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AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

INDONESIA

LOCAL GOVERNMENT TRAINING II (LGT II)

497-0308

AUGUST 1980

UNCLASSIFIED

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i

<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b> <b>PROJECT DATA SHEET</b>	<b>1. TRANSACTION CODE</b> <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete <input checked="" type="checkbox"/> <b>A</b>	Amendment Number _____	<b>DOCUMENT CODE</b> 3
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<b>2. COUNTRY/ENTITY</b> Indonesia	<b>3. PROJECT NUMBER</b> 497-0308
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<b>4. BURFAU/OFFICE</b> Asia <span style="float: right;">04</span>	<b>5. PROJECT TITLE (maximum 40 characters)</b> Local Government Training II
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<b>6. PROJECT ASSISTANCE COMPLETION DATE (PACD)</b> MM DD YY 03 01 84	<b>7. ESTIMATED DATE OF OBLIGATION</b> <i>(Under 'B' below, enter 1, 2, 3, or 4)</i> A. Initial FY <u>80</u> B. Quarter <input checked="" type="checkbox"/> C. Final FY <u>82</u>
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**8. COSTS (\$000 OR EQUIVALENT \$1 = 624 )**

A. FUNDING SOURCE	FIRST FY <u>80</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	50	150	200	2,612	6,888	9,500
(Grant)	( 50 )	( 150 )	( 200 )	( 2,140 )	( 360 )	( 2,500 )
(Loan)	( -- )	( --- )	( --- )	( 472 )	( 6,528 )	( 7,000 )
Other U.S.						
1.						
2.						
Host Country				---	5,940	5,940
Other Donor(s)				---	---	---
<b>TOTALS</b>	50	150	200	2,612	12,828	15,440

**9. SCHEDULE OF AID FUNDING (\$000)**

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EH	289B	200	200			1,000	7,000	2,500	7,000
(2)									
(3)									
(4)									
<b>TOTALS</b>						1,000	7,000	2,500	7,000

<b>10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)</b> 033	<b>11. SECONDARY PURPOSE CODE</b> 663
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<b>12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)</b> A. Code                      BR                      TNG	
B. Amount	

**13. PROJECT PURPOSE (maximum 480 characters)**

Through implementation of National Training Strategy, assist in bringing about more effective performance of province, kabupaten and kotamadya planning bodies throughout Indonesia, in regional development planning and management

<b>14. SCHEDULED EVALUATIONS</b> Interim    MM YY    MM YY    Final    MM YY 01 82    01 83            03 85	<b>15. SOURCE/ORIGIN OF GOODS AND SERVICES</b> <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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**16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)**  
 /01/84

<b>17. APPROVED BY</b>	Signature Thomas C. Niblock	<b>18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION</b> MM DD YY 03 01 84
	Title Director, USAID/Indonesia	Date Signed MM DD YY 03 01 84

PROJECT AUTHORIZATION

Indonesia

Local Government  
Training II  
Project No. 497-0308

("Cooperating Country")

Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Local Government Training II project for Indonesia involving planned obligations of not to exceed \$7,000,000 in Loan funds and \$2,500,000 in Grant funds over a five year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to help in financing foreign exchange and local currency costs for the project.

The project consists of technical assistance, procurement of equipment and commodities, facility renovation and extension, training and related inputs for a program designed to build the development planning and management skills of provincial, district and city planning officials and technicians throughout Indonesia.

The Project Agreement(s) which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Interest Rate and Terms of Repayment

The Cooperating Country shall repay the Loan to A.I.D. in U.S. Dollars within forty (40) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Cooperating Country shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

b. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or (in the case of Grant funds) in the United States or (in the case of Loan funds) countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of (in the case of Grant funds) the United States or (in the case of Loan funds) the United States or the Cooperating Country.

Training outside the Cooperating Country shall be in accordance with the provisions of A.I.D. Handbook 10.

c. Other

(1) Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D. evidence that: the Jakarta Office, an operating office of Badan Diklat (the Education and Training Body, Ministry of Home Affairs) has been duly established and activated, and that the head of the Jakarta Office and necessary initial technical and support staff have been appointed.

(2) Prior to the obligation of funds for the project in U.S. FY 1982, an evaluation of the results of the project's first two years' implementation will be undertaken, which specifically examines the adequacy of technical assistance.

(3) The Cooperating Country shall covenant to the effect that:

(a) adequate staff shall be appointed to the appropriate regional planning bodies in accordance with the National Training Strategy prior to the initiation of training at each Regional Training Center.

(b) adequate provision will be made for all inflation related and unanticipated cost increases associated with the implementation of training programs at the levels proposed in the National Training Strategy.

(c) adequate provision will be made on a continuing basis for staff salaries and training support expenses for the initial four regional training centers after A.I.D. assistance to the project terminates.

Clearances:

Dennis J. Brennan, ASIA/PD  
Thomas Arndt, ASIA/TR  
Robert Halligan, ASIA/DP  
Herbert Morris, GC/Asia  
Robert Dakan, A/ASIA/ISPA

Date

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Acting Assistant Administrator  
Bureau for Asia

August 14, 1980  
Date

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GC/ASIA:CStephenson;hp:08/13/80

GLOSSARY OF INDONESIAN TERMS AND ACRONYMS  
USED IN THIS PROJECT PAPER

1. APDN (Akademi Pemerintahan Dalam Negeri): Academy for Government Administration
2. BADAN DIKLAT (Badan Pendidikan dan Latihan): Education and Training Body of Ministry of Home Affairs
3. BAPPEDA (Badan Perencanaan Pembangunan Daerah): Provincial Development Planning Board
4. BAPPEMKA (Badan Perencanaan Pembangunan Kabupaten): Kabupaten Development Planning Board
5. BAPPEMKO (Badan Perencanaan Pembangunan Kotamadya): Kotamadya Development Planning Board
6. BAPPENAS (Badan Perencanaan Pembangunan Nasional): National Development Planning Board
7. Bupati: Chief executive and head of the kabupaten region
8. Camat: Chief executive of the kecamatan
9. Daerah: Autonomous region or area at province, kabupaten or kotamadya level
10. Departemen: Department
11. Departemen Dalam Negeri or Dalam Negeri: Ministry of Home Affairs
12. Desa: Village
13. Dinas: Line agency of the province, kabupaten, or kotamadya
14. DIP (Daftar Isian Proyek): Annual listing of approved

18. IIP (Institut Ilmu Pemerintahan): Institute for Government Science
19. INPRES (Instruksi Presiden) FUNDS: Presidential instruction-based subsidy to the local government
20. IPB (Institut Pertanian Bogor): Institute of Agriculture, Bogor
21. ITB (Institut Teknologi Bandung): Institute of Technology, Bandung
22. Jakarta Office: Short title for entity proposed to be organized within Badan Diklat, responsible for training in regional development planning and management
23. Kabupaten: Autonomous level of government immediately below the province, comprised primarily of rural areas
24. KANWIL (Kantor Wilayah): Vertical offices of the central government operating at provincial and kabupaten/kotamadya levels
25. Kecamatan: Administrative division of the kabupaten or kotamadya
26. Kotamadya: Autonomous city, an urban area government immediately below the province, at the same level as the kabupaten
27. Propinsi: Province; the autonomous level of government immediately below the central government
28. REPELITA (Rencana Pembangunan Lima Tahun): Five Year Development Plan
29. RTC: Regional Training Center
30. SELAPUTDA (Sekolah Lanjutan Pemerintahan Umum Tingkat Dua): Advanced School for General Government Administration
31. Sarjana: Indonesian equivalent of a Master's Degree
32. Sarjana Muda: Indonesian equivalent of a Bachelor's Degree
33. TK. I (Tingkat Satu): Provincial autonomous level of government
34. TK. II (Tingkat Dua): Autonomous levels of government immediately below the province, i.e. kabupaten and kotamadya

35. Training Strategy: Short title used in this paper for "A National Strategy for Training in Regional Development Planning and Management"
36. UGM (Universitas Gajah Mada): State University located in Yogyakarta, Indonesia
37. UI (Universitas Indonesia): State University located in Jakarta, Indonesia
38. Walikota: Chief executive and head of the kotamadya region i.e. city

## II. Description of the Project

### A. Repelita III and the Regional/Sub-Regional Planning Agencies

On April 1, 1979, the Government of Indonesia (GOI) began the implementation of Repelita III, the country's third five year development plan. Repelita III places strong emphasis on building the capacities of the development planning and management agencies at regional (province) and sub-regional (district or kabupaten and city or kotamadya) levels. For the province, this planning agency is called the BAPPEDA, for the kabupaten (county) it is the BAPPEMKA, and for the kotamadya (town) the BAPPEMKO.

When staffed and equipped to perform their intended jobs, these staff agencies of the respective chief executives plan and manage the processes of development planning within their jurisdictions. They gather essential information, establish data bases, identify people's needs and aspirations, assist in the formulation of development goals, objectives and strategies, and develop plans for both intermediate and long-term time spans. They also perform the basic functions of development management, including establishment of relative feasibilities and benefits, determination of priorities, programming, budgeting, monitoring, evaluation and, most important, coordinating.

These planning agencies do not implement, that is the function of line agencies, and they do not direct or command, these being functions of the chief executive and the respective agency heads. But they do serve as the single agency in each jurisdiction responsible to the chief executive for coordinating the entire development effort, both vertically and horizontally, for insuring that all agencies and officials functioning within the jurisdiction share an understanding of development plans and objectives and work together to attain common ends. This, in essence, is the development process, an orderly means for bringing into being the facilities, the services and the programs required to meet people's needs in a developing society. If the process is correctly targeted and effectively implemented it will reach the most critical element of the population, those at the lower end of the economic scale, the rural and urban poor.

### B. Constraints to Effective Operation of the Planning Agencies

As Repelita III gets underway, BAPPEDAs are organized and functioning in 26 of the 27 provinces. However, they are not

performing as effectively as the needs of active development programs require. They have yet to gain the status and recognition which they must have to guide and coordinate development. They are usually understaffed, and the frequent pattern is for their technicians to hold two jobs, often serving part time as faculty members of nearby universities. Most BAPPEDAs are short of or totally lacking in staff members with expertise in certain key areas necessary for working with the provincial offices (dinases) and the province level offices of the ministries (kantowilayahs or kanwils). The technicians of most BAPPEDAs simply do not have adequate command of the basic knowledges, skills, techniques and processes called for by modern development planning and management. Finally, the leadership of the provinces, from Governor on down, including the heads of the kanwils, generally do not have a full grasp of the roles and responsibilities of the BAPPEDA, and all too often, they bypass the BAPPEDA and fail to back it or support its position in the provincial hierarchy.

The same observations can generally be made concerning the sub-regional BAPPEMKAs and BAPPEMKOs, wherever they do exist. Most kotamadyas have functioning BAPPEMKOs, some of which are fairly advanced, but generally they are faced with the same array of problems as the BAPPEDAs. In the case of the BAPPEMKAs, the situation is more mixed since they have been established in only parts of the country, are for the most part still at an early stage in their development, share the same problems and deficiencies encountered by the BAPPEDAs and have an even longer way to go to achieve full operational effectiveness.

Given the institutional deficiencies and problems, the GOI is giving high priority to a carefully organized training effort as the most appropriate means for developing these planning bodies throughout Indonesia and for better equipping them to perform their jobs.

### C. Developments Leading to LGT II

In April of 1977, the Ministry of Home Affairs requested that USAID redirect an earlier project design targeted on management improvement in five selected kabupatens of Central Java Province. The Ministry asked that USAID undertake instead a project to upgrade the development planning and program management capabilities of provincial, kabupaten and kotamadya planning staffs throughout Indonesia. Kabupaten Provincial Planning and Management I (KPP&MT I) was USAID's initial response.

KPP&MT I, a fourteen month planning project, produced as its main output "A National Strategy for Training in Regional Development Planning and Management" (Training Strategy). The Training Strategy, which is supported by the Minister of Home Affairs, has served as the basis for the design of LGT II. It will constitute the plan of action whereby USAID will assist the Ministry, through its Training and Education Body (Badan Diklat), in launching a nationwide effort to build and strengthen regional and sub-regional development planning and program management capabilities. The Training Strategy constitutes Annex C of this paper. Both this paper and the Training Strategy should be used together for a complete understanding of LGT II and what it is designed to accomplish.

#### D. LGT II - Project Goals

LGT II is expected to contribute to the broader goal of reaching and meeting the needs of the rural and urban poor. It will do this by equipping the provinces, kabupatens and kotamadyas to perform the processes of development in accordance with national policies enunciated in Repelita III, particularly those aimed at bringing about a more equitable balance of development among the regions and the sub-regions, and a greater participation in all development activities by the intended beneficiaries.

#### E. LGT II - Project Purpose

The purpose of LGT II is to assist the GOI in bringing about more effective performance of all BAPPEDAs, BAPPEMKAs and BAPPEMKOs in regional development planning and management through implementation of the Training Strategy developed under KPP&MT I. Conditions expected to apply at the end of the project which will indicate that the project purpose has been achieved, call for these regional and sub-regional planning agencies to be accomplishing an annually increasing percentage of all development related services, programs and projects: (1) within the guidelines set by Repelita III; (2) within the economically and developmentally most deficient areas of their respective jurisdictions; (3) according to the plans and within the budgetary and time schedules duly established therefor; (4) with the active participation of those elements of the population expected to benefit from the development process; and (5) with the active and coordinated involvement of all appropriate agencies and levels of government within the responsible jurisdiction, particularly the dinases and the kanwils.

## F. LGT II - Project Outputs

The Training Strategy follows a systematic approach for determining the steps to be taken to strengthen the performance of regional and sub-regional planning agencies. First, on the basis of field studies, it examines the underlying concepts and processes of development planning and program management in order to clearly identify the functions for which training will be required. Next, it describes the specific skills which will be needed by each planning agency to perform the varied tasks of development planning and management. Finally, it sets forth the implementation plan needed to develop and put into effect the nationwide training effort for building these required skills. The elements of this implementation plan constitute the major outputs of LGT II. They are:

1. A functioning central agency in Badan Diklat, responsible for planning and managing the total regional/sub-regional training effort, and for the development of training curricula, training course designs and training materials.<sup>1/</sup> (Operational in IFY 1980/81, starting with 4 officials/technicians in IFY 1980/81, increasing to 10 by IFY 1983/84.)
2. A functioning central training-of-trainers program and facility, producing trained trainers in sufficient numbers to staff the central facility and the Regional Training Centers (RTCs). (Operational during IFY 1979/80 at University of Gajah Mada, in IFY 1980/81 and thereafter at institution(s) to be determined, producing 15 trainers in IFY 1980/81, total of 70 by IFY 1983/84.)
3. Staffed and Operating RTCs. (Starting with one in IFY 1979/80, adding one per year, total of 4 by IFY 1983/84, continuing one per year until all 8 centers fully activated.)
4. Operating arrangements whereby selected universities and institutions of higher learning are involved in regional planning/management functions and the training therefor.

<sup>1/</sup>The central agency is referred to in this paper and in the Training Strategy as "Jakarta Office".

5. Provincial, kabupaten and kotamadya leaders and policy makers oriented in regional planning/management training. (Annually, prior to departure of development staffs for RTC training, starting with 30 in IFY 1980/81, total of 120 by IFY 1983/84.)
6. Regional/sub-regional dinas and kanwil leaders and technicians oriented in regional planning/management training. (Annually, prior to return of development staffs from training, starting with 110 in IFY 1980/81, total of 945 by IFY 1983/84.)
7. Trained BAPPEDA, BAPPEMKA and BAPPEMKO officials and technicians. (Long-term training starting with 75 in IFY 1980/81, total of 1,030 by 1983/84; short term parallel and other training starting with 690 in IFY 1980/81, total of 2,970 by 1983/84.) Table 1 shows planned LGT II and future training outputs in relation to the projected number of planning and other personnel requiring training.

Item 7 of the above listed outputs, Trained BAPPEDA, BAPPEMKA and BAPPEMKO officials and technicians, represents the real "bottom line" for the entire project. These are the planning staff members around which the overall project strategy is designed. They will be needed to carry out the regional and sub-regional planning and development programs throughout the country. They fall under three headings:

- a. General regional planners/programmers (or urban planners/programmers for kotamadyas) who have broad knowledge of the planning field
- b. An intermediate group of planners who have a degree of specialization (such as social development, economics or engineering) within the field
- c. Specialists in a variety of relevant disciplines (such as demography, agricultural economics, geology or transportation engineering and planning).

To develop the planning and management skills of each of these groups, the Training Strategy calls for establishing two interrelated training programs to be implemented at different rates and at various locations:

TABLE 1

PLANNED LGT II AND FUTURE TRAINING OUTPUTS IN RELATION TO PROJECTED  
PLANNING AGENCY STAFFING LEVELS

(BAPPEDA, BAPPEMKA and BAPPEMKO staff members only. Does not include training of Badan Diklat trainers or participants in annual discussion panels or orientation courses for non planning agency officials and technicians)

IFY	Projected Technical Staffing Level all BAPPEDAs, BAPPEMKAs & BAPPEMKOs	Number Staff Members Given Long-Term Training (6 mos. - 2 yrs)		Number Staff Members Given Short-Term Training (2 wks - 2 mos)		Total Number Given Training		
		During IFY	Cumulative Total	During IFY	Cumulative Total	During IFY	Cumulative Total	
79/80	1,100	0	0	0	0	0	0	
LGT II	80/81	1,400	75	75	690	690	765	765
	81/82	1,800	225	300	730	1,420	955	1,720
	82/83	2,300	320	620	770	2,190	1,090	2,810
	83/84	2,900	410	1,030	780	2,970	1,190	4,000
	84/85	3,700	470	1,500	600	3,570	1,070	5,070
85/86	4,500	600	2,100	500	4,070	1,100	6,170	
86/87	5,400	700	2,800	400	4,470	1,100	7,270	
87/88	6,400	800	3,600	400	4,870	1,200	8,470	
88/89	7,500	900	4,500	300	5,170	1,200	9,670	

a. A comprehensive training program, operating in each rehabilitated and fully activated RTC as it comes on line at the rate of one per year. This will be the core training program for regional planners/programmers and for planning specialists using the services of full-time project trained instructors. It will be of nine months duration, three months at the RTC, six months on the job.

b. A parallel training program operating in the existing RTCs or in other selected regional or sub-regional facilities. This will bring annually scheduled, short-term (one to two months) training in regional planning/management to selected BAPPEDA planning personnel who will then serve as parallel program trainers, and to BAPPEMKA and BAPPEMKO officials and technicians who have not yet been reached by the comprehensive training program. This parallel training program will be phased out as additional RTCs are activated on a year-round basis thus making long-term training more generally available.

Supplementing the foregoing basic training programs will be a series of specialized training courses of from six weeks to six months duration, some to be conducted at the RTCs, others at various institutes and universities. The courses will cover such subjects as administrative planning, project appraisal, project monitoring, data development, regional economics, land use planning, development engineering, etc. Finally, provision is made whereby selected planning personnel will attend university-based graduate level courses in regional planning.

### G. LGT II - Project Inputs

1. Project inputs will represent a total investment over four years of \$15.44 million as follows:

USAID Grant	\$2.50 million
USAID Loan	7.00 million
GOI Local Currency	2.50 million
GOI In Kind	3.44 million

The GOI contribution of \$5.94 million is 38% of the total project cost.

Specific inputs to be financed by the respective USAID and GOI increments are as follows:

#### a. USAID Grant of \$2.50 Million

The bulk of the USAID grant will be used to finance some 19½ person years of consultant services plus project contingencies.<sup>1/</sup>

(1) Consultant salaries, overhead, profit allowances, international travel, etc., including annual 10% salary inflation factor	\$2.03 million
(2) Consultant housing	.31 million
(3) Vehicle procurement, O&M	.06 million
(4) Project contingencies	.10 million

#### b. USAID Loan of \$7.00 Million

The loan component will finance training facility renovations, equipment procurement and a portion of the in-country training program as follows:

(1) Expansion, renovation and O&M of facilities and equipment	\$ .69 million
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<sup>1/</sup>See Section 8 of Annex D for a discussion of consultant qualifications.

(2) Procurement of equipment	\$ .08 million
(3) Conduct of in-country training	5.16 million
(4) Overseas training	.29 million
(5) Contingencies and inflation	.78 million

c. GOI Local Currency Contribution of \$2.50 Million

The GOI local currency component will supplement the USAID loan component as follows:

(1) Consultant in-country travel/ per diems	\$ .07 million
(2) Maintenance of training facilities and vehicles	.30 million
(3) Procurement of vehicles and equipment	.34 million
(4) Conduct of in-country training	1.47 million
(5) Contingencies and inflation	.32 million

d. GOI In-Kind Contribution of \$3.44 Million

The estimated GOI in-kind contribution will consist chiefly of salaries and training support costs, including use of training and office facilities.

H. Project Beneficiaries

LGT II is expected to directly benefit: (1) 70 officers and technicians in the Jakarta Office and in the RTCs, who as a result of receiving training in regional planning and management and in modern training techniques, will become more effective as trainers and training course developers/managers, and will be better equipped for professional growth and advancement; (2) 4,000 planning/management officers and technicians of the BAPPEDAs, BAPPEMKAs and BAPPEMKOs throughout the country, who will receive on and off-the-job training in regional planning and management, and will be equipped to perform their development related responsibilities more effectively, as well as

building stronger bases for career development<sup>1/</sup>; and (3) 1,065 participants in annual discussion/planning panels and in special regional planning orientation courses for non planning agency officials and technicians, who will become better informed on the processes of regional planning and the roles and responsibilities of all agencies in relation thereto.

The project is expected to indirectly benefit people throughout the provinces, kabupatens and kotamadyas of Indonesia, whose living and economic conditions will be improved as more effective development programs, services and projects reach them through the efforts of better trained planning/management personnel. For a more complete treatment of the project beneficiaries refer to the Social Analysis Section of this paper.

### I. Project Strategy

LGT II responds to the GOI's request for assistance in training regional and sub-regional planning staffs with the simplest and most direct strategy and plan of action possible, considering the magnitude of the total undertaking. By the time the GOI fully implements its announced plans for establishing planning agencies in kabupatens throughout the country, the total professional technical personnel requiring training in the provinces, kabupatens and kotamadyas will be at least 2,500, based upon recommended minimal staffing levels. Ultimately, when these planning bodies are staffed at recommended optimum levels, an additional 4,800 personnel will require training.

#### 1. Three-Tiered Approach to Training

The single most pressing challenge faced by LGT II is that of bringing as much quality training as possible to all of the more than 7,000 present and future development planning and management staff members throughout Indonesia in the shortest time span. To this end, LGT II provides for a three-tiered approach: (1) It provides more formalized, longer term training in the RTCs, for some 1,030 regional and sub-regional planning officers and technicians during life of the project; (2) It provides for short-term, parallel, in-province training for some

<sup>1/</sup>The total of 4,000 will include some double counting when technicians take both the general planning course and specialized courses.

2,970 planning officers and technicians, this through the collaborative efforts of Badan Diklat and selected universities and institutes; (3) It provides for a programmed and continuing on-the-job training for all planning/management personnel not yet reached by direct training, to be carried out under regional/sub-regional planning agency auspices, using as trainers personnel who have already received either long or short-term training. This training will be based upon guides and manuals developed for that purpose by the Jakarta Office. It will be designed to maximize the spread effect by making each planning agency responsible for the conduct of continuous, on site planning and management training, and each trainee responsible for training those who have not yet attended the regular training courses.

## 2. Training-of-Trainers

The critical role of trained trainers in carrying out each of the foregoing training efforts cannot be overstated at any point during the life of the project. Unless there will be a steady supply of adequately trained trainers, the project will simply not work. LGT II establishes an annual training-of-trainers program which will equip 70 staff members to perform full-time training and related duties in the Jakarta Office and in the RTCs, and in the follow-up training to take place in the field working on the job with trainees. These trainers will receive not only training in planning and management per se, but will also be given instruction in the techniques of modern training and group communications to enable them to more effectively carry out their training tasks. In turn, the trainers will instruct trainees at the RTCs in training techniques as well as in the substance of regional planning and management. Finally, as a part of each parallel training course to be conducted at regional level, emphasis will be given to a brief coverage of appropriate training techniques so that even down to the individual, one-on-one, on-the-job instructor/trainer, the most effective tools of communication and technology transfer will be available, albeit in simplified form.

## 3. Training for all Staff Members

Another important and directly related strategy consideration concerns the development of a training commitment on the part of each development planning agency. Steps will be taken under LGT II to work with the Jakarta Office in formulating and implementing a course of action whereby each province, kabupaten and kotamadya participating in the regular or parallel training programs will enter into a written agreement with Badan Diklat whereby the jurisdiction agrees, among other things,

(1) to develop and carry out a continuing, planned training and career development program specifically designed to insure that relevant training and re-training is made available to each and every member of its development planning and management staff; and (2) to make all necessary arrangements, including provision of training materials, for planning personnel who have received planning/management training and training in the techniques of training, to serve as trainers who will assist in transmitting the knowledges, skills and techniques gained through their own training experiences to other development staff members.<sup>1/</sup>

#### 4. Other Strategy Considerations

In implementing the National Training Strategy, LGT II will also be guided by the following strategy considerations:

a. Training will be based upon the actual needs of the planning agencies and their staffs. The project design relies heavily on the results of field studies of the planning agencies and their operations, and on numerous interchanges with GOI counterparts.

b. Training will provide for maximum shared participation and two-way contributions between the center and the RTCs. The Training Strategy calls for the RTCs to perform a great deal of the field research needed to design meaningful training courses. The results will be used not only in the originating training centers, but also will be transmitted to the Jakarta Office for use in developing standardized course materials for use by the center itself and by all of the other training centers. Likewise, for training materials developed by the Jakarta Office, the RTCs will adapt such materials to local needs and characteristics and will share with the center any revisions and the local reactions to the training materials.

c. Maximum reliance will be placed upon existing training organizations and physical facilities. The Training Strategy calls for working within the existing Badan Diklat organizational framework to the maximum degree, and proposes only one significant change, the addition of a Jakarta Office for Training. The Training Strategy calls for use of all existing Badan Diklat training facilities, including the headquarters building and all eight of the RTCs.

d. Training will not be confined to the regional and sub-regional planning staffs. It will reach as well the dinases

<sup>1/</sup>For details of agreement provisions covering this training, refer to Annex D.

and the other agencies of the provinces, kabupatens and kotamadyas, and most important, the kanwils of the vertical ministries. Training will also serve to brief or orient key province, kabupaten and kotamadya leaders so they will be informed, supportive and most likely to encourage use of the training and skills the planners will receive, and also will be aware of the value of effective training techniques.

e. Training will be both off-the-job and on-the-job. Under the Training Strategy, most formalized training will take place at the RTCs. This will be supplemented by even longer periods of informal on-the-job training and follow-up in the respective jurisdictions when the training center trainers make the rounds of the participating planning agencies and assist trainees in the field with the practical application of techniques and procedures taught in the centers.

f. Training will follow modern communications techniques and will not be confined to the lecture (talk and chalk) method. LGT II will feature training which challenges the trainees and encourages participation, group endeavor, innovative thinking, competition and two-way communications. All trainers and trainees will receive training in the use of effective teaching modes and training techniques, such as seminars, workshops, tutorials, panel discussions, debates, brainstorming, role playing, gaming, simulation and programmed learning. Both trainers and trainees will be equipped, not only with the substance of regional planning and management, but also with effective methods for transferring this information to trainees and co-workers.

g. Appropriate use will be made of team training techniques. Training will provide for team training of the several members of the respective planning agencies who must cooperate, communicate and inter-relate in the development process.

h. Emphasis will be given throughout the training program to the responsibility of planning agencies for building vertical and horizontal linkages. Vertically, the provinces will be trained and encouraged to create planning/implementation relationships with their kabupatens/kotamadyas, and the kabupatens/kotamadyas with their kecamatans. Horizontally, the provinces and the kabupatens/kotamadyas will be trained and encouraged to create similar relationships with the dinases and the kanwils.

### III. Project Analyses

#### A. Economic Feasibility Analysis

##### 1. Assessment of Benefits

Neither the benefits expected to accrue from LGT II as a total project, nor those from its component planned outputs can be measured in any quantifiable sense against their costs. An economic valuation can assess the potential economic significance of an implemented Training Strategy in terms of whether it will: (1) move the budget - enable regional and sub-regional governments to accomplish their annual expenditure programs; (2) cause people to work together - lay the basis for better coordination among regional/sub-regional governments and the vertical ministries; and (3) help rural and urban dwellers - bring tangible benefits, responsive to expressed needs, to people at the lower end of the economic scale.

##### 2. Key Questions

LGT II proposes, through training, to bring about more effective performance of BAPPEDAs, BAPPEMKAs and BAPPEMKOs. What will be the probable economic impact of such training? To answer this, it is necessary to raise two related questions: (1) What is the magnitude of funds being spent, or not spent, for development at the regional and sub-regional levels? and (2) What will be the possible economic significance if these planning agencies do in fact plan, manage and coordinate development activities more effectively?

##### a. Magnitude of INPRES Programs and Vertical Ministry Development Budgets

An assessment of what is taking place under the INPRES program will provide a good indication of the size of GOI grants made directly to regional and sub-regional governments for development purposes. These funds constitute the bulk of the annual centrally funded, locally planned and managed investment in local development. Between IFY 1974, the beginning of the second five-year national plan, and IFY 1979, INPRES program funds for villages, kabupatens, kotamadyas and provinces have increased from almost nothing to some \$289 million annually, distributed as follows for IFY 1979:

INPRES Desa: total of \$38,000,000, for 61,341 villages, or an average of \$619 per village;

INPRES Kabupaten/Kotamadya: total of \$113,621,000 for 241 kabupatens and 54 kotamadyas, or an average of \$385,155 per kabupaten/kotamadya;

INPRES Propinsi: total of \$137,340,000, or an average of \$5,087,000 per province.

The total investment of the central government in development, through the various vertical ministries, was approximately \$1,315 million in IFY 1976, for an average of \$48.7 million per province; and approximately \$1,953 million in IFY 1979, for an average of \$72.3 million per province. The total INPRES and vertical ministry funds come to some \$2,242 million for IFY 1979, or about \$83.0 million per province. Both INPRES and ministry funds are growing steadily from year to year. This total amount represents a sizable investment which, if wisely and competently expended, should enable the GOI to advance all phases of development in both rural and urban areas, and in the process, actually reach people at the lower end of the economic scale.

LGT II will provide the training needed by regional and sub-regional staffs to enable them to better plan and coordinate the expenditure of these substantial and growing development resources. By providing training which will assist planning and implementation agencies in identifying common development goals and objectives, and by facilitating, through training, a shared inter-agency participation in their attainment, LGT II can materially assist national, regional and sub-regional agencies alike in carrying out their budgeted plans and activities.

b. Magnitude of Annual Unexpended Budget Carry-Overs

A useful means for assessing whether the agencies of government functioning at regional and sub-regional levels are operating effectively is to determine how much of their approved annual budgets they are unable to spend each year. This information, available for the budgets of the various central ministries for the past nine years, represents work not accomplished, programs not fully carried out and supplies and equipment not procured. The unexpended annual budget carry-overs, the bulk of which impact in the provinces, are as follows:

IFY 1970/71	\$ 50.2 million
1971/72	52.8 million
1972/73	73.1 million
1973/74	94.3 million
1974/75	345.2 million
1975/76	410.9 million
1976/77	491.8 million
1977/78	727.7 million
1978/79	1,101.0 million

There are, of course, many reasons for this rapidly increasing short-fall in annual accomplishments. One major

factor is that central agencies operating in the provinces tend, all too often, to go their own way without adequately coordinating with the plans, programs and activities of other ministries and those of the regional and sub-regional governments. The need for more effective coordination of all major programs, not only among the ministries, but also with the provinces, the kabupatens and the kotamadyas, is clearly apparent. As budgets continue to increase and the field operations of government become more complex each year, the need becomes even more urgent.

LGT II has an important training role to play in reducing this rising curve of unexpended budget funds. By increasing regional and sub-regional planning and programming capabilities and establishing a more adequate base for inter-agency coordination, the production of all agencies operating in a given area can be materially facilitated and increased. LGT II will train regional and sub-regional planners and managers in these development functions. It will also orient and train both dinas and kanwil officers and technicians in the performance of the same functions. This combined approach should aid directly to bring about the coordination of development efforts that must occur if annual expenditure plans are to lead to development accomplishments, and to tangible benefits for rural and urban dwellers.

Neither exact nor even approximate values can be assigned to the savings, economics, improved services, more meaningful projects and overall economic benefits that will result from the improved and strengthened performance of planning agencies. But, in light of the total investments being made and the slippage that is presently occurring, these benefits are bound to be of major proportions, far outweighing the direct costs of training and equipping development staffs to do their jobs well.

### 3. Consideration of Alternative Approaches/Strategies

LGT II sets forth an ambitious and not inexpensive course of action for developing planning and management staff capabilities. Are there not some alternative and less expensive approaches that might be taken? To answer this, it should prove helpful to consider the magnitude of the training task ahead, particularly the number of officers and technicians that will staff the planning agencies. At present, 26 of the 27 provinces have functioning BAPPEDAS, with a total official/technician complement of approximately 455. The estimated total number of BAPPEMKA/BAPPEMKO officials/technicians is 645. The current total number of planning officials/technicians for all of Indonesia is approximately 1,100.

During Repelita III, planning bodies are scheduled to be operational in all provinces, kabupatens and kotamadyas. The Training Strategy projects two sets of staffing figures for all planning bodies, an initial figure applicable as the respective agencies are organized, and an optimum figure, applicable when and if they are fully staffed with all necessary positions filled. The initial staffing total for the BAPPEDAs is 494, for the BAPPEMKAs 1,650 and for the BAPPEMKOs 430, for a total of 2,574. The optimum staffing total for the BAPPEDAs is 1,144, for the BAPPEMKAs 5,032 and for the BAPPEMKOs 1,270, for a total of 7,446. LGT II, during its four year life, provides for long and short range training of 4,000 planning body officials and technicians, as well as training for 1,135 other officials and technicians of the provinces, kabupatens and kotamadyas, for a total of 5,135 trainees of all types.

From the foregoing it may be seen that the job ahead is of considerable magnitude with more than 5,000 personnel to be given some form of training during the life of the project. The Training Strategy proposes that this training be conducted in a variety of institutional settings, including Badan Diklat, the RTCs, provincial or other local training facilities and several in-country academics, institutes and universities.

Alternative approaches for meeting total training needs were carefully considered. They included use of overseas training in the U.S. or third countries, heavier use of Jakarta based centralized training, delegation of the overall training function to universities or other institutions of higher learning, and decentralization of the entire training process down to province level. Following study of each alternative it was concluded that no single approach would meet total training needs or was economically feasible. Rather, a combination of approaches and settings seemed most suitable. Accordingly, the Training Strategy proposes that core training take place in Badan Diklat's existing network of RTCs, that parallel training take place at province level, and that training of trainees and exposure of provincial leaders to the overall program take place in Badan Diklat. Only limited U.S. or other long-term overseas training was built into the Training Strategy.

It is believed that the approach of the Training Strategy is the most economic one available in light of the number of trainees to be reached and the differing training needs to be met. The Training Strategy presents a course of action that makes optimum use of existing facilities and institutions and avoids heavy overseas training investments.

A substantially reduced outlay for the total program would mean that training would not reach the numbers of officials and technicians who will need it if they are to perform effectively. A reduction could also mean that such training would be shortened and watered down, thus defeating the ends of quality training. From the economic standpoint, LGT II and the Training Strategy represent as modest an overall approach as can be devised if the GOI is really to meet the planning staff development challenge it faces.

#### 4. Maximum Benefits from National and Regional/Sub-Regional Investments

The GOI's desire to move forward with LGT II and its Training Strategy is one indication of the belief of national, provincial and local officials alike that improvements can be made in the development process to the end that maximum benefit will derive from each year's growing development allocations. The Training Strategy lays out a program for training the personnel of the development staffs so that collectively they will have the capacity to: (1) assume a leadership role in coordinating all phases of regional and sub-regional development; (2) capably perform the necessary functions and techniques required to support critical development planning and management tasks; and (3) coordinate the design of well formulated and implementable annual and five-year development plans covering the investments and activities of all agencies, national, regional and local, operating within their respective jurisdictions. Development of these enhanced capabilities is essential if national and regional development resources are to be used wisely and are ultimately to bring maximum benefits to those in the lower economic brackets.

#### 5. Monthly Cost of LGT II Training

The computed average cost for all training to be conducted under LGT II, both U.S. and GOI financed, is \$677 per month per trainee. This cost includes:

- a. Trainee expenses - travel and per diems, boarding, special stipends;
  - b. Trainer expenses - travel and per diems, honoraria;
  - c. RTC operating expenses - percentage allocation;
  - d. Vehicle operating expenses - percentage allocation;
- and
- e. Contract costs - allocation to cover arrangements with universities and other training institutions.

The computed cost excludes technical services provided under the grant, as well as major capital costs.

## B. Social Soundness Analysis

### 1. The Setting for LGT II

#### a. The Central Government

Today, responsible officials of Dalam Negeri are actively seeking more effective ways to train personnel, particularly at the local levels. Not only is there an institutional receptivity to development of a new training approach and a more comprehensive training strategy, but also there is a building pressure on officials in positions of leadership to respond to the needs of expanding programs of development and new and growing development staffs with training that is practical and adapted to local conditions. Officials in Dalam Negeri are more than ever aware that quality training for local personnel throughout the country is urgently required and they are interested in training approaches that are relevant to the realities found in the field. They are prepared to participate in and to actively support training projects and programs that will enable them to meet local staff development needs.

The success of LGT II will require not only strong leadership from Dalam Negeri itself, but also essential support from other ministries and from certain central agencies, particularly BAPPENAS, LAN (National Institute for Administration) and MENPAN (State Secretariat for Administrative Reform). Officials of each of these latter agencies have reviewed the Training Strategy which LGT is designed to implement, and they have provided invaluable advice and recommendations concerning the proposed training processes. Thus, the approach set forth in the Training Strategy seems to be consistent with the thinking of the officials who will be charged with its implementation. At the central government level it may be concluded that LGT II and the training program it will initiate have the essential base of understanding, acceptance and support.

#### b. The Regional/Sub-Regional Levels of Government

Unless the training answers the real needs of the trainees, is well conducted and is consistently followed up and reinforced, the results may be both disappointing and counterproductive. Trainees who have gone through long, poorly planned, loosely linked and only marginally useful training courses tend to be skeptical about further training. Officials who have sacrificed needed staff time to permit participation in non-productive courses usually share this skepticism.

LGT II is designed to provide training experiences carrying a healthy balance between development planning back-

ground and theory on the one hand, and practical, job related application on the other. It will seek to be responsive to the assessments of training needs made by a cross section of officials and technicians at the regional/sub-regional levels. It recognizes that these local personnel are clearly capable of discerning whether they are receiving good training or are wasting their time. On the basis of extensive contacts with local officials and technicians, as well as with central officials and their professional staffs, LGT II and the Training Strategy provide a training program which should merit the support of local trainees and officials alike. There is every reason to expect that relevant, well conducted training will produce positive results and will gain full acceptance at the regional and sub-regional levels.

### c. The Two Worlds of Indonesia

Indonesia is a large and diverse country of 139 million people, spread over a land and sea area larger than the continental United States. Some 88 million people are concentrated on the smaller Islands of Java and Madura. A typical Javanese province has more than 25 million people. On the larger outer islands the population is far less concentrated, and a typical province may have about the same population as a typical kabupaten on Java. As might be expected, the institutions of regional and sub-regional government are further developed on Java than is generally the case on the outer islands. BAPPEDAS on the outer islands tend to be less advanced, usually only partially staffed. BAPPEMKAS and BAPPEMKOs, where they exist at all in the island provinces, are quite consistently behind their Java counterparts.

As a consequence of sharp differences in development status between Java and the outer islands, training needs of planning agency staff members differ significantly. For optimum relevance and value, LGT II will recognize the differing characteristics and states of development among the regions by building the entire field phase of the training program around the eight strategically located RTCs of Badan Diklat, most of which are already constructed and operational. It will be the function of the training materials facility of the Jakarta Office to develop training courses and materials and to disseminate them to the RTCs. It will then be the job of the RTCs to adapt the courses and materials to the local situation. Moreover, where special regional needs must be met, the RTCs will have the staffs and capabilities to conduct field research and prepare materials to meet the special regional conditions.

#### d. Regional Development Training and the Structure of Government

To the maximum degree possible, the training program encompassed by LGT II will be fitted within the existing structure of government, centrally and at the regional/sub-regional levels. Logically, Badan Diklat carries the central training role and provides overall leadership, support and coordination. It makes use of its existing regional training centers, gives them full-time, year-round training functions and broadens and reinforces their roles. Finally, it brings the BAPPEDA, and BAPPEMKA and BAPPEMKU trainees to the RTCs for practical training, and then takes follow-up, on-the-job training out to the field where the trainees are employed, all without disruption of existing institutional roles and relationships.

The only significant exception to this maintenance of the organizational and structural status quo occurs in Badan Diklat itself. Analysis of the existing Badan Diklat organization confirmed that it is well suited to handling its current role, that of administering Badan Diklat's educational function and of developing and administering training in response to the needs of specific classes of local officials. But it would not be reasonable to expect the organization, as it is presently constituted, to absorb a new, far reaching, training program of the scope envisioned by LGT II and the Training Strategy without at least some reorganization. Accordingly, the Training Strategy provides that the new training program will be undertaken within the Badan Diklat structure, but under a new line office established for the express purpose. This approach should prove the least disruptive to Badan Diklat and the most productive for support of the entire LGT II training thrust. It places an important and rapidly expanding area of Badan Diklat training responsibility under a single organizational unit, thus avoiding the leadership and coordination difficulties encountered when two or more units take on the support of pieces of the same program. It calls for a specialized staff, trained and equipped to handle the planning and management of a country wide training program. It is believed that Badan Diklat can absorb the addition of the new unit without significant disruption, that the necessary budgetary support will be available, and most important, that the new line office head and essential staff members can be recruited or made available on a timely basis to activate the new unit.

#### 2. Project Beneficiaries

##### a. Direct Beneficiaries

LGT II is expected to bring direct benefits to two groups of GOI training personnel. First, it will provide for the

training and further career development of the 22 officers and technicians who will staff the newly established training office in Badan Diklat and of the 48 trainers who will staff the regional training centers. They will be equipped with a background in regional development planning and management designed to enable them to better plan and administer the comprehensive training program for regional and sub-regional planners, and it will build the knowledges and skills needed for their own professional career advancement. LGT II will also bring direct benefits to some 4,000 regional and sub-regional officials and technicians who will be directly or indirectly involved in development planning and management. Within this total, it will provide for:

(1) Long-term (6 months to 2 years) training for 1,030 BAPPEDA, BAPPEMKA and BAPPEMKO officers and technicians in the form of general on and off-the-job training in regional planning and management, and specialized training in selected planning and development subjects, including 70 staff members who will participate in advanced degree university level courses, and 20 who will attend regional development planning and management related university level courses of up to two year's duration in the United States or third countries.<sup>1/</sup> These recipients of long-term training will benefit directly in terms of their acquisition of new knowledges and skills, enhanced abilities to plan and manage effectively, and broadened opportunities for career development and advancement.

(2) Short-term (2 to 8 weeks) training for 2,970 BAPPEDA, BAPPEMKA, and BAPPEMKO officers and technicians who will participate in parallel training courses designed to provide an overview of basic regional planning/management processes and to equip participants with tools and techniques they can put to practical use in their respective agencies.

(3) Special orientation/planning seminars for 120 key regional and sub-regional leaders and policy makers, designed to acquaint them with the total regional planning/management training effort and to enlist their support and active participation in making annual training plans and determining training goals.

<sup>1/</sup>The total of 1,030 will include some double counting when technicians take both the general planning course and one or more specialized courses.

(4) Comprehensive orientation for 945 dinas and kanwil officials of the provinces, kabupatens and kotamadyas, designed to orient them as to the overall regional planning/management processes, to clarify the roles of each agency and to point up the critical need for inter-agency cooperation and coordination.

b. Indirect Beneficiaries

Indirect beneficiaries of the project will be the people throughout Indonesia living in the provinces, the kabupatens and kotamadyas, particularly those at the lower end of the economic scale. The purpose of LGT II is, through training, to assist in bringing about the more effective performance of all BAPPEDAs, BAPPEMKAs and BAPPEMKOs in regional development planning and management. Assuming that the project succeeds in building a sound, fully functioning training program for the staffs of these key development agencies, and that improved staff performance does in fact ultimately result, then it may be expected that these agencies will be enabled to contribute far more meaningfully to the processes of development. They will be better equipped to assess peoples' needs and aspirations, to establish realistic development goals and objectives, to identify and objectively determine relative feasibilities and priorities for improved services and new projects, to formulate feasible development programs, to follow up such programs with appropriate budgetary actions, to monitor the implementation process and to use the techniques of evaluation for improving the entire developmental chain. Success in these functional areas will almost certainly mean improved and speeded services and projects to serve the people, including the poorer majority in both the rural and urban areas.

3. Women in Development

In Repelita III, the GOI acknowledges in its "eight fold path to equity" its commitment to provide increased access to participation in development for women. Both AID's and the GOI's development strategies seek to improve the quality of life of the poorest segments of the population and women have been identified as one of the most significant segments.

It would be misleading to convey the impression that LGT II will influence to any measureable degree the developments and trends affecting the role of women in their society. But, for LGT II, USAID will seek to obtain the services of consultants who are aware of and sensitive to women's growing role in development and who are equipped to facilitate their maximum participation through the processes of training.

More concretely the GOI has also committed itself to increasing the proportion of women in the public services. There is today an increasing number of women enrolled in colleges and universities throughout Indonesia who will be seeking entrance into the public services. Because regional and urban planning and management personnel are in short supply, and because this is an area in which the government intends to concentrate its resources, this will become a major growth area. It is understood that an intensive recruitment campaign will be undertaken to fill vacancies in the BAPPEDAs, BAPPEMKAs and BAPPEMKOs and it is expected that women will be hired to fill a growing percentage of these positions. Furthermore, the bulk of these positions are staff positions within a fairly large organization requiring modern tools and skills. There should therefore be less pressure to conform to the traditional perceptions in local governments that men are the best suited to deal with the public, particularly in the more conservative rural areas.

In pursuing the objective of providing access to participation in development for women, there will be increasing need to deal directly with the female population, their attitudes and their expectations. The GOI takes the position that women in key government positions will be the best equipped to deal with the needs and problems of women and children particularly in the areas of employment, health, nutrition and child care, education, access to land and markets, access to credit and access to legal institutions.

#### 4. Spread Effect

In the long run, whether a spread effect develops from the activities of LGT II will largely determine the degree to which the project succeeds in attaining its basic purpose, that of bringing about the more effective performance of BAPPEDAs, BAPPEMKAs and BAPPEMKOs throughout Indonesia. During its four year life, LGT II will bring long or short-term training to the key officers and technicians of all regional and sub-regional planning bodies. Thus, the project will directly reach these planning agency personnel. However, effective planning and management absolutely require the participation of key province, kabupaten and kotamadya leaders and policy makers, who must lend their leadership and support to development planning and follow-up management efforts. Officers and technicians of regional and sub-regional dinases and kanwils, with their considerable development resources, must also join fully in the planning and management processes. Unless all of these people become involved and make direct and positive contributions to the development process, the work of the regular planning agencies will have little meaning, and effective development will not be attained. To meet this critical requirement to successful development, LGT II prepares the way for an important transfer or spread effect to take place through four distinct project activities.

First, special annual discussion panels are provided for key regional and sub-regional leaders and policy makers in order to expand their understanding of, and create the basis for supporting, the total training effort. The expectation is, of course, that when these leaders do fully grasp the significance and urgency of a total, coordinated development effort, they will transfer their enthusiasm and sense of need to their jurisdictions and to all of the agencies and personnel that need to be involved.

Second, special two-week development planning/management orientation courses will be developed and conducted annually for a large number of non-planning agency officers and technicians, principally from the dinas and the kanwils. These courses will be designed to provide a fuller understanding of regional development processes, to explain the imperative need for a coordinated approach to development within each jurisdiction and among all responsible operating agencies, and to establish the basis for the shared endeavors needed to attain mutually agreed upon development objectives. It is expected that these training courses will reach some 945 non-planning officials and technicians during the course of LGT II.

Third, LGT II will make short-term, parallel development training, designed for the regional and sub-regional planning bodies, also available to an as yet undetermined number of dinas and kanwil officers and technicians. After the second year of implementation, the parallel development training program will have the capacity to reach from 750 to 1,000 trainees per year over and above the basic training needs of the planning agencies. A portion of this additional training capacity will be absorbed by future planning agency personnel turnovers necessitating short-term training of newly recruited replacements. The balance will be available for dinas and kanwil staff members, thus enabling a substantial additional annual increment to receive such training.

Fourth, LGT II will develop and make extensive use of a system whereby staff personnel who have received either long or short-term training will also serve as on-the-job trainers. They will be responsible for transmitting newly acquired development planning/management knowledge and skills to other staff members who have not yet been trained. They will do so using guides and materials developed for the purpose by the Jakarta Office or by an assigned RTC. This very direct training technique should appreciably facilitate the transfer process.

### C. Technical Feasibility Analysis

To assess the technical feasibility of LGT II, it is necessary to answer three questions:

(1) Is there available, and will LGT II be based upon, the use of an appropriate and workable regional planning/management technology?

(2) Are there, or will there be available, the necessary personnel, physical facilities and related backup resources to undertake a nationwide training effort of the scope envisioned?

(3) Does the overall plan of approach of LGT II call for using the best available and most appropriate system and methodology for transferring, in a limited time span, a complex body of technical information to a large group of trainees?

The effort to train planning personnel in the basic skills of regional planning and management is based on the assumption that there exists and is available in Indonesia a fundamental body of knowledge concerning planning and project management technology. That the knowledge exists can be easily demonstrated by a search of the general and special literature on the subject. However, there remain questions as to whether this knowledge has been transferred to the Indonesian system of higher education, and whether there is a body of specialized planning knowledge which reflects the uniqueness of the Indonesian milieu? Both of these questions may be answered in the affirmative. Confirming evidence is available in the form of ongoing and evolving planning programs at Indonesian institutions of higher learning. These programs draw upon general theoretical knowledge derived from the established planning discipline, and from practical Indonesian specific knowledge generated through social scientific research conducted by indigenous academic staffs. There are now two master's degree planning programs in operation in Indonesia, the Natural Resource and Environmental Management Program at the Institute Pertanian Bogor (Bogor Agricultural Institute), and the Departemen Planologi Program at the Institute of Technology, Bandung (ITB). Both of these programs are based upon established formal planning disciplines and upon the results of research and study covering the Indonesia specific milieu. Thus, the existence and active instructional use of the knowledge base, both theoretical and specific, for the Indonesian setting, can be demonstrated. LGT II will make use of this base by drawing on the staffs of the institutions mentioned above for assistance and participation in the training effort. The project will also seek participation of staff members of the University of Gajah Mada and the University of Indonesia engaged in regional planning and related disciplines.

The second question concerns whether necessary personnel and physical facilities needed for the successful completion of the project will be available. This question can be answered by examining the personnel and facilities projections for Badan Diklat. Badan Diklat expects, under optimum conditions, that a total of 7,500 professional and technical staff members will be engaged by the end of the fourth five-year development plan or 1988/89. This is officially stated in the third five-year development plan. Badan Diklat also plans to establish a new Jakarta Office for Training in Regional and Local Development Planning and Management, and to fully activate eight regional training centers to be used to train the new staff members in regional planning. The latter two actions are recommended by the National Training Strategy and were endorsed by the Minister of Home Affairs in June of 1979. On the basis of the foregoing, it may be concluded that the personnel and the physical facilities necessary for implementation of the project will in fact be available when needed.

The third question relating to technical feasibility, deals with the appropriateness of the overall project choice of instructional design, in terms of the system and the methodology for the transfer of information to the trainees. In choosing the instructional design for this project, several options were considered. The possibility of sending a considerable number of the trainees overseas for training was examined, but the expense was determined to be prohibitive. The feasibility of sending the trainees to indigenous universities was also considered, but the large numbers of trainees, along with the still limited number of programs in planning at Indonesian universities, made this option unfeasible. The option of establishing a Jakarta Office within Badan Diklat having responsibility for regional planning training, coupled with the full activation of the system of RTCs for delivery of a broad training program was decided upon as the most feasible method for attaining the training objectives of the project.

The overall training course will feature a mixture of pedagogical styles, including seminars, tutorials, panel discussion, brainstorming, role playing/gaming/simulation, and programmed learning. It is expected that not only will regional planning and management information be more effectively transmitted through utilization of a mix of pedagogical styles such as these, but also that the trainees, having been exposed to a variety of dynamic training techniques, will be able to function better as communicators and as trainers charged with transferring not only substantive technical information but also practical means for making the spread effect work.

#### D. Administrative Feasibility Analysis

The GOI is placing high priority on building enhanced local development capabilities. It is acting to strengthen existing development planning agencies and to establish new ones throughout Indonesia. It views LGT II as a useful and timely instrument for training the mounting numbers of officials and technicians who will staff the BAPPEDAs, BAPPEMKAs and BAPPEMKOs. Successful implementation of LGT II will place heavy demands on Dalam Negeri and Badan Diklat. It will require substantial and increasing fiscal support, major staff additions, at least some changes in organizational structure, effective coordination among government agencies and institutions and determined leadership at every stage. For USAID, it will require the services of competent consultants and adequate administrative support. The following sections assess the capability and readiness of each of the agencies, both GOI and U.S., for implementing and supporting LGT II, and for coordinating project efforts.

##### 1. The GOI's Administrative Arrangements

###### a. Departemen Dalam Negeri

Heretofore, the administration of rural development in Indonesia has been centralized with the national government, through its ministries, taking the lead in the design, financing, and implementation of projects. With the advent of Repelita II, further reinforced by Repelita III, this process is to be decentralized with sub-national levels of government playing an increasingly important role. Dalam Negeri is, and will continue to be, the chief instrument in this decentralization process, and must take the lead in creating institutions and preparing personnel to assume development responsibilities in each province, kabupaten, and kotamadya.

The leadership of Dalam Negeri is prepared to undertake and support the processes of building local planning/management capabilities. As previously noted, the Minister has already endorsed the Training Strategy designed to serve as an overall guidance for the training effort which must precede or accompany each stage of the program for decentralizing development planning and management. The Ministry recognizes the magnitude of the training effort which lies ahead, and is fully cognizant of the fact that the formation of new BAPPEMKAs and their newly recruited development staffs will place heavy and pressing responsibilities on the Ministry's training organization. The Ministry appears ready to support a full scale training effort, including allocation of the resources required, not only during the four-year life of LGT II, but for succeeding years as well. The project, it may be concluded, has the backing of the top leadership of the Ministry essential for a successful effort.

### b. Badan Diklat

Badan Diklat is the office within the Ministry of Home Affairs responsible for administering education and training programs. It occupies a position within the Ministry equivalent to that of a Directorate General, and its Director reports to the Minister. Currently, it comprises a secretariat and two line agencies, one for curriculum development and one for programming and implementation. Its headquarters is an eight story building near central Jakarta. The building accommodates Badan Diklat's administrative organization, headquarters training staff, complete central training facilities and limited training materials reproduction facilities.

On the training side, in addition to its headquarters facility, Badan Diklat maintains and operates eight RTCs, three in Java, one in Bali, two in Sumatra, one in Kalimantan and one in Sulawesi. Together, these centers cover the entire territory of Indonesia for the program.

The Training Strategy proposes, and the Minister and his top staff have accepted in principal, a major, three-step approach for equipping Badan Diklat to undertake implementation of the training program. First, is the establishment in Badan Diklat of a third line agency, this for regional planning and management, which will be responsible for the operation of the RTCs, training of trainers, curriculum development, preparation of training materials and recruitment and personnel policy planning. Second, is the establishment and activation in Badan Diklat's headquarters of complete training of trainers and training materials development facilities. Third, is the staged, improvement and activation of the RTCs, four under LGT II and four to follow in succeeding years.

In addition to the foregoing, the Training Strategy sets out the staffing necessary to activate and operate the expanded training functions of Badan Diklat, the equipment needed for conducting central and regional training, both on and off the job, and the fiscal resources which will be required to finance the entire effort over the next four years. The Ministry and Badan Diklat fully support the program set forth in the Training Strategy, and are already taking steps to provide required policy and fiscal backing. LGT II therefore has the essential support base in Badan Diklat for undertaking the project.

### c. BAPPENAS

BAPPENAS, the central government agency most directly involved in regional planning, is responsible for aggregating regional inputs into both the Repelitas and the annual segments

thereof. BAPPENAS also receives from the regions all lists of project proposals (DUPS) as well as the annual listings of approved projects (DIPS), and is concerned with the planning and coordinating of these projects at sub-national levels. For this purpose, BAPPENAS maintains an office of Regional and Local Development headed by a Deputy Director.

BAPPENAS, along with the Ministry of Home Affairs, was the main initiator of the Presidential Instruction creating the BAPPEDAs for carrying out the regional planning and coordinating process, and actively supports the Ministry of Home Affairs in the conviction that the effectiveness of the planning bodies will be immeasurably increased by exposure to systematic training.

#### d. Provincial Governments

BAPPEDAs are operational in virtually all of the provinces. However, their impact on the overall development process and their contribution to the furtherance of development varies widely from region to region. BAPPEDAs presently work under a variety of organizational and operational handicaps which tend to reduce their effectiveness. Some of these are the lack of a clear functional definition of the role of the BAPPEDAs, the lack of adequate and appropriately trained staffs, the lack of adequate operating budget support, unsatisfactory working relationships with the governor and with other key province officials and the lack of authority and technical competence to deal effectively with the offices of the vertical ministries. Collectively, these handicaps weaken the agency and downgrade its importance in the provincial hierarchy, often resulting in its being isolated or separated from the main stream of provincial development. In spite of these handicaps, at least some BAPPEDAs function reasonably well and perform useful development services. But the majority are in need of substantial strengthening, and all of them would benefit greatly if some of the hurdles to operational effectiveness could be removed.

While adequate training of BAPPEDA staff members cannot be considered as the single panacea that will cure all the ills that weaken BAPPEDAs, it does represent the first and single most important step that must be taken. Unless BAPPEDAs are staffed with personnel who know and carry out their jobs well, there is little reason to expect the improved performance so urgently needed for optimum progress in development. One encouraging note is that the BAPPEDAs, at least those contacted in the course of the preliminary project studies and field work, are anxious to avail themselves of relevant training opportunities. They recognize that they have some distance to go before they can capably assume a full range of development planning and

management responsibilities. They are anxious to move ahead and perceive that training is the key to further progress. The receptivity for LGT II at the provincial level is high and maximum support and enthusiastic participation can be expected.

#### e. Kabupaten and Kotamadya Governments

BAPPEMKAs in the case of the kabupatens, and BAPPEMKOs in the case of the kotamadyas, are still at an early stage in their development. BAPPEMKAs are functioning only in parts of Indonesia, but as noted earlier, many such planning agencies will be organized and activated during Repelita III. Each agency will face an array of handicaps similar to those now being encountered by the BAPPEDAs. It may be expected that kabupaten and kotamadya officials and technicians will share the view that adequate training is one key to the enhanced effectiveness of these bodies. On the basis of interviews in the field, the receptivity of both the kabupaten and kotamadya officials is certain to be positive and supportive for what LGT II will seek to accomplish through its training program.

#### f. Project Steering Committee

For coordinating the implementation of KPPMT I, a Steering Committee, composed of key central government officials, was established. The members of the Steering Committee participated at key stages during preparation of the National Training Strategy, including the final symposium on the completed document held in August of 1979, and provided valuable commentary and recommendations. It is planned that this Steering Committee will continue to exercise coordinating and advising responsibilities for the implementation of LGT II.

### 2. USAID's Administrative Arrangements

It is believed that the administrative and overall support requirements of LGT II fall well within USAID's capabilities. While the project presents its share of challenges, it is by no means novel and is not far different from other AID supported undertakings. The spread of experts needed should be available from several consulting firms with relevant Southeast Asia experience, and no unusual skills will be required. USAID Indonesia is prepared to assign an experienced project officer to the project to insure prompt implementation, and other needed program and management assistance is available.

### 3. Conclusion

On the basis of the foregoing, it may be concluded that the GOI's project related agencies and jurisdictions are prepared and able to provide the participation and support required for successful project implementation. USAID's resources are likewise adequate for the work to be undertaken.

**TABLE 2**  
**SUMMARY COST ESTIMATE AND FINANCIAL PLAN**  
 (US \$000)

DESCRIPTION	Source of Funding								
	USAID Grant			USAID Loan			GOI		TOTAL
	FX	L/C	Total	FX	L/C	Total	L/C		
<b>Consultant Services:</b>									
Long term: 18 person years (incl. base salaries, overhead, profit, int. travel, educational allowances, personal effects, storage and transport, principal travel and per diems)	1,677	-	(1,677)	-	-	-	-	1,677	
Short term: 22 person months (incl. base salaries, overhead, profit, int. travel, allowances, personal effects storage and transport)	132	-	(132)	-	-	-	-	132	
In-country travel and per diems	-	-	-	-	-	-	70	70	
Housing	-	306	(306)	-	-	-	-	306	
Vehicle purchase O&M	40	16	(56)	-	-	-	-	56	
Contingencies	100	-	(100)	-	-	-	-	100	
Inflation	191	38	(229)	-	-	-	-	229	
Sub-total	(2,140)	(360)	(2,500)	-	-	-	(70)	(2,570)	
<b>EXPANSION, RENOVATION, OPERATION AND MAINTENANCE OF TRAINING AND TRAINING SUPPORT FACILITIES:</b>									
Renovation/expansion of facilities	-	-	-	-	695	(695)	-	695	
O&M of facilities	-	-	-	-	-	-	184	184	
O&M of vehicles	-	-	-	-	-	-	121	121	
Contingencies	-	-	-	-	20	(20)	15	35	
Inflation	-	-	-	-	69	(69)	31	100	
Sub-total	-	-	-	-	(784)	(784)	(351)	(1,135)	
<b>PROCUREMENT OF EQUIPMENT:</b>									
Vehicles	-	-	-	-	-	-	330	330	
Office furniture and equipment	-	-	-	13	-	(13)	8	21	
Training equipment	-	-	-	67	-	(67)	-	67	
Contingencies	-	-	-	2	-	(2)	18	20	
Inflation	-	-	-	8	-	(8)	35	43	
Sub-total	-	-	-	(70)	-	(90)	(391)	(481)	
<b>CONDUCT OF IN-COUNTRY TRAINING:</b>									
In-country travel and per diem	-	-	-	-	1,392	(1,392)	362	1,754	
Supplies and reproduction	-	-	-	-	210	(210)	100	310	
Books and library materials	-	-	-	47	-	(47)	23	70	
Honoraria	-	-	-	-	-	-	982	982	
Loging	-	-	-	-	2,088	(2,088)	-	2,088	
Costs of Special courses	-	-	-	-	1,073	(1,073)	-	1,073	
Tuition and boarding	-	-	-	-	346	(346)	-	346	
Contingencies	-	-	-	-	138	(138)	73	211	
Inflation	-	-	-	4	497	(501)	148	649	
Sub-total	-	-	-	(51)	(5,744)	(5,795)	(1,688)	(7,483)	
<b>CONDUCT OF OVERSEAS TRAINING</b>									
International travel	-	-	-	87	-	(87)	-	87	
Tuition and living expenses	-	-	-	206	-	(206)	-	206	
Contingencies	-	-	-	9	-	(9)	-	9	
Inflation	-	-	-	29	-	(29)	-	29	
Sub-total	-	-	-	(331)	-	(331)	-	(331)	
Total	(2,140)	(360)	(2,500)	(472)	(6,528)	(7,000)	(2,500)	(12,000)	
Plus GOI In-Kind Contribution	-	-	-	-	-	-	-	3,440	
<b>GRAND TOTAL</b>	<b>2,140</b>	<b>360</b>	<b>(2,500)</b>	<b>472</b>	<b>6,528</b>	<b>(7,000)</b>	<b>(2,500)</b>	<b>15,440</b>	

TABLE 4Project Implementation Schedule

<u>Event</u>	<u>Responsible Agency</u>	<u>Date</u>
<b>A. <u>Pre-Implementation Events</u></b>		
1. Project Paper approved, funding authorized	AID/W	3/15/80
2. Loan and Grant Agreements signed	USAID/GOI	4/01/80
3. RFP out to CBD	USAID	4/01/80
4. Conditions precedent met by GOI	GOI/Badan Diklat	7/01/80
5. Contractor selection meeting	USAID/GOI	7/01/80
6. Contract negotiated and signed	USAID	9/01/80
<b>B. <u>Implementation Events</u></b>		
1. Consultants ETA in Indonesia	USAID	11/01/80
2. Jogjakarta RTC opened	GOI/Badan Diklat	11/01/80
3. Training-of-Trainers Course begins	GOI/Badan Diklat	1/02/81
4. First Parallel Training Course begins	GOI/Badan Diklat	2/01/81
5. First Core Regional Planning Course opened at Jogjakarta	GOI/Badan Diklat	2/01/81
6. Second Training-of-Trainers Course begins	GOI/Badan Diklat	11/01/81
7. Medan RTC opened	GOI/Badan Diklat	11/01/81
8. First Annual Discussion Panel for Key Provincial Officials	GCI/Badan Diklat	11/01/81
9. First Annual Project Evaluation	USAID	1/02/82
10. First Core Regional Planning Course opened at Medan RTC	GOI/Badan Diklat	2/01/82
11. Third RTC opened	GOI/Badan Diklat	9/01/82
12. Third Training-of-Trainers Course begins	GOI/Badan Diklat	10/01/82
13. First Core Regional Planning Course opened at Third RTC	GOI/Badan Diklat	11/01/82
14. Second Annual Discussion Panel for Key Provincial Officials	GOI/Badan Diklat	11/01/82
15. Second Annual Project Evaluation	USAID	1/02/83

<u>Event</u>	<u>Responsible Agency</u>	<u>Date</u>
16. Fourth RTC opened	GOI/Badan Diklat	8/01/83
17. Fourth Training-of-Trainers Course begins	GOI/Badan Diklat	9/01/83
18. First Core Regional Planning Course opened at Fourth RTC	GOI/Badan Diklat	10/01/83
19. Third Annual Discussion Panel for Key Provincial Officials	GOI/Badan Diklat	12/01/83
20. Final Annual Project Evaluation	USAID	1/02/84
21. Project Assistance Completion Date	USAID	10/31/84
22. Ex post facto Project Evaluation	USAID	10/31/85

## VI. Evaluation Arrangements

### A. Focus of Evaluation

Evaluation of this project will focus on determination of:

1. Whether the project and its implementation are on target.
2. Whether the overall training-of-trainers effort is effective and is relevant to trainer needs.
3. Whether the overall training-of-trainees effort is effective and is relevant to trainee needs.
4. Whether particular training courses are effective and are relevant to trainee and parent planning agency needs.
5. Whether the planning agencies do in fact operate more effectively as a result of project sponsored training.
6. Whether the development planning/management processes are in fact better coordinated among the concerned agencies as a result of project sponsored training.
7. Whether planning agencies make proper use of trained personnel, and whether training serves as a boost to career development.
8. Whether regional and sub-regional leaders and policy makers gain a better understanding of the role which training must play in strengthening development planning/management capabilities.
9. Whether the project, as finally completed, has in fact resulted in the achievement of the project's stated purposes and end of project status as described in the Project Description and in the Project Log Frame.

### B. Evaluation Strategy and Actions

1. Building an evaluation consciousness. Project consultants will work with GOI personnel to develop an awareness that for every major phase of the work there will later be need for evaluating what has been done, and that this is the key to keeping work on target, to improving outputs and to learning from experience and mistakes.
2. Building evaluation into every major activity. Project consultants will work with GOI personnel to build into each training course and each major Jakarta Office or RTC activity the necessary base for subsequent evaluation, including establishment of

bench marks, records, statistics and specific consideration of evaluation requirements.

3. Conduct of mid-project evaluations. USAID and Badan Diklat will collaborate on an annual project evaluation designed to determine whether the project is generally on target and the effectiveness of various training courses. It is expected that such evaluation will be built around the conduct of an evaluation workshop with trainees, trainers and Jakarta Office and RTC staff personnel, as well as consultants and USAID personnel, participating and providing necessary inputs for the USAID PES and GOI documentation.

4. Annual Discussion Panel. The Training Strategy provides for an Annual Discussion Panel for key national and regional/sub-regional officials to be sponsored and held by Badan Diklat for purposes of reviewing project progress. It is proposed that these annual panels contribute to the evaluation process by covering subject areas directly contributing to the assessment of whether the project is on target and whether individual training course increments are successfully transmitting development planning and management knowledge and skills as planned.

5. Conduct of in-depth post-project evaluation. In addition to the final annual evaluation, a project financed in-depth, post-project evaluation will be conducted about one year after the project completion date to: (1) determine whether the project has achieved its stated purposes and expected end of project status; (2) determine the longer term impact of the training project on the operations and effectiveness of the Jakarta Office, on the RTCs and on the regional and sub-regional planning agencies, with emphasis on determining the extent to which useful staff skills have been developed; and (3) ascertain the extent to which a viable development planning/management training mechanism has in fact been institutionalized and built into the operation of both central and regional/sub-regional governments.

C. Evaluation Schedule. Dates for specific project evaluation actions are shown on the Project Implementation Schedule, a part of the Project Implementation Plan.

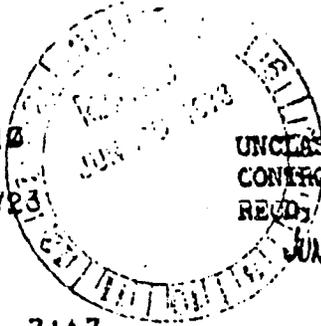
## VII. Conditions Precedent, Covenants and Negotiating Status

### A. Conditions Precedent

Prior to the execution of the technical services contract, the Grantee (Badan Diklat in the Ministry of Home Affairs) will furnish to USAID satisfactory evidence that:

1. The Jakarta Office, an operating office of Badan Diklat, as the same is described and referred to in the Training Strategy, has been duly established and activated.
2. The head of the Jakarta Office and necessary initial technical and support staff has been appointed.

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ANNEX A

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SUBJECT: LOCAL GOVERNMENT TRAINING II PID

APAC APPROVED SUBJECT PID. NO SIGNIFICANT ISSUES WERE RAISED. APAC NOTED, HOWEVER, THAT BUDGET IN PID ANTICIPATES SIGNIFICANT AMOUNT OF AID FINANCING FOR COMMODITIES AND CONSTRUCTION. ADEQUACY OF EXISTING FACILITIES/EQUIPMENT SHOULD BE FULLY ASSESSED AGAINST REQUIREMENTS OF MASTER PLAN BEFORE PROPOSING MAJOR AID-FINANCING IN THESE AREAS. VANCE

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## ANNEX C

National Training Strategy

See "A National Strategy for Training in Regional Development Planning and Management" appended to this project paper.

### Narrative Description of Implementation Plan

The following sections describe each of the implementing actions constituting the main thrusts of LGT II, identify those functions which are to be carried out by the respective consultants and indicate the consultant skills necessary for providing this assistance.

#### 1. Linking the First Training-of-Trainers Course to Activation of the First RTC

The pilot Training-of-Trainers course, now underway at Gajah Mada University in Jogjakarta, is the final action under the original project, KPPMT I. The training course, begun in September 1979, will end in August 1980, and will be completed just prior to the beginning stages of LGT II. Since this is the pilot RTC training effort, special attention will be devoted to insuring a smooth transition from the training of trainers. It is expected that ten of the fifteen trainees who have just completed the Gajah Mada University Training-of-Trainers course, will be assigned as trainers at the Jogjakarta RTC, probably in November 1980. At about the same time, two LGT II consultants, newly arrived on the project, will also be assigned to the RTC. Initial instruction of new trainees will probably not commence until February 1981, thus allowing from two to three months during which consultants and trainers can work together in preparing for the nine month (3 months in the RTC, 6 months on-the-job) General Course in Regional Development Planning/Management. This will allow time for working with personnel of the Jakarta Office on necessary course modifications, for completing instructional materials, for practicing and improving the techniques of training course presentation and for field work with regional and sub-regional parent agencies in preparation for the later on-the-job training phase.

#### 2. Organization and Activation in Badan Diklat of Jakarta Office for Training

Primary responsibility for implementation of this project will rest with Badan Diklat, operating under broad policy guidance of the Project Steering Committee. Early in the project, Badan Diklat will organize and initially staff the Jakarta Office including appointment of a Director. The Jakarta Office will be responsible for development of the overall plan of action for training in regional and local planning and management for all of Indonesia, programming of the implementation activities, recruitment of personnel for the training efforts in the RTCs, and design of the training curriculum for use in the RTCs.

Creation of the Jakarta Office will be initiated upon the signing of the project agreement. Assignment of consultants will follow shortly thereafter. During the first year of the project, three consultants will assist in developing the Jakarta Office and its program. During the second year, two consultants will be assigned, and for each of the remaining two years, one will be assigned. See Table No. 3, Proposed Assignment of LGT II Long-Term Consultants.

### 3. Development and Initiation of Parallel and On-the-Job Training Programs

#### a. The Parallel Training Program

The parallel training program calls for developing and implementing practical, short-term training for planning staff personnel who have not yet received long-term RTC training. It will provide six weeks of intensive, in-province training in planning and implementation subjects directly relevant to the ongoing development programs of regional and sub-regional planning agencies.

Implementation of the parallel training strategy, probably in the fall of 1980, will require that planning and training consultants work closely with the staff of the Jakarta Office to elicit the cooperation and direct involvement of regional universities and officials of other government agencies for assistance in designing, developing and teaching these courses. Provincial locations will be selected and facilities prepared to accommodate the courses, using existing training facilities or other government buildings.

#### b. The On-the-Job Training Program

Much of the training which LGT II will support must take place on the job. The RTCs simply cannot be activated and staffed soon enough to provide long-term training for all eligible personnel. As a matter of fact, the long-term training courses themselves will feature major on-the-job elements, and trainees will work in their own jurisdictions on applied, job-related training for six months of the nine month training duration. However, LGT II will carry the on-the-job training process one major step further by making it part of the continuing training responsibility of each participating province, kabupaten and kotamadya. The On-the-Job Training Program of each participating agency will be built around the execution of a written agreement between each jurisdiction (province, kabupaten, kotamadya) and Badan Diklat providing: (1) that a formal training and career development plan and program, based on a format to be provided by Badan Diklat, will be instituted and carried out by the jurisdiction, providing that each planning staff member will receive

training, both formal and on-the-job, on a planned and continuing basis; (2) that arrangements will be made for personnel who have received planning/management training, and training in the techniques of training, to serve as trainers who will assist in transmitting the knowledges, skills and techniques gained through their training experience to other members of the development planning and management staffs; (3) that employment rights and career advancement opportunities for trainees will be protected and will not be jeopardized when they are away from their regular posts on assigned training courses; (4) that personnel returning from training courses will be placed in positions permitting them, to the maximum extent possible, to put into use the knowledges, skills and techniques covered by the training; and (5) that successful completion of training courses and participation as in-province trainers in the transfer of knowledges and skills gained through such training, will be formally recorded and duly considered in connection with promotions to positions of higher planning/management responsibility.

#### 4. Development of Curricula, Course Designs and Training Materials

Hitherto, Badan Diklat has relied, to a considerable degree, on the use of outside expertise, largely from universities and training institutes, for the development of training curricula, training course designs and training materials for use in training regional and sub-regional planners. One important objective of LGT II will be the development and institutionalization of this important capability within Badan Diklat's new Jakarta Office. LGT II provides that steps will be taken, starting with the first year of the project, to begin this process by establishing a Curriculum Development Section in the Jakarta Office, and employing the services of two qualified, full-time technicians to initiate the activity. Plans call for a total of four technicians by the time the third RTC is activated.

It will be the responsibility of the Curriculum Development Section: (1) to plan the training curriculum for the RTCs and for all other planning/management training activities to be conducted by Badan Diklat, including supplementary training courses, parallel training and on-the-job transfer training; (2) to design the content of each training course, using to the maximum extent possible, the services and inputs of the RTCs and their trainers, the cooperating universities/institutes and their faculties, and the cooperating agencies of the government and their officials and technicians; and (3) to determine training course material requirements for each training activity, to develop required materials and to provide all appropriate materials to the RTCs and to other training activities, as needed.

## 5. Development of Ongoing Training-of-Trainers Program

The first Training-of-Trainers course to be conducted under LGT II will commence in January 1981. Whether it will be conducted at Gajah Mada University or at some other university or training institution will previously be determined by Badan Diklat on the basis of an evaluation of results achieved under the pilot program at Gajah Mada University. This first LGT II training course will also be offered to 15 trainees and will last for nine months, three in the classroom and six in the field. Ten of the graduates will be assigned to the RTC at Medan and the balance may be assigned to the RTC at Jogjakarta or to the Jakarta Office.

The third annual training course will be for an additional 15 trainees, while the fourth and fifth courses will be for 20 each, resulting in a combined KPP&MT I/LGT II total of 85 trained trainers for assignment to the RTCs or to the Jakarta Office.

Responsibility for the training-of-trainers activity will lie with the Personnel Development Section of the Jakarta Office. With the assistance of at least one of the consultants, the Personnel Development Section will further develop and refine the curriculum of the pilot Training-of-Trainers course used at Gajah Mada University, will review and expand the training materials and will prepare or procure appropriate training aids. Also, it may be decided that the Personnel Development Section should undertake the training of a cadre of Badan Diklat staff members to serve as trainers for subsequent training-of-trainers courses.

## 6. Phased Improvement of RTCs and Activation of Annually Expanding Long-Term Training Program

Staff members of the Jakarta Office, along with assigned consultants, will inspect each of the RTCs and initiate actions needed to prepare them for occupancy by the training staffs and trainees. They will determine the extent of required renovation and new construction and the need for support services. The Jogjakarta and Medan RTCs proposed for the first two years of the project are in good condition and should require only limited attention. However, other centers will need more work, and renovations will have to be started well in advance of their openings as RTCs.

As each of these centers is activated, two consultants will take up residence nearby in order to provide assistance in the preparation of courses, training materials, and support services. During the second year of operation of each center, only

one of the original consultants will remain in residence as the other consultant moves to the start up of an additional center. Thus, each center will receive a total of three person years of consultant services. Refer to Table 3, Implementation Plan, showing assignment of consultants.

During the first year of the project, the Jogjakarta RTC will be activated and will immediately assume its non-training functions of research and consultation on regional development matters. Early in February 1981, the first general training course in regional planning should be underway and will continue for nine months (three months off-the-job and nine months on-the-job). The other main activity at this center during the initial year will be the offering of four orientation courses, each of two weeks duration, for officers of the provincial, kabupaten and kotamadya dinases, and for kanwils of the vertical ministries. This aspect of the project will be of vital importance in establishing acceptance and understanding of the training effort and of the strengthened coordinating role being assumed by the respective planning agencies.

The long-term training activities of the Jogjakarta RTC will accelerate during the second year with the addition of a second general course, and courses in administrative planning, project appraisal and program monitoring. This second year pattern will be followed each succeeding year in the Jogjakarta RTC and the foregoing overall sequence will become the model for the first and second years of the other RTCs. The Medan RTC will start up one year after the Jogjakarta RTC, and the remaining centers will follow at one year intervals for the remainder of the project and each succeeding year thereafter until the total of eight has been reached.

#### 7. Development of Training Linkages with Universities and Implementation of Supplemental Training Program

During the first year of the project, two specialized supplementary courses, one in social development planning and one in data collection, presentation, and analysis, will be scheduled by the Jakarta Office. These courses will take place at universities or at other government institutions and will be repeated each year of the life of the project. During the second and subsequent years, the Jakarta Office will send 15 to 20 BAPPEDA, BAPPEMKA, and BAPPEMKO members to attend advanced degree and non-degree courses at regional and national universities such as the program in Natural Resource and Environmental Management of Rural Development Planning at the Agricultural Institute of Bogor, the Indonesian Development Studies Program at the University of Indonesia, the Regional Development Planning Program at the Department of Planning, Institute of Technology, Bandung.

Through these activities, Badan Diklat will develop strong ties with those institutions which prove to be the most

helpful in developing, adapting and conducting the specialized training courses required by Badan Diklat. Because the expertise needed to cover such a broad array of planning and management skills cannot feasibly be gathered in Badan Diklat itself, these linkages with institutions of higher learning will be essential to the long-term success of the total training effort.

To accomplish this task of creating productive training linkages, one of the consultants assigned to Badan Diklat will be responsible for assisting the staff of the Jakarta Office in canvassing the possible university courses which could be used for the training effort of Badan Diklat, evaluating the potential of these courses for contributing to the training program, and securing agreement between Badan Diklat and the institutions for the provision of this training.

Various supplementary training and program orientation/evaluation activities will also take place under LGT II auspices. Starting in the second year and continuing through the remainder of the project, the Jakarta Office and the staffs of the RTCs will select five officials each year to attend six month development planning courses outside of Indonesia, and up to ten officials each year for regional study tours through other countries of Southeast Asia.

Beginning in March of 1981, an annual discussion session for key regional and sub-regional officials will be held by Badan Diklat to review the progress of the BAPPEDAS, BAPPEMKAS, and BAPPEMKOs in gaining competency in regional planning and development programming during the previous period. Also to be discussed at these sessions will be the training needs of the regions, the adequacy of the training programs in meeting these needs and the ability of the staffs of the RTCs to use their research and consulting capacities for determining development needs and manpower requirements for the region. A general evaluation of the progress of LGT II will also be undertaken at this time. Of great importance during these discussions will be the opportunity afforded to convey to these key leaders an understanding of the need for: (1) developing well trained planning/management technicians; (2) placing these trained technicians back in positions where their newly acquired knowledge and skills can be fully utilized; and (3) taking deliberate steps to elevate the position of the planning bodies in the organization and overall development operations of each jurisdiction.

As another supplementary training program, designed to facilitate assimilation of the latest developments in regional planning and training technologies, the Jakarta Office will also set up English language courses for approximately sixteen officials and technicians from both Badan Diklat and the RTCs during each year of the project.

## 8. Utilization and Qualifications of Expert Consultants

The timely assignment of appropriately skilled and experienced consultants is a critical element of this project. Consultants involved in the preparation of curricula and training materials will be working with the Director and staff of the new Jakarta Office as soon as possible after the beginning of the project. They will collaborate closely with their Indonesian counterparts, many of whom will have had only limited previous planning and training experience beyond that acquired during the pilot training course.

Consultants involved in the Training-of-Trainers program will, shortly after their arrival, participate in the activation of the first RTC and in preparing the first group of trainers for the initial regional planning course offering. They will be called upon for assisting the trainers in adapting training materials to trainee needs, following up formal training with appropriate on-the-job application of training techniques in the field, conducting field research for further training course development and evaluating the effectiveness of the RTC program in the RTCs and on-the-job.

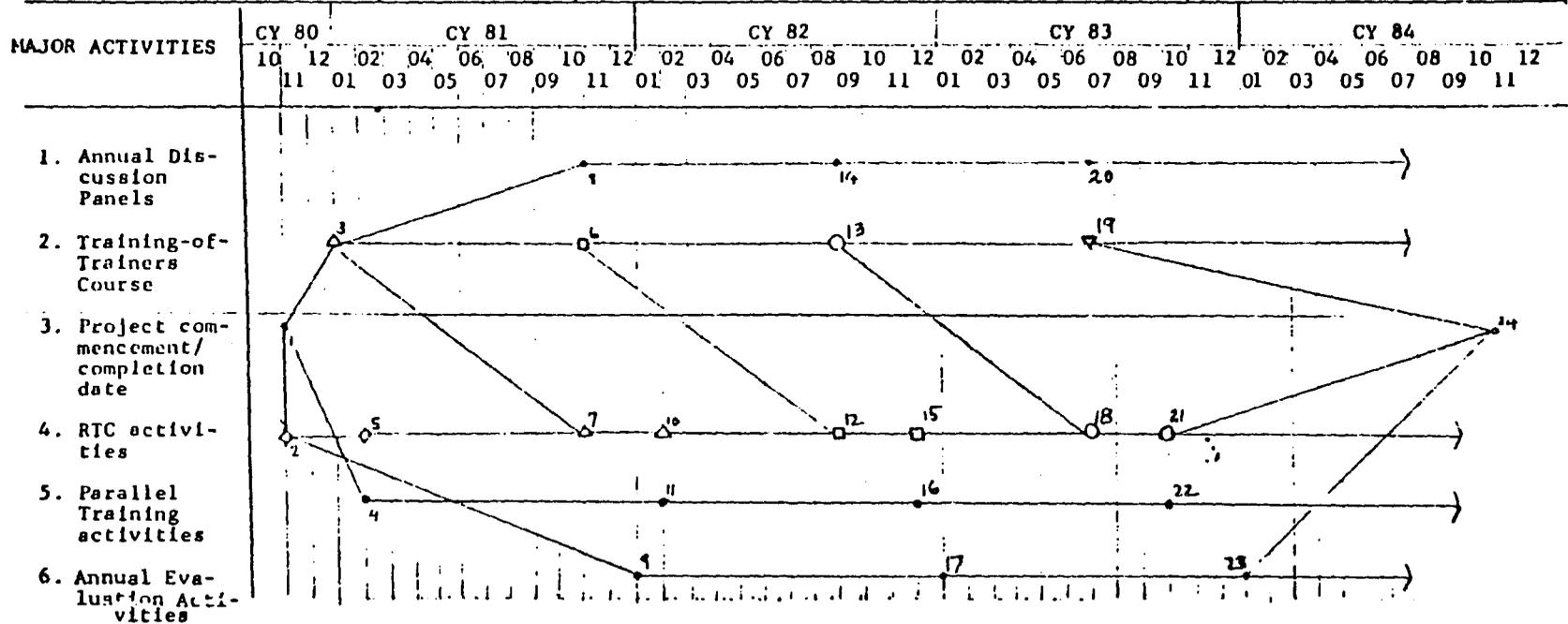
The consultants engaged for this project must be capable of providing both substantive regional planning and related practical training expertise for all major functions of the project. Their ability to provide this assistance will be determined not exclusively by possession of a discrete disciplinary specialization but also by the mix of their specialization, with formal and informal training experience. To be most effective, the consultant team should have overlapping and complimentary skills. For example, in the beginning phase of the project, heavy emphasis will be placed on regional development planning because of the GOI plan for establishing new sub-regional planning boards and the need for designing the first RTC course in regional planning. Thus the consultant skill mix might include a variety of project relevant combinations such as regional planning/programming, development administration/rural development programming, rural planning/agricultural economics, and sociology/rural development. Also required in the beginning will be a high level of consultant skills in the use of the pedagogical tools necessary for assisting in the development of curricula, training materials and training techniques for the RTCs. For example, of the consultants assigned to Badan Diklat, one or more of them should be able to advise on the evaluation and design of a curriculum for both the training-of-trainers course and the general training course for the RTCs. To provide this advisory service, some of the consultants should possess, through academic training and practical experience, considerable skills in the designing of curricula and assessment and choice of instructional methods and materials.

What is needed for this project is a balance of consultant skills which mix academic and practical orientations. On the one hand, consultant expertise will be needed for formulating the overall conceptual and theoretical framework for the training courses and in identifying the kinds of materials which can be utilized in the training course. On the other hand, a complementary set of skills will be needed for translating the framework and materials into a dynamic training program.

As compared with the technical skills of the respective consultants, familiarity with Indonesia's culture, and particularly with its language (Bahasa Indonesia), will be of equal or even greater importance. Consultants will be working closely for long periods of time with Indonesian officials, technicians, trainers and trainees, virtually all of whom will be more comfortable and more effective when they are able to communicate in their own language. It will be expected, therefore, that consultants will arrive in country with an advanced degree of proficiency in Bahasa Indonesia (R-3/S-3 or better is recommended for long-term consultants, R-2/S-2 or better is recommended for short-term consultants) adequate to enable them to communicate easily with their counterparts and with trainees on substantive technical and administrative matters. It will likewise be expected that consultants will have had ample previous acquaintance with Southeast Asia's and particularly with Indonesia's cultural settings so they may adjust well and be sensitive to the characteristics and customs of those with whom they are working.

**ANNEX E  
PROJECT PERFORMANCE TRACKING SYSTEM**

Country: Indonesia	No. Project: 497-0308	Project Title: Local Government Training II	Date: 12/28/79
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**NOTE:** \*NUMBERS ON CHART CORRESPOND TO SIMILARLY NUMBERED EVENTS DESCRIBED ON NEXT PAGE  
 \* ◇ - YOGYAKARTA RTC    △ - MEDAN RTC    □ - THIRD RTC    ○ - FOURTH RTC

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Country:	Project #:	Project Title:	Date:
Indonesia	497-0308	Local Government Training II	12/28/79

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CRITICAL PERFORMANCE INDICATOR:

1. 11/01/80 Consultants ETA in Indonesia
2. 11/01/80 Yogyakarta RTC opened
3. 01/02/81 Training-of-Trainers Course begins
4. 02/01/81 First Parallel Training Course begins
5. 02/01/81 First General Regional Planning Course opened at Yogyakarta
6. 11/01/81 Second Training-of-Trainers Course begins
7. 11/01/81 Medan RTC opened
8. 11/01/81 First Annual discussion Panel for Key Provincial officials
9. 01/02/82 First Annual Project Evaluation
10. 02/01/82 First General Regional Planning Course opened at Medan RTC
11. 02/01/82 Annual Parallel Training Course begins
12. 09/01/82 Third RTC opened
13. 09/01/82 Third Training-of-Trainers Course begins
14. 09/01/82 Second Annual Discussion Panel for Key Provincial Officials
15. 12/01/82 First General Regional Planning Course opened at Third RTC
16. 12/01/82 Annual Parallel Training Course begins
17. 01/02/83 Second Annual Project Evaluation
18. 07/01/83 Fourth RTC opened
19. 07/01/83 Fourth Training-of-Trainers Course begins
20. 07/01/83 Third Annual Discussion Panel for Key Provincial Officials
21. 10/01/83 First General Regional Planning Course opened at Fourth RTC
22. 10/01/83 Annual Parallel Training Course begins
23. 01/02/84 Final Annual Project Evaluation
24. 10/31/84 Project Assistance Completion Date
25. 10/31/85 Ex post facto Project Evaluation

**ANNEX F****LOCAL GOVERNMENT TRAINING II****STATUTORY CHECKLIST**

6C (1) - Country Checklist

6C (2) - Project Checklist

6C (3) - Standard Item Checklist

## ANNEX F

6C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Security Supporting Assistance funds.

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. See Social Analysis in Project Paper.
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(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement? Yes, the required determination has been made.
4. 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? We are not aware of any cases that make Indonesia ineligible under this Section.

5. FAA, Sec. 620(e). 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?
- The majority of business and property owned by U.S. citizens which was nationalized during the Sukarno regime (principally in 1964 and early 1965) has been returned to U.S. owners or mutually acceptable settlement negotiated. A Presidential Decree dated December 14, 1966 indicated its willingness to return nationalized assets.
6. FAA, Sec. 620(a), 620(f), App. Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola?
- No to both questions.
7. 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.
8. 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.
9. FAA, Sec. 620(l). If the country has failed to institute the investment 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?
- Indonesia has initiated the investment guaranty program.
10. FAA, Sec. 620(o), Fishermen's Protective Act, Sec. 5. If the country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters.
- Indonesia has not seized any U.S. fishing vessels.

- a. has any deduction required by Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?
11. FAA.Sec.620(q); App.Sec.603. (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? No to both questions.
12. 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? (Considerations of these points is to be coordinated with the Bureau for Program and Policy Coordinator, Regional Coordinators and Military Assistance Staff (PPC/RC). 15% of FY 77/78 budget was for defense. Imports of military equipment in FY 76/77 were .03%-0.6% of total imports. GOI is not importing sophisticated weapons systems. (See JAKARTA 8629, 6/30/77)
13. 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.
14. 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? Indonesia is not delinquent on U.N. obligations.
15. FAA.Sec.620 App.Sec.607. Has the country granted sanctuary from prosecution to any individual or group which has committed an Act of international terrorism? No.

16. 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.
17. FAA.Sec.669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977 although not a "nuclear-weapon State" under the non-proliferation treaty? No to both questions.
18. App.Sec. 608. Is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operable, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? No.

B. FUNDING CRITERIA FOR COUNTRY

1. Development Assistance Country Criteria

- a. FAA.Sec.102(b). 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, (5) unemployment, and (6) increased literacy? Yes.
- b. FAA.SEC.104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor? Yes.

6C(2) - PROJECT CHECKLIST

Listed below are, first, statutory criteria applicable generally to projects with FAA funds, and then project criteria applicable to individual fund sources: Development Assistance (with a sub-category for criteria applicable only to loans); and Security Supporting Assistance funds.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? IDENTIFY.  
 HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR  
 THIS PROJECT? Both Checklists part  
 of this Project Paper

A. GENERAL CRITERIA FOR PROJECT.

1. App. Unnumbered; FAA. Sec. 653(b);  
 Sec. 634A.

<ol style="list-style-type: none"> <li>(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;</li> <li>(b) Is assistance with (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure).</li> </ol>	<ol style="list-style-type: none"> <li>(a) Project in the FY 80 Congressional Presentation</li> <li>(b) No</li> </ol>
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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.
  
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? No legislation required.
  
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 the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973? N/A

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? N/A
6. FAA.Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
7. FAA.Sec. 601(a). 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. Such effects would be indirect.
8. FAA.Sec. 601(b). 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). Private U.S. participation in the foreign assistance program will be encouraged by the use of U.S. consultants, if possible, for technical assistance.
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. Over 25% of project costs will be financed with local currency funded by the GOI.
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 U.S. owned excess currency available.

11. ISA 14. Are any FAA funds for FY 78 being used in this Project to construct, operate, maintain, or supply fuel for, any nuclear powerplant under an agreement for cooperation between the U.S. and any other country? No.
12. FAA.Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.

## B. FUNDING CRITERIA FOR PROJECT

### 1. Development Assistance Project Criteria

a. FAA.Sec. 102(b); 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 and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insure wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) 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; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

Project will help stimulate local economics by more effective management of development projects at local levels.

b. FAA.Sec. 103, 103A, 104, 105, 106. 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 such 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;
- Project is designed to assist planning and project management at regional and local levels
- (2) (104) for population planning under Sec. 104(b) or health under Sec. 104(c); if so, extent to which activity extends low-cost, integrated delivery systems to provide health, nutrition and family planning services, especially to rural areas and poor;
- N/A
- (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;
- N/A
- (4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:
- N/A
- (a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;
  - (b) to help alleviate energy problem;
  - (c) research into, and evaluation of, economic development processes and techniques;
  - (d) reconstruction after natural or manmade disaster;
  - (e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance:

(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.

- c. FAA.Sec. 107. Is appropriate effort placed on use of appropriate technology? Yes
- d. FAA.Sec. 110(a). Will the recipient country 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)? Yes
- e. FAA.Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has jurisdiction satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed?" N/A
- 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. See Social Analysis of Project Paper.
- g. FAA.Sec. 122(b). 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? Yes.
2. Development Assistance Project Criteria (Loans only)
- a. FAA.Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects. Indonesia has the capacity to repay the loan.

- b. 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? N/A

6C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by exclusion (as where certain uses of funds are permitted, but other uses not).

These Items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA.Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? Yes. The Project Agreement will contain this provision.
2. FAA.Sec. 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.
3. FAA.Sec. 604(d). 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? Yes.
4. FAA.Sec. 604(e). 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? N/A
5. FAA.Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? Use of U.S. Government excess property would not be practicable for this project.
6. MMA.Sec. 901(b). (a) Compliance with requirement that at least 50 per cent 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. The Project Agreement will contain this provision.

7. FAA.Sec. 621. 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, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

TA will be provided by private sector on contract basis. No other federal agencies will provide facilities or services.

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?

N/A

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?

N/A

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?

N/A

#### C. Other Restrictions

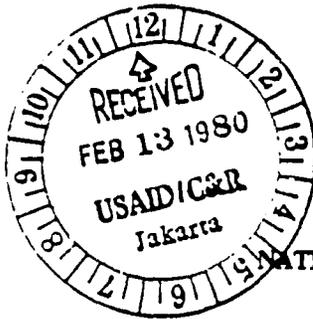
1. FAA.Sec. 122(e). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

Yes.

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?

N/A

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.104(g). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? Yes.
- b. FAA.Sec. 620(g). 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. 104. 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. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? Yes.
- i. App.Sec. 601. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.



63  
0308  
**OFFICIAL FILE**

REPUBLIC OF INDONESIA  
NATIONAL DEVELOPMENT PLANNING AGENCY ANNEX G  
JAKARTA, INDONESIA

No. 357 /D.I/II/1980.-

Jakarta, February 12, 1980.

Mr. Thomas C. Niblock,  
Director,  
USAID Mission,  
c/o American Embassy,  
Jakarta.

Dear Mr. Niblock,

Subject : Local Government Training II Project  
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This is to formally request, USAID assistance in the implementation of subject project. The purpose of this project is to bring about more effective performance of BAPPEDAs Tingkat I and Tingkat II throughout Indonesia by the implementation of "A National Training Strategy for Training in Regional Development Planning and Management" as developed under the former Kabupaten Provincial Planning and Management Training Project.

This requested assistance will take the form of a USAID grant of 2.5 million U.S. dollars and a USAID loan of 7.5 million U.S. dollars. These amounts will be used to finance the project over a four year period. The grant component will be used chiefly for the purpose of engaging the services of a team of appropriately skilled consultants, and providing for their operation and support throughout the life of the project. The loan component will be used chiefly for the renovation and expansion of training facilities and the Badan Diklat Jakarta Office, for the procurement of training equipment and for the conduct of extensive in-country and limited overseas training.

The project is considered to be of high priority and entirely consistent with the development goals expressed in the current Repelita III five year plan for Indonesia's development.

Your approval of this request will be appreciated.



Sincerely yours,

*Salah Afiff*  
Salah Afiff  
Deputy Chairman

## ANNEX H

## LOCAL GOVERNMENT TRAINING II (497-0308)

Certification Pursuant to Section 611(e)  
of the  
Foreign Assistance Act of 1961, As Amended

I, Thomas C. Niblock, the principal officer of the Agency for International Development in Indonesia, am acquainted with and have taken into account, among other things, the performance, the development attitude and the budgetary planning of the Government of Indonesia and its implementing agencies in connection with prior AID financed projects in the rural sector and especially Kabupaten Provincial Planning and Management I (497-0237). Based on these factors and observations, I consider that the Government of Indonesia has the capability to adequately use the AID assistance to be provided for the development of this Project.

Accordingly, I do hereby certify that in my judgement the Government of Indonesia, and the Department of Home Affairs, have the financial and human resource capability to effectively utilize and maintain the facilities of the Local Government Training II Project.

  
Thomas C. Niblock

20 Feb 1980  
Date

ANNEX I

Local Government Training II Project (497-0308)

Initial Environmental Examination

Project Location : Indonesia

Project Title : Local Government Training II

Funding : \$2.5 million Grant, \$7.16 million Loan

Life of Project : 1980 - 1984

Environmental Action Recommended : This project will not have a significant impact on the human environment. Therefore, an environmental assessment or impact statement will not be required and a Negative Determination is recommended.

Mission Director's Concurrence: *Thomas C. Niblock*  
 Thomas C. Niblock, Director

Date: 20 Feb 1980

Assistant Administrator's Decision: Approved : \_\_\_\_\_

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

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

## ANNEX J

DATE :  
TO : Thomas C. Niblock, Director  
FROM : William C. Larson, RD   
SUBJECT: Determination that AID will Contract Directly for  
Consultant Services - Local Government Training II  
Project (No. 0308)

## SUMMARY:

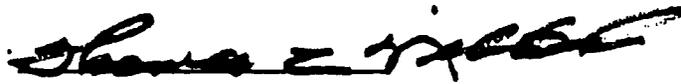
In accordance with the provisions of Section III of the attachment to AIDTO Circular A-564 dated 9/29/79, and on the basis of the exceptional circumstances described in the following paragraphs, it is recommended that consultant services for the Local Government Training II Project be procured under a direct AID contract. The exceptional circumstances are:

1. Badan Diklat, the Training and Education Body of the Ministry of Home Affairs, will be responsible for financing and administering the GOI's participation in the subject project and in the overall training program for regional and sub-regional governments. It is the agency which, under other circumstances, might be expected to administer a host country contract for this project. However, Badan Diklat has not carried comparable contract management responsibilities in the past and is not presently staffed to do so for a major project undertaking. Badan Diklat and its very limited staff will be fully occupied in coping with the implementation of subject project and will be in no position to take on an additional set of administrative responsibilities for which it is not staffed, trained or equipped.
2. Time is a critical factor with this project if it is to dovetail training of the country's regional and sub-regional planning staffs with accomplishments called for under Repelita III, the current five-year plan. Past USAID experience with host country contracts for projects of this nature has been that legal and procedural constraints have nearly always required a lead time of from three to five months before a contract can be executed. This additional time and the resulting delay in start-up of the project would disrupt the entire schedule upon which the project design is based, and would necessitate replanning the entire project.

Annex J (cont.)  
Page 2

3. Badan Diklat has been in no position to make any plans, preparations or fiscal arrangements for directly administering a major contract called for by LGT II. The officials of the agency are fully prepared to cooperate in all phases of project implementation, but under the circumstances, clearly prefer that USAID handle the contract and its management.

Approved

A handwritten signature in black ink, appearing to be "Shane E. [unclear]", written over a horizontal line.

~~Disapproved~~ \_\_\_\_\_

## ANNEX K

ACTION MEMORANDUM

TO : Assistant Administrator for Asia  
FROM :  
SUBJECT : Project Authorization

Your approval is required for a grant/loan of \$9,500,000 from the Education and Human Resources appropriation, section 105 to Indonesia for the Local Government Training II project, No. 497-0308.

Discussion: The project consists of technical assistance, procurement of equipment and commodities, facility renovation/extension and extensive in-country training in connection with a four year program for implementing a training strategy designed to build the development planning and management skills of provincial, district and city planning officials and technicians throughout Indonesia.

Justification to Congress: At Page 78 of FY 1980 Congressional Notification.

Clearances Obtained:

Recommendation: That you sign the attached Project Authorization.

## ANNEX L

PROJECT AUTHORIZATION

Name of Country/Entity : Indonesia  
Name of Project : Local Government Training II  
Number of Project : 497-0308

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Local Government Training II Project for Indonesia involving planned obligations not to exceed \$7.00 million in loan funds and \$2.50 million in grant funds over a five year period from date of authorization, subject to the availability of funds in accordance with the AID OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.
2. The project consists of technical assistance, procurement of equipment and commodities, facility renovation/extension and extensive in-country training in connection with a four year program for implementing a training strategy designed to build the development planning and management skills of provincial, district and city planning officials and technicians throughout Indonesia.
3. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish in form and substance satisfactory to AID evidence that:
  - (1) The Jakarta Office, an operating office of Badan Diklat, as the same is described and referred to in the Training Strategy, has been duly established and activated.
  - (2) The head of the Jakarta Office and necessary initial technical and support staff has been appointed.
4. a. Interest Rate and Terms of Repayment

The Cooperating Country shall repay the Loan to AID in U.S. Dollars within forty (40) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Cooperating Country shall

Annex L (cont.)  
Page 2

pay to AID in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

b. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by AID under the project shall have their source and origin in the Cooperating Country or in the United States, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States or the Cooperating Country.

Signature \_\_\_\_\_

Typed Name of Authorizing Officer

\_\_\_\_\_  
Office Symbol