

UNCLASSIFIED

Annual Budget Submission

FY 1986

Indonesia



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FY 1986 ANNUAL BUDGET SUBMISSION

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MISSION ACTION PLAN

This action plan builds on the plan submitted in the FY 86 CDSS update which, in turn, updated the action plan of the FY 1985 CDSS.

Strategy Recap

The FY 85 CDSS, approved in 1983, analyzes development problems and prospects in Indonesia and describes the Mission's program strategy for the remainder of the 1980s. The strategy focuses on three major development goals: 1) expanding productive off-farm employment; 2) increasing and diversifying food production and strengthening related resource management; and 3) improving primary health care and developing further the family planning program with more emphasis on integration. The strategy also outlines the Mission's plans to support human resource development in fields related to the three areas of focus noted above.

To work toward these goals, the Mission's top priority is institution building, particularly the development of management and technical skills. Other priorities are improvements in policy analysis through support for research and experimental projects, and expanded policy dialogue with government; introduction and adaptation of technology through training, technical assistance, and field trials; and, in a modest way, the development of the Indonesian private sector with a view to expanding off-farm employment. The Mission's target group continues to be the rural poor--small farm owners and entrepreneurs, with consideration for women's roles. In the late 1980s, however, the Mission anticipates the possibility of a gradual shift of focus to town and urban centers, areas which are expected to grow rapidly during the decade and which must become a location for substantial off-farm employment. The Mission will begin to assess possibilities in FY 84 and FY 85. During the CDSS period, although a substantial part of the Mission's program will be found on Java, the Mission will maintain a strong presence in selected outer island provinces.

The Achievement of Benchmarks Established in FY 86 CDSS

A. Program Benchmarks

1. Strengthening Food Production and Related Resource Management

a. Begin assessment of problems in agricultural research, evaluate agricultural research portfolio in FY 84, and begin preparation for a new comprehensive Agriculture Sector Research Project to support agricultural research networks. Status - Done - AARP and SAR evaluated 12/83, pre-PID paper written on new Project 7/84.

b. Phase out Agriculture Development Planning and Administration Project, and conduct final evaluation. Complete design of Agriculture Planning Project to strengthen agriculture policy research and planning by mid-FY84. Status - Ag. Development Planning and Administration phase out 9/30/84 (consultants departed 4/84). Ag. Planning obligated 4/84 and first PIL signed 5/84.

c. Complete the Citanduy I Project in FY 84, tighten management of Citanduy II to speed implementation, and begin Upland Agriculture Project in FY 84, focusing attention on the development of institutional and budget procedures to deal with implementation of watershed activities. Status - Citanduy I completed on schedule, Citanduy II problems dealt with on high level and implementation now improved. PP for Upland Agriculture Project presently being negotiated with GOI - expect closure/obligation 6 or 7/84.

d. Phase out Luwu Project in FY 84, complete evaluation. Explore possible use of Title I proceeds for a project to strengthen O&M of water management systems. Closely monitor water users associations experiment under Sederhana II during FY 84. Design new Small Scale Irrigation Operations and Maintenance Project in FY 84. Status - Luwu phase-out completed 12/83; agreement to allocate Title I proceeds for O&M water management not reached with GOI for FY 84 round of Title I; HPSIS experiment being closely monitored with assistance from GM University; extensive evaluation of Sederhana nearly completed. Pre-PID paper for further development of small-scale irrigation, including groundwater, prepared 5/84.

e. Complete contracting in FY 84 for Secondary Crops Project and begin start up. Status - Candidates short listed, selection expected by July - baseline data survey almost complete.

f. Review East Timor Agricultural Development Project. Status - Plans complete for evaluation 6/84.

g. Organize at least two agricultural policy studies under Development Studies Project. Status - One in process (Socio-Cultural Influences on Food Habits and Consumption Patterns), one under review (Technology and Employment Opportunities in Food Production).

2. Increasing Off-Farm Employment

a. Complete design for Central Java Enterprises Project and contract by late 1984. Status - Design proposed by consultants completed early FY 84. Mission management determined that project not feasible as presented. Workable elements folded into Private Sector Project Amendment. Obligation anticipated 6/84.

b. Complete feasibility work and design of Private Sector Management Training Project by mid 1984. Status - PP completed, and obligation expected 6/84.

c. Evaluate progress of Private Sector Project in early FY85 to determine parameters for late FY 1985 extension. Status - Procurement problems causing delay in contract execution and implementation. Mission delaying amendment to FY86.

d. Redesign Title II Food for Work project to maximize employment impact. Status - Done - CRS proposal completed, and Mission awaiting AID/W comment.

e. Conduct at least two policy studies under the Development Studies Project related to Off-farm Employment. Status - One underway (Man and Society in the Year 2000); no other appropriate study identified.

f. Phase out Rural Works II Project. Status - Deob. of \$4.5 million in process. Phase out on schedule.

g. Design in early 1984 a Financial Institutions Development project which provides rural credit at unsubsidized interest rates. Status - Done. Project obligated third quarter FY 84.

h. Review Mission's overall efforts to increase off-farm employment in FY86, with a view to adjusting CDSS and preparing a more focused second phase. Status - Outline of scope completed. Work will begin Summer 1984.

3. Improving primary health care and the institutionalization of family planning

a. Complete procurement and training under the Expanded Program in Immunization, and evaluate impact of this effort on target area. Status - Evaluation completed, and PACD extension requested. Evaluation provides evidence of need to continue effort. No increase in funding.

b. Sharpen focus of Title II MCH program and restructure in FY84. Status - evaluation done and redesign submitted, awaiting AID/W comment.

c. Complete provision of oral contraceptives to Indonesian Family Planning Program by end of FY85. Status - on track - PACD 1-31-85.

d. Start FP activities in urban areas and increase possibility that greater amount of FP services will be self-financing by conducting experiments in this area. Status - Delayed until CP has been met calling for annual plan of activities.

e. Based on output of diarrheal component of HTR&D Project, design an appropriate intervention for diarrheal disease control to be implemented in FY85. Status - Because of grant fund shortages and insufficient baseline data, start up of new project delayed until FY86.

f. Conduct an in-depth evaluation of FP interventions in late FY84 or early FY85. Status - Planned for FY85.

g. Prepare evaluation of impact of FP/MCH nutrition project. Status - Evaluation contracted.

4. Accelerating human resource development

a. Conduct an assessment in FY84 of options for agricultural research and faculty development. Status - Seminar held, concept paper drafted, scope prepared for PD&S funding.

b. Implement change in focus of LGT II Project with objective of institutionalizing effort concurrent with maintaining training output. Assess progress in late FY 85. Status - Chief of Party changed and focus of project altered in line with 3/83 evaluation findings.

c. Complete PP for Policy Research and Education Planning by early FY 84. Have TA in place by late FY 84. Status - Design complete 5/85, obligation planned 6/84. TA will be in place early FY85.

d. Set up an overseas training unit under the GPT II Project which will be functioning by the end of FY 85. Status - Contract signed 5/84. OTU expected to be functioning by mid-FY 86.

e. Phase out the current Eastern Islands Project, the Self-Instructional Learning Project, and the Education Communications Development Project. Status - All will be completed by 9/30/84.

f. Dispatch 325 LT and 625 ST participants under GPT II and other projects by late FY 85. Status - Contracting delays will result in only 50% achievement of this target.

g. Assess the PRD-I, II and In-Country Management Development projects to discern whether the approaches being followed are being institutionalized. Complete training under the former two projects. Status - PRD I & II will both be merged with GPT II by 12/84, based on assessment of these activities. No review made of In-Country Management Development Project.

h. Evaluate Western Universities Agricultural Education Project. Status - Final evaluation received 5/84.

i. Conduct an assessment of the needs of the public health faculties and identify areas where assistance needed. Status - Done 5/84 - Needs for AID assistance identified - PID prepared by 9/84.

j. Examine possibilities for apprentice technical training program as a follow-up to Lhok Seumawe industrial manpower study. Status - Done. Effort still under consideration.

5. Other Program Plans

a. Policy Analysis

- 1) Proceed with implementation of Development Studies Project into final studies, technical assistance, and workshops for agenda which will include:
 - employment generating options status: - pending;
 - small-scale irrigation strategies, including O&M - status - study in process, funded under PD&S;
 - revised regulations to encourage rural savings mobilization - status - built into FID project;
 - support a workshop on long-term growth and development strategies for Indonesia: status: funded;
 - decentralization of development planning and management - status - pending;
 - health/FP policies that integrate immunization and oral rehydration. Status - first integrated effort started 3/84;

To date studies totalling approximately \$600,000 have been approved by the steering committee.

- 2) Encourage staff review of policy potential of all new USAID projects, as well as ongoing project. Status - This is regular part of Mission review process and included in Mission Order for project development. Policy elements in all new FY 84 projects.
- 3) Continue periodic implementation reviews of Mission portfolio with BAPPENAS for policy implications. Status - No "formal" meetings held but informal reviews now held regularly.

b. The Private Sector

- 1) In addition to activities included under the Employment Generation Section above, work with Ministry of Finance on agenda for studies and technical assistance to improve capital market activity to be agreed upon in first quarter of FY84. Status - Done. Awaiting PRE response and proposal.
- 2) Pursue PRE initiatives: venture capital, YPO, JACC, and IESC. Status - All initiatives responded to. YPO visit successful, but JACC still negotiating establishment local committee.
- 3) Complete strategy reviews of employment and management for CDSS. Status - Management review done - employment review will be done in 4th quarter. Review of decentralization completed for major Mission program areas.
- 4) Prepare quarterly reports to congress, PRE and Asia Bureau on the status of private sector initiatives: due June 30, September 30, December 30, March 30. Status - Done - no feedback received.

- 5) Meet on a regular basis with the AmCham Advisory Committee on USAID to review AID projects and developments affecting AID's private sector activities. Status - Done. Meetings held about once every two months.
- 6) - 9) Done.

c. Technology Transfer and Adaptation

This goal is reflected in support for technical assistance, research, experimental projects and training. A review of current programs and future plans for S&T for the Mission will be conducted. Status - Done. Submitted to AID/W 2/84 - accepted, and S&T approach responsive to this strategy developed.

d. Decentralization

- 1) Work on an operational definition of participation, and develop a clearer Mission policy statement. Status - Mission committee continuing work.
- 2) Review the projects in the Mission which are directed at decentralization and broader participation, such as PDP II, the FY 85 small-scale irrigation project, the HTR&D project as redesigned in late FY 83, and Agricultural Planning Project II to develop strategy further. Status - Examination nearly completed. Decentralization remains central to above projects.

e. PVOs

- 1) Prepare Mission strategy paper for PVO support. Status - Done 4/84, and copies sent to AID/W.
- 2) Expand support to Indonesian PVOs in FY 84 and FY 85. Status - Percentage of PVO funds going to Indonesian PVOs increased significantly in FY 84 over FY 83.

- 3) Strengthen Indonesian PVO intermediaries which service smaller indigenous PVOs. Status - In process, including start on indigenous PVO fund raising capacities.
- 4) Broaden the mandate of the Mission's Voluntary and Humanitarian Program Office to include private development organizations such as ADC, Population Council, and PIACT, which are concerned with training, research and development. Status - Done as reflected in PVO strategy paper -- with grant to ADC.

f. Disaster Preparedness and Relief

- 1) Request OFDA/W to assist in identifying source of funding required to assist in development of Volcanology Survey of Indonesia (VSI). Status - Done - USGS PASA technician on board.
- 2) Support government efforts through Washington funding to establish a disaster manpower/management training institute in Indonesia. Status - Study of a proposal is presently underway which will lead to a feasibility report.
- 3) Continue to respond to specific GOI requests for disaster relief. Status - No requests for disaster assistance since workplan submitted.

g. Urban Activities

Although no specific benchmarks were established for this component, the FY 86 CDSS indicated we would assess possibilities in FY 84/85. In this regard we have:

- developed SOW for housing sector study focusing on urban areas;
- endorsed CRS proposal to assist Street Food vendors in urban areas.

B. Management Benchmarks

1. Trimming the portfolio. Status - By 9/30/84 portfolio will total between 35-37 projects as projected in last year's ABS.
2. Maintaining a low mortgage rate. Status - Mortgage stabilizing at 30% of NOA projected for FY 85. May be lower depending on doeb/reob activity.
3. Implementation status - Goals achieved.
4. Management processes. Status - With exception of in house training seminar, goals achieved.
5. Organization status - With combination of Ag-RD office in 7/84 restructuring will be completed.

Operational Plan for FY 85-86

The Mission's strategy and objectives thru FY 86 are expected to remain the same as cited in the CDSS, and therefore this section focuses on operational planning.

A. Strengthening Food Production and Related Resources Management

1. Synthesize findings of HPSIS experiment/Sederhana project assessment and use in design of new Small Scale Irrigation Project. Design and obligate Small Scale Irrigation Project by 6/85.
2. Continue follow-up of AARP project, extend for one year and derive lessons learned for new Ag. Sector Project. Design and obligate Ag. Sector Research Project by 6/85.
3. Complete contracting of Ag. Planning Project.
4. Evaluate Small Scale Fisheries project for effectiveness, lessons learned for Aquaculture project, and possible PACD extension for melding elements with new project. Assess needs of Fisheries Faculty at Pattimura University for possible assistance under Aquaculture Project. Assess feasibility of Aquaculture Project for FY86 and produce PID for same.

5. Review Evaluation of East Timor PVO project for possible follow on activities in FY86 or FY87.
6. Initiate field activities under Upland Agriculture project.
7. Undertake 2-3 Policy Analyses targeted at this element of CDSS strategy.
8. Evaluate effectiveness of decentralized planning procedures under PDP I and PDP II.
9. Complete PID and undertake design of new Outer Islands Development project.
2. Increasing Off-Farm Employment
 - 1) Implement revised Title II FFW project to maximize off-farm employment.
 - 2) Complete contracting for Private Sector Management Development project targetted for early FY 85 start-up.
 - 3) Amend Private Sector project to include feasible elements of CJEDP project by 6/84.
 - 4) Complete analysis of employment sector and strategy for interventions, early FY 85.
 - 5) Evaluate Private Sector project in late FY 85. Prepare FY 86 project amendment to incorporate findings and add additional \$5 million in early FY 86.
 - 6) Start up of activities for FID project October 1984.
 - 7) Continue collaboration with PRE on JACC, YPO, and other centrally funded initiatives.
 - 8) Complete PID (mid FY 85) and undertake design of new Accelerated Rural Roads project (early FY 86).

3. Improving Primary Health Care including Family Planning

- 1) Based on evaluation of VFP/MCW progress in combined activity with MOH, redesign, extend and amend this project to widen/deepen activities in FY85 for FY86 funding.
- 2) Meet conditions precedent on FP II and undertake activities. Evaluate performance under new system.
- 3) Evaluate HTRD project mid-FY 85.
- 4) Complete PP for Faculties of Public Health Project - mid-FY 85. Utilize PD&S funds for pre-implementation activities under Faculty of Public Health project.
- 5) Phase out Oral Contraceptives project 1/85.
- 6) Evaluate progress on CHIPPS project 6/85.
- 7) Phase out Timor Malaria project 12/85.
- 8) Evaluate Diarrheal Disease component of HTRD project, 4/85.
- 9) Design and complete PP for Diarrheal Disease M&M project by 1/86.
- 10) Undertake 2-3 policy related studies under DSP in this area.

4. Accelerating Human Resource Development

- 1) Regularize dispatch of participants under GPT II - amend project to add funding in FY 85.
- 2) Have contracts in place for Education Policy/Planning project with activity underway by mid-FY 85.
- 3) Review Western Universities project for possible second phase or extension.
- 4) Analyze English language training capacity for possible add on to GPT II project.

- 5) Conclude construction for Graduate Ag. project by 12/84.
- 6) Complete PRD I and PRD II projects folding training elements into GPT II targetted at 9/84.
- 7) Evaluate In Country Management and LGT II projects for beneficiary impact.
- 8) Undertake assessment of PVO training components, early FY 85.
- 9) Coordinate studies with GOI/other donors on private universities and efficiency/productivity of public university systems.
- 10) Complete 2 DSP projects aimed at accelerating human resource development.

5. Other Benchmarks

- 1) Continue analyses of decentralization efforts and community management.
- 2) Contractors in place on Puspiptek and project in full implementation.
- 3) Design and fund collaboration arrangement between BPPT and NAS/NAE which addresses adaptive research on CDSS goal related matters.
- 4) Phase out Energy Planning II project by 12/85.
- 5) Phase out Rural Electrification project FY 85.
- 6) Assess PVO Co-Fi project in FY85 for FY86 amendment.
- 7) Continue to improve mechanisms for programming PL 480 Title I proceeds for development purposes.
- 8) Seek approval to monetize Title II commodities for use in PVO activities.
- 9) Increase percentage of PVO activities concentrated on outer islands.

Management Benchmarks

1. Combine Rural Development and Agriculture office into one division 7/84.
2. Train at least 16 USDH and FSN professionals in project Implementation and an addition 20-30 in other appropriate courses in FY 85.
3. Maintain pipeline between \$240-270 million during ABS period.
4. Maintain Mission portfolio of not to exceed 35 projects during FY85 and FY86.
5. Conduct regular portfolio reviews with BAPPENAS.
6. Maintain outyear mortgage at approximately the same level as at present.
7. Expand use of Mission computer system and add microcomputer systems for enhancing project design, implementation and Mission economic and program analyses.
8. Complete installation of Mission Automated Accounting and control system.

Appendix A:

LOCAL CURRENCY USE PLAN

Local currency generations from the sale of PL 480 Title I commodities are the only local currency funds available to the Mission. Beginning in FY 83, the Mission was able to successfully work with the Indonesian PL 480 Team to program the use of these proceeds, based on suggestions made by USAID.

In FY 83, 10% of proceeds, or \$2.4 million, was earmarked for Indonesian and U.S. PVOs engaged in rural development activities and another \$4.3 million was set aside to expand the productivity of rural women.

In FY 84, of the total \$30 million Title I program, \$24 million was available for self help activities. Of this, approximately one fourth were for supplemental activities in project in which the Mission was involved or in areas in which the Mission had a direct interest.

The Mission is now discussing the following areas in which to utilize local currency generations from Title I in FY 85: agricultural research, off-farm employment, women in development, irrigation, and agricultural education. USAID will work with the GOI in selecting from among these specific projects for assistance as soon as proposals are more definitive.

FY 83

Farm Marketing/Distribution	\$ 3.5 million
Increase Agricultural Production	\$13.7 million
Improve the Role of Rural Women	\$ 4.3 million
Support to PVOs	\$ 2.4 million

FY 84

Rural Electrification Project	\$ 5.4 million
Improve the Role of Rural Women	\$ 5.04 million
Irrigation Rehabilitation	\$ 7.26 million
Luwu Project	\$ 0.9 million
Support to Cooperatives	\$ 5.4 million

Appendix B:

EVALUATION PLAN

The FY 85 CDSS established four broad goals as focal points for the Mission's program: 1) strengthening food production and resource management; 2) improving primary health care including family planning; 3) accelerating human resource development; 4) increasing off-farm employment. . A top priority of the Mission's strategy which cuts across these four broad program areas is institutional development. Strengthened policy analysis is a second overarching theme in the Mission's development strategy. Evaluations and related data-collecting activities which the Mission plans to implement in FY 1985/86 will continue to concentrate on deepening the Mission's understanding of the major assumptions linked to the CDSS strategy for assisting these four broad program areas. Specific issues addressed in the activities, as well as the mechanisms used to implement them, will directly support the Mission's overall efforts in institutional development and policy analysis.

Strengthening Food Production and Resource Management

Mission efforts directed at strengthening food production and resource management face many constraints, the most severe of which is the limited capacity of either national or local institutions to carry out research, formulate policies, and implement programs responsive to the diversity of agro-climatic zones and socio-economic conditions characteristic of the archipelago. On-going and planned FY 85/86 evaluation activities address several facets of these constraints. Current efforts include two on-going assessments of the Sederhana Irrigation Project (497-0251), one specifically examining the role of water user associations and the other more closely focused on physical aspects of the system. The results of these activities should be available in FY 1985 and provide the basis for designing monitoring and evaluation activities appropriate for the new Small Scale Irrigation - Operation and Maintenance project (497-0347).

Specific evaluations planned during FY 1985/86 include assessments of the agriculture research portfolio, the provincial development programs and the upland agriculture activity in the Citanduy River basin.

A comprehensive mid-term evaluation of the Applied Agricultural Research project took place in FY 1984 focusing on project implementation dynamics. The proposed FY 1985 assessment of the agriculture research portfolio (497-0263/0302) will shift focus and emphasize processes associated with the design, conduct and management of research activities as well as the dissemination/utilization of the findings of these activities. The results of the assessment will provide a basis for Mission plans to consolidate support for agricultural research in one project in FY 1985.

A second evaluation planned for this area will focus on the upland agriculture components of Citanduy II (497-0281). During the past year, a management study for the project was completed and research proposals approved to examine constraints to adoption of the improved technologies. The evaluation will make use of these studies to examine progress achieved in the expansion of upland technologies in the basin and provide additional information on farmer acceptance of these new technologies for the Upland Agriculture and Conservation Project.

Both Provincial Area Development Programs (497-0264/0276) will be evaluated during the upcoming fiscal year. In the past year, PDP project management initiated several activities associated with monitoring and evaluation. Economic and financial analyses of a small number of subprojects were conducted. In addition to examining impact, these subproject assessments also focused on the appropriateness of various project analysis methodologies for future use by the provinces. This latter emphasis was part of a larger effort within PDP to strengthen the role of monitoring and evaluation in provincial planning activities. Mini-assessments of the variety mentioned above will be continued in FY 1985 and 1986. Other future evaluation and data-collecting activities planned for the upcoming year include: an examination of the appropriateness of PDP planning, monitoring and evaluations systems for use by the planning boards in their management of other activities; and further analysis of BANGDA's administrative framework.

During the past year, the final evaluation of the Luwu project was conducted. The lessons learned from this experience are being integrated into current efforts to develop an area resource focused project (497-0353).

Improving Primary Health Care Including Family Planning

Two major goals within this program area are: 1) to reduce morbidity and mortality of children under five and women of reproductive age; and 2) to lower the crude birth rate from 32 to 22 by the end of the decade. A key element in the Mission's strategy to achieve these goals is to promote closer ties between health and family planning agencies. Significant progress has been made in this area. Based on a recommendation from the FY 84 evaluation of the Expanded Program for Immunization (497-0253), negotiations are underway to modify and extend the project to include closer integration of the immunization program with family planning activities. At the same time, evaluation research associated with the USAID supported integrated family planning/nutrition program (497-0305) has begun in earnest. Over the next two years, activities will concentrate on measurement of program impact and the development of management systems to implement the activity. Successful completion of this evaluation will require a PACD extension. Based on the results of the evaluation a future amendment which will add resources to the activity may be proposed.

A separate activity in this program area initiated in FY 1984 is the CHIPPS (497-0325) process review. This assessment, which is currently underway, critically examines major assumptions underpinning the Mission's strategy to emphasize province led program development as a means for improving health care management.

The Mission initially planned to conduct an evaluation of family planning activities (497-0270/271) this past year. However, due to the considerable amount of attention given to evaluation research associated with the family planning/nutrition program, the evaluation was rescheduled for FY 1985. The purpose of the evaluation is to measure program impact. It will specifically address sources of concern identified in the 1979 evaluation, i.e., urban program failure, expansion to the outer islands, and improvement in the service delivery network. A separate assessment of USAID's support for intermediary groups in this field will also be conducted.

Redesign of the FNP component of the Mission's Title II program is currently underway. This redesign is based on a program evaluation carried out during the past year. Another follow-up evaluation of the effectiveness of the redesign in addressing outstanding problems is planned for FY86.

Plans for an FY84 evaluation of HTRD, specifically the diarrheal component, have been delayed until FY85 due to contracting problems facing the entire project. Delay of this evaluation will also result in a delay in the start-up of the new Diarrhea Mortality/Morbidity Reduction Project (497-0346).

Accelerating Human Resource Development

A third priority area of the CDSS concerns the weakness of Indonesian development institutions and inadequate in-country capacity to train people for them. During the past year continuing progress was made in this area. Recommendations stemming from the 1983 evaluation of LGT II (497-0308) have resulted in a significant redesign of the program with much greater attention given to building institutional capacity to continue training following conclusion of USAID assistance. The response of the project environment to these changes will be examined in FY 1986.

A second evaluation in this program area conducted during 1983 was the mid-term review of the Western Universities Agriculture Education Project (497-0297). The assessment indicated that significant progress has been achieved in this project but that the majority of institutions remain in need of additional foreign assistance.

In the upcoming year, PRD I & II (497-0261/0275) and In-Country Management Development (497-0317) will be the focus of evaluation work in this area. The assessments will seek to determine if the approaches being followed in these training activities are being institutionalized by the participating ministries.

The new Policy Research and Education Planning Project (497-0344) is being designed in two phases. The second phase, scheduled to begin in FY86, will be based on assessment of the first 24 months of activity.

Over the last decade there has been tremendous growth in the Indonesian PVO community. USAID has played an important role in encouraging and supporting the development of these PVOs. In FY 1985, the Mission plans to review its assistance to these organizations in an effort to discern how best it can maintain and expand its support of this sector. Currently, USAID is reviewing the training components and training activities of assisted PVOs.

Increasing Off-Farm Employment

Increasing off-farm employment opportunities is a relatively new area of Mission focus but will play a central role in the future program. The limited experience base of the Mission in this area was closely examined in 1983/84 to provide guidelines for future program development. One such assessment was the Title II evaluation. The Food for Work (FFW) component of this program is currently being redesigned to maximize employment impact. Many of the improvements in the FFW program stem from the USAID supported Rural Works II (497-0285). This project was also evaluated in the past year and the results are now being reviewed as part of the Mission's consideration of a new rural infrastructure activity. A final assessment currently in process is an assessment of USAID support of PVOs involved in enterprise development. The study will review ongoing PVO programs for entrepreneurs, assess their effectiveness, and suggest resources to improve their programs.

In FY 1985/86, evaluations will continue to play an important role in the Mission's efforts to understand better appropriate mechanisms for moving ahead with activities in this area. The Private Sector Development project (497-0329) will be evaluated in FY 1985. The focus will be on the effectiveness of the individual components of the project, including: management training, investment information and non-oil export quality control. The findings will be used to establish the parameters for the FY 86 amendment. Lastly, the rural electrification activity (497-0267), scheduled for completion at the end of this calendar year, will also be examined. This evaluation will have two parts. The first following the completion of BUCEN work in Central Java; the second, on separate assessment, examining cooperatives' management of rural electrification activities at three outer island locations.

FY 1986 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

	FY 1983 ACTUAL	FY 1984 ESTIMATE	FY 1985		FY 1986 AAPL	PLANNING PERIOD				
			CP	ESTIMATE		1987	1988	1989	1990	
Agriculture, Rural Dev. and Nutrition										
Total	33740	37860	37250	48440	43100	52000	50000	50000	48000	
Grants	8740	9210	11050	9475	12100	14600	14000	14000	13000	
Loans	25000	28650	26200	38965	31000	37400	36000	36000	35000	
Population Planning *										
Total	9900	9500	4500	-	1500	2000	2000	1000	1000	
Grants	3000	3000	1500	-	1500	500	500	500	500	
Loans	6900	6500	3000	-	-	1500	1500	500	500	
Health										
Total	5450	2850	14000	9625	11900	8000	7000	7000	5000	
Grants	1500	2850	6000	3100	1400	2000	2500	1500	1000	
Loans	3950	-	8000	6525	10500	6000	4500	5500	4000	
Education										
Total	15900	8650	3250	4435	2000	5000	9000	8000	8000	
Grants	2000	1750	1250	1925	2000	1500	2660	2600	3000	
Loans	13900	6900	2000	2510	-	3500	6340	5400	5000	
Selected Development Activities										
Total	6760	5147	6000	2500	6500	3000	4000	4000	4000	
Grants	2760	1740	1000	2000	1500	1000	500	1000	1000	
Loans	4000	3407	5000	500	5000	2000	3500	3000	3000	
Total DA Account										
Total	71750	64007	65000	65000	65000	70000	72000	70000	66000	
Grants	18000	18550	20800	16500	18500	19600	20160	19600	18500	
Loans	53750	45457	44200	48500	46500	50400	51840	50400	47500	
PL480										
Title I	(35000)	(30000)	(40000)	(30000)	(30000)	(30000)				
Title III										
Title II**	(4506)	(4206)	(5390)	(5378)	(5432)					
Housing Guaranties										
Total Personnel										
USDH Workyears				47	44					
FNDH Workyears				74	70					

* No AID/W procured contraceptives
** Does not include WFP

FY 1986 ANNUAL BUDGET SUBMISSION
Table III - PROJECT OBLIGATIONS BY APPROPRIATION
(\$000)

497 - Indonesia

Appropriation Account Project No. and Title	L/G	FY 84 Estimates	FY 84 Reobs	FY 85 Estimates	FY 86 AAPL	
<u>Agriculture, Rural Development & Nutrition</u>						
497-0276 PDP II	G	2,000	-	-	-	
	L	850	-	-	-	
0302 Applied Agr. Research	G	1,960	-	-	-	
0311 Upland Agriculture & Conservation	G	750	945	1,705	1,600	
	L	5,450	6,040	2,410	-	
0329 Private Sector Development	G	250	-	-	-	
	L	850	-	-	-	
0330 East Timor Development	G	1,000	-	-	-	
0336 PWO Co-Financing II	G	1,250	-	765	500	
0341 Financial Institutions Development	G	1,000	225	1,775	-	
	L	15,500	-	-	-	
0342 Agriculture Planning	G	1,000	270	1,730	-	
	L	6,000	-	-	-	
0347 Small Scale Irrigation O&M	G	-	-	2,000	3,000	
	L	-	-	21,555	5,000	
0349 Agriculture Sector Research	G	-	-	1,500	3,000	
	L	-	-	15,000	-	
0351 Accelerated Rural Roads Development	G	-	-	-	1,000	
	L	-	-	-	7,000	
0352 Aquaculture Resources Development	G	-	-	-	2,000	
	L	-	-	-	10,000	
0353 Outer Island Development	G	-	-	-	1,000	
	L	-	-	-	9,000	
		Appropriation Totals	37,860	7,480	48,440	43,100
		Grants	9,210	1,440	9,475	12,100
		Loans	28,650	6,040	38,965	31,000

Population Planning

0327 Family Planning Dev. & Services II	G	3,000	-	-	1,500	
	L	6,500	-	-	-	
		Appropriation Totals	9,500	-	-	1,500
		Grants	3,000	-	-	1,500
		Loans	6,500	-	-	-

Appropriation Account Project No. and Title	L/G	FY 84 Estimates	FY 84 Reobs	FY 85 Estimates	FY 86 AAPL
<u>Health</u>					
0273 Health Trg., Res. and Dev.	G	2,350	-	1,100	-
0305 Village FP/MCW	L	-	-	1,525	5,075
0336 PVO Co-Financing II	G	500	-	500	400
0346 Diarrhea M/M Reduction	G	-	-	-	1,000
	L	-	-	-	5,425
0348 Faculty of Public Health	G	-	-	1,500	-
	L	-	-	5,000	-
Appropriation Totals		2,850	-	9,625	11,900
Grants		2,850	-	3,100	1,400
Loans		-	-	6,525	10,500
<u>Education</u>					
0328 GPT II	G	500	-	-	-
	L	2,100	3,560	2,000	-
0336 PVO Co-Financing II	G	250	-	250	500
0344 Education Policy and Planning	G	-	325	675	-
	L	4,800	190	510	-
0345 Private Sector Management Dev.	G	1,000	-	1,000	1,500
Appropriation Totals		8,650	4,075	4,435	2,000
Grants		1,750	325	1,925	2,000
Loans		6,900	3,750	2,510	-
<u>Selected Dev. Activities</u>					
0329 Private Sector Development	L	3,407	-	500	-
0333 PUSPIPTEK Energy Res. Lab.	L	-	-	-	5,000
0336 PVO Co-Financing II	G	500	-	1,000	1,500
0340 Development Studies	G	1,240	-	1,000	-
Appropriation Totals		5,147	-	2,500	6,500
Grants		1,740	-	2,000	1,500
Loans		3,407	-	500	5,000
DA Account Totals		64,007	11,555	65,000	65,000
Grants		18,550	1,765	16,500	18,500
Loans		45,457	9,790	48,500	46,500

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FY 1986 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA

PROJECT NUMBER AND TITLE		OBLIG THRU FY 83		ESTIMATED U.S. DOLLAR COST (\$000)		FY 1984		FY 1985		FY 1986		ITEM NO
G DATE	-TOTAL COST- AUTH PLAN	OBLIG THRU FY 83	FY 83 FIVE-LINE	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	AAPL	FUNDED THRU	
L INIT	FIN											
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION												
497-0198	AGRICULTURAL RESEARCH			SUBCAT: FNDS	% PVO							4551
G 71	80	3275	3275	3280	8							
497-0225	PVO CO-FINANCING (PVO)			SUBCAT: FNEV	% PVO 100							4560
G 74	81	2172	2172	2145	57							
497-0241	ACEH ROAD BETTERMENT			SUBCAT: FNER	% PVO							4573
L 75	75	10300	10300	9734	76							
497-0244	LWU AREA AND TRANSMIGRATION DEV I			SUBCAT: FNLS	% PVO							11298
G 76	82	2090	2090	2090	280							11299
L 76	82	16610	16610	16610	2302							
497-0245	CITANDUY RIVER BASIN DEVELOPMENT I			SUBCAT: FNWD	% PVO							11300
L 77	77	12500	12500	1171	1171							
497-0249	TA/CONSULTING SERVICES I AND II			SUBCAT: FNPA	% PVO							4581
L 76	78	6000	6000	5937	26							

PROJECT NUMBER AND TITLE	OBLIG OBLIG	DATE	INIT	FIN	AUTH	-TOTAL COST- PLAN	OBLIG THRU FY 83	PIPE- LINE	FY 83	ESTIMATED U.S. DOLLAR COST (\$000)				ITEM NO
										---FY 1984---	---FY 1985---	---FY 1986---	---	
							OBLIG- ATIONS	EXPEND- TURES	FUNDED THRU	OBLIG- ATIONS	EXPEND- TURES	FUNDED THRU		
497-0286	SMALL SCALE FISHERIES DEVELOPMENT													
G 80 82	3000	3000	3000	2032			800	1232					11330	
497-0290	GRADUATE AGRICULTURAL SCHOOL TITLE XII													
G 79 80	2170	2170	2170	691			600	91					11331	
L 79 80	5330	5330	5330	4657			250	2200					11332	
497-0293	EASTERN ISLANDS AGRICULTURAL EDUCATION													
G 79 80	2500	2500	2500	902			902						11333	
L 79 80	5000	5000	5000	3018			1818						11334	
497-0297	WESTERN UNIV AGRICULTURAL EDUCATION													
G 81 83	3900	3900	3900	2906			500	1200					11337	
L 81 83	5950	5950	5950	4602			1300	1500					11338	
497-0302	APPLIED AGRICULTURE RESEARCH													
G 80 84	7000	7000	5040	3942			1960	1500			4402		11340	
L 80 84	18900	18900	18900	17718				1200			8518		11341	
497-0304	SECONDARY FOOD CROPS DEVELOPMENT													
L 83 83	6400	6400	6400	6400			100	1000					11342	
497-0311	UPLAND AGRICULTURE AND CONSERVATION													
G 84 86	5000	5000					750	500			6/88	6/92	8795	
L 84 86	13900	13900					(945) Reob 5450	2500			6/92		8796	
							(6040) Reob							
497-0312	LAND MAPPING TITLING, AND REGISTRATION													
G 80 82	2000	1055	1055	395			170						11346	
497-0329	PRIVATE SECTOR DEVELOPMENT													
G 82 86	500	750	500	493			250	330					11356	
L 82 86	1500	2350	1500	1500			850	1000					10067	
497-0330	EAST TIMOR DEVELOPMENT(OPG)													
G 81 84	5000	5000	4000	1000			1500	500					11357	

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM NO	
OBLIG DATE	INIT FIN AUTH PLAN	TOTAL COST-	OBLIG THRU PY 83	PIPE LINE	PY 83	FY 1984		FY 1985		FY 1986		FUNDING THRU	
						OBLIG- ACTIONS	EXPEND- TURES	OBLIG- ACTIONS	EXPEND- TURES	OBLIG- ACTIONS	EXPEND- TURES		
G	L												
497-0336		PVO CO-FINANCING II (PVO)											
G 82	86	2400	4265	1750	811	1250	1300	765	1500	500	1/87	1/87	9019
497-0341		FINANCIAL INSTITUTION DEVELOPMENT											
G 84	85	---	3000	---	---	1000	---	1775	500	---	5/91	---	8800
L 84	85	---	15500	---	---	(225) Reop 15500	---	---	2000	---	---	---	8812
497-0342		AGRICULTURE PLANNING											
G 84	85	3000	3000	---	---	1000	---	1730	500	---	6/89	---	11361
L 84	85	6000	6000	---	---	(270) Reop 6000	---	---	1000	---	---	---	11362
497-0347		SMALL SCALE IRRIGATION O&M											
G 85	87	---	5000	---	---	---	---	2000	300	3000	6/92	6/92	8793
L 85	87	---	45000	---	---	---	---	21555	1000	5000	6/92	6/92	8794
497-0349		AGRICULTURAL SECTOR RESEARCH											
G 85	86	---	4500	---	---	---	---	1500	300	3000	9/88	9/92	8798
L 85	86	---	15000	---	---	---	---	15000	1000	---	9/92	9/92	8799
497-0351		ACCELERATED RURAL ROADS DEVELOPMENT											
G 86	87	---	3000	---	---	---	---	---	---	1000	6/89	6/91	
L 86	87	---	22000	---	---	---	---	---	---	7000	6/91	6/91	
497-0352		AQUACULTURE RESOURCES DEVELOPMENT											
G 86	87	---	5000	---	---	---	---	---	---	2000	6/89	6/92	
L 86	86	---	10000	---	---	---	---	---	---	10000	6/89	6/92	
497-0353		OUTER ISLANDS DEVELOPMENT											
G 86	87	---	2500	---	---	---	---	---	---	1000	6/90	6/92	
L 86	87	---	17000	---	---	---	---	---	---	9000	6/90	6/92	
APPROPRIATION													
TOTAL		346697	510967	325491	140289	37860	44018	48440	49759	43100			
GRANT		87957	117127	78380	24616	9210	12324	9475	16110	12100			
LOAN		258740	393840	247111	115673	28650	31694	38965	33649	31000			

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM NO
OBLIG DATE	INIT FIN AUTH PLAN	TOTAL COST	FY 83		FY 1984		FY 1985		FY 1986		FUNDED THRU	ITEM NO
			OBLIG THRU FY 83	PIFY- LINE	OBLIG- EXPEND- ITURES	HEHD	OBLIG- EXPEND- ITURES	FUNDED THRU	AAFL	FUNDED THRU		
497-0273 HEALTH TRAINING, RESEARCH AND DEVELOPMENT												
G 78 85	9450	9450	6000	2867	2350	1200	1300	1300	9/87			11320
L 78 85	1450	1450	1450			150	430					11321
497-0305 VILLAGE FP/MOTHER-CHILD WELFARE												
G 80 87	10000	9400	7400	4898		700		1000				11343
L 80 87		6600						200	9/86	5075	9/88	
497-0325 COMPREHENSIVE HEALTH IMPRV PROGRAM												
G 81 82	3000	3000	3000	2894		500		1000				11350
L 81 82	6000	6000	6000	5834		400		2000				11351
497-0326 TIMOR MALARIA CONTROL												
L 80 80	3600	3600	3600	2024		450		1574				11352
497-0327 FAMILY PLANNING DEV. AND SERVICES II												
L 83 86	2500	2500	2500	2500				500				11353
497-0336 PVO CO-FINANCING II (PVO)												
G 82 86	3550	2150	750	85	500	300	500	300	1/86	400	1/87	9017
497-0346 DIARRHEA MORTALITY/MORBIDITY REDUCTION												
G 86 87		1000								1000	9/93	8802
L 86 87		6000								5425	9/92	8803
497-0348 FACILITIES OF PUBLIC HEALTH												
G 85 85		1500						1500	8/90			8806
L 85 85		5000						5000	8/90			8814
APPROPRIATION												
TOTAL	84250	101922	74972	32590	2850	5717	9625	10904				11900
GRANT	29200	29700	20350	12586	2850	3100	3100	4000				1400
LOAN	55050	72222	54622	20004		2617	6525	6904				10500

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)										ITEM NO	
G L	INIT DATE	FIN AUTH PLAN	TOTAL COST	OBLIG THRU FY 83	PIPE LINE	FY 83	FY 1984		FY 1985		FY 1986		FUNDING THRU
							OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	
IN-COUNTRY MANAGEMENT DEVELOPMENT													
497-0317	L 82	82	4000	4000	3903		SUBCAT: EHDA	% PVO					11348
GENERAL PARTICIPANT TRAINING II													
497-0328	G 83	85	1500	1000	1000		SUBCAT: EHSP	% PVO					11354
	L 83	85	11250	9150	9150		2100 (3560) Reob	2000	2000	4/90			11355
PVO CO-FINANCING II (PVO)													
497-0336	G 82	86	2400	500	277		SUBCAT: EHPV	% PVO	100				9016
EDUCATION POLICY AND PLANNING													
497-0344	G 84	85	1000				SUBCAT: EHPP	% PVO					8801
	L 84	85	5500				(325) Reob	675	300	9/90			11363
							4800 (190) Reob	510	1000	9/90			
PRIVATE SECTOR MANAGEMENT DEVELOPMENT													
497-0345	G 84	87	4000				SUBCAT: EHPV	% PVO	100				11364
OPG													
APPROPRIATION													
	TOTAL		57375	72535	52875	31892	8650	9999	4435	8462		2000	
	GRANT		13525	17625	11125	4243	1750	3079	1925	1962		2000	
	LOAN		43850	54910	41750	27649	6900	6920	2510	6500			
SELECTED DEVELOPMENT ACTIVITIES													
JAGRAWI HIGHWAY CONSTRUCTION													
497-0223	L 74	74	26000	26000	25985	9	SUBCAT: SDRT	% PVO					4557
PVO CO-FINANCING (PVO)													
497-0225	G 74	81	2148	2148	2114	14	SUBCAT: SDPV	% PVO	100				4562

PROJECT NUMBER AND TITLE		OBLIG THRU FY 83		ESTIMATED U.S. DOLLAR COST (\$000)		FY 1984		FY 1985		FY 1986		ITEM NO
G DATE	-TOTAL COST- L INIT FIN AUTH PLAN	OBLIG THRU FY 83	PIPE- LINE	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	AAPL	FUNDED THRU	
497-0266	SCIENCE AND TECHNOLOGY/RESEARCH AND TRNG											
G 78 80	1500 1500	1500	394	---	200	---	---	---	---	---	---	11313
L 78 80	5000 5000	5000	669	---	600	---	---	---	---	---	---	11314
497-0314	ASSISTANCE TO ENVIRONMENTAL CENTERS											
G 79 80	500 500	500	151	---	151	---	---	---	---	---	---	11347
497-0318	ENERGY PLANNING FOR DEVELOPMENT II											
L 82 82	750 750	750	750	---	50	---	700	---	---	---	---	11349
497-0329	PRIVATE SECTOR DEVELOPMENT											
L 82 86	1500 6500	1500	1495	---	---	---	---	---	---	5000	9/89	8804
497-0333	PUSIPTTEK ENERGY LAB											
G 82 86	500 500	500	470	---	80	---	100	---	---	---	---	11358
L 82 86	11250 11750	7843	7843	3407	250	500	2350	---	---	---	9/89	11359
497-0336	PVO CO-FINANCING II (PVO)											
G 82 86	2900 4000	1000	762	500	500	1000	800	1/86	1500	1/87	8797	
497-0340	DEVELOPMENT STUDIES											
G 83 85	3000 4000	1760	1760	1240	75	1000	1000	6/87	---	---	11360	
APPROPRIATION												
TOTAL	55048 62648	48452	14317	5147	1920	2500	4950			6500		
GRANT	10548 12648	7374	3551	1740	1020	2000	1900			1500		
LOAN	44500 50000	41078	10766	3407	900	500	3050			5000		
PROGRAM												
TOTAL	659490 860190	602908	259380	64007	85093	65000	81675			65000		
GRANT	174650 210520	146149	56211	18550	21923	16500	28372			18500		
LOAN	484840 649670	456759	203169	45457	63170	48500	53303			46500		

Project Title : Diarrheal Mortality/Morbidity Reduction
(497-0346)

Proposed Funding : FY 86: L \$5.425 Million G \$1.0 Million
LOP: \$7.0 Million

Appropriate Account : Health

Project Purpose : To assist in planning, management and evaluation and eventual institutionalization of a nation-wide program to reduce deaths and serious morbidity from diarrheal diseases.

This project directly addresses the Mission's CDSS concerns of reducing mortality/morbidity from diarrheal disease, and of improving primary health care. It responds to the Asia Bureau Strategy of mortality reduction and the emphasis on oral-rehydration therapy. The project also reflects the Health Policy Paper concern to promote economically viable health programs as well as the emphasis on increasing bio-medical research and field testing in support of health care systems. The entire project will address the congressional concern of promoting ORT activities in Indonesia

Description of Problem : Estimated mortality directly related to diarrheal diseases is greater than 400,000 per year, mostly in infants and children. Morbidity affects millions more. As disease transmission is unlikely to be decreased greatly in the next decade, control of consequences becomes the major strategy.

Oral rehydration "technology" (ORT) has been accepted at policy levels in Indonesia. The problem is to make it work in the field, both in areas where other health/nutrition/family planning services are strong as well as where the diarrhea programs must work alone.

Means of Dealing with the Problem :

- Assessments of strengths and weaknesses of current ORT training and delivery programs which are presently being supported under the ongoing Health Training, Research and Development project (497-0273).
- Assist the process of integration of diarrheal disease services with the other priority services of immunization, family planning, nutrition and prenatal care.

- Further development of surveillance network on extent and etiologies of diarrheal disease, and monitoring systems of efficiency and effectiveness of treatment services through all types of provider systems.
- Development of areas of intensive coverage with ORT programs, preferably in at least one kabupaten in Java and one outside Java utilizing a sample demographic base and considerable monitoring and training.
- Revision of pre-service and in-service training in diarrheal disease management for all levels of health and family planning workers. Special training for non-health persons in decision making positions.
- Upgrading research and health system laboratory capabilities in diarrheal disease microbiology.
- Establishment of clinical centers of excellence in simple treatment of diarrheal diseases in several provinces which serve as training centers for physicians and paramedics from their regions.

The project will work with the Ministry of Health, Communicable Disease Control, Community Health Services, Center for Education & Training, Medical Faculties and the National Family Planning Coordinating Board in order to promote an integrated program.

Target Group : Low income children at highest risk level from diarrheal diseases.

Research Activities : Research activities will be limited to studies on etiologies of diarrheal disease in Indonesia, and operations research on ways to economically deliver oral rehydration therapy in the field and hospitals in Indonesia.

Participant Training : Will be limited to short-term training in epidemiologic and microbiologic skills relating to diarrheal diseases, and observation of oral rehydration programs in other Asian countries. Estimated cost \$300,000 for 40 trainees.

Possible USAID Assistance:

- Technical assistance
- Research activities
- Participant and in-country training
- Commodities

Project Title: Accelerated Rural Roads Development
(497-0351)

Proposed Funding: FY 86: L \$7 million G \$1 million
LOP: \$25 million

Appropriation Account: Agriculture, Rural Development and
Nutrition

Project Purpose: 1) to assist the Ministry of Manpower develop and implement a rural roads program which will provide employment and increased income for villagers in rural areas of Java and the outer islands, and 2) to establish a system of coordinated planning, implementation, operation and maintenance for these roads.

The project supports the Mission strategy to strengthen food production by providing access to markets for agricultural produce. In the short run it supports off-farm employment opportunities in road construction. Institution building within the Ministry of Manpower and district level offices will also be undertaken.

Description of the Problem: Since 1969 almost 80,000 kilometers of rural roads have been rehabilitated or constructed in Indonesia. Many of these roads have been rehabilitated or developed under the centrally funded INPRES program (mostly rural arterial roads) or the AID funded Rural Works II (497-0285) project (rural feeder roads) done in conjunction with the Ministry of Manpower. These two road projects, the INPRES equipment-based arterial road project and the Ministry of Manpower labor-based rural collector road projects, do not support each other and are scattered throughout the country without an overall plan for efficient use of resources.

The two road systems are not coordinated: rural feeder roads often do not connect to the existing rural roads system or to the new arterial roads constructed under the INPRES program. The roads rarely generate the anticipated traffic volume and many times do not justify the investment. Coordinated planning of the two systems is inadequate and maintenance has not yet been recognized as an integral part of an overall construction/rehabilitation program. This situation leads to inefficient government spending for construction of rural roads.

The present method of road development does not provide the most favorable impact on the rural poor. Although there was considerable improvement during this decade, especially with the Rural Roads II project, in selecting rural roads projects that contributed to increased growth and agricultural production, there is still need for improvement.

A second major problem concerns the Government of Indonesia's lack of long-term commitment to maintenance. As a result the present allocation of resources is insufficient and the executing organizations are not fully effective.

Means of Dealing with the Problem: USAID proposes a seven-year assistance program to provide technical assistance and in-country training to:

- (1) Establish a system which will coordinate the Ministry of Manpower and INPRES rural roads programs and strengthen planning, implementation, operation and maintenance and evaluation.
- (2) Strengthen the training staff at the Ministry of Manpower to undertake more effective training for those involved in the design, supervision and construction of labor-intensive road systems.
- (3) Establish a system of O & M financing at the district level in order to provide adequate funds to maintain completed rural roads.

Target Group: The project will directly benefit both the Ministry of Manpower and District Level Government staffs who receive training in project planning, operation and maintenance. Villagers within the project area will benefit immediately from work opportunities which arise from the labor-intensive construction techniques utilized in road building and then at a later date as the roads open up easier access to markets for agricultural products.

Possible USAID Assistance:

- Technical assistance;
- In-country training;
- Partial cost of road construction.

Project Title: Aquaculture Resources Development
(497-0352)

Proposed Funding: FY 86: L - \$10 million G - \$2 million
LOP: \$15 million

Appropriation Account: Agriculture, Rural Development and
Nutrition

Project Purpose: a) to develop Indonesia's Marine Science Program in order to provide better access to professional knowledge needed to wisely develop and manage its marine resources, and b) to increase access to technology for shrimp production and marketing.

This activity supports the CDSS objectives of increased food production, human resource development and promotion of off-farm employment. It is also an integral part of the Mission's Science and Technology strategy, most specifically that element of the strategy which calls for transfer of U.S. technical skills to Indonesia.

This project will strengthen the U.S. Government commitment to support science and technology. In addition, the project will support the Administration's strategy in focusing on small and medium scale enterprise development within the private sector.

Description of the Problem: Production from fishery resources in Indonesia is growing, although slowly. Yields are presently at 30% of estimated potential for sea fishing and 17.5% for fresh water (including brackish water) capture and culture. The fisheries sector currently provides employment to about 3 million fishers and their families. However, the majority earn very low incomes, about \$300/year, well below the national per-capita income of \$540, mainly because they have limited access to technology, poor storage and inadequate marketing facilities. Virtually, all economic activity is local. As fish represent a low cost source of protein, and since technologies applicable to the Indonesian situation are available, the 4th Five Year Plan has increased emphasis on this sector. Both domestic consumption and export markets are targetted for significant increases. Increased attention is also directed at the development of a cadre of scientists and extension personnel qualified to extend existing knowledge and develop new approaches to aid in the exploitation of

adequate resources. The beginnings of a training system exist, partially as the result of USAID's efforts to develop the marine sciences faculty at Ambon, and partially growing from IBRD efforts with the National Oceanographic Institute. However, output remains insufficient to the need to extend appropriate technologies more extensively.

Means of Dealing with the Problem: Analysis carried out in the Central Java Enterprises feasibility study, in several subprojects of the Small Scale Fisheries project and in evaluation of the Aquaculture subproject of the recently completed Science and Technology project have led the Mission to conclude that with judiciously directed assistance relatively large and quantifiable increases in returns to the fisheries sector can be expected. While not all encompassing, the planned assistance will focus on the weaker elements of the aquaculture sector with a view to creating a capacity for sustained higher production. Concurrent activities will include:

- increasing the quantity and quality of marine scientists able to carry out adaptive research and train/upgrade aquaculture extension intermediaries. This will be done with the fisheries faculty at the University of Pattimura at Ambon and the Brackish Water Institute in Central Java.
- support to GOI efforts to change shrimp production from extensive techniques to intensive techniques. This will involve a series of actions, including technical support for hatchery development/management, pond development, demonstration ponds, and feeding/harvesting techniques.
- quality control assistance, possibly from US Food and Drug Administration, to assist the GOI in establishing international standards needed to optimize export potential.

The Project will include an emphasis on private sector involvement, most especially in shrimp cultivation. Baseline data for this will be forthcoming from special studies and experiments being funded under the Private Sector project in FY 84. Developing close working relations with international institutions which have a capacity in coastal resources management will be a

priority as well. The groundwork for this has been provided by the National Academy of Sciences program funded under the recently completed Science and Technology project.

This 7 year project will be carried out with the Ministry of Population and the Environment, Ministry of Agriculture and Ministry of Education. The Centrally Funded Coastal Resources Management project will be a central resource for those elements of the project aimed at ameliorating environmental damage which affects employment and income of fishermen.

Target Group: Indonesian fishermen with a per-capita income of \$300 or less.

Research Activities: These will include development of appropriate feed, equipment for ponds, extension materials and breeding species for extension. Development of a research capacity at University of Pattimura will also be a priority.

Participant Training: U.S. and third country training will be programmed for approximately 30% of the fisheries faculty at Pattimura estimated at \$1 million. Other training will be mostly in country.

Possible USAID Assistance:

- Technical assistance;
- Participant and in-country training;
- Collaborative relationships with third country research institutions.

Means of Dealing with the Problem: The Mission has identified three geographical areas where poverty is intense. These areas are Sumbawa in NTB, NTT and parts of Maluku. Rice yield in Maluku is 1/3 the national average; 39% of the populace of Maluku are deeply impoverished, as are 57% in NTT and 50% in NTB. Using the latest comparisons available per capita incomes for NTT and NTB at \$148, would rank them number 10 in the list of poorest countries, right after Mali. The Mission is considering an intervention in two of these areas, based on feasibility work to be carried out in FY 85 with PD&S funding and building on data available from IBRD, Canadian and UNDP studies. The types of activities envisioned include:

- Development of water resources and connecting roads in agricultural areas;
- Adaptation/demonstration/distribution of appropriate dryland farming technologies;
- Establishment of credit facilities to farmers and small traders and entrepreneurs engaged in agriculture related activities.

The Mission has prior experience with all of the above in Indonesia. The project will be closely related to on-going activities in irrigation, agricultural research and rural credit. Because of the problems of the dryer outer islands and the highly differentiated cultural patterns in these areas, a distinct and integrated approach is most appropriate. A baseline survey and management information system will be part of the project.

Target Group: Outer island villagers with incomes and yields significantly below the National average.

Research Activities: Agricultural research on cropping systems for dryland areas will be carried out under this project.

Possible USAID Assistance:

- Technical assistance
- Research support
- In-country training
- Support to development activities

TABLE VIII: OPERATING EXPENSE NARRATIVE

A. Management Improvements

The Mission will continue to exercise its close control over operating expenditures and look for ways to cut costs. In FY 1984 the Mission has saved more than \$100,000 in scarce OE resources and returned that amount to AID/W for reprogramming. We expect to save at least \$200,000 per annum in FY 85 and 86 from the actions recently taken to reorganize, relocate offices and assume certain administrative activities from the Embassy. These savings are reflected in this ABS. We also continue to program for staff reductions in accordance with the plan agreed upon with the Asia Bureau in 1982. These actions are planned to minimize program disruptions and minimize the impact on staff morale.

The Mission has an ambitious training program scheduled for 1985 and 1986 to train and upgrade the skills of USDH and FSN staff to make them more productive and to enable them to assume more and greater responsibilities.

B. Justification for Funding Change

1. Funding Changes Exceeding 20 per cent for FY 84-85: Summary Function U300 exceeds the 20 per cent limitation as it is anticipated that the USAID will require the services of ADP programmers/analysts in both FY 1985 and 1986 to adopt newly acquired ADP equipment to Mission needs.
2. Funding Changes Exceeding 20 per cent for FY 85-86: None.
3. It should be noted that none of the budgets include estimates for FAAS.
4. The USAID has been advised by AID/W to begin incorporating both housing lease costs and household furniture and equipment procurement. The current estimates do not contain these estimates as there are too many variables, at this time, to make any budget estimate meaningful. A separate submission will be forwarded to AID/W when negotiations with the Embassy have been completed.

TABLE VIII
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 MISSION USAID/INDONESIA FISCAL YEAR 84
OPERATING EXPENSES

(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE *	U100		4,011.5		4,011.5	XXXXXX
U.S. CITIZENS BASIC PAY	U101	110	2,479.0		2,479.0	49.0
PT/TEMP U.S. BASIC PAY	U102	112	24.0		24.0	0.7
DIFFERENTIAL PAY	U103	116	297.5		297.5	XXXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	120.9		120.9	XXXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXXX
EDUCATION ALLOWANCES	U106	126	178.5		178.5	30.0
RETIREMENT	U107	120	175.2		175.2	XXXXXX
LIVING ALLOWANCES	U108	128				XXXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	87.8		87.8	XXXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	23.5		23.5	XXXXXX
POST ASSIGNMENT - TRAVEL	U111	212	89.9		89.9	14.0
POST ASSIGNMENT - FREIGHT	U112	22	161.6		161.5	14.0
HOME LEAVE - TRAVEL	U113	212	130.9		130.9	24.0
HOME LEAVE - FREIGHT	U114	22	115.3		115.3	24.0
EDUCATION TRAVEL	U115	215	25.1		25.1	14.0
R & R Travel	U116	215	66.4		66.4	66.0
ALL OTHER CODE 215 TRAVEL	U117	215	36.0		36.0	24.0
FOREIGN NATIONAL DH	U200		822.1	60.9	883.0	XXXXXX
BASIC PAY	U201	114	513.0	60.9	573.9	0.8
OVERTIME, HOLIDAY PAY	U202	115	44.0		44.0	4.2
ALL OTHER CODE 11 - FN	U203	119	3.0		3.0	XXXXXX
ALL OTHER CODE 12 - FN	U204	129	262.1		262.1	XXXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXXX
CONTRACT PERSONNEL	U300		65.4	556.1	621.5	XXXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	64.4		64.4	3.8
ALL OTHER U.S. PSC COSTS	U303	255	1.0		1.0	XXXXXX
F.N. PSC - SALARY /BENEFITS	U304	113		553.1	553.1	81.0
ALL OTHER F.N. PSC COSTS	U305	255		3.0	3.0	XXXXXX
JCC COSTS PAID BY AID/W	U306	113				
HOUSING	U400		70.1		70.1	XXXXXX
RENT	U401	235				XXXXXX
UTILITIES	U402	235	1.5		1.5	XXXXXX
RENOVATION AND MAINT.	U403	259	40.0		40.0	XXXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EUIP.	U405	311	8.0		8.0	XXXXXX
TRANS./FREIGHT - CODE 311	U406	22	2.5		2.5	XXXXXX
SECURITY GUARD SERVICES	U407	254	15.0		15.0	XXXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.7		0.7	XXXXXX
REPRESENTATION ALLOWANCE	U409	252	2.4		2.4	XXXXXX

TABLE VIII

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1,045.3		1,045.3	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	42.8		42.8	XXXXX
BUILDING MAINT./RENOV.	U503	259	42.0		42.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	13.5		13.5	
VEHICLES	U505	312	79.0		79.0	XXXXX
OTHER EQUIPMENT	U506	319	52.0		52.0	XXXXX
TRANSPORTATION/FREIGHT	U507	22	5.0		5.0	XXXXX
COMMUNICATIONS	U508	230	25.0		25.0	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	1.0		1.0	XXXXX
RIG/OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210	188.0		188.0	644.0
SITE VISITS - OTHER	U513	210	20.0		20.0	10.0
INFORMATION MEETING	U514	210	14.0		14.0	48.0
TRAINING ATTENDANCE	U515	210	60.0		60.0	205.0
CONFERENCE ATTENDANCE	U516	210	45.0		45.0	154.0
OTHER OPERATIONAL TRAVEL	U517	210	73.0		73.0	25.0
SUPPLIES AND MATERIALS	U518	26	130.0		130.0	XXXXX
FAAS	U519	257				XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT/PRO. SVCS - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259	255.0		255.0	XXXXX
TOTAL O.E. BUDGET			6,014.4	617.0	6,631.4	XXXXX
RECONCILIATION			3,184.4		3,184.4	XXXXX
OPERATING ALLOWANCE REQUIREMENTS			2,830.0	617.0	3,447.0	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1984)

1,779.6
1,004

TABLE VIII
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 MISSION USAID/INDONESIA FISCAL YEAR 85
OPERATING EXPENSES

(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE *	U100		3,903.7		3,903.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	2,365.8		2,365.8	47.0
PT/TEMP U.S. BASIC PAY	U102	112	32.7		32.7	.8
DIFFERENTIAL PAY	U103	116	283.9		283.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	96.8		96.8	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	163.3		163.3	
RETIREMENT	U107	120	167.9		167.9	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	83.8		83.8	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	25.8		25.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	92.5		92.5	11.0
POST ASSIGNMENT - FREIGHT	U112	22	162.3		162.3	11.0
HOME LEAVE - TRAVEL	U113	212	171.1		171.1	28.0
HOME LEAVE - FREIGHT	U114	22	164.4		164.4	28.0
EDUCATION TRAVEL	U115	215	24.0		24.0	16.0
R & R Travel	U116	215	33.4		33.4	34.0
ALL-OTHER CODE 215 TRAVEL	U117	215	36.0		36.0	24.0
FOREIGN NATIONAL DEF	U200		1,008.9	3.5	1,012.4	XXXXX
BASIC PAY	U201	114	645.1	3.5	648.6	74.8
OVERTIME, HOLIDAY PAY	U202	115	46.8		46.8	4.2
ALL-OTHER CODE 11 - FN	U203	119	7.0		7.0	XXXXX
ALL-OTHER CODE 12 - FN	U204	129	310.0		310.0	XXXXX
BENEFITS FOREIGN EXPENSES	U205	13				XXXXX
CONTRACT PERSONNEL	U300		135.5	611.0	746.5	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	134.5		134.5	5.0
ALL OTHER U.S. PSC COSTS	U303	255	1.0		1.0	XXXXX
F.N. PSC - SALARY /BENEFITS	U304	113		608.0	608.0	89.0
ALL OTHER F.N. PSC COSTS	U305	255		3.0	3.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113				
HOUSING	U400		83.6		83.6	XXXXX
RENT	U401	235	9.0		9.0	1.0
UTILITIES	U402	235	1.5		1.5	XXXXX
RENOVATION AND MAINT.	U403	259	40.0		40.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EUIP.	U405	311	10.5		10.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	3.5		3.5	XXXXX
SECURITY GUARD SERVICES	U407	254	16.0		16.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.7		0.7	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.4		2.4	XXXXX

TABLE VIII

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1,249.1		1,249.1	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	51.6		51.6	XXXXX
BUILDING MAINT./RENOV.	U503	259	25.0		25.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	58.8		58.8	XXXXX
VEHICLES	U505	312	121.8		121.8	XXXXX
OTHER EQUIPMENT	U506	319	111.0		111.0	XXXXX
TRANSPORATION/FREIGHT	U507	22	5.0		5.0	XXXXX
COMMUNICATIONS	U508	230	28.0		28.0	XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/IIOPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210	195.5		195.5	644.0
SITE VISITS - OTHER	U513	210	20.8		20.8	10.0
INFORMATION MEETING	U514	210	14.6		14.6	48.0
TRAINING ATTENDANCE	U515	210	123.0		123.0	252.0
CONFERENCE ATTENDACE	U516	210	46.8		46.8	154.0
OTHER OPERATIONAL TRAVEL	U517	210	75.9		75.9	25.0
SUPPLIES AND MATERIALS	U518	26	100.0		100.0	XXXXX
FAAS	U519	257				XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT/PRO. SVCS - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES- CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259	271.3		271.3	XXXXX
TOTAL O.E. BUDGET			6,380.8	614.5	6,995.3	XXXXX
RECONCILIATION			3,030.9		3,030.9	XXXXX
OPERATING ALLOWANCE REQUIREMENTS			3,349.9	614.5	3,964.4	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1984)

2,175.7
1,004

Estimated Wage Increases - FY 1984 to FY 1985
 Estimated Price Increases - FY 1984 to FY 1985

5 %
8 %

TABLE VIII
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION USAID/INDONESIA FISCAL YEAR 86
OPERATING EXPENSES

(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE *	U100		3,467.7		3,467.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	2,214.8		2,214.8	44.0
PT/TEMP U.S. BASIC PAY	U102	112	32.7		32.7	0.8
DIFFERENTIAL PAY	U103	116	265.8		265.8	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	83.2		83.2	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	102.2		102.2	16.0
RETIREMENT	U107	120	157.3		157.3	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	78.4		78.4	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	17.5		17.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	42.5		42.5	7.0
POST ASSIGNMENT - FREIGHT	U112	22	103.3		103.3	7.0
HOME LEAVE - TRAVEL	U113	212	154.1		154.1	21.0
HOME LEAVE - FREIGHT	U114	22	97.8		97.8	21.0
EDUCATION TRAVEL	U115	215	30.0		30.0	18.0
R & R Travel	U116	215	52.1		52.1	50.0
ALL OTHER CODE 215 TRAVEL	U117	215	36.0		36.0	24.0
FOREIGN NATIONAL DH	U200		1,050.0		1,050.0	XXXXX
BASIC PAY	U201	114	700.5		700.5	74.8
OVERTIME, HOLIDAY PAY	U202	115	50.5		50.5	4.0
ALL OTHER CODE 11 - FN	U203	119	1.0		1.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129	298.0		298.0	XXXXX
BENEFITS FORMER FN PERE.	U205	13				XXXXX
CONTRACT PERSONNEL	U300		187.1	614.5	801.6	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	141.0		141.0	5.0
ALL OTHER U.S. PSC COSTS	U303	255	1.0		1.0	XXXXX
F.N. PSC - SALARY /BENEFITS	U304	113	42.1	614.5	656.6	89.0
ALL OTHER F.N. PSC COSTS	U305	255	3.0		3.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113				
HOUSING	U400		86.1		86.1	XXXXX
RENT	U401	235				
UTILITIES	U402	235				XXXXX
RENOVATION AND MAINT.	U403	259	60.0		60.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EUIP.	U405	311	5.0		5.0	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	1.0		1.0	XXXXX
SECURITY GUARD SERVICES	U407	254	17.0		17.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	0.7		0.7	XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.4		2.4	XXXXX

TABLE VIII

EXPENSE CATEGORY	F. C.	O. C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1,354.8		1,354.8	XXXXXX
RENT	U501	234				XXXXXX
UTILITIES	U502	234	56.8		56.8	XXXXXX
BUILDING MAINT./RENOV.	U503	259	30.0		30.0	XXXXXX
OFFICE FURN./EQUIP.	U504	310	141.9		141.9	XXXXXX
VEHICLES	U505	312	139.2		139.2	XXXXXX
OTHER EQUIPMENT	U506	319	115.0		115.0	XXXXXX
TRANSPORTATION/FREIGHT	U507	22	5.0		5.0	XXXXXX
COMMUNICATIONS	U508	230	39.6		39.6	XXXXXX
SECURITY GUARD SERVICES	U509	254				XXXXXX
PRINTING	U510	24				XXXXXX
RIG/OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210	188.0		188.0	644.0
SITE VISITS - OTHER	U513	210	52.0		52.0	10.0
INFORMATION MEETING	U514	210	24.0		24.0	48.0
TRAINING ATTENDANCE	U515	210	103.3		103.3	245.0
CONFERENCE ATTENDANCE	U516	210	40.0		40.0	154.0
OTHER OPERATIONAL TRAVEL	U517	210	36.0		36.0	25.0
SUPPLIES AND MATERIALS	U518	26	110.0		110.0	XXXXXX
PAAS	U519	257				XXXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXXX
MGT/PROG. SVCS - CONT.	U521	259				XXXXXX
SPEC. STUDIES/ANALYSES. CONT.	U522	259				XXXXXX
ALL OTHER CODE 25	U523	259	274.0		274.0	XXXXXX
TOTAL O.E. BUDGET			6,145.7	614.5	6,760.2	XXXXXX
RECONCILIATION			2,832.2		2,832.2	XXXXXX
OPERATING ALLOWANCE REQUIREMENTS			3,313.5	614.5	3,928.0	XXXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1984)

2,340.9
1,004

Estimated Wage Increases - FY 1985 to FY 1986
 Estimated Price Increases - FY 1985 to FY 1986

5%
8%

TABLE VIII(A) - PSC Costs

<u>Position</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
SECRETARY	11,025 (10/83-10/84)	13,000 (10/84-09/83)	15,000 (10/85-10/86)
ADMIN. ASST.	13,350 (09/83-07/84)	15,000 (10/84-09/85)	16,000 (10/85-09/86)
ADP SYSTEMS MGR	30,000 (07/84-06/85)	32,500 (07/83-06/86)	35,000 (07/86-06/87)
ADP PROGRAMMER(s)/ANALYST(s)	-	63,000 (21 P/M)	63,000 (21 P/M)
ENGLISH LANGUAGE TEST ADMINISTRATOR	10,000 (07/84-06/85)	11,000 (07/85-06/86)	12,000 (07/86-06/87)
	<u>64,375</u>	<u>134,500</u>	<u>141,000</u>

TABLE VIII(B) - ALL OTHER
CODE 25 DETAIL

<u>DESCRIPTION</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
BUILDING MAINT. SERV.	118,000	135,700	156,100
SUPPORT SERV.-OUT ISLANDS	21,400	23,500	25,900
AUTO MAINT. & REPAIRS	15,600	17,100	18,800
RAMC - BANGKOK	26,000	26,000	-
COPY MACHINES	18,000	12,000	13,200
MEDICAL SERVICES	15,100	15,000	16,000
MISC.	40,900	42,000	44,000
TOTAL	<u>255,000</u>	<u>271,300</u>	<u>274,000</u>

Table VIII(C): Obligations for Acquisition, Operation and Use of Information Technology Systems
Information Technology Narrative:

Equipment now in place:

<u>System</u>	<u>Type</u>	<u>Nbr</u>	<u>Op/Reduntant</u>	<u>Own/lease</u>
<u>WANG VS-80</u>				
Disk Drives	2265V1	2	Operational	Owned
Work Stations	2256C	12	Operational	Owned
Daisy Printers	6581W	4	Operational	Owned
H.S. Printer	5573	1	Operational	Owned
H.S. Printer	5574	1	Operational	Owned
<u>WANG WPS-25</u>				
CPU	5525-3	1	Operational	Owned
Work Station	5506-2/AWS-1	5	Operational	Owned
Work Station	5536	5	Operational	Owned
Daisy Printer	6581WP	4	Operational	Owned
Work Station	5536	1	Redundant	Owned

Uses of Equipment:

Mission Accounting and Control System (MACS), word processing (project papers, PILs, PIDs, PIRs, CDSS, staffing patterns, contract personnel listings, evaluation reports, concept papers, personal service and other contracts, Post orientation package, grant and loan agreements, EERs, monthly Motor Pool billing, T/A cables, library acquisitions, bibliographies, mailing lists, residential inventory, commodity monthly report, correspondence, cables, memoranda, etc.)

Planned Uses of Equipment:

Participant Training Information system on VS-80 (adapted from USAID/Cairo application)
Contractor's data base using WANG VS utility programs
Ad hoc reporting from MACS data files via WANG VS utility programs
Project budget and planning using PC spreadsheet software
Project analysis using PC spreadsheet software
Monitoring of economic data using PC statistical analysis software
Analysis, forecasting and simulation via correlation and regression analysis using PC statistical analysis software

Current and Long Term Plans to Upgrade:

Redundant 5536 work station will be upgraded to a 2256C work station for use on the VS-80

IBM personal computer has been ordered to be used for PC applications as noted above. Anticipated arrival by September 84.

Note: STATE anticipates upgrade of WANG VS-80 system to VS-100 in the next fiscal year

	FY84(\$000)	FY85(\$000)	FY86(\$000)
1. Capital Investment			
A. Purchase of Hardware	7	14	12
B. Purchase of Software	3	10	15
C. Site and Facility	0	57	0
2. Personnel			
A. Compensation, Benefits and Travel	0	0	0
B. Workyears	0	0	0
3. Equipment Rental, Space and other Operating Costs			
A. Lease of Equipment	0	0	0
B. Space	0	0	0
C. Supplies and Other	9	15	25
D. Non-commercial Training	0	0	0
4. Commerical Services			
A. Computer Time	0	0	0
B. Leased Telecommunications Services	0	0	0
C. Operations and Maintenance			
1. Operations	*	0	0
2. Maintenance	**	0	0
D. Systems Analysis and Programming		63	63
E. (omit for USAID)	N/A	N/A	N/A
F. Studies and Other	0	15	0
5. Total Obligations (Workyears 2.B)	19 (0)	174 (0)	115 (0)
6. Special Breakout			
A. Services for Equipment in Place	9	15	25
B. New/Expanded Systems	10	159	90

*Salaries for Data Systems Manager and Asst. included in O.E. PCS funding
 **Maintenance costs for WPC and VS equipment for first year included with purchase orders, afterward funded from AID/W through DOS umbrella maintenance contract with WANG

FY84: 1.A: IBM-PC currently on order
 1.B: Software for IBM-PC
 3.C: Paper, ribbons, printwheels (from GSO and local P.O.)

FY85: 1.A: Two work stations, one printer and IOP for VS-80/100
 1.B: SPREAD software for VS
 1.C: UPS (uninterruptable power system) for VS-80/100
 4.D: Estimated at 1 new system and 3 system adaptations
 New system: analyst 6 mos (\$28hr*5hr/da*25da/mo*6mos), two prgmrs 6 mos each (\$16hr*5hr/da*25da/mo*12mos) = \$45K
 Modify system: pgmer 3 mos (\$16/hr*5hr/da*25da/mo*3mos) = \$18K
 4.F: Management Information Study

FY86: 1.A: Two work stations and one printer for VS-80/100
 4.D: Estimated at 1 new system and 3 system adaptations
 New system: analyst 6 mos (\$28hr*5hr/da*25da/mo*6mos), two prgmrs 6 mos each (\$16hr*5hr/da*25da/mo*12mos) = \$45K
 Modify system: pgmer 3 mos (\$16/hr*5hr/da*25da/mo*3mos) = \$18K

TABLE VIII(D): MISSION TRAINING PLAN FY 85-86

<u>Course</u>	<u>FY 85</u>	<u>FY 86</u>
Project Implementation		
- Jakarta	USDH 7 FSN 5	
- Manila (3/85)	USDH 5	
- AID/W (7/85)	USDH 1	
To be scheduled		USDH 6
Development Studies Program	1	2
Language Training	6	10
Technical Training	10	10
Management Skills (FS-2)	3	3
Management Skills (FS-1)	5	5
ADP Training	4	4
Total Training	47	40

PL 480 TITLE II NARRATIVE

The basic goals and objectives of the Title II program for FY 86 and beyond have not deviated from those outlined in the FY 85 ABS. The implementors, Catholic Relief Services and Church World Services, also remain the same. What has changed, however, is the approach which CRS is taking to meet those objectives - an approach which the Mission believes is more likely to attain the desired results than previous programs. The changes are based on recommendations from the assessment/evaluation of the CRS Title II program conducted in 1983 which is detailed in the CRS Five Year Project Proposal. The Mission endorses the proposal and believes CRS and its counterparts have the capabilities to effectively implement the plan.

A major component of the proposal involves promoting self-sufficiency in the Food and Nutrition Program via income generating activities. Funds to initiate these activities will come from monetization of Title II commodities - without these funds a self-sustaining program is impossible.

The CWS program remains similar to past years and thus only a summary of the CRS program is presented below:

A. Food for Work

The objective of the Food for Work program is two-fold: to provide simple infrastructure identified by villagers as being of high development priority, and to provide work with payment in-kind to under-employed and unemployed villagers during periods of limited employment opportunities. A consultant is currently working with CRS in designing an improved system for selection, monitoring and evaluation intended to result in FFW projects directly benefitting poor communities. Implementation of an improved system will require increased technical assistance on the part of CRS and its counterparts. To this end, the consultant will also train CRS and counterpart Food for Work staffs in technical matters. Consultancy assistance is projected to be completed in FY 86 and the improved system established and implemented. In the future, CRS expects to expand its FFW activities to the outer islands.

B. Food and Nutrition Program (FNP)

The objectives of the redesigned food and nutrition program as stated in the CRS Five Year Project Proposal are to maximize community participation in nutrition and income generating activities; increase beneficiary knowledge and application of specific nutritional information; and to develop a system for generating funds locally for the dual purpose of increasing family income and independently financing village nutrition activities. To achieve these objectives, implementation activities are concentrated on eight program components: commitment, targeting, growth surveillance, commodity distribution, participative nutrition education, training, supervision/monitoring and income generation. Implementation of this improved program is gradually being phased in to 173 FNP centers. By the end of FY 86, 93 centers will be fully implementing this system.

The Mission supports the idea of a five year program in principle and expects to monitor the program on a day to day basis through the Voluntary and Humanitarian Projects Office. A formal evaluation of the program will be scheduled in late FY 86.

Food for Work programs are short-term programs and therefore long-term dependency on Title II commodities is not a major issue. In FNP, the income generating component is intended eventually to generate adequate funds for the community to independently finance village nutrition activities. It will also provide an economic incentive for continued participation of the community members.

Country/Office INDONESIA

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE 1/111 REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	<u>Actual</u> <u>FY 1984</u>		<u>Estimated</u> <u>FY 1985</u>		<u>Projected</u> <u>FY 1986</u>	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Wheat	15	88	15	88	15	88
Rice	15	45	15	45	15	45
Total	30	133	30	133	30	133

of which
Title III

N / A

Total

COMMENT:

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II - FY 1985

I. Country Indonesia

Sponsor's Name Church World Service

A. Maternal and Child Health.....Total Recipients 1.99

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>0.31</u>	<u>NFTM</u>	<u>19.5</u>	<u>2.1</u>
<u>1.68</u>	<u>CSB</u>	<u>19.8</u>	<u>8.2</u>
Total MCH		<u>39.3</u>	<u>10.3</u>

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total Recipients 4.88

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2.20</u>	<u>CORN</u>	<u>315.0</u>	<u>42.5</u>
<u>2.78</u>	<u>RICE</u>	<u>380.3</u>	<u>144.5</u>
Total Food for Work		<u>695.3</u>	<u>187.0</u>

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other		_____	_____

II. Sponsor's Name _____

Total \$	197.3
5 % \$	9.9
	<u>207.2</u>

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II - FY1986

I. Country Indonesia

Sponsor's Name Church World Service

A. Maternal and Child Health.....Total Recipients 2.27

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>0.64</u>	<u>NFDM</u>	<u>13.7</u>	<u>1.5</u>
<u>1.63</u>	<u>CSB</u>	<u>30.8</u>	<u>12.8</u>
<u>Total MCH</u>		<u>44.5</u>	<u>14.3</u>

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total School Feeding</u>		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other Child Feeding</u>		_____	_____

D. Food for Work.....Total Recipients 4.88

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>1.50</u>	<u>CORN</u>	<u>236.3</u>	<u>31.9</u>
<u>3.38</u>	<u>RICE</u>	<u>493.8</u>	<u>187.6</u>
<u>Total Food for Work</u>		<u>730.1</u>	<u>219.5</u>

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>		_____	_____

II. Sponsor's Name _____

Total \$	<u>233.8</u>
5% \$	<u>11.7</u>
	<u>245.5</u>

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II - FY 1985

I. Country Indonesia

Sponsor's Name Catholic Relief Services

A. Maternal and Child Health.....Total Recipients 76.5

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>75.0</u>	<u>BULGUR</u>	<u>3,600</u>	<u>824.4</u>
<u>75.0</u>	<u>NFDM</u>	<u>1,800</u>	<u>198.0</u>
<u>1.5</u>	<u>WHEAT FLOUR</u>	<u>150</u>	<u>39.3</u>
<u>Total MCH</u>		<u>5,550</u>	<u>1,061.7</u>

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total School Feeding</u>		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other Child Feeding</u>		_____	_____

D. Food for Work.....Total Recipients 128.75

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>103.75</u>	<u>BULGUR</u>	<u>11,828</u>	<u>2,708.5</u>
<u>103.75</u>	<u>NFDM</u>	<u>623</u>	<u>68.5</u>
<u>25.0</u>	<u>RICE</u>	<u>3,000</u>	<u>1,140.0</u>
<u>Total Food for Work</u>		<u>15,451</u>	<u>3,917.1</u>

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>		_____	_____

II. Sponsor's Name _____

	Total \$	4,978.8
	5% reserve except for rice \$	191.9
		<u>5,170.7</u>

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II - FY 1986

I. Country Indonesia

Sponsor's Name Catholic Relief Services (CRS)

A. Maternal and Child Health.....Total Recipients 75.0

No. of Recipients by Commodity (000)	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>75.0</u>	<u>BULGUR</u>	<u>3,600</u>	<u>824.4</u>
<u>75.0</u>	<u>NFDM</u>	<u>1,800</u>	<u>198.0</u>
<u>Total MCH</u>		<u>6,400</u>	<u>1,022.4</u>

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total School Feeding</u>		_____	_____

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other Child Feeding</u>		_____	_____

D. Food for Work.....Total Recipients 128.75

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>103.75</u>	<u>BULGUR</u>	<u>11,828</u>	<u>2,708.6</u>
<u>103.75</u>	<u>NFDM</u>	<u>623</u>	<u>68.5</u>
<u>25.0</u>	<u>RICE</u>	<u>3,000</u>	<u>1,140.0</u>
<u>Total Food for Work</u>		<u>15,451</u>	<u>3,917.1</u>

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>		_____	_____

II. Sponsor's Name _____

Total \$ 4,939.5
5% \$ 247.0
5,186.5