it is important to institute in-country training for BKKBN and implementing agency staff as rapidly as possible. This program would be similar to AID's training programs for its personnel. The focus would be mid-level population staff who would profit from one to two year's long-term training. USAID anticipates that ten people would be trained per year. The training would be multi-disciplinary. Some people would be trained in demography, public health and epidemiology, and administration, management and finance. Local training would be done in Indonesian institutions. Generally the training would be at the Master's level. Possible sites for such training are:

- Demographic Institute, University of Indonesia
- Population Institute, Gadjja Mada University
- Faculty of Public Health, University of Indonesia
- Institute of Human Reproduction, Bogor
- Demographic Center, University of North Sumatra
- National Institutes of Health, Surabaya.

USAID believes that such a long-term training program would be essential in ameliorating the manpower problem that has been continually referred to in this PP. Such a training program would upgrade current staff, plus serve to attract outside talent to the population program. USAID has discussed this program with provincial BKKBN staff and the idea of a long-term training program in-country (where English capability is not a constraint) has been enthusiastically received,

While the in-country training program is aimed at upgrading BKKBN and population implementing agency staff, the long-term training program in the U.S. is geared toward upgrading University staff at the Ph.D. level. USAID is convinced there is still a critical need for Ph.D. personnel in Indonesia.

USAID has witnessed time and again the return of Ph.D. trained staff who have assumed immediate positions of responsibility in the population program. There remains a dearth of people in this field. In population education, for example, the IBRD and the UNFPA are spending millions of dollars, yet there is not one person trained at the Ph.D. level in population education.

USAID's graduate training efforts will be aimed not only at Java and Bali, but also the Outer Islands where there are limited staff trained at the graduate level in population. Although the Outer Islands have personnel trained in basic demographic techniques and they are capable of undertaking some research and evaluation efforts such as the Quarterly Acceptor Surveys, they do not possess the skills required to lead dynamic and meaningful population research institutes. These skills at this time can only be acquired through extensive graduate level training in U.S. or third country academic institutions. Over the life of this project, USAID sees the training of 40-50 people at the Ph.D. level as an imperative in stimulating the development of regional population resource centers for not only the national family planning program, but also other provincial developmental programs.

Finally, it may be that the anticipated loan for oral contraceptives, or the current loan for oral contraceptives\* would be delayed in providing finished dosage OCs or materials and packaging for the proposed GOI OC facility. In such a case, USAID would be willing to provide under this grant project the required amount of oral contraceptives either as finished product or as raw materials to insure the family planning program does not lack adequate oral contraceptive supplies.

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\*See Loan 045 for \$7.3 million to fund oral contraceptives and oral contraceptive raw materials and packaging dated January 24, 1977.

D. EVALUATION ARRANGEMENTS FOR THE PROJECT

The project will be evaluated annually in accordance with Agency evaluation procedures, which require that an annual PAR be submitted for the project. In addition, USAID plans a more extensive "field evaluation" for late 1979 or early 1980 that will review the project progress to date.

63 The field evaluation team will consist of AID/Washington, USAID, BKKBN officials, plus a team member from a private or academic group in the United States. In addition, USAID urges that one or two Indonesians not associated directly with the BKKBN be included in the evaluation team. These could be well known individuals from academia, government or non-government institutions or perhaps another government body such as BAPPENAS. Another possibility is someone from the BKKBN's Advisory Board.\*

The 4-6 person team will review BKKBN activities and program progress with senior BKKBN officials. The latest estimates of contraceptive use and fertility/mortality estimates will be presented. A series of field trips will be undertaken by the team to review family planning on Java and Bali and the Outer Islands. Special attention will be paid to the self-sufficiency of the Village Family Planning on Java and Bali and the progress of VFP on the Outer Islands. Special attention will also be paid to the VS program to insure that it is progressing and in accordance with the GOI's desires. Outlet targets have been set for VFP and VS so progress can be measured against the planned outputs. See, for example, Table 4, Part 2, B-2 in which the number of service outlets is estimated by year.

Upon completion of the field trips, the team will gather in Jakarta and review its findings with senior BKKBN and USAID officials. An evaluation report will be presented. The continuation of the project will be contingent upon the previous PAR findings, plus the findings of the evaluation team.

Month-to-month project evaluation will be through study and analysis of the BKKBN's family planning service statistic system. This data system reports on family planning activities monthly down to the regency level. It is a powerful tool for monitoring outputs of the family planning program. There is homogeneous reporting on new family planning acceptors as well as current family planning users. For a detailed description of the system, the reader is referred to Haryono, Clinton, et. al, "Family Planning Service Statistics System: The

\*Dr. Sulianti, Ministry of Health. Dr. Sadli, Faculty of Psychology, University of Indonesia. Dr. Selo Soemandjin, Secretary, Vice President of Indonesia.

Indonesian Experience." Technical Report Series, Monograph No. 11, National Family Planning Coordinating Board, Jakarta, Indonesia, August 1975.

For a validation of the system, the reader is referred to: Sinquesfield and Jones, "Evaluating the Validity of the Indonesia Family Planning Service Statistics," 1973, Bulletin of Indonesia Economic Studies, Australian National University, Canberra, Australia, November 1976.

64

Part 4

E. CONDITIONS, COVENANTS AND WAIVERS

The following conditions, covenants and waivers are planned for the Project Agreement to be signed in FY 1978.

65  
USAID assistance to the BKKBN has been reviewed and audited by various U.S. audit agencies for the past ten years and no major problems or recommendations have resulted from these reviews.

The BKKBN has successfully demonstrated increasing managerial and administrative capability in coordinating and implementing the large multifaceted national family planning program.

During the life of this project, conditions or covenants may be written into the Project Agreements or Project Agreement Amendments as deemed necessary by USAID.

Waivers for this Project will be sought. These are:

(a) Source and Origin

Except for ocean shipping, goods and services financed by AID under this Project shall have their source and origin in Indonesia or in the United States, except as AID may otherwise agree to in writing. On occasion USAID may desire to purchase commodities locally in Indonesia in order to expedite project implementation. Office equipment, calculators, medical equipment and audio-visual aids are examples of the types of commodities that would be purchased in modest amounts and on a sub-project basis.

(b) Continuation of Dr. Jay Parsons, Population Council, Technical Advisor to the BKKBN

Dr. Jay Parsons, an employee of the Population Council, was previously provided to the BKKBN with funds from the first GOI/IBRD Population Project. In FY 1977, USAID provided one year's funding for the continuation of Dr. Parsons as a technical advisor to the BKKBN. USAID requests a waiver to continue support for Dr. Parsons for an additional two years (FY 1978 and FY 1979) under this project.

USAID requests this waiver on the basis that Dr. Parsons speaks Indonesian and has demonstrated the ability to relate to BKKBN officers in program development, research and evaluation. The BKKBN would probably refuse to consider a replacement for Dr. Parsons based on their past experience with the "adjustment period" that other advisors to the BKKBN have required.

PART 5

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COUNTRY	PROJECT NO.	PROJECT TITLE	DATE	<input checked="" type="checkbox"/> ORIGINAL	APPROVED		
Indonesia	497-0270	Family Planning Development and Services					
OR	FY (End of GOI Fiscal Year)	CPI: Contraceptive Use - Percent Married Women 15-44 Using Contraception					
MONTH	(3/1977)	(3/1978)	(3/1979)	(3/1980)	(3/1981)	(3/1982)	(3/1983)
GOI							
FY	1976	1977	1978	1979	1980	1981	1982
	0	12		24		36	
PRIOR ACTIONS	Indonesia						POST ACTION
	18.4	22.9	26.7	32.6	37.3	41.4	47.6
Object Design	Java & Bali						
	(25.6)	(30.0)	(35.0)	(40.0)	(44.0)	(48.0)	(52.0)
	Outer Islands - I						
	(6.4)	(10.0)	(16.0)	(22.0)	(28.0)	(34.0)	(40.0)
	Outer Islands - II						
	----	----	----	(5.0)	(7.0)	(9.0)	(11.0)
ANALYSIS SCHEDULE: PROGRESS VS FINANCIAL							
EVALUATION SCHEDULE							
	X		X	X 1/	X	X	X

AID 1020-36 (8-76)

## CRITICAL PERFORMANCE INDICATOR (CPI) NETWORK

1/ Major AID/DKKBH Evaluation See Part 4, Section C.

RR HUKGJ  
 DE RUEH: #0861 0180300  
 ZNR UGUGU ZZH  
 R 172328Z JAN 77  
 FM SECSTATE WASHDC  
 TO AMEMBASSY JAKARTA 7468  
 BT  
 UNCLAS STATE 010861

UNCLASSIFIED



UNCLASSIFIED  
 CII : 0557/W  
 RGD : JAN. 18, 1977/1018  
 ACT : AID-15  
 INFO: AMB DCM ECON  
 CHRON SUPVR

AIDAC  
 E.O. 11652

TAGS:

BHS

SUBJECT: POPULATION - FAMILY PLANNING DEVELOPMENT AND SERVICES PRP

REFERENCE: A) STATE 202227; B) FRP ON PROJECT NO. 497-0270

1. FOR MOST PART PRP COVERS IN EXCELLENT MANNER CONCERNS EXPRESSED STATE 202227. PLEASED TO NOTE THAT MISSION HAS ACCEPTED IDEA OF COMBINING THE TWO PROJECTS, FAMILY PLANNING SERVICES AND POPULATION RESEARCH AND DEVELOPMENT, AND EXTENDING THE COMBINED PROJECT LIFE TO FIVE YEARS. FEEL THAT RESULTING PROJECT MAKES REASONABLE AND WORKABLE WHOLE. MISSION AUTHORIZED MOVE TO PP PREPARATION, ADDRESSING QUESTIONS OUTLINED BELOW IN FINAL VERSION.

2. BKKBN: SINCE BKKBN PLAYS SUCH AN IMPORTANT ROLE IN OVER-ALL PROGRAM OPERATION PP SHOULD PROVIDE DESCRIPTION OF BKKBN ORGANIZATION, ADDRESSING PARTICULARLY ITS ROLE IN POLICY FORMULATION AND PROGRAM ADMINISTRATION, HOW IT RELATES TO PROVINCIAL OR LOCAL BODIES AND HOW BKKBN FUNCTIONS IN IDENTIFICATION, DESIGN AND IMPLEMENTATION OF RESEARCH PROJECTS. DISCUSSION SHOULD APPRAISE BKKBN ADMINISTRATIVE CAPABILITY TO MANAGE AN EXPANDED PROGRAM OF EXPERIMENTATION AND INNOVATION. RELATIONSHIP OF BKKBN TO BAPPENAS SHOULD ALSO BE SPelled OUT, ESPECIALLY AS IT RELATES TO POPULATION POLICY STUDIES, (PART IIA, 4, PAGE 3 REF B.)

3. WE HAVE BEEN PLEASED WITH APPARENT WILLINGNESS GOI ASSUME RESPONSIBILITY FOR PROGRAM COSTS, BUT MATTER OF LOCAL CURRENCY FINANCING AS COVERED IN PRP INADEQUATE TO GIVE CLEAR PICTURE. PP SHOULD PROVIDE FAIRLY DETAILED INFORMATION ON BUDGETING AND FINANCING PLANS INCLUDING DETAIL ON PROVINCE AND LOCAL GOVERNMENT INVOLVEMENT. IN ADDITION PP SHOULD INCLUDE DETAIL ON LOCAL COST ELEMENTS AS DISCUSSED PARA 1 E REF A. WE ALSO CONCERNED ABOUT CAPACITY GOI FINANCE REPLICATION OF DELIVERY SYSTEMS DEVELOPED DURING "PILOT TESTING" DISCUSSED PART IIA, 2 PAGES 2 AND 3 OF REF B. OTHER MATTERS OF CONCERN ARE:

A) PRP PROVIDES LITTLE IN WAY OF SUB-PROJECT DEFINITION/ PLANNING FOR MAJOR GRANT PROJECT. WE RECOGNIZE THAT INNOVATIVE NATURE OF PROJECT REQUIRES CONSIDERABLE FLEXIBILITY OF FUNDING IN ORDER TO TEST PROMISING IDEAS AS THEY DEVELOP. NEVERTHELESS PP SHOULD DEFINE CRITERIA FOR SUB-PROJECT FINANCING AND PRESENT AN ILLUSTRATIVE LIST OF R AND D PROJECTS, POLICY STUDIES, AND EXPERIMENTAL SERVICE PROGRAMS THAT CONFORM TO SELECTION CRITERIA.

USAID ROUTING			
	U	ACT	INFO
D.R			
D/O			
LA			
MGT			
PRO			
RD			
PH			
E&HR			
VHP			
P. T&E			
JAO, AUM			
PER			
GSO			
M. Pool			
MGT, C&R			

SINCE FUNDING FOR SIMILAR PROJECT IN FY 77 AND PROPOSED FOR FY 78-82 REPRESENTS SIGNIFICANT INCREASE OVER PAST FUNDS FOR AID-FINANCING OF FAMILY PLANNING DEVELOPMENT AND SERVICES IN INDONESIA, PP SHOULD PROVIDE REVIEW/ANALYSIS OF EXPERIENCE WITH EXPANDED PROGRAM IN FY 77 AND JUSTIFY LARGE INCREASE IN FUNDING FOR FY 78.

IN PARTICULAR, PP SHOULD BE ABLE TO (1) DEMONSTRATE THAT NUMBER AND VARIETY OF PROMISING OPERATIONS RESEARCH ACTIVITIES HAVE SIGNIFICANTLY INCREASED, AND (2) IDENTIFY AND DESCRIBE NUMBER OF PILOT PROJECTS WHICH HAVE PROVEN SUCCESSFUL TO JUSTIFY MAJOR INCREASE IN FUNDING FOR OPERATIONAL PROGRAMS.

B) AS PART OF DISCUSSION OF BACKGROUND AND RELEVANCE, PP SHOULD DESCRIBE SPECIFIC PROGRAMMATIC/OPERATIONAL PROBLEMS PROJECT IS INTENDED TO ADDRESS AND DIFFERENCES IN NATURE OF THESE PROBLEMS BETWEEN JAV

-BALI, WHERE SOME PROGRAM EFFECTIVENESS HAS ALREADY BEEN ACHIEVED, AND OUTER ISLANDS.

C) SOCIAL SOUNDNESS ANALYSIS SHOULD DESCRIBE SOCIO-CULTURAL CHARACTERISTICS (ON REGION - SPECIFIC BASIS) THAT AFFECT SUCCESS OF FAMILY PL

ANNING PROGRAM AND DISCUSS HOW PROJECT WILL ASSURE EFFECTIVE ANALYSIS OF SOCIAL FACTORS AND APPROPRIATE CONSIDERATION DURING DESIGN OF SUB-PROJECTS.

4. IN ADDITION A NUMBER OF MORE NARROWLY FOCUSED QUESTIONS REQUIRE TREATMENT IN PP BEYOND THAT PROVIDED IN PRP. THESE ARE:

A) EVALUATION: ALTHOUGH MATTER OF EVALUATION AT END OF THIRD YEAR OF PROJECT IS ALLUDED TO PAGE 1 OF PRP UNDER PART II, SECOND PARAGRAPH, GIVEN THE MANY ELEMENTS OF PROJECT, PARTICULARLY IN RESEARCH AND EXPERIMENTAL AREAS, WHICH APPARENTLY CANNOT BE DEFINED AT THIS TIME, THE THIRD YEAR EVALUATION IS A CRITICAL ELEMENT. THEREFORE WE SUGGEST THAT IN PP MATTER OF THIRD YEAR EVALUATION BE TREATED THOROUGHLY, WITH ATTENTION BEING GIVEN TO BOTH MAJOR PARAMETERS OF EVALUATION AND PROPOSED MAKE-UP AND SOURCE OF TEAM. DEGREE OF INVOLVEMENT OR ROLE OF GOI IN EVALUATION ALSO SHOULD BE INDICATED. UNDERSTAND OF COURSE THAT THIS EVALUATION DOES NOT DISPLACE CONTINUING EVALUATIVE PROCESS RELATED TO DELIVERY SYSTEM ELEMENTS, PILOT AND RESEARCH PROJECTS DISCUSSED IN PRP AND IN ABS (CHAP XI).

B) PP SHOULD DISCUSS AID ADMINISTRATIVE ARRANGEMENTS FOR PROJECT INCLUDING MONITORING PROCEDURES, PERSONNEL REQUIREMENTS FOR EFFECTIVE MONITORING AND DISBURSEMENT PROCEDURES.

C) TO CLARIFY PROJECT DESIGN, MORE ATTENTION SHOULD BE GIVEN TO DEFINING OUTPUTS AND QUANTITATIVE TARGETS. PP SHOULD ALSO IDENTIFY KINDS AND LEVELS OF INPUTS PROJECT WILL FINANCE, RATHER THAN CATEGORIZING INPUTS BY ACTIVITIES.

D) CONTRACEPTIVE SUPPLY: SINCE BASIC FUNCTION OF PROJECT IS TO BOOST CONTRACEPTIVE USE, WE FEEL THAT PP SHOULD TREAT MATTER OF HOW ADEQUATE SUPPLY OF ALL TYPES OF CON-

TRACEPTIVES IS TO BE ASSURED. THIS MATTER ADDRESSED ONLY LIGHTLY IN CONNECTION DISCUSSION OF FINANCIAL PLAN, PART VII, PAGE 10 OF PRP. REALIZE THAT ORALS, REPEAT ORALS, SUPPLY PICTURE WILL BE COVERED IN PP FOR PROJECT 497-0271, BUT FAMILY PLANNING DEVELOPMENT AND SERVICES PROJECT SHOULD STAND ALONE AS FAR AS CONTRACEPTIVE AVAILABILITY PICTURE DISCUSSION IS CONCERNED. REFERENCE SHOULD, OF COURSE, BE MADE TO PROJECT 497-0271 IN TEXT OF DISCUSSION ON PROJECT 497-0270. CONTRACEPTIVE AV

71  
ILABILITY WILL BE DISCUSSED IN GREATER DETAIL IN CONNECTION WITH REVIEW OF ORALS CONTRACEPTIVE LOAN; PROJECT DOCUMENTATION SHOULD INCLUDE PROVISIONS TO ENSURE THAT ORALS PROJECT WILL IN FACT RESULT IN ORAL CONTRACEPTIVES BEING AVAILABLE IN SUFFICIENT QUANTITY AND ON TIME TO MEET PROGRAM NEEDS. MATTER PROBABLY CAN BE COVERED BY INCLUDING APPROPRIATE WORDING IN CONDITIONS PRECEDENT SECTION OF LOAN PAPER TO PROVIDE THAT GOI WILL MAKE ARRANGEMENTS SATISFACTORY TO USAID FOR SUPPLY OF ORALS EITHER FROM LOCAL PRODUCTION OR OFFSHORE PROCUREMENT ADEQUATE TO MEET NEEDS FAMILY PLANNING PROGRAM. PP ON PROJECT 497-0270 SHOULD ALSO DEAL ADEQUATELY WITH SUPPLY OF ALL OTHER CONTRACEPTIVES. INTERDEPENDENCE OF LOAN AND GRANT PROJECTS SHOULD BE MADE CLEAR.

E) VOLUNTARY SURGICAL CONTRACEPTION. ASSUME THAT PP WILL COVER THIS PROGRAM ELEMENT IN ADEQUATE DETAIL, REFLECTING IN PAPER RESULTS OF DISCUSSIONS IN U.S. BY INDONESIAN TEAM (PART II, A, 3 OF PRP). DISCUSSION MUST ALSO INCLUDE DETAILS OF HOW AID FINANCED INTERMEDIARIES WILL BE INVOLVED IN PROGRAM DEVELOPMENT AND IMPLEMENTATION.

F) TRAINING: CONSIDERABLE ADDITIONAL DETAIL ON PROPOSED TRAINING (PART II, A5 OF PRP) SHOULD BE PROVIDED IN PP. CONCERNED PARTICULAR

LY WITH REFERENCE TO LONG TERM ACADEMIC TRAINING IN U.S. WE ARE NOT CONVINCED OF VALUE TO FAMILY PLANNING PROGRAMS OF SUCH TRAINING, AND EVEN WHERE VALUE CAN BE DEMONSTRATED, WE FEEL THAT FINANCING SHOULD BE PROVIDED BY COUNTRY ITSELF PERHAPS ASSISTED BY DONORS OTHER THAN AID. PP ALSO SHOULD INCLUDE DISCUSSION OF LOCAL TRAINING OPERATION OUTLINING WHO WILL BE TRAINED, WHERE, BY WHOM, IN WHAT TIME FRAME AND AT WHAT COST. LOCAL TRAINING DISCUSSION ALSO SHOULD TREAT MATTER OF IN-COUNTRY COLLEGE OR UNIVERSITY LEVE TRAINING.

G) VILLAGE CONTRACEPTIVE DEPOT CENTERS (VCDC): ALTHOUGH NOT A MATTER OF MAJOR CONCERN, QUESTION RAISED ABOUT ACTUAL NUMBER OF VCDCS NOW IN OPERATION. TABLE ON PAGE 5 SHOWS 25,000 CURRENT 1976 IN OPERATION. HOWEVER BKKBN SLIE PRESENTATION INDICATES THAT AS OF MARCH 1976 SOME 27,179 ARE IN OPERATION. SUGGEST THIS BE CLARIFIED.

H) SOCIAL ANALYSIS: TRANSFERABILITY OF JAVA/BALI PROGRAMS NEED TO BE EXAMINED IN REFERENCE TO THEIR APPLICABILITY TO OTHER ISLANDS.

COST BENEFITS CONTRACEPTIVE DELIVERY SYSTEMS: REQUEST  
INCLUSION ANALYSIS OF COST BENEFITS OF VARIOUS ORAL DE-  
LIVERY SYSTEMS. (PRIVATE VS PUBLIC AND QUASI-PUBLIC VS  
COMMERCIAL) VS MANUFACTURE OF ORALS BY INDONESIA GOVERN-  
MENT.

5. AID/W PREPARED TO ASSIST WITH PROJECT REFINEMENT IN  
EARLY 1977. (PART IX, PAGE 12). REQUEST MISSION ADVISE  
EARLIEST OF NEEDS AND PROPOSED FINANCING.

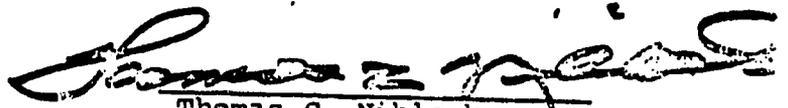
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XI. Initial Environmental Examination (IEE)

Project Location : Indonesia  
Project Title : Family Planning Development  
: and Services  
Funding : FY 1978  
Life of Project : FY 1978 - 82  
: \$17,000 million  
IEE Prepared by : Thomas H. Reese III  
: October 15, 1976  
Environmental Action Recommended: Negative Determination  
Mission Director's Concurrence :

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Thomas C. Niblock

(IEE attached with PRP  
received November 1976.)

Date: \_\_\_\_\_

Assistant Administrator's Decision:

Approved: 11/1/76 Donald D. Cohe:  
A-DAA/ASIA

Not Approved: \_\_\_\_\_

Date: 11/1/76

Examination of Nature, Scope and Magnitude of Environmental Impacts

A. Description of Project

The proposed project will assist the GOI to maintain a population program by making comprehensive family planning services as widely and effectively available as possible and

increasing the prevalence (use) of all legal types of contraceptive methods.

1. Inputs - local cost support to conduct family planning program development, improvement and evaluation; spread the concept of village family planning; initiate VSC throughout the country; and, develop in-country manpower training programs. Foreign exchange cost for a limited number of vehicles, medical and sterilization equipment, office equipment and modest data processing equipment.

2. Outputs - full contraceptive service availability through hospitals, clinics, village family planning and sub-village family planning groups throughout Indonesia.

3. Purpose - to increase family planning use currently 15% in Indonesia in 1975 to 42.48% in 1984.

4. Goal - to assist the GOI in its efforts to decrease the natural rate of increase of population by reducing fertility (i.e., 50% reduction in the CBR currently estimated at 38-40/1,000 by the year 2000).

B. Identification and Evaluation of Environmental Impacts

The successful implementation of this project in concert with the total national family planning program will have an indirect positive effect in moderating environmental problems. Population growth is the greatest environmental threat in Indonesia. Excessive population growth is compromising the quality of human life by restraining socio-economic development and hampering progress in the areas of employment, education, housing, food and health. In addition rapid population growth is a substantial factor in the following environmental problems: water pollution derived primarily from human waste; air pollution from refuse burning and vehicle exhaust emissions; soil depletion and erosion; noise pollution, depletion of forest reserves; and endangered wildlife.

As stated in Agency Regulation 16, actions which will have a significant effect of the human environment will require an Environmental Assessment or an Environmental Impact Statement. In making this "Threshold Decision," as explained in Section 216.1 under C.3: "Actions that should be considered in determining 'significant effects' include those which ad-

versely affect such aspects of the human environment such as air, water, land, flora and fauna and socio-economic conditions." Because this project will have no adverse environmental impact as defined above, the report warrants a "Negative Determination."

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FAMILY PLANNING DEVELOPMENT AND SERVICES  
FINANCIAL PLAN

(\$000)

<u>Activity</u>	1978 <u>LC / FX</u>	1979 <u>LC / FX</u>	1980 <u>LC / FX</u>	1981 <u>LC / FX</u>	1982 <u>LC / FX</u>	Total <u>LC / FX</u>	Grand <u>- Total -</u>
<u>Development &amp; Evaluation</u>							
<u>Central Bureau of Statistics</u>							
- Sample Vital Registration (SVR) Survey & Registration	120						
- East Java SVR Surveys	120	120	120				
- Multi-purpose Survey	15	150	100				
- 1981 Census Prep.							
Training		75	75				
Equipment		150					
<u>BKKDH</u>							
- Acceptor Surveys (16)	240	240	240	160	160		
- Tech. Assist. (long term)	75	75					
- Equipment		100	150				
- Devel. Studies	75	75	100	100	100		
- Tech. Assistance (short term)	25	25	25	25	25		
<u>Demographic Institute</u>							
- Fertility & Nutrition		200*	200*				
- University "Network"			100	150			
<b>Sub-Total Devel. &amp; Evaluation</b>	<b>570 100</b>	<b>860 350</b>	<b>935 175</b>	<b>410 25</b>	<b>260 25</b>	<b>3,035 675</b>	<b>3,710</b>

\* Includes technical assistance

Activity	1978		1979		1980		1981		1982		Total LC / FX	Grand Total	
	LC	FX											
<b>Family Planning Services</b>													
- UFP Java & Bali 20,000 villages x \$50	1,000		1,000		1,000								
- Outer Islands - I 6,000 villages x \$100	600												
12,000 villages x \$100			1,200										
18,000 villages x \$100					1,800								
14,000 villages x \$100							1,400						
10,000 villages x \$100									1,000				
- Outer Islands - II 500 villages x \$150					75								
1,000 villages x \$150							150						
3,000 villages x \$150									450				
- Clinic Assistance Medical kits	100		100		100								
Vehicles	450				450					500			
Copper-T IUD's	210		210		210		200		200				
<b>Voluntary Sterilization</b>													
- Rehabilitation 10 centers x \$10,000	100		100										
10 centers x \$12,000					120		120		120				
- Equipment 30 centers x \$ 5,000	150		150		150		150		150				
- Hospital Overhead	300		550		800		1,300		1,500				
- Info. & Education	50		50		50		50		50				
<b>Sub-Total Family Planning Services</b>	<b>2,200</b>	<b>760</b>	<b>3,050</b>	<b>310</b>	<b>3,995</b>	<b>760</b>	<b>3,170</b>	<b>200</b>	<b>3,270</b>	<b>700</b>	<b>15,685</b>	<b>2,730</b>	<b>18,415</b>

Activity	1978		1979		1980		1981		1982		Total		Grand Total
	LC	FX	LC	FX	LC	FX	LC	FX	LC	FX	LC	FX	
<b>Population Studies</b>													
Pop. Policy Studies (1-2 Studies a year)	100		100		100		100		100				
<b>Sub-Total Population Studies</b>	100		100		100		100		100		500		500
<b>Training</b>													
U.S. - Long Term 10 participants (new) 20 participants (ongoing)	400		400		400		400		400				
In-country - Long Term 10 a year	50		120		150		150		150				
<b>Sub-Total Training</b>	50	400	120	400	150	400	150	400	150	400	620	2,000	2,620
<b>Total</b>	2,920	1,260	4,130	1,060	5,180	1,335	3,830	625	3,780	1,125	19,840	5,405	25,245
<b>Total by Project Component</b>													
Development & Evaluation	570	100	860	350	935	175	410	25	260	25	3,035	675	3,710
Family Planning Services	2,200	760	3,050	310	3,925	760	3,170	200	3,270	700	15,685	2,730	18,415
Population Policy Studies	100		100		100		100		100		500		500
Training	50	400	120	400	150	400	150	400	150	400	620	2,000	2,620
<b>Total by Fiscal Year</b>	4,180		5,190		6,515		4,455		4,905		25,245		25,245

## ANNEX 1

### Demographic Impact of The Indonesian National Family Planning Program

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79 The National Family Planning Coordinating Board is a viable administrative agency and increasingly effective in coordinating the multifaceted family planning program. Family planning services are currently offered in some 3,500 clinics. The program has recently moved to the village and established local contraceptive depots (VCDCs). Over 20,000 VCDCs are now in operation across Java and Bali. Numerous sub-village family planning groups have been formed for resupply and motivation reinforcement on these two islands. In the Outer Islands, ten pilot village family planning projects are underway.

Program results to date are impressive with about nine million new family planning acceptors recruited from 1969-77. Currently 26% of the eligible couples on Java and Bali are using family planning through the program; 6% are using in the ten Outer Island provinces.

The outstanding question at this time is whether the program has resulted in lower birth rates.

#### Preprogram Baseline Fertility 1966-71

In 1973 a Fertility/Mortality Survey was conducted by the Demographic Institute, University of Indonesia with USAID assistance. The survey findings are available in a preliminary series of reports as well as a more detailed monograph series. \*

These analyses have established baseline fertility measures, which are presented in Table 1.

It is of interest to note that the crude birth rate (CBR) - the number of births per 1,000 population - is lower in Java than on the Outer Islands. Noteworthy too, is the fact that Central and East Java average fertility for the period 1966-71 is in the high 30s, not the mid-to-high 40s as previously supposed. There is, for example, a ten point difference between the birth rate in West Java and the birth rates in Central and East Java.

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\* See: the "Indonesian Fertility-Mortality Survey, 1973," Monograph series by the Lembaga Demographic, Fakultas Ekonomi, Universitas Indonesia.

TABLE 1  
Crude Birth Rates  
1966-71

	<u>1966-71</u>
West Java	48
Central Java	38
East Java	38
Bali	41
Sumatra	47
<u>Sulawesi</u>	<u>46</u>
Java	41
Outer Islands	46
Indonesia	43

Source: "Levels and Trends in Fertility and Childhood Mortality in Indonesia," McDonald, Yasin; Jones. . . Lembaga Demografi FEUI, 1975.

Estimated Program Impact 1970-1976

81 The performance of the family planning program has been reviewed in terms of acceptors and characteristics in Part 2, A-2 of the PP. An analysis of the impact of the program on fertility is currently being conducted by the BPS using the data from the 1976 Inter-censal Survey. Although this report is not yet available for release, USAID has seen the preliminary report. \*

The results are encouraging and three observations are worth noting:

1. The report validates the accuracy of the BKKBN's service statistic system. The discrepancy between BKKBN program use estimates and those reported in the survey is 6%.
2. The report indicates a reduction in the total fertility rate (TFR) on Java and Bali for the period 1970-1976 of 18%. According to the findings, the TFR has declined from 5.5 in 1970 to 4.5 in 1976, or by one child.
3. The association between family planning use and low fertility is strong. Where the family planning program has been most vigorous and had the most success (i.e., East Java and Bali), fertility has fallen the fastest and is the lowest.

Based on these initial findings, USAID estimates in Table 2 the 1976 crude birth rates for Java and Bali.

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\* "Fertility and Family Planning in Java and Bali: Based on the 1976 Java Bali Survey and Other Sources," Singuefield and Sungkono, Unpublished Monograph, July 1977.

TABLE 2  
 Java and Bali  
 Crude Birth Rates  
 1976

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<u>Province</u>	<u>1976 (CBR)</u>
Jakarta	37
West Java	36
Central Java	33
Yogyakarta	25
East Java	26
Bali	25
Java/Bali	33

Source: USAID estimates from preliminary WFS tabulations.

Future Program Impact 1977-1982

New Family Planning Acceptors

83 Although there is increased attention and priority by the BKKBN to tracking contraceptive users, i.e., the percent of married women of reproductive age (MWRA) using contraception, the BKKBN has not lost sight of the fact that users are largely a function of new acceptances. Table 3 presents new acceptor figures for 1974-1982. The BKKBN exceeded new acceptor targets in 1974 by 5%, in 1975 by 10% and in 1976 by 12%. In order to reach the level of use estimated by USAID, the BKKBN will have to exceed new acceptor targets by 17% in 1977 and by 35% in 1982.

USAID notes that the MWRA will be "turning over" during this period. New women will be entering the fertile age period, while older women will be departing. The age groups 15-49 will grow 2.3% a year from 1977-1982. Women who drop out for child-birth, then return are considered new acceptors by the BKKBN. These women could "turn over" 2-3 times during their reproductive life.

TABLE 3

Indonesia  
New Family Planning Acceptors  
1974-1982

<u>Actual</u>			
Year	BKKBN Target	Achieved	% Over
1974	1,400,000	1,475,016	5
1975	1,796,000	1,966,585	10
1976	1,976,000	2,206,013	12
<u>Planned</u>			
Year	BKKBN <u>1/</u> Target	Estimated <u>2/</u>	% Over
1977	1,976,000	2,350,000	17
1978	2,142,000	2,650,000	24
1979	2,618,000	3,300,000	26
1980	2,816,000	3,700,000	31
1981	3,000,000	4,000,000	33
1982	3,189,000	4,300,000	35

1/ BKKBN new acceptor targets based on GOI inputs.

2/ USAID estimates of new acceptors based on additive USAID and IBRD project inputs.

### Future Contraceptive Use

85  
USAID estimates that the proportion of MWRA using contraception in Indonesia will increase from 18.4% in early 1977 to 48% in early 1983. This means an increase in useage of around 5% a year. Most of this increase will be in program contraceptive use. This will be achieved through increased acceptance and improved continuation rates. Since VFP has been initiated in East Java oral contraceptive first method 12 month continuation rates have increased from 59% to 63%, or by 7%. 1/ USAID expects this trend to continue as VFP is extended and improved.

Table 4 contains family planning program use estimates for March 1976-March 1983 for Java and Bali, the Outer Islands and all Indonesia. The data for 1976 and 1977 are actual use figures derived from the BKKBN data system. 2/ The figures for 1978-1983 are projected from prior year useage trends.

USAID estimates that family planning useage will increase from 19% in 1976 on Java and Bali to 52% by 1983. For the Outer Islands, the projection assumes that the BKKBN will be successful in stimulating family planning development. Family planning useage is estimated to increase from a current 3% in 1976 to 35% in 1983. USAID believes the estimate to be realistic, if the GOI follows through on its plan to increase Outer Islands program activity. USAID estimates country-wide use will be 48% by early 1983.

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1/ See "Contraceptive Use Effectiveness in Mojokerto Regency, East Java," Sullivan, Jr., et. al. National Family Planning Coordinating Board, Monograph No. 9, October 1974, Jakarta, Indonesia. And also: Preliminary Report on 2nd Quarter Java/Bali Acceptor Survey, Unpublished BKKBN Report, May 1977, Jakarta, Indonesia.

2/ For a validation of BKKBN data system see: Sinquefield and Jones, "Evaluating the Validty of the Indonesian Family Planning Service Statistics" August 1976 (Memo).

For an excellent description of the system see: Haryono and Clinton, "Family Planning Service Statistics System: The Indonesian Experience," BKKBN Technical Report Series, 1976.

TABLE 4

Family Planning Use  
 March 1976 - March 1983  
% MWRA Using Program Contraception

<u>Period</u>	<u>Java and Bali</u>	<u>Outer Islands</u>	<u>Indonesia</u>
3/76	19	3.4	14.1
3/77	25.6	6.4	18.4
3/78	30.0	10.0	22.9
3/79	35.0	14.0	26.7
3/80	40.0	19.0	32.6
3/81	44.0	24.0	37.3
3/82	48.0	29.4	41.4
3/83	52.0	35.0	47.6

Source: USAID projections based on BKKBN family planning data.

### Estimated Fertility Decline

The crucial question remains: What will be the impact of the program on fertility? USAID has derived an equation from pilot vital registration data and family planning use estimates that relates fertility to contraceptive use. Using this equation and the projected contraceptive use rates, we attempt to estimate future fertility levels. These estimates must, of course, be viewed with tolerance.

The figures in Table 5 are mid-year crude birth rates and are derived from estimates of contraceptive use. USAID believes the 1977 mid-year CBR for Indonesia is 34. By mid-year 1982, USAID estimates the CBR of Java and Bali will be 21, 31 on the Outer Islands and 24 for all of Indonesia.

### Death Rate

The death rate remains clouded. Evidence from the 1976 Intercensal Survey indicates the mortality is falling slowly. USAID has projected the death rate in Table 6. USAID assumes a decline in mortality from an estimated crude death rate of 21 in 1971 to 11 by 1982.

### Impact on Population Growth

The implications of the above are dramatic. Put simply, the Indonesian population will be significantly smaller than otherwise thought. Table 7 reflects five population projections for the year 2000 with the population growth rate and the year the crude birth rate reaches 20 - approximately a two-child family.

According to USAID estimates, the CBR for Indonesia will reach 20 sometime between 1980-1990. This translates into an Indonesian population of between 180 - 200 million by the year 2000.

Recently the GOI published a study "Indonesia in the Year 2000" in which the population in the year 2000 is estimated at 254 million. This implies an average population growth rate of 2.6% a year (the current rate is 2.0%) and apparently ignores the family planning program effort and the signals that fertility is falling on Java and Bali.

Given continued political, social and budgetary support, no major upheavals, or behavioral turnarounds, USAID considers the 180 - 200 million figure to be more realistic.

TABLE 5  
 USAID Estimates  
 of Indonesian Fertility 1976 - 1982  
 (Mid-Year)

<u>Year</u>	<u>Java and Bali</u>	<u>Outer Islands</u>	<u>Indonesia</u>
1976	33	43	36
1977	31	41	34
1978	30	40	33
1979	28	38	31
1980	25	36	27
1981	23	33	26
1982	21	31	24

Source: USAID estimates based on projected contraceptive use.

TABLE 6  
Indonesia  
Vital Rates  
1971-1982

Year	Crude Birth Rate <sup>1/</sup>	Crude Death Rate <sup>1/</sup>	Crude Rate of Increase <sup>2/</sup>
1971	43	21	2.2
1972	42	20	2.2
1973	41	19	2.2
1974	40	19	2.1
1975	38	18	2.0
1976	36	17	1.9
1977	<u>34</u>	<u>16</u>	<u>1.8</u>
1978	33	16	1.7
1979	31	15	1.6
1980	27	13	1.4
1981	26	12	1.4
1982	24	11	1.3

Source: USAID estimates from various sources.

<sup>1/</sup> Births and deaths per 1,000 population.

<sup>2/</sup> Percent increase of population.

TABLE 7  
 Indonesia  
 Population Projections \*  
 Year 2000

PROJECTION	TOTAL POPULATION	1975-2000 RATE OF GROWTH	Year CBR = 20
A	253,000,000	2.6%	2037
B	236,000,000	2.3%	2015
C	212,000,000	1.9%	2000
D	200,000,000	1.7%	1990
E	180,000,000	1.2%	1980

---

\* Population projections from various sources. All assume continued gradual declines in mortality. See, for example, "Indonesia-Country Prospects," Population Council 1974.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A A = Add  
 C C = CHANGE  
 D D = DELETE

PID  
 2. DOCUMENT CODE  
 1

3. COUNTRY/ENTITY  
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  497-0271

6. BUREAU/OFFICE  
 A. SYMBOL PHA B. CODE  07

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Oral Contraceptive Loan

8. PROPOSED NEXT DOCUMENT  
 A.  2 2 = PRP  
 3 3 = PP

B. DATE  MM  YY

10. ESTIMATED COSTS  
 (\$000 OR EQUIVALENT, \$1 = Rp. 414.5 )

FUNDING SOURCE		SIZE OF
A. AID APPROPRIATED		55538
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		31598
D. OTHER DONOR(S)		
TOTAL		87126

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY  7  8 b. FINAL FY  8  2

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>78</u>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	8400		430		10000		10000
(2)							
(3)							
(4)							
TOTAL					10000		10000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 400

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 BWV TECH

14. SECONDARY PURPOSE CODE  
 401

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 To assist the GOI in its efforts to decrease the natural rate of increase of population by reducing fertiling (i.e. 50% reduction of the CER currently estimated at 38-40/1000 population by the year 2000)

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 Increase the prevalence of use of oral contraceptives and achieve transition to local manufacturing and financing of oral contraceptives.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE

Signature  
 Thomas C. Niblock *Thomas C. Niblock*

Title  
 Director, USAID/Indonesia

Date Signed  
 MM  DD  YY

19. DATE DOCUMENT RECEIVED BY AID/W, or FOR AID/W DOCUMENTS DATE OF DISTRIBUTION  
 MM  DD  YY

FID

ORAL CONTRACEPTIVE LOAN

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Since 1968, USAID has been the major donor of oral contraceptives to the Indonesian National Family Planning Program. USAID has provided or is planning to provide, subject to the availability of funds, grant assistance for oral contraceptives (OCs) in the following amounts of monthly cycles (MCs).

<u>US FY</u>	<u>MCs</u>
1968	90,000
1969	1,100,000
1970	1,100,000
1971	2,000,000
1972	9,000,000
1973	29,000,000
1974	20,000,000
1975	34,240,000
1976	47,080,000

The liberal provision of OCs has been an important factor in the rapid increase in family planning acceptance. The high proportion of new acceptors choosing the OC is illustrated below:

<u>GOI FY</u>	<u>NEW ACCEPTORS</u>	<u>OC ACCEPTORS AS % TOTAL NEW ACCEPTORS</u>
70/71	181,276	43%
71/72	519,330	54%
72/73	1,078,889	56%
73/74	1,369,077	63%
74/75	1,475,016	69%
75/76	1,966,585	68%

The evidence available, based on limited samples, indicates that Indonesian oral contraceptive continuation rates compare favorably to world experience:

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<u>Calculated by:</u>	<u>OC CONTINUATION RATES</u>	
	<u>12 months</u>	<u>24 months</u>
First Method*	61%	45%
All Methods**	67%	55%

It is estimated that approximately 2.0 million women are currently using the OC. Although the prevalence of OC usage has increased more than 30% over the last year (1975), the rate of increase in OC usage is expected to gradually taper off to about a 10% annual increase by 1980. While the rate of increase is expected to taper off, the absolute consumption levels, given historical continuation rates, will be of the following approximate order of magnitude:

<u>CY</u>	<u>OC CYCLES (millions)</u>
1976	27.6
1977	34.8
1978	41.6
1979	48.4
1980	55.5
1981	62.3
1982	69.3
1983	76.2
1984	83.0

\* started and continue with OCs

\*\* started OCs and continue with OCs or other contraceptives

Such consumption levels and the trend of the program toward village and household distribution of OCs by paramedical personnel make OCs the sine qua non of the future of the Indonesian family planning program. These facts mandate consideration of local OC production to guarantee the program's OC supply line.

USAID and BKKBN believe the best way to achieve transition of OC funding is to move sequentially as follows:

- grant financing of finished OCs
- loan financing of finished OCs
- loan financing of compounds and packaging materials for local OC production
- Indonesian financing of compounds and packaging materials for local OC production

The proposed project will assist the GOI to maintain program momentum by insuring an adequate supply of OCs while achieving transition to local financing and manufacturing of OCs. Due to the complexities of OC production, the proposed project will sequentially move through each step in transition while keeping the former step open as a fall back position (e.g., there will be an option for either finished product or raw materials so the proportion of each can annually be adjusted to production capability). The importance of the program, its continued dependence on OCs, the trend toward continued high demand for OCs among lower age/parity acceptors now entering the program, the complexities of local production, the vagaries of the steroid market, the quantity of funds required, all argue strongly for a flexible, phased, orderly transition to Indonesian OC production and financing that would be geared to local realities and responsive to changing local needs. This means that the plan for this project will be implemented by a compass rather than a road map. Backtracking, delays, accelerations and alterations in plans may be necessary to insure success. Thus, the following mix of outputs and inputs should be viewed as being illustrative only.

#### Outputs:

The outputs will be increasing numbers of oral contraceptive service centers and increasing numbers of cycles of locally produced OCs with theoretical effectiveness equal to that of imported pills. Although the number of projected outlets will be difficult to quantify, it is expected that contraceptive coverage at the village level: on Java and Bali (36 million population) will be increased; on 10 outer island provinces (35 million population) will be developed; and on the remaining 10 outer island provinces (13 million population) may be initiated.

These outputs should result in the following estimated end-of-year OC prevalence of use (as a % of estimated married-women of reproductive age, or MWRA, on Java/Bali and the first 10 outer island provinces.

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JAVA/BALI (86 million population)

<u>CY</u>	<u>Estimated End of CY OC Users</u>	<u>Estimated MWRA (millions)</u>	<u>OC Users as % MWRA</u>
1976	2,175,000	14.3	15.2
1977	2,657,000	14.6	18.2
1978	3,139,000	14.9	21.1
1979	3,621,000	15.2	23.8
1980	4,103,000	15.5	26.5
1981	4,586,000	15.8	29.0
1982	5,067,000	16.2	31.3
1983	5,550,000	16.5	33.6
1984	6,032,000	16.8	35.9

FIRST 10 OUTER ISLAND PROVINCES (35 million population)

<u>CY</u>	<u>Estimated End of CY OC Users</u>	<u>Estimated MWRA (millions)</u>	<u>OC Users as % MWRA</u>
1976	155,000	5.1	3.0
1977	235,000	5.2	4.3
1978	310,000	5.3	5.8
1979	375,000	5.5	6.8
1980	436,000	5.6	7.8
1981	501,000	5.8	8.6
1982	572,000	5.9	9.7
1983	638,000	6.1	10.5
1984	703,000	6.2	11.3

Inputs:

Assuming a \$7.3 million AID loan for 24 million cycles and 18 million cycles equivalent of compound and packaging materials is authorized and signed in FY 1976 or FY 1977, the OC consumption requirements for CY 1978 should be met. Inputs for this proposed project (FY 1978-82) will depend on the progress in establishing local production. At this point, for illustrative purposes, let us assume the following mix of finished and raw materials will be needed:

<u>CY</u>	<u>OC "Requirements" in millions MCs</u>	<u>Millions MCs Finished OCs</u>	<u>Millions MCs Compound and Packaging Material</u>	<u>Year of Purchase</u>
1979	58.4	30.0	28.4	FY 1978
1980	62.3	20.0	42.3	FY 1979
1981	69.3	10.0	59.3	FY 1980
1982	76.2	-	76.2	FY 1981
1983	83.0	-	83.0	FY 1982
1984	90.1	-	90.1	FY 1983

The cost of these finished cycles of OCs and raw materials is estimated as follows:

<u>US FY</u>	<u>Millions of Finished OCs</u>	<u>Price per MC</u>	<u>Cost of Finished OCs in \$ millions</u>	<u>Millions MCs Compound &amp; Packaging</u>	<u>Raw Material Cost</u>	<u>Cost of materials for locally pro- duced OCs in \$ millions</u>
1978	30.0	\$0.195	5.850	28.4	\$0.146	4.146
1979	20.0	0.214	4.280	42.3	0.160	6.768
1980	10.0	0.235	2.350	59.3	0.176	10.437
1981	-	-	-	76.2	0.193	14.707
1982	-	-	-	83.0	0.212	17.596
1983	-	-	-	90.1	0.233	20.993

Thus the total cost of finished OCs and/or materials for locally produced OCs is estimated as follows:

(in \$ millions)

<u>US FY</u>	<u>FINISHED OCs</u>	<u>RAW MATERIALS</u>	<u>TOTAL COST</u>
1978	5.850	4.146	9.996
1979	4.280	6.768	11.048
1980	2.350	10.437	12.787
1981	-	14.707	14.707
1982	-	17.596	17.596
1983	-	20.993	<u>20.993</u>
		TOTAL	87.127

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In order to achieve a smooth transition, it is proposed that the total cost be shared between USAID loan funds and the GOI budget on an annual basis as follows:

(in \$ millions)

<u>US FY</u>	<u>GOI FY</u>	<u>US CONTRIBUTION</u>	<u>GOI CONTRIBUTION</u>	<u>TOTAL COST</u>
1978	1977/78	9.996	-	9.996
1979	1978/79	11.048	-	11.048
1980	1979/80	11.787	1.000	12.787
1981	1980/81	12.707	2.000	14.707
1982	1981/82	10.000	7.596	17.596
1983	1982/83	<u>-</u>	<u>20.993</u>	<u>20.993</u>
TOTALS		55.538	31.589	87.127

It is anticipated that the GOI financing would procure only compound and packing materials. The GOI contribution will be phased in over 3-4 years to allow time to correct any budgeting and procurement problems that may arise.

Beneficiaries:

The beneficiaries of the successful implementation of this project will be rural women who will be able to gain control over their child-bearing through the use of oral contraceptives. This will free some of these women from the threat of maternal mortality (estimated to be in the range of 150-200 per 100,000 births) as well as directly relieve them from the debilitating effects of one child bearing experience after another. Such relief will allow family units to improve the health and education of their children as well as seek life style alternatives as they move away from the margin of subsistence.

The continued reduction in the age parity indicate that younger women are adopting family planning at least to space their childbearing and, hopefully, to limit their family size. Such actions have well documented benefits not only for the mothers, but also on the current living children.

IBRD - GOI  
2nd Population Project  
' 1977 - 1982

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The 2nd Population Project is derived from BKKBW proposals, directly related to the needs of its medium-term plans, and a GOI request for assistance. The project is designed to assist the BKKBW in the attainment of a crude birth rate of 34 per 1,000 by 1984. Its specific objectives are to enhance the mobility of family planning staff, widen and strengthen the program's education and motivation activities by assisting the BKKBW to reorganize and direct family planning training on a national basis, and support BKKBW administration by improving facilities and assisting plans for a national oral contraceptive production capability.

To meet these objectives, the proposed project will provide:

- (a) 274 four-wheel drive vehicles, 1,661 motorcycles and 8 small boats, all equipped to deliver maternal and child health and family planning services to population groups which do not have easy access to existing static services, (b) construction of facilities for the BKKBW's Bureau of Education and Training, and 10 provincial training centres (PTCs) in the 10 provinces of the other islands, with support for the development of a national family planning training program, including technical assistance and fellowships for staff development, (c) construction of 10 BKKBW offices in the 10 provinces of the other islands which, together with the PTCs, will form provincial family planning and population centres, (d) educational materials, seminars, fellowships and technical assistance for the completion of the integration of population education into school curricula and community education programs, (e) incentives, monitoring and evaluation studies and technical assistance for a pilot community incentive scheme designed to test whether the promotion and acceptance of the small family norm by the people themselves and their communities can be fostered by the application of rewards for predefined achievements in family planning, and (f) equipment, fellowships and technical assistance for a study of the feasibility of providing raw materials for local oral contraceptive production from botanical materials available in Indonesia.

The total cost of the project is estimated at US\$60.0 million equivalent with a foreign exchange component of US\$10.6 million, or about 17.7% of the total cost. The proposed Bank loan of US\$24.5 million would finance the foreign exchange

component (US\$10.6 million) and 28.1% of local costs (US\$13.9 million). The remaining US\$35.5 million would be financed by the Government from annual appropriations. The GOI contribution would finance site development costs and incremental operating costs.

The BKKBN, through its organization and that of its implementing units, would be responsible for the implementation of the project. To assist in the production of designs for facilities provided under the project, and for supervision of the facilities during construction, local architectural consultants would be retained by the BKKBN. Internationally recruited advisors will assist in the further development of the population education component, family planning training, the pilot community incentive scheme and oral contraceptive raw material feasibility study. In addition, the project provides for 21.9 man-years of fellowship programs to strengthen Indonesian professional capabilities and skills in population education, family planning training and oral contraceptive technology.

Contracts for civil works and furniture and special equipment will be awarded on the basis of local competitive bidding according to procedures which are satisfactory to the Bank. The civil works packages will be too small (less than US\$670,000) and the sites too scattered to attract international attention. The special equipment required for the project is diverse and specialized and incapable of being packaged in quantities large enough to attract international attention. Vehicles will be procured under international competitive bidding procedures in accordance with Bank guidelines.

It is estimated that the national family planning program will contribute directly to about 90% of the fertility decline to which the BKKBN is directing its efforts through the end of the third five-year plan in 1983-84. The project will substantially contribute to improved and extended motivation and service activities by helping in the reorganization of family planning training on a national scale. If the anticipated fertility reduction is achieved by 1983-84, the population of Indonesia would be some 2.5 million fewer than if the program made only half its potential impact.

Cost estimates by functional categories are summarized in the table below:

Category	Rupiah (in millions)			US\$ (in millions)			Percent- age
	Local	Foreign	Total	Local	Foreign	Total	
BKKBW's Education and Training Bureau	1,701.5	456.5	2,158.0	4.1	1.1	5.2	11.6
Other Island PTCs	3,486.0	539.5	4,025.5	8.4	1.3	9.7	21.8
Other Island Provincial Offices	2,448.5	290.5	2,739.0	5.9	.7	6.6	14.9
Mobile FP Services	4,191.5	1,411.0	5,602.5	10.1	3.4	13.5	30.5
Population Education	1,452.5	207.5	1,660.0	3.5	.5	4.0	9.1
Community Incentive Scheme	1,037.5	166.0	1,203.5	2.5	.4	2.9	6.6
Contraceptive Study	705.5	290.5	996.0	1.7	.7	2.4	5.5
<u>TOTAL</u>	<u>15,023.0</u>	<u>3,361.5</u>	<u>18,384.5</u>	<u>36.2</u>	<u>8.1</u>	<u>44.3</u>	<u>100.0</u>
Contingencies	5,478.0	1,037.5	6,515.5	13.2	2.5	15.7	
Total Project Costs	20,501.0	4,399.0	24,900.0	49.4	10.6	60.0	

No. : 1627/A/1, 77.  
 21 1977

FAMILY PLANNING COORDINATING AND  
 JALAN LET. JEN. M. T. HARY  
 0 - JAKARTA

TELE : NFPC  
 P O BOX : 186  
 TELP. : 83240  
 8102:  
 84850

Jakarta, June 17, 1977.

Ms. Littlefield  
 c/o USAID  
 Jakarta.

USAID ROUTING	
To	Initial
Dir	
Asst. Dir.	
Adm.	
Ext.	
PIO	
HR	
PH	
Public Aff.	
Plan.	
Spec. Int.	
Adm. Serv.	
A/C	
JAWAHRI	
PER	
USII	
M. Pool	
MGT/CSH	

WORKING COPY

r/p  
 Letter 6/27/77  
 CWT

Dear Ms. Littlefield,

The purpose of this letter is to review with you briefly our family planning program progress to date and to request continued USAID assistance to the Indonesian National Family Planning Program .

As you know, we have been actively implementing the family planning program on Java and Bali since 1970. The results to date are heartening with over 8 million new acceptors on these two islands and 25% of the eligible couples using modern contraceptives through the program. I am encouraged to note that the 1976 Intercensal Survey indicates a 15 - 17% reduction in the birthrate on Java Bali since 1970. Our challenge on these two islands is to accelerate the institutionalization a program in which USAID has been a generous contributor of village family planning.

On the 10 Outer islands provinces, which joined the program in 1974, the task before us is formidable. We have initiated pilot village family planning projects in these provinces, but it is still too early to tell if this concept will be as successful in these provinces as it has been in Java and Bali. In about six months, we will be reviewing these activities and you might want to join us on one of our on-sight village family planning reviews.



NATIONAL FAMILY PLANNING COORDINATING BOARD  
JALAN LET. JEN. M. T. HARI 3 - JAKARTA

CABLE : NFFCB.  
P.O. BOX : 184  
TELEPHONE : 82248  
81028  
84880

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As the prior USAID BKKBN population projects are coming to an end this year, I would like to take this opportunity to request a continuation of USAID assistance for the National Family Planning Program. As you know, the BKKBN has been collaborating with USAID in developing two new population projects, one a five year grant activity, the other a five year loan for oral contraceptive assistance.

At this time I would like to make a formal request for continuation of USAID's grant assistance. This new project will cover 1978 - 1982 and provide assistance on grant terms to assist us with five major areas of activity : family planning development and evaluation; family planning services; voluntary surgical contraception; training overseas and in Indonesia; and population policy studies. My staff and your population staff estimate this project will total about \$20 million over the five year period.

I hope USAID can respond favorably to this request and once again I extend an invitation to you to join us on one of our review trips to the outer islands. I will be sure you are kept informed of our schedule.

Sincerely,

Dr. Suwardjono Surjaningrat.

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Project Title & Number: Family Planning Development and Services 497-0270

Life of Project: From 77 to 81  
Total Funding: \_\_\_\_\_  
Date Prepared: June 1977

NARRATIVE SUBHEAD	INDICATORS, VERIFIABLE INDICATOR	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																				
<p><b>Program or Sector Goals:</b> The broader objective to which this project contributes: To decrease the natural rate of increase of population by a 50% reduction in the crude birth rate (CBR), currently estimated at 34 per 1,000 population, by the year 2000. A corresponding decrease in the death rate over this period would yield a population growth rate of around 1.3% a year.</p>	<p><b>Measures of Goal Achievement:</b> K.A.P. data indicating a desire by the majority of eligible couples to have small families and control fertility through the use of family planning.  A declining country-wide birth rate as follows:</p> <table border="1" data-bbox="611 415 1004 509"> <thead> <tr> <th></th> <th>1970</th> <th>1975</th> <th>1980</th> <th>1982</th> </tr> </thead> <tbody> <tr> <td>CBR</td> <td>4.1</td> <td>3.0</td> <td>2.7</td> <td>2.4</td> </tr> <tr> <td>CFM</td> <td>2.1</td> <td>1.9</td> <td>1.3</td> <td>1.1</td> </tr> <tr> <td>CNI</td> <td>2.2</td> <td>2.0</td> <td>1.4</td> <td>1.1</td> </tr> </tbody> </table>		1970	1975	1980	1982	CBR	4.1	3.0	2.7	2.4	CFM	2.1	1.9	1.3	1.1	CNI	2.2	2.0	1.4	1.1	<p>Surveys, mini-census, extensive analysis of existing data, review of research projects coordinated by BKKM and conducted by Bureau of Statistics, Social and Economic Research Institute, Faculty of Public Health, Demographic Institute and others.</p> <ul style="list-style-type: none"> <li>- 1976 Intercensal Population Survey</li> <li>- 1979 Fertility Survey</li> <li>- 1981 Census</li> </ul>	<p><b>Assumptions for achieving goal targets:</b> Continued high GOI commitment to rapid fertility reduction as evidenced by population policy and budgetary support to fertility reduction efforts. Continued willingness on the part of the GOI to innovate and experiment in order to extend and improve family planning services.</p>
	1970	1975	1980	1982																			
CBR	4.1	3.0	2.7	2.4																			
CFM	2.1	1.9	1.3	1.1																			
CNI	2.2	2.0	1.4	1.1																			
<p><b>Project Purpose:</b> To increase the use in Indonesia of all legal types of contraceptive methods from 18.4% of all married women of reproductive age in 1976 to 47.6% in 1982.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.  The % of married women of reproductive age (MWRM) using contraception through the GOI National Family Planning Program by the end of GOV FY 1982 (March 31, 1983) will be:</p> <table border="1" data-bbox="611 674 1004 744"> <thead> <tr> <th></th> <th>Java/Bali</th> <th>Outer Islands</th> <th>Indonesia</th> </tr> </thead> <tbody> <tr> <td>1980</td> <td>44.0</td> <td>24.0</td> <td>37.3</td> </tr> <tr> <td>1982</td> <td>52.0</td> <td>37.0</td> <td>47.6</td> </tr> </tbody> </table>		Java/Bali	Outer Islands	Indonesia	1980	44.0	24.0	37.3	1982	52.0	37.0	47.6	<ul style="list-style-type: none"> <li>- Analysis of new acceptor, clinic revisit and contraceptive use data derived from the BKKM service statistics systems.</li> <li>- Surveys of contraceptive prevalence and continuation rates.</li> <li>- 1976 Intercensal Population Survey.</li> <li>- 1981 Census of Population</li> <li>- Special surveys and analyses</li> </ul>	<p><b>Assumptions for achieving purpose:</b> - Program will continue to receive GOI moral, manpower and financial support. - BKKM continued willingness to pioneer in pilot testing and experimentation in order to broaden and improve the delivery of family planning services. - Continued assistance from USAID and other donors. - BKKM/GOI willingness to stimulate and encourage local initiatives and efforts to provide village family planning services.</p>								
	Java/Bali	Outer Islands	Indonesia																				
1980	44.0	24.0	37.3																				
1982	52.0	37.0	47.6																				
<p><b>Outputs:</b> Full contraceptive service availability through hospitals, clinics, village family planning and sub-village family planning groups throughout Indonesia; a series of R&amp;D projects and population policy studies; and, GOI personnel trained to assist with program planning, management and administration.</p>	<p><b>Magnitude of Outputs:</b> The following number of family planning service outlets will be operative by the end of the project:</p> <table border="1" data-bbox="611 885 1004 964"> <thead> <tr> <th></th> <th>Clinics</th> <th>Village</th> <th>Sub-Village</th> </tr> </thead> <tbody> <tr> <td>Java/Bali</td> <td>2,750</td> <td>30,000</td> <td>50,000</td> </tr> <tr> <td>Outer Islands</td> <td>1,560</td> <td>25,000</td> <td>27,500</td> </tr> <tr> <td>Total</td> <td>4,310</td> <td>55,000</td> <td>77,500</td> </tr> </tbody> </table> <p>Trained Personnel 60-75 (in-country and overseas) Population Policy Studies 10-15</p>		Clinics	Village	Sub-Village	Java/Bali	2,750	30,000	50,000	Outer Islands	1,560	25,000	27,500	Total	4,310	55,000	77,500	<ul style="list-style-type: none"> <li>- Review of BKKM data system to include acceptor and logistic data.</li> <li>- BKKM reports and analyses.</li> <li>- Special evaluations and surveys.</li> <li>- Continuous field visits to review VFF and VSC program</li> </ul>	<p><b>Assumptions for achieving outputs:</b> GOI willing to continue to promote the village family planning program. Continued willingness to intervene at the village and sub-village level.  BKKM/GOI willing to stimulate and encourage local initiatives and efforts to provide village family planning services.</p>				
	Clinics	Village	Sub-Village																				
Java/Bali	2,750	30,000	50,000																				
Outer Islands	1,560	25,000	27,500																				
Total	4,310	55,000	77,500																				
<p><b>Inputs:</b> Project development and evaluation costs; training; supervision; reporting and recording; medical equipment; data processing; vehicles, and, contraceptives (OCA) under USAID Project 497-0271.</p>	<p><b>Implementation Target (Type and Quantity)</b> (1980)</p> <p>Family Planning Devel. &amp; Eval. 2,113 Family Planning Services 18,745</p> <p>Population Policy Studies 103 Training 2,113 57,074</p>	<p>Review of annual Project Agreements, P/O's, P/O's, P/O's and LOAs. Review of annual PARS.</p> <p>18,415</p>	<p><b>Assumptions for providing inputs:</b> - Continued availability of funds, commodities and staff necessary to realize and evaluate these inputs. - Continued NGO support for population growth control efforts in Indonesia.</p>																				

UNITED STATES GOVERNMENT

# Memorandum

TO : Ms. S. J. Littlefield, A/DIR

DATE: July 20, 1977

FROM : T. H. Reese, OPH



SUBJECT: Determination that AID will Purchase Commodities for the Family Planning Development and Services Project.

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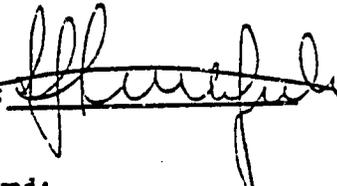
## Summary:

In accordance with AID Handbook 1, Sup B, Chapter 3A, USAID has determined that it would not be advantageous for the BKKBN to procure on its own commodities from the United States with funds provided through the Family Planning Development and Services Project. The reasons are:

1. The BKKBN does not have the requisite in-house capability to procure commodities from the United States on its behalf. The IBRD will be assisting the BKKBN in developing this capability over the life of the 2nd IBRD/GOI Population Project, 1977-1982.
2. AID/W and GSA have experience and centralized procurement arrangements that will expedite and allow for advantageous prices in the purchase of vehicles, medical kits and specialized sterilization equipment. USAID and the BKKBN can benefit from our past experience in procuring commodities through AID/W and GSA.
3. Commodity procurement by the GOI in the past has proven time-consuming and complex. It is important that the commodities scheduled for this project arrive on a timely basis so as to mesh with the overall expansion and extension of family planning services throughout the country.

## Recommendation:

On the basis of the above, I recommend that you determine that the commodities for the Family Planning Development and Services Project be procured by USAID with Project Implementation Orders through AID/W and the GSA.

Approved: 

Disapproved: \_\_\_\_\_



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Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in consistent pattern of gross violations of internationally recognized human rights? Yes. Page 11 of the PP notes the family planning program is effective in reaching the rural poor.
2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No.
3. FAA Sec. 620(a). Does recipient country furnish assistance to Cuba or fail to take appropriate steps to prevent ships or aircraft under its flag from carrying cargoes to or from Cuba? No.
4. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the International Communist movement? Yes.
5. FAA Sec. 620(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government? No.
6. FAA Sec. 620(e) (1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.

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7. FAA Sec. 620(f); App. Sec. 102. Is recipient country a Communist country? Will assistance be provided to the Democratic Republic of Vietnam (North Vietnam), South Vietnam, Cambodia or Laos? No to both questions.
  8. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No.
  9. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No.
  10. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? NA
  11. FAA Sec. 620(o); Fishermen's Protective Act, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters, NA
    - a. has any deduction required by Fishermen's Protective Act been made?
    - b. has complete denial of assistance been considered by AID Administrator?
  12. FAA Sec. 620(g); App. Sec. 504. (a) Is the government of the recipient country in default on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds, unless debt was earlier disputed, or appropriate steps taken to cure default? No to (a) and (b).
  13. FAA Sec. 620(s). What percentage of country budget is for military expenditures? How much of foreign exchange resources spent on military equipment? How much spent for the purchase of sophisticated weapons systems? (Consideration of these points is to be coordinated with the Bureau for Program and Policy Coordination, Regional Coordinators and Military Assistance Staff (IPC/RC).) About 22% of the FY 1973/74 budget was for defense. This has not changed significantly. Less than 10% of the military budget as allocated for foreign exchange purchases. No sophisticated weapons have been purchased to our knowledge.

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14. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
15. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? U.N. obligations are current.
16. FAA Sec. 620A. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? No.
17. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No.
18. FAA Sec. 669. Has the country delivered or received nuclear reprocessing or enrichment equipment, materials or technology, without specified arrangements on safeguards, etc.? No.
19. FAA Sec. 901. Has the country denied its citizens the right or opportunity to emigrate? No.

B. FUNDING CRITERIA FOR COUNTRY

Yes, criteria have been established and will be refined by the GOI Central Bureau of Statistics.

1. Development Assistance Country Criteria

a. FAA Sec. 102(c), (d). Have criteria been established, and taken into account, to assess commitment and progress of country in effectively involving the poor in development, on such indexes as: (1) small-farm labor intensive agriculture, (2) reduced infant mortality, (3) population growth, (4) equality of income distribution, and (5) unemployment.

b. FAA Sec. 201(b)(5), (7) & (8); Sec. 208; 211(a)(4), (7). Describe extent to which country is:

- (1) Making appropriate efforts to increase food production and improve means for food storage and distribution.
- (2) Creating a favorable climate for foreign and domestic private enterprise and investment.

This is a high priority in the current 5-year plan and the following 5-year plan.

The GOI has recently simplified both foreign and domestic investment regulations.

- (3) Increasing the public's role in the developmental process.
- (4) (a) Allocating available budgetary resources to development.  
 (b) Diverting such resources for unnecessary military expenditure and intervention in affairs of other free and independent nations.
- (5) Making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangements, and making progress toward respect for the rule of law, freedom of expression and of the press, and recognizing the importance of individual freedom, initiative, and private enterprise.
- (6) Otherwise responding to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures.

- (3) The GOI is increasingly stressing the importance of popular participation in the development program, while at the same time increasing its development activities.
- (4) Only about 22% of the budget is spent on defense.

The GOI is increasingly improving government administration and making progress in increasing individual freedoms.

In the current and planned 5-year plans, emphasis is on food production, employment and health, family planning and nutrition.

c. FAA Sec. 201(b), 211(a). Is the country among the 20 countries in which development assistance loans may be made in this fiscal year, or among the 40 in which development assistance grants (other than for self-help projects) may be made?

Yes.

d. FAA Sec. 115. Will country be furnished, in same fiscal year, either security supporting assistance, or Middle East peace funds? If so, is assistance for population programs, humanitarian aid through international organizations, or regional programs?

No.

2. Security Supporting Assistance Country Criteria

a. FAA Sec. 502b. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights? Is program in accordance with policy of this Section?

NA

b. FAA Sec. 531. Is the Assistance to be furnished to a friendly country, organization, or body eligible to receive assistance?

NA

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

NA

PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT.

1. App. Unnumbered; FAA Sec. 653(b)

(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;  
(b) Is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure plus 10%)?

(a) Committees notified by FY 1978 CP (new project) (b) No.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes - cost estimates are in most part based on past project experience

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

NA

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated Sept. 5, 1973 (replaces Memorandum of May 15, 1962; see Fed. Register, Vol 38, No. 174, Part III, Sept. 10, 1973)?

NA

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?

NA

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6. FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multi-lateral organizations or plans to the maximum extent appropriate? No.
7. FAA Sec. 601(a); (and Sec. 201(f) for development loans). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. NA
8. FAA Sec. 601(h). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). NA
9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services. GOI will gradually assume ongoing local costs obligations.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and, if so, what arrangements have been made for its release? No.
- B. FUNDING CRITERIA FOR PROJECT
1. Development Assistance Project Criteria NA
- a. FAA Sec. 102(c); Sec. 111; Sec. 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas; and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: [include only applicable paragraph -- e.g., a, b, etc. -- which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.]

(1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;

NA

(2) [104] for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor;

Project will assist GOI in develop-  
low-cost village family planning  
system, which is integrated with  
the GOI health delivery system.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

NA

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

NA

(a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

NA

(b) to help alleviate energy problem;

NA

(c) research into, and evaluation of, economic development processes and techniques;

NA

(d) reconstruction after natural or manmade disaster;

NA

(e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

NA

(f) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

NA

(5) [107] by grants for coordinated private effort to develop and disseminate intermediate technologies appropriate for developing countries.

NA

113 c. FAA Sec. 110(a); Sec. 208(e). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

GOI planned family planning budget for exceed 25% of the total inputs into this project. Assurances will be sought in annual project agreements.

d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing?

NA

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on; (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communication; planning and public administration; urban development, and modernization of existing laws; or (6) integrating women into the recipient country's national economy.

(1) This project eases population pressures by reducing fertility. (2) NA (3) The project trains and upgrades family planning personnel. (4) The program extends the outreach of the GOI health system. (5) The project brings health and family planning services to the rural poor. (6) Through planned family formation women have a greater opportunity to participate in the labor force.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

There is great interest in family planning in Indonesia. Currently 26% of the couples on Java and Bali are using contraception. The birth rate on Java and Bali has fallen 18%.

g. FAA Sec. 201(b)(2)-(4) and -(8); Sec. 201(e); Sec. 211(a)(1)-(3) and -(8). Does the activity give reasonable promise of contributing to the development: of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? And does project paper provide information and conclusion on an activity's economic and technical soundness?

Yes.

h. FAA Sec. 201(b)(6); Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance-of-payments position.

None.

2. Development Assistance Project Criteria (Loans only)

a. FAA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within U.S.

NA

b. FAA Sec. 201(b)(2); 201(d). Information and conclusion on (1) capacity of the country to repay the loan, including reasonableness of repayment prospects, and (2) reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

NA

c. FAA Sec. 201(e). If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds \$100,000, has country submitted to AID an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

NA

d. FAA Sec. 201(f). Does project paper describe how project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development?

NA

- e. FAA Sec. 202(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources? NA
- f. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? NA
3. Project Criteria Solely for Security Supporting Assistance NA
- FAA Sec. 531. How will this assistance support promote economic or political stability?
4. Additional Criteria for Alliance for Progress NA
- [Note: Alliance for Progress projects should add the following two items to a project checklist.]
- a. FAA Sec. 251(b)(1), -(8). Does assistance take into account principles of the Act of Bogota and the Charter of Punta del Este; and to what extent will the activity contribute to the economic or political integration of Latin America? NA
- b. FAA Sec. 251(b)(8); 251(h). For loans, has there been taken into account the effort made by recipient nation to repatriate capital invested in other countries by their own citizens? Is loan consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress (now "CEPCIES," the Permanent Executive Committee of the OAS) in its annual review of national development activities? NA

STANDARD ITEM CHECKLIST

A. Procurement

- |   |  |
|---|--|
| 1. <u>FAA Sec. 602.</u> Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed?   | Yes  |
| 2. <u>FAA Sec. 604(a).</u> Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him?   | Most will be from U.S. Limited Commodity procurement will be in Indonesia. |
| 3. <u>FAA Sec. 604(d).</u> If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed?  | NA   |
| 4. <u>FAA Sec. 604(e).</u> If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?   | NA   |
| 5. <u>FAA Sec. 603(a).</u> Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items?  | Yes.   |
| 6. <u>TTA Sec. 901(b).</u> (a) Compliance with requirement that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. | Yes.   |
| 7. <u>FAA Sec. 621.</u> If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized,  | Yes.   |

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are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974

If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

NA

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

NA

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

NA

C. Other Restrictions

1. FAA Sec. 201(d). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

NA

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

NA

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-Bloc countries, contrary to the best interests of the U.S.?

Yes.

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the U.S. or guaranty of such transaction?

Yes.

5. Will arrangements preclude use of financing:

a. FAA Sec. 114. to pay for performance of abortions or to motivate or coerce persons to practice abortions?

Yes. Abortion is illegal in Indonesia.

b. FAA Sec. 620(n). to compensate owners for expropriated nationalized property?

Yes.

c. FAA Sec. 660. to finance police training or other law enforcement assistance, except for narcotics programs?

Yes.

d. FAA Sec. 662. for CIA activities?

Yes.

e. App. Sec. 103. to pay pensions, etc., for military personnel?

Yes.

f. App. Sec. 106. to pay U.N. assessments?

Yes.

g. App. Sec. 107. to carry out provisions of FAA Sections 209(d) and 251(h)? (transfer to multilateral organization for lending).

Yes.

h. App. Sec. 501. to be used for publicity or propaganda purposes within U.S. not authorized by Congress?

Yes.