

MINISTRY OF FORESTRY
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MINISTRY OF PUBLIC WORKS

PDMAO 361

12M-37507

THE CITANDUY RIVER BASIN INTEGRATED DEVELOPMENT PROJECT

(CITANDUY II)

PROJECT MANAGEMENT STUDY

EXECUTIVE SUMMARY

IRAM

RESOURCES MANAGEMENT INTERNATIONAL, INC
JAKARTA INDONESIA

PRC

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BANJAR, INDONESIA

JUNE 1984

FOREWORD

This Project Management Study was prepared pursuant to the Scope of Work as described in the Terms of Reference for Contract No. 497-0281-C-00-1089-00 for the Citanduy II Project between the United States Agency for International Development (U.S. AID) and Resources Management International, Inc (RMI) dated December 7, 1981.

The Study was prepared by PRC Engineering Consultants International as a subcontractor to RMI for the Ministry of Public Works.

The Consultant wishes to express their sincere thanks and appreciation for the excellent cooperation and assistance given by many individuals from the following agencies, departments, or consulting firms:

Directorate of Rivers
Citanduy Basin Project Office
U.S.AID
P.T. Nusa Consultants
Ministry of Agriculture
Section Ciamis
Kabupatens (5)
Bappeda TK I - Central Java
Bappeda TK I - West Java
Ministry of Forestry
Ministry of Home Affairs
Bappenas
R.M.I. (Ciamis, Jakarta)

A special thanks is given to the Citanduy Basin Project Office, under the management of Ir. Martono, who provided the logistic and administrative support for this study.

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EXECUTIVE SUMMARY

Section 1 : Overview

The Citanduy River basin has been the subject of study over the past thirty years, and intense development efforts have been made over the past decade. Initially, the Government of Indonesia established a special project to control floods, reclaim land for production and develop irrigation systems. In 1981, the Government expanded the project to include upper watershed development, and made provisions to strengthen the capabilities of local programs.

The goals of the Project were to improve the welfare of people living in the area by improving production and employment opportunities, and at the same time induce people to adopt and use effective soil and water conservation technologies. The Project is in part experimental, and a further objective of the Government was to test and demonstrate a program that could achieve these objectives with reasonable levels of time, effort and money.

The Project established a management system involving three ministries (now four) and their local level agencies. Two of these agencies, the Citanduy Basin Project at Banjar (CBPO) and the Water Management Development Center at Ciamis (WMDC) have basin-wide authority for planning and management, cutting across local government boundaries. The Provinces and Kabupatens also have development planning and management responsibilities in their respective areas. The Project established two committees in order to improve coordination among these management elements, one at the national and another at the basin level.

Project funding was arranged through several channels, including funds from the National technical services, national grants-in-aid (Inpress), and local self-help. This management and funding arrangement is typical of Indonesia's development approach, with the exception of the Basin Coordination Committee.

The Project Loan Agreement in 1981 specified that a management study would be made in the second year of the Project for "the continued evolution and perfection of a management system for a long term, multi-sectoral and integrated development program". (See Annex I-1 for Term of Reference). The results of the study are presented in this paper. Most of the analysis and recommendations suggest ways to improve the system. This emphasis on improvements leaves the impression that the management system has been less effective than, in fact, is true. Management by the several agencies involved has succeeded in delivering inputs and working with local people to use these inputs effectively. Management also has steadily improved over the life of the Project as the various agencies encountered and solved management problems. The study team encourages the reader to consider the recommendations in this report as suggestions to improve an on-going management process, and not as a criticism of the efforts to date.

Section 2 : Major Management Concerns

One concern of the Study Team is in regard to the opportunity to implement the Project and its sub-activities, as presently specified, in a way that is as timely and cost effective as possible, and simultaneously learn from this implementation experience so that the Project can be modified to make it an even more effective development program. The Study notes this dual responsibility (see Chapter IV, page 9 and page 7-10, Chapter I), and the opportunities to carry them out more effectively.

A second concern is the conflict and tension between two basic concepts represented in the Project's design. One is the concept that recognizes a river basin as a unit for development, and the subsequent establishment of basin project offices (WMDC and CBPO) to plan and manage projects. The other concept is that local government (Provinces and Kabupatens) should have the major responsibility for development planning and management. (See Chapter IV, page 1 - 2). The Study recommends that the conflict between the two concepts be resolved by further initiatives on the part of local governments to contribute to the planning and management of the Project, and with continued government and Project support to do so. A second suggestion is that WMDC

and CBPO increase, their technical assistance rules to local government, and reduce the range of independent action. This calls for specific national-level instructions and support.

A final concern is improved coordination among the management agencies. The Study suggests that the National Steering Committee assist through policy and procedural decisions that can contribute to the coordination. This has implications for timely implementation of activities, increasing innovation and adjustment of the program, and improving the working relationships between local government and basin-wide agencies. (See Chapter II, page 4-7). The Study also suggests that the Basin Coordination Committee be reorganized and further tested. Its role however, should be primarily that of communication as part of the Project's management information system (See Chapter II, pages 7-10).

Specific recommendations regarding the three major concerns above are listed below and discussed in Sections 3 through 9 of this Chapter.

1. Project Management should be integrated more effectively with existing Government of Indonesia's institutions, policies and programs.
2. Greater flexibility for local planning should be established.
3. Implementation planning should be emphasized during and following the Project design phase.
4. More emphasis should be given to the experimental character of the Project and the means to improve its content as a development program.
5. Existing funding arrangement should be maintained.
6. Future Project design should involve people who ultimately must accept and execute the Project activities.
7. U.S. AID and the Consultant teams should focus attention on efforts to improve achievement of Project management objectives.

The seven sections that follow (3 thru 9) discuss the problems leading to each of these recommendations, and then suggest specific steps to achieve them.

Section 3 : Integration of Project Management with Established Institutions

A. Problem

Development means, among others, changes in the traditional ways that people do things. This is sometimes a risky, and always difficult, undertaking. The problem is that local people, who must accept and carry out changes, and local government agencies and officials best prepared to assist, are not sufficiently involved in the Project. Furthermore, Project Citanduy II is not integrated well with existing policies, programs and procedures of the Government of Indonesia, specifically those to facilitate the work of local officials and local people in the development process. These policies etc. delegate authority and responsibility to local government for local planning and project implementation. They also provide specific programs and procedures to promote local participation in development planning. The problem is that Project Management is not integrated with these other efforts.

The problem is further aggravated by features of the P3RPDAS program. These features are P3RPDAS authority for planning, its direct supervision of greening extension personnel, the highly prescribed content of its program, and different levels of funding for similar activities between P3RPDAS and the Project.

B. Recommendations

1. The Governor and the Bupati should be given greater responsibility and authority for the Project, including integrated plans and budgets, implementation coordination, monitoring, reporting and corrective action.

2. Provincial and Kabupaten Guidance Teams should be established to support the Governor and Bupati in execution of Project responsibilities. (See suggested functions and organization of Teams in Annexes 2 and 3).
3. Annual plans and budgets for all project activities should be received, reviewed, amended as necessary in the Kabupaten and Provincial annual Coordinating Meeting, and then collated as a complete Kabupaten and/or Provincial Project plan and budget for submission to Home Affairs. (Copies of sector plans and budgets would follow existing channels).
4. The position of the Kabupaten Soil and Water Conservation Coordinator should be established as provided in the loan agreement with specific terms of reference, including supervision of the planning and budgeting process under the direction of the head of Bappeda.
5. Selection of model farms, expansion areas, and model blocks should be made 14 months before the beginning of the fiscal year in which they will be implemented. These decisions, plus information about related activities (access roads, other conservation measures, erosion control on existing roads, local initiative projects) should then be incorporated into the annual "bottom-up" planning process, which begins 13 months prior to the year of implementation.
6. Training should be accelerated particularly for local government personnel (Pemda), and also for technical service personnel, emphasizing upper watershed problems, technologies for improving conditions, and community development approaches to improve the participation of rural people in development.
7. Training should be accelerated for Kabupaten Bappeda personnel in order to: 1) develop a better understanding of the provisions of Project documents and related legal and administrative instructions, 2) improve internal staff management and administration, 3) improve area planning and development, 4) promote Bappeda planning for internal development by establishing and achieving targets consistent with functions and responsibilities assigned to it in the Presidential Instruction, Number 27, 1980, 5) increase the technical knowledge and skills

of the agriculturalists, economists, engineers, social scientists etc. on the Bappeda staff.

8. There should be increased technical assistance, not only from foreign consultants but especially from Government of Indonesia officials, for both local government and technical services personnel. Technical assistance should focus on 1) administration and management, 2) area development planning, 3) soil and water conservation and upland farming and 4) the development of Project monitoring systems.

9. Consideration should be given to strengthening the Kabupaten Bappeda by 1) adding manpower, 2) converting to a Type A Bappeda. and/or 3) using Project funds for a full time soil and water conservation coordinator (KKTA) within Bappeda.

10. It is recommended that the guidance for the greening and reforestation project (P3RPDAS) be modified to require that all planning be approved through local government.

11. It is also recommended that present authority for extension work be maintained, and that the current process of coordination through the Provincial and Kabupaten Agricultural Coordination Forum (FKPP) be maintained and strengthened.

12. P3RPDAS guidance should state that Project Citanduy II proposals will be budgeted at the levels of loan agreement requirements, and that the central office will pre-finance the activities at these levels.

Section 4: Authority for Flexible Planning and Budgeting

A. Problem

The existing Project design is not adequate to address important location-specific problems, and local authorities have inadequate authority and capabilities for flexible planning and budgeting in order to address these problems.

The guidelines for the greening project describe a precise program for upland watershed development activities, where local conditions may call for a different set of activities. Some authorities have told the team that greater flexibility is encouraged than in fact is requested from the field. Whatever the case may be, greater flexibility is needed. On the other hand, it is essential that the greening program have a structured framework, representing existing knowledge, and be modified as knowledge is expanded and as local capabilities for planning are improved.

The Watershed Management Development Center is constrained from taking a more flexible approach by limits placed on the authority of the Center's personnel and by the lack of needed expertise, including experts in livestock and tree-crop production. Responsibility and authority for planning and managing some Home Affairs activities have been held at the Provincial level, and field management activities carried-out by local government agencies, rather than by qualified technical services.

B. Recommendations

1. Flexibility of the P3RPDAS program needs to be increased by 1) incorporating additional technologies based on new knowledge, 2) allowing and encouraging greater latitude for planning within the existing provisions for exceptions in the P3RPDAS guidelines, and/or 3) a provision in the guidance that states "planning, programming and budgeting for greening will use existing project recommendations as basic guidance, however alternatives will be accepted on the basis of clear analysis and justification".
2. Authority should be delegated to WMDC personnel for planning and budgeting to address local conditions.
3. The Center should be given additional technical assistance to adapt the project to local conditions, by assignement of livestock and tree crops personnel to the Center, and by short term technical assistance from agricultural research, training, credit and other central agencies as appropriate.

4. Responsibility and authority for planning and budgeting sub-activities should be assigned by the Province to the Kabupaten level of government, and design and implementation responsibilities should in turn be assigned to qualified technical agencies at the Kabupaten level.

Section 5 : Implementatior. Planning

A. Problem

The Project entered the implementation phase without an operational plan that would have reflected prior identification and resolution of important implementation issues. As a result progress has been slower and management integration has been less effective than would have been possible otherwise. Project managers always encounter problems during the implementation phase. However, failure to identify and resolve major issues prior to project execution, as far as foresight will permit, adds to the burdens of the manager and impedes implementation.

B. Recommendations

1. Local Government and technical agencies should be involved in the Project design phase, and be provided copies of the Project agreement, preferably in the Indonesian language.
2. A National Team for Operational Planning should be established, consisting of U.S.AID and the Secretariat of the National Coordination Committee, to conduct the first review of the Project design, to identify potential implementation issues that still exist and to suggest ways for their resolution.
3. The National Team should discuss the results of the its review with Provincial Teams consisting of Provincial level personnel and the Bupatis involved. Issues and suggested solutions should be discussed and modified. Responsibility and procedures for solving remaining issues should be agreed upon. The responsibility and the format for Kabupaten and Provincial operational plans should be established.

4. A Project operational plan should be prepared by the National Team based on these discussions and based on the operational plans from the Provinces and Kabupatens.

5. A uniform monitoring, reporting and response mechanism should be established to identify implementation problems and attempt to solve them during the implementation phase. The system should draw on the content of established sector monitoring systems with amendments or modifications as appropriate.

Section 6 : Project Adaptation and Development

A. Problem

The arrangements and the individual efforts to transform Project Citanduy II into a more dynamic and responsive program are inadequate. Refinement and improvement of the Project requires continuous data/information collection, analysis, and ways to feed new knowledge into the re-planning process. A coordinated and systematic approach is required that links together these research, analysis and dissemination efforts. Furthermore, the approach should be designed to take account of limitations that confront efforts of this kind.

Manpower and skills are always in short supply to develop knowledge and new technologies, and build them into field applications. Second, information net-works usually seem difficult to establish, maintain and utilize. There is also built-in inertia to continue a project once it is underway. Experimentation and innovation within a project are limited by lack of manpower and skills, and a reluctance to introduce risks involving local people and the way they use their resources. Finally, the Project refinement and improvement process is sometimes restricted by standards and conditions built into the Project.

B. Recommendations

1. The Water Management Development Center should prepare a working document of upland development problems that represent major obstacles to Project refinement and development, and the perceived knowledge gaps and technology gaps that prevent solutions. Using the material from the National Coordination Committee Workshop, the Watershed Assessment Team and WMDC experience should be adequate for the first draft of the working paper.

2. A workshop should be held involving WMDC, and representatives from major national research agencies and other basin development projects. The workshop should review the draft document and revise problem priorities, identify existing sources of information, and identify capabilities and interests in addressing the upland problems.

3. Results of the workshop should be used by the National Coordination Committee, U.S. AID and WMDC to strengthen policies regarding upland research and to devise a program for supporting additional research and development.

C. Specific Proposals

The process above should include consideration of the following specific proposals:

1. Links between upland watershed development projects and central research agencies should be strengthened, particularly by relating to the village out-reach units and programs of these agencies.

2. Trials conducted by the applied research unit at WMDC should be expanded in order to design and test farming systems and the treatment of steep slopes, and greater authority to do so should be delegated.

3. More experimentation and innovation for site-specific conditions should be built into the Project, assisted by design teams. Teams should be appointed by the Bupati with advice from WMDC, and funded under the upper watershed management sub-activity. Project designs should include

an evaluation program, and guarantee provisions for local people where risks are involved. Department instructions must encourage and support this effort. Panawangan style planning and implementation methods should be incorporated.

4. Efforts should be made to utilize existing knowledge more fully in the Project, through comparative study tours, single-subject workshops, exchanges between river basin project personnel, and a more systematic collection, storage and retrieval system for information.

5. An evaluation program for the Project should be designed and implemented, consisting of built-in project evaluation and special case studies, both of which should support an ex-post Project evaluation.

Section 7 : Project Design

A. Problem

Many of the management concerns addressed above result from inadequate participation of local agencies in the Project design process.

B. Recommendations

1. A Project planning process should be carried out that involves local government and local technical services more substantively.
2. Implementation responsibilities, and the authority and means for carrying-them out, should be built into the Project design and the operational plan.

Section 8 : Project Funding

A. Problem

Funding for the Project is provided through several channels. There have been funding problems, but not all of them due to this diversity. Other

contributing factors have been late planning, lack of understanding about Project provisions, and unresolved programming issues. These factors are not directly related to the several ways that funds are delivered, but are due to unresolved implementation issues and poor communications.

Suggestions have been made by others that a single source of funding be employed for the Project, with the justification that all funds will be delivered at the same time, and with fewer irregularities. It can be added that a single source of funding would facilitate the planning and budgeting process suggested above (See Section 3.B.3).

There are several disadvantages to single source funding. Technical agencies will resist this approach. Furthermore, their direct involvement is reduced in the budgeting process and there would be a tendency to give the Project second priority in favor of specific sector tasks. Single source funding does not guarantee a more integrated program, nor project experimentation, since planning and programming depend heavily on the technical inputs of the various sectors, regardless of funding sources.

B. Recommendations

1. The present system of funding for Project Citanduy should be maintained, and should be considered as a viable alternative for future basin projects.
2. Implementation planning, early in the planning phase, should identify and resolve funding issues to the extent that reasonable attention can anticipate the issues.
3. The monitoring and reporting system should identify funding issues and Bupatis, Governors and the National Steering Committee should promptly resolve them at the level of Government where the problem can be solved.
4. Decisions regarding these solutions should be promptly communicated to officials involved.

Section 9 : U.S. AID and Consulting Teams

A. Problem

A shared understanding among U.S. AID, the GOI and Consultants regarding roles and responsibilities, different agency requirements, and the priorities given to Project problems has been less than it should be.

B. Recommendations

1. U.S. AID, together with the Government of Indonesia, should give added attention in Project design and implementation planning to the conditions necessary for Project execution and improving Project effectiveness.
2. U.S. AID should give additional attention to clarifications of its requirements and procedures that have a bearing on Project implementation, and then communicate this information to project managers in concert with counterparts.
3. U.S. AID and consultants should focus on project implementation, related problems and their solutions.
4. U.S. AID and the Government of Indonesia should give more attention to the procedures by which consultants are introduced into the Project, and to organizational arrangements, in order to help assure the consultants effective utilization.

Section 10 Progress

The identification of problems and recommendations above has given little attention to the substantial progress that has been made in Project Management. Many implementation problems have been identified and solved, or are in the process of being solved. This is testimony to the ability and willingness of Project personnel to persevere in carrying out and improving a complex program. The emphasis of this report is to assist this process by better forward-planning and adjustments in the present management system.

ANNEX E-A
OBJECTIVES OF THE MANAGEMENT STUDY

The management study, hereafter, called the Study, was directed to provide information and analysis for "the continued evolution and perfection of a management system for a long term, multi-sectoral and integrated development program". More specifically the Study was to provide:

1. recommendations for immediate application to management problems,
2. inputs for the updated master plan for basin development,
3. information for potential application to other area development programs in Indonesia.

This was to be accomplished by a study of the overall organizational structure, organization and management of individual agencies, patterns of management, staffing needs, inter institutional relationships, funding channels, and other related aspects of management.

ANNEX E'-B
PROVINCIAL GUIDANCE TEAM

Several principles should be observed in establishing a role for the Provincial level of Government and technical services. First the Governor's existing responsibilities for coordinating planning and implementation should extend to all Project activities. Special efforts to assure this coordination are necessary if funds continue to be provided through several channels, as recommended in this study. Second, the Province should devolve responsibility and authority for project management to lower levels of government and to technically qualified sector offices and personnel. Third, technical services at the Provincial level must continue to provide technical assistance to lower levels of the service, and the Project will benefit to the extent that this technical assistance can be improved in amount, quality and timeliness. Fourth, a strong sense of cooperation must be encouraged to achieve the coordination that is needed among the sector services and with the local government agencies to bring about integrated management.

In order to support the Provincial role, a Provincial Guidance Team should be established and supported from Project funds.

1. Functions

- a) Coordinate planning and budgeting of all Project activities,
- b) monitor, report and follow-up,
- c) supervise design and administration of an evaluation program,
- d) coordinate inspection procedures for financial control,
- e) support and promote sector agency technical assistance to the field,
- f) encourage and support the devolution of responsibility and authority for project management to lower levels of Government and to technically qualified sector offices and personnel,
- g) provide coordination among Kabupatens,
- h) prepare annual budgets for funds to support team activities,

i) provide administration to carry-out these function.

2. Organization. Several approaches to Provincial guidance teams are provided by sector programs and by the PDP projects in eight provinces. Additional attention to these arrangements will be useful in designing Provincial Guidance Teams for river basin/area development. The Study team recommends:

a) the Provincial Guidance Team should integrate its organization and/or activities with other Provincial Teams that focus on similar problems,

b) the Governor should have overall responsibility,

c) the Chairman (Ketua) should be a senior official from the Governor's staff with inter-sectoral interests and experience,

d) an executive secretary should be appointed from the Provincial Bappeda, assisted by other Bappeda staff,

e) members of the Team should include representatives from services and government agencies involved in basin/area development.

ANNEX E-C
KABUPATEN GUIDANCE TEAM

The Kabupaten has had direct responsibility for planning and management of some Project activities (access roads to model farms, erosion control on existing roads). It has had shared responsibility with the Province for others (local initiative projects, expansion of the model farm technology package, and upland project management). For other projects it has had far less responsibility.

Local government at the Kabupaten level, meaning the Bupati and his staff, should coordinate the planning, budgeting and implementation of all project activities. It should also divest itself of project design and project implementation responsibilities in the field. Where local government has assumed these roles, it should assign them to the technical services most qualified to carry them out. Kabupaten Government should coordinate directly with other Kabupatens as the need arises, as well as use the coordination mechanism provided by the Province.

In order to facilitate execution of Kabupaten roles and responsibilities it is proposed that a Kabupaten Guidance Team be established with functions and organization as outlined below.

1. Functions

- a) Coordinate planning and implementation of all Project activities,
- b) monitor, report and follow-up,
- c) participate in project evaluation,
- d) provide for financial control as appropriate,
- e) support and promote sector agency technical assistance and assist in getting technical assistance from higher levels of government and technical services,
- f) assist in the devolution of responsibility and authority to lower levels of administration and to appropriate technical services,

g) arrange necessary coordination with other Kabupatens directly or through the Provincial arrangements,

h) prepare annual administrative budgets to support team activities,

i) actively assist sector agencies in problem solving,

j) provide administrative arrangements to carry-out these functions.

2. Organization

Responsible Official	- Bupati
Team Chairman	- Head of Bappeda
Vice Chairman	- Head of Agriculture
Secretary I	- Head of Community Development
Secretary II	- Bappeda Secretary
Advisor	- Head of Project Citanduy, Banjar
Advisor	- Head of WMDC, Ciamis
Members	- Representatives of local Government and technical agencies involved in Project.