



GENERAL PARTICIPANT TRAINING II  
497-0328  
PROJECT PAPER AMENDMENT # 1

	<u>Page</u>
1. Project Data Sheet	1
2. Project Authorization	2
3. Rational and Project Description	3
4. Cost Estimate and Financial Plan	9
5. Implementation Plan	12
6. Letter of Request	13



2-

PROJECT AUTHORIZATION AMENDMENT

INDONESIA

GENERAL PARTICIPANT TRAINING II  
PROJECT NO. 497-0328

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, the General Participant Training II Project for Indonesia was authorized on May 5, 1983. Pursuant to Section 105 and Section 103 of the Foreign Assistance Act of 1961, as amended, that authorization is hereby amended as follows:

Planned obligations of not to exceed \$16,620,000 in loan funds are hereby authorized, with the additional funds involving planned obligations over a two year period from the date of this authorization amendment, 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.

2. The authorization cited above remains in force except as hereby amended.

Signature: Robert K. Clark  
Robert K. Clark  
Acting Director

Date: 9/18/84

Clearances: EHR:RBonner (RB)  
PRO:JSperling: (JS)  
FIN:RMcClure: (RM) (with initials)

Drafted: LA:LChiles:08/01/84, mai

RATIONALE AND PROJECT DESCRIPTION

I. Background

A. General Participant Training II

The purposes of the ongoing General Participant Training II (GPT II) Project, as laid out in the original Project Paper, are "to finance training in the United States at the graduate level or in short-term courses in critical areas; to help establish a new capability within the Government of Indonesia to plan and administer overseas training programs for its citizens ("the Overseas Training Unit"); to make available experts of various types to conduct training-related studies, to help with the design of training courses, to carry out assessments of training programs in Indonesia; to develop an English language training capability; and to implement an effective follow-up program for returned participants". In support of the first purpose, AID loan funding is presently provided for approximately 450 person years of long-term graduate level training (approximately 200 participants) and 450 person months of short-term technical training (approximately 225 participants).

While the primary targets for training under the present project are those participants who are not covered by other ongoing AID funded activities, there is also allowance made to provide follow-on funding for AID financed participants who are unable to complete their studies prior to project completion, under the contingency component of the project.

Under the present project, the initial major implementation activities have taken place:

(1) the GPT II steering committee has been established and is a functioning unit composed of representatives from BAPPENAS (Ministry of Planning), the Ministry of Finance, SETKAB, and LAN;

(2) the major contractor has been selected (MUCIA) and a host country contract for over \$11 million has been negotiated and signed;

(3) 10 short term participants have departed and 7 long-term participants from completed USAID-funded projects have been subsumed under the project.

Although project disbursements have been slow to date, the project mechanics are now in place and the processing of the additional participants called for in the project amendment should be easily incorporated.

This project paper amendment calls for an additional \$5.37 million in loan funding to allow for funding of long term participants already in training as well as for off-shore training of new short and long term participants. This will bring the LOP U.S. contribution of the project to \$18,120,000. Of the additional amount, \$3.37 million will be provided from funds deobligated from Professional Resources Development I and II, Higher Education for Development Training and Eastern Islands Agricultural Education

B. Professional Resources Development I and II, Higher Education for Development Training and Eastern Islands Agricultural Education

The Professional Resources Development Project I (497-0261) began in April 1978 and is due for completion in September 1985 (the original PACD of April 1983 was extended and an additional \$1 million added in 1983). The purpose of this \$6.9 million project has been to develop the personnel of the National Development Planning Agency (BAPPENAS), the Department of Finance (DOF) and the National Institute of Administration (LAN) - the three principal Government agencies that provide leadership in planning, resource mobilization and allocation, fiscal management and the administration of Indonesia's national development plan and budget. Personnel development was to be accomplished primarily through U.S. training, both long and short term, as well as in-country programs including on the job training. By September 1984, all but the long term training will have been completed as proposed and approximately \$1 million will remain unspent within the project. Rather than continue the project solely to support off-shore training activities, the Mission will terminate the project in September 1984 and undertake these activities under the General Participant Training II project.

The Professional Resources Development Project II (497-0275) began in September 1978 and is due for completion in September 1984. The purpose of this \$5 million project is to provide training and technical assistance to implement comprehensive staff training plans for the Department of Agriculture (DOA) and the Department of Education and Culture (DOE). Long and short-term specialized training in the U.S. and third countries, in-country specialized training and technical assistance have been provided. By September 1984, all but the long term training will have been accomplished and approximately \$1.02 million will be deobligated from the project.

Higher Education for Development Training (497-0248) began in October 1976 and is due for completion in September 1984. The original PACD was extended twice and an additional \$700,000 was added to the original \$5 million loan in September 1981, bringing the total U.S. contribution to \$5.7 million. Authorization to extend the project the second time was based on the Mission's commitment to end the project in September 1984 and fund the remaining participants under the General Participant Training II project.

The purpose of the project is to assist the Government of Indonesia in the advanced training, upgrading and development of the faculties, administrations and staffs of selected public and private universities and institutions of higher learning. High priority was given to sciences, technology and selected social sciences. By September 1984 all but three long-term participants will have finished their training and \$150,000 will be available for deobligation.

The Eastern Islands Agricultural Education project (497-0293) began in August 1979 and is due for completion in September 1984. (The original PACD of June 1984 was extended for three months). The purpose of this \$7.5 million project has been to upgrade the Association of Eastern Islands Universities and its member institutions so that they are able to develop the leadership, trained manpower, research and extension activities in fields related to rural and agricultural development of Eastern Indonesia, especially with regard to the employment, income and food production capabilities of the rural poor. One of the main activities within the project has been the long term (U.S. and in-country) training of faculty members to receive graduate academic training. By the end of the project 62 staff will have received graduate degrees and 3-5 will still remain in overseas programs and 21 in in-country programs. \$1.2 million will be available for deobligation.

The Mission will terminate the above four projects in September 1984. Funds not required for activities through the PACD will be deobligated and utilized under the Mission's reobligation authority to continue the types of off-shore training envisioned under these projects. This PP Amendment delineates the use of these funds (\$3.37 million) as well as an additional \$2 million.

## II. Project Amendment Description

The additional funds provided as a result of the deobligations from Higher Education for Development Training, PRD I, PRD II and Eastern Islands Agricultural Education will be used to cover the costs of ongoing participants and to fund additional short and long term off-shore training consistent with the objectives outlined in those projects. In addition the geographic scope of training from the funds deobligated from Eastern Islands Agricultural Education project will be expanded to include the agricultural and related faculties of public institutions of higher learning in the Association of Western Universities.

An additional \$2 million will also be added over and above that resulting from the Mission's deobligation/ reobligation authority. These funds will be used to fund approximately \$1 million of long and short term training in the field of science and technology; to support ongoing participants in other AID projects who will not finish studies prior to the completion of those projects (approximately \$500,000); and to support the participant training portion of the ongoing GPT II project (approximately \$500,000).

Implementation of the activities under this amendment will be consistent with procedures established for the ongoing GPT II project, i.e. selection and project implementation activities will be the responsibility of the GPT II Steering Committee; placement and support for new and ongoing participants will be the initial responsibility of the contractor, with the Overseas Training Unit assuming support responsibilities once it is established. The initial selection of participants will be the responsibility of the appropriate technical ministry. These participants will be screened by the GPT II Steering Committee to ensure conformance with the selection criteria established under the project.

A. Higher Education for Development Training: \$150,000 is being transferred from this project of which some of the funds will be used to finance three participants whose programs will continue after the PACD. It is anticipated that a total of 48 person months of funding will be required totalling approximately \$80,000.

B. PRD I: \$ 1 million is being transferred from this project. These funds will be used to support training of personnel in the National Development Planning Agency (BAPPENAS), the Department of Finance (DOF) and the National Institute of Administration (LAN). It is anticipated that there will be 20 participants, presently in training, who will require a total of approximately 240 person months to complete their studies and that an additional 17 MAs will be funded from these institutions.

C. PRD II: \$ 1.02 million is being transferred from this project to provide short and long term off-shore training to the Department of Agriculture (DOA) and the Department of Education and Culture (DOE). The following types of training are anticipated:

DOA: Approximately 5 M.A. and 5 PhD. training programs will be funded for a total of 25 person years and 16 persons for short-term training totalling 32 person months in agricultural policy.

DOE: Long term training for approximately 9 MS/MPA programs totalling 18 person years and short term training for approximately 22 short-term participants totalling 44 person months.

D. Eastern Islands Agricultural Education: \$1.2 million is being transferred from this project in order to promote staff development within universities and institutes of higher learning which make up the Association of Eastern Islands Universities (BKS/Timur) and the Association of Western Islands Universities (BKS/Barat). Long term degree training in agricultural and related subject areas will be emphasized, although provision is also made for short-term technical training as required.

E. Science and Technology: Training in the area of science and technology is a high priority area within Repelita IV and thus in addition to funds presently within the project, \$1 million will be provided for long and short term training within the science and technology sector. Participants for this training will be put forward by appropriate ministries (i.e. State Ministry for Research and Technology) and reviewed by the GPT II steering committee.

F. Ongoing and New Participants: Approximately \$.5 million is provided to meet the training costs of AID-funded participants unable to complete their programs prior to the project completion dates of those projects . Based on an estimate of 12 months per person, these funds will provide 25 participants with support for a total of 300 p.m. These funds will be in addition to those provided under the present project which provides funds for this purpose from the contingency budget.

Approximately \$.5 million is provided for training of additional participants as chosen by the Project Steering Committee based on the agreed upon selection criteria.

Based on the above proposal it is estimated that the following types of additional training could take place. The listing in Table 1 below is only illustrative and serves to provide guidance to the GPT II steering committee as to the types and quantity of training which can be accomplished with this amendment.

Table 1: PARTICIPANT SUMMARY

	<u>Number of Participants</u>	<u>Number of Months</u>	<u>Number of Years</u>
PhDs	20		60
M.A.s	60		120
Short Term	100	200	
Continuing (53)			
- Higher Ed.	3		4
- PRD I	20		20
- Eastern Islands	5		4
- Unanticipated	25		25

Total Participants: 233 (180 RT & 53 one way)

Total PM short terms training: 200

Total PY long term training: 180 new + 53 continuing

COST ESTIMATE AND FINANCIAL PLAN

I. AID Costs

The use of AID/GOI funds for this amendment will be consistent with the present project; i.e. loan funds will be used to fund participant training and maintenance costs as well as international travel costs between the U.S. and the closest point to the U.S. to which Garuda flies. Grant funds in support of the contract will come from the existing project. Overhead loan costs in support of participants under the contract will be apportioned to each of the separate training programs.

The following budget is based on an estimated cost of \$1600 pm for long term training and \$3400 pm for short term training. A master's program is estimated to take 24 months, a Ph.D 36 months and short term training is estimated at 2 months per course. These amounts include indirect and campus coordination costs within the MUCIA contract for participant selection, placement and support estimated at approximately 16%. Travel is budgeted at \$450 round trip to cover the average incremental cost of a round trip ticket between Amsterdam and New York or between Tokyo and San Francisco and is incorporated into the total cost for each participant. The rounded cost for Ph.D. training is \$58,000; for MA training is \$39,000 and for 2 months of ST training is \$7250.

ESTIMATED BUDGET: AID LOAN FUNDS (U.S. Dollars)

Training, Maintenance, Travel and Overhead Costs:

	Cost
-Ph.D                    20 at \$58,000	1,160,000
-MA                      60 at \$39,000	2,340,000
-Short Term            100 at \$ 7,250	725,000
-Continuing            53 at \$19,200	1,017,600
((12 X \$1600)= \$19,200	
53 part. at \$225 airfare	11,925
<u>Contingency</u>	115,475
<u>Total</u>	\$5,370,000

## II. GOI Costs

GOI funds will be used to finance the salaries and benefits paid to participants during their training period, airport taxes, medical exams, English language costs prior to U.S. training, local travel and international travel between Indonesia and the closest U.S. point to which Garuda airlines flies. In general travel costs which are Rupiah costs will be the responsibility of the GOI, all FX costs will be funded under the loan. Estimates are similar to those used in the original Project Paper and have been altered only to reflect present realities.

Cost Assumptions: GOI costs are calculated at the rate of Rp 1000 = \$1 US. The salary and benefits paid to participants are estimated at \$ 4000 per year for long term participants and \$ 270 per person month for short term participants. Airport taxes, medical exams, fees and local travel expenses and per diem average \$150 per departing participant. English language training is costed at \$2880 per participant for LT training (16 weeks at 30 hours a week) and \$630 for ST training (3 weeks at 35 hours). All participants are assumed to require some language training. Support costs during language training are estimated at \$100 per month and it is assumed that only 75% of the participants will require this support, with the other 25% being from the Jakarta area.

### ESTIMATED BUDGET: GOI FUNDS (U.S. Dollars)

#### Salary and Benefits: (\$986,000)

- Ph.D	20 at \$ 4,000/py x 3 yrs.	240,000
- MA	60 at \$ 4,000/py x 2 yrs.	480,000
- Short-term	100 at \$ 270/pm x 2 m.	54,000
- Cont.	53 at \$ 4,000/py	212,000

#### Travel Costs: (\$413,000)

180 participants at \$2,000 round trip	360,000
53 participants at \$1,000 one way	53,000

#### English Language Training: (\$323,000)

80 LT participants at \$2,880	230,400
100 ST participants at \$630	63,000
.-support costs for 296 pm @ \$100	29,600

#### Fees, Medical Expenses, In-country Travel:(\$27,000)

180 participants @ \$150	27,000
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Contingency 26,000

Total \$1,775,000

Table 2: SUMMARY COST ESTIMATE AND FINANCIAL PLAN  
(U.S. Dollars)

	<u>AID</u>		<u>GOI</u>	<u>TOTAL</u>
	<u>FX</u>	<u>LC</u>	<u>LC</u>	
<u>GRANT</u>				
Technical Assistance	980,500	368,500		1,349,000
Follow Up & Evaluation	135,000			135,000
Contingency	16,000			16,000
<u>LOAN</u>				
Participant Training	15,021,600		3,350,750	18,372,350
English Language Trng			1,100,250	1,100,250
International Travel	387,925		1,563,000	1,950,925
Inflation/Contingency	960,475	250,000	26,000	1,236,475
	17,501,500	618,500	6,040,000	24,160,000
	(18,120,000)			

IMPLEMENTATION PLAN

I. Procedures and Administrative Arrangements

Procedures and administrative arrangements established under GPT II will be utilized for all training funded under this amendment. Evaluation activities, including annual reviews (beginning in June 1985), will follow the plan as outlined in the ongoing project. PES's will be prepared after each annual plan only if it is felt that the reports being generated by the project are not sufficient for monitoring the project. In addition to, or in place of, the second annual review, a mid-term evaluation will be carried out in order to review the effectiveness of the English language training program, the degree of success which the project has had in following-up with returned participants and the capability of the OTU to assume training responsibilities for the project. A decision whether to undertake the last annual review or combine it with the final project evaluation will take place in 1989.

No procurement is envisioned with funds obligated under this amendment.

The present contract with MUCIA provides for placement of 200 long term and 225 short term participants. The participants provided for in this amendment will be handled as part of that contract. Since the amendment increases the expected number of long term participants to 280 and the short term to 325, in addition to the backstopping of an estimated 53 ongoing participants, a decision will be made during the mid-project evaluation whether to amend the MUCIA contract for the additional participants based on the level of readiness of the Overseas Training Unit.

## II. Implementation Schedule

The following implementation schedule incorporates this amendment as well as reflecting the present status of the project.

### Elapsed Time from Project Commencement:

<u>(month)</u>	<u>Activities</u>	<u>Responsibility</u>
<u>1983</u>		
April	-1 PP approved	USAID-AID/W
May	0 Project agreement signed	GOI/USAID
June	1 PIL #1 sent	USAID
Sept.	4 CP's met including PSC formation, Secretariat established	GOI
Sept.	4 RFP published; Criteria set for evaluation of proposals	GOI/USAID
Dec.	7 Contractor bids received, evaluated	GOI/USAID
<u>1984</u>		
March	10/ Contractor selected, negotiations for contract	GOI/USAID
April	11 First participants identified (including ex-PRD-I and II participants)	GOI/USAID
April	11 Nominated participants take ALIGU, those requiring more English enrolled	GOI/USAID
April	11 PIO/P's for first group prepared, signed, sent to AID/W	GOI/USAID
June	13 USAID approves contract	USAID
June	13 Contract signed (host country)/ supply-demand study begins	GOI/USAID/C
July	14 Ten short-term participants departed	GOI/USAID
July	14 Eastern Islands and Higher Educ. Loan Agreements Amended: Funds Deobligated	GOI/USAID

August	15	PP Amendment Approved	USAID/I
August/ Sept.	15/ 16	PRD I and II Loan Agreements Amended: Funds Deobligated	GOI/USAID
Sept.	16	GPT II Loan Agreement Amended: Funds Obligated	GOI/USAID
Sept.	16	Support for ongoing participants assigned to contractor	Contractor
Sept.	16	Contractor Office opens in U.S./ Jakarta	Contractor
Sept.	16	First group of long-term parti- cipants (including those identi- fied by PRD I and II) depart (M.S. & PhDs)	Contractor/PSC
Nov.	18	Short-term consultant undertakes	Contractor design of OTU
<u>1985</u>			
Jan.	20	Second group of participants se- lected and begin English trng.	Contractor/PSC
March	22	Design of OTU complete	Contractor
May	24	Design of OTU approved; con- tractor implements	Contractor/PSC
June	25	First annual review	GOI/USAID/C
Aug.	27	Second group of participants placed by contractor and depart for training (M.S. & PhDs)	Contractor
Nov.	30	Third group of participants se- lected and begin English training	Contractor/PSC
<u>1986</u>			
June	37	Second annual review/Mid-term evaluation	GOI/C/USAID
Aug.	39	Third group of participants de- part for training (M.S. & last PhDs)	Contractor
Aug.	39	OTU established and operating	Contractor/GOI

Sept.	40	First group of MS candidates return	Contractor
Oct.	41	Fourth group of participants selected and begin English training (M.S. only)	C/PSC/OTU
<u>1987</u>			
June	49	Third annual review	GOI/USAID/C
June	49	Contractor concludes all operations; OTU on its own, begins placement for short-term training	Contractor/OTU
Aug.	51	Second group of MS candidates and first group of PhD return .	PSC/OTU
Aug.	51	Fourth and last group of academic participants depart for training (M.S. only)	PSC/OTU
<u>1988</u>			
June	61	Fourth annual review	GOI/USAID
Aug.	63	Third group of MS and second group of PhD candidates return	OTU/USAID
<u>1989</u>			
June	73	Fifth annual review	GOI/USAID
Aug.	75	Fourth group of MS and third group of PhD candidates return	OTU/USAID
<u>1990</u>			
Jan.	80	Final project evaluation	GOI/USAID
April	83	Project Assistance Completion Date; all USAID funded activities cease.	OTU/USAID



- 16 -

**REPUBLIC OF INDONESIA**  
**NATIONAL DEVELOPMENT PLANNING AGENCY**  
2, Jl. Taman Suropati . Jakarta . Indonesia  
Phone : 336207

No. : 2320 /D.I/9/1984

JAKARTA, September 14 ,19 84

Encl. :  
Mr. William P. Fuller  
Director  
USAID  
c/o American Embassy  
Jakarta

Re : General Participant Training II

Dear Mr. Fuller,

On behalf of the Government of Indonesia, we hereby request an additional loan of Five Million Three Hundred and Seventy Thousand United States Dollars (\$ 5,370,000) to allow for additional funding of long and short term participants under the ongoing General Participant Training II project.

This new loan amendment would increase the loan under the GPT II project to \$ 16,620,000 over the 7-year life of project. The Government in Indonesia will provide an additional rupiah equivalent of \$ 1,775,000 or total contribution of \$ 6,040,000 in support of this project.

The project will be implemented by the Ministry of Finance, MENPAN, and BAPPENAS through a Project Steering Committee.

We look forward to your favorable consideration.

Sincerely yours,



**Mochtarudin Siregar**  
Deputy Chairman