

**USAID/INDONESIA - CATHOLIC RELIEF SERVICES**

**REVIEW  
OF  
THE EAST TIMOR AGRICULTURAL DEVELOPMENT PROJECT  
(ETADEP)**

**September - October 1987**

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**BEST AVAILABLE**

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BASIC PROJECT IDENTIFICATION DATA

1. Country : Indonesia
2. Project Title : East Timor Agricultural Development Project (ETADEP)
3. Project Number : 497-0330 (\$5,000,000) and 497-0330 (\$1,000,000) (grants)
4. Project Dates : September 1, 1981-December 31, 1987
  - a. First Project Agreement : September 1, 1981
  - b. Final Obligation : FY-
  - c. Project Assistance Completion Date (PACD) : September 1, 1992
5. Project Funding:
  - a. A.I.D. Grant Funding : \$6,000,000
  - b. Other Major Donors: GOI :
  - c. CRS Counterpart Funds : \$3,750,000

\$9,750,000
6. Mode of Implementation: Grant to Catholic Relief Services (CRS)
7. Project Design : USAID/Jakarta, CRS and GOI
8. Responsible Mission Officials
  - a. Mission Director(s): William Fuller, David Merrill
  - b. Mission Officer(s) : Ross Coggins, David Nelson
9. Previous Evaluation(s): CRS Mid-Term Evaluation, 1984  
CRS Socio-Cultural Assessment, 1987
10. Cost of Present Evaluation:

	<u>Person Days</u>	<u>Dollar Costs</u>
a. Direct Hire :		
(1) AID/W TDY :		
(2) USAID staff :		
b. Contract :		
c. Other (CRS Grant) :		

EXECUTIVE SUMMARY  
USAID/INDONESIA - CATHOLIC RELIEF SERVICES  
JOINT REVIEW  
EAST TIMOR AGRICULTURAL DEVELOPMENT PROJECT  
SEPTEMBER - OCTOBER 1987

The East Timor Agricultural Development Project (ETADEP) was established by CRS and USAID in 1981 after the CRS famine-relief program to the strife-ridden province was completed. The goal was to reestablish a viable agroecosystem and to improve the social and economic position of Timorese farmers. As a result of years of fighting during which farmers had deserted their land and livestock and fled to the mountains, the subsistence and commercial agricultural base of the economy had been destroyed. A massive task of rehabilitation of land and replacement of livestock and tools faced the farmers.

The Sare plain was chosen for ETADEP because the region was secure and because of the complete collapse of the rice cultivation system.

When the Project commenced, the plain was overgrown with a tall sugar-cane-like grass, *Saccharum spontaneum*, which had previously been kept under control by annual cultivation and by grazing. This grass had grown to such a height and with such a mass of tuber-like roots that tackling it with the very limited labor and animal power available seemed impossible. Tractors were introduced as a temporary measure to bring the grass under control while water buffalo and Balinese cattle were distributed to farmers under a revolving credit program with the aim of increasing livestock numbers to levels adequate for animal traction and/or trampling, the traditional form of land preparation.

It has taken much longer than originally anticipated to achieve control of the grass and adequate numbers of animals for trampling, the method preferred by farmers. Thus while it was originally expected that the Project would move on to other areas after a couple of years, it has been found necessary so far to concentrate on one area.

Early in the Project, farmers' groups were set up, and cattle distribution and mechanized land preparation are organized through these. Some groups have initiated and constructed gravity-fed household water supply systems with project funding. The Project also pays attention to new technologies for rice cultivation, dryland crops, soil conservation, regreening, and fishponds. Agricultural extension is channelled through the farmers' groups.

In 1987 the population directly served by ETADEP - i.e. farmers' group members (1804) and their families - was about 10,000. 1804 is 23 % of the 1980 Census household total for the four sub-districts within which the Project area falls. An indeterminate larger number benefit indirectly.

On December 31, 1987 CRS will terminate its role in the Project. An East Timorese PVO, the ETADEP Foundation, has been established, its Articles of Incorporation being notarized on September 23, 1987. This foundation will assume responsibility for the Project and related assets, and is expected to receive USAID funding to continue Project activities.

The present review was conducted to: (1) record and assess the status of all ETADEP activities; (2) determine what specific actions need to be taken by CRS and USAID during the transition period (October to December 1987, prior to the turning over of the Project to the Foundation; and (3) make recommendations relating to the Foundation and activities which should be continued or initiated in the short and long term. The team was to look at the implications of CRS's withdrawal from the Project and make recommendations on which CRS functions will need to be fulfilled by USAID or by foreign consultants.

The review team, consisting of an agriculturalist, a sociologist/anthropologist, a CRS program officer and a CRS legal officer, spent up to twelve days in East Timor in September 1987. Data was collected by interviewing Project staff, beneficiaries, and Foundation Board members, by observation, and by studying Project records.

## FINDINGS

Agriculture

1. Progress Towards Objectives. The Project has made considerable progress towards its objectives of controlling the wild sugar-cane grass and enabling farmers to return to trampling as a method of land preparation.
  - Approximately 1,650 Ha. of wet rice fields and 400 Ha. of dry fields have been cleared and plowed by tractor one or (in most cases) more times during the life of the project.
  - Tractor use has been phased out entirely or for certain operations on approximately 2/3 of the cultivated lowland area.
  - Approximately 1400 Balinese cattle and water buffalo have been distributed under a successful revolving credit program.
2. Trampling as a Land Preparation Method. It appears that the plan to return to trampling, the means by which the grass used to be controlled, is realistic if cattle continue to be brought in at the rate of 400 per year. Animal traction has not been accepted by farmers and the Project has basically discontinued its efforts to introduce plows. Another possible alternative (to be tested), should there not be enough cattle by the time the tractors wear out, is the short-term use of a systemic herbicide.
3. Grass Control. For a number of reasons, farmers do not always cultivate their rice-fields every year. The grass cannot be kept under control unless the land is cultivated at least once a year, preferably with thorough preparation. Grazing by large numbers of livestock can help keep the grass down in the dry season.

There is an additional 750 hectares of riceland in the Project area which is not currently cultivated. For the grass on this land to be controlled, tractors would have to be phased out on the other fields as grass is controlled and livestock levels become adequate, or, alternatively, a herbicide could be tried.

4. Subsidies. It is anticipated that over the next five years the tractors (which will in any case be worn out in four to five years) will be phased out and replaced by cattle and water buffalo. The charges for land preparation are being raised this year and it is anticipated that this will be continued and thus the subsidy reduced. Increased fees also serve to encourage farmers to use their animals.
  
5. Crop Diversification. At the moment, few farmers grow secondary crops on their rice-fields in the dry season. Reasons for this include: inadequate water, often due to late planting of rice to avoid flooding; competing upland activities in the dry season, in particular coffee harvesting; and lack of marketing opportunities or low prices. With improved irrigation, and preferably also with improved inputs, secondary crops are a viable proposition, particularly for those farmers with little or no coffee. The focus should be on crops with good marketing potential or subsistence crops.
  
6. Upland Dry Fields and Soil Conservation. Farmers traditionally grow a wide variety of crops on upland dry fields (ladang). These provide a varied diet, security in times of shortage, and the opportunity for a little cash income between harvests. However, pressure on the land has resulted in too short a fallow period on slash-and-burn fields, and thus severe degrading of the land base.

The Project has not had very much success with encouraging soil conservation measures such as terracing and the planting of *Leucaena* trees. These measures are required of farmers receiving cattle but farmers generally do not see the point.

7. Preference for Upland Residence. The government encourages or pressures people to move down from their traditional upland villages to the lowlands. In one area, where coffee is not grown and where the canat (sub-district head) is tough and punishes farmers who disobey his rules, a considerable number of farmers have settled in the lowlands and are achieving good results with rice cultivation. There are several problems with permanent lowland residence:
  - Lack of water in the dry season;

- Malaria;
- The attachment of people to their upland area of origin, where ancestors are buried and ceremonies must be held;
- Farmers with upland coffee gardens spend a considerable amount of time working these. For coffee owners, rice cultivation tends to be second priority.

### Community Development and Farmers' Participation

8. Beneficiaries. Farmers' Group members, the direct Project beneficiaries, constitute only a small percentage of farmers in the project area. They are owners of lowland ricefields. Farmers who have only dry fields or dry fields and coffee gardens do not benefit, or only indirectly. It is problematic having an agricultural development project which focusses on only part of a community, and not necessarily the poorest part. This has given rise to some ill-feeling.
9. Women. So far, women have not been involved in Project activities, despite their extensive activity in agriculture.
10. Farmers' Groups. The Farmers' Groups are largely a channel for tractor organization and cattle distribution. They have mostly not yet developed into groups with autonomy and initiative.
11. New Initiatives. Farmers have shown considerable interest in fishponds, though there have been some problems with water supply. Likewise, farmers have responded well to the introduction of certain secondary crops, vegetables in particular. There is a good market for these. Most recently, farmers have been requesting teak seedlings for hillside land.
12. Water Users' Associations. There is almost no organization of irrigation water or of channel maintenance. The traditional form of organization no longer exists. Options need to be explored.

13. Land Registration. No land titles have yet been issued to farmers but the Governor has agreed to take action on this.

#### ETADEP Foundation Capacity Issues

14. Staff and Management. The team was impressed with the commitment and competence of the now entirely East Timorese management, and with their awareness of weaknesses and training needs. Several key management staff assumed their present positions only in July 1987 and need management training, and assistance from a consultant. The agricultural extension staff need training and follow-up support in community development and group dynamics skills.
15. The Foundation. The newly-formed Foundation has not had time yet to become fully functioning. Board members seem committed to its success and interested in the means to achieve this.
16. New Directions. Key management staff hope, once the Foundation is well established, to expand into new activities such as health, to change emphases, for example placing more emphasis on household water supply systems, and to start projects in other parts of the province based on their experience in the Sare area.

#### CRS Withdrawal Issues

17. Funding. The Foundation will initially be dependent on USAID for financial support, while it establishes a network of other donors. The Foundation was established with the support of USAID and the understanding that USAID would continue its funding. Delays in setting up the Foundation have meant that there is no time to seek other donors before funds are needed.

## RECOMMENDATIONS

Agriculture

1. Improved Inputs and Techniques. To achieve higher rice yields and better control of the grass, improved water control is needed along with improved cultivation practices and inputs. Techniques should be sought which are not labor-intensive and which are acceptable to farmers.
2. Secondary Crops. The encouragement of secondary crops on rice-fields would relieve pressure on upland dry fields. Irrigation and water control need to be extended and marketing opportunities explored.
3. Agro-Forestry. Agro-forestry should be encouraged on upland dry fields.
4. Lowland Dry Fields. Sound agricultural practices should be introduced in permanent lowland dry fields, to ensure that land does not deteriorate.
5. Integrated Agricultural Strategy. There should be integration of wet-rice, dryland and coffee cultivation into an overall, diversified agricultural strategy. Such an approach should start with the traditional agricultural system and build on its strong points while overcoming its weaknesses.
6. Residence. Compromise solutions need to be sought which satisfy the government and farmers, protect the slopes, ensure that a wide variety of crops continue to be grown, and enable good rice yields and grass control to be attained.
7. Subsidies. The appropriate timing for progression to a fee structure for services which reflects costs should be determined.

### Community Development and Farmers' Participation

8. Broadening of Benefits. An examination should be made of whether and how it is possible to include farmers who are not currently group members. The coverage and benefits of farmers' groups initiated by the government needs also to be examined.
9. Women. Women should be involved in Project activities, perhaps through the formation of women's groups.
10. Health and Nutrition. Possibilities for moving into health and nutrition activities should be explored.
11. Farmers' Groups. Farmers' Groups should receive increased attention with the aim of improving their capacity to initiate, plan and implement activities.

### ETADEP Foundation Capacity Issues

12. Consultants and Training. Early in 1988, one or more consultants, including a long-term foreign consultant, should be hired by the Foundation. Training, either at the Project site or outside the Province, should focus initially on management, planning, financial and record-keeping skills for management staff, and community organization and group dynamics for extension workers.

### CRS Withdrawal and Transfer to the Foundation

13. CRS's Transition Role. CRS, in the period up to December 31, should ensure that ETADEP staff are competent in the procedures previously carried out by CRS/Jakarta. All preparations necessary for the transfer to the Foundation should be completed.

14. USAID's Role. For the Foundation to have continuing access to Project funds, it is essential that the process of registration with USAID be completed by December 31. If it were not, the Project would have no funds after this date and thus be unable to function.

#### Support for the Foundation

15. The Continuing Role of USAID. The Foundation will initially be dependent upon USAID for funds, for assistance in finding consultants and training courses, and for help in establishing a support network for funding and training in Indonesia and overseas. USAID has the opportunity to contribute to the development and strengthening of a young PVO in a province where there are very few PVOs and only one other local foundation. It is hoped that with continuing USAID assistance, the Foundation will be able to achieve the aims of the Project, thus providing a model for reconstruction in a strife-ridden area, for agricultural rehabilitation, and for the achievement of self-reliance.

## CHAPTER ONE

### EAST TIMOR AGRICULTURAL DEVELOPMENT PROJECT: THE BACKGROUND

#### 1.1 EAST TIMOR

In 1974, after nearly four hundred years as a Portuguese colony, East Timor was abruptly cast off by the Portuguese government in the aftermath of the Portuguese Revolution. The turmoil that began with the Portuguese withdrawal led to the incorporation of East Timor into Indonesia in 1975. The conflict that occurred over the next several years resulted in massive disruption both physically and socially. The subsistence and commercial agricultural base of the economy were destroyed, and by 1979 East Timor, an area of marginal subsistence at the best of times, had become a famine area. There were no crops in the fields, no food in storage, seeds for planting had been eaten, and livestock - vital to land preparation for crops - had been butchered, killed, or driven off.

Catholic Relief Services came to East Timor in 1979 as part of the famine relief effort. By 1981, famine had been alleviated, parts of the province were secure, and farmers were returning to their lands to face immense problems in re-opening them for cultivation. Because of its involvement in the famine relief program, CRS was asked to handle an attempt to reestablish a viable agroecosystem in one area of East Timor.<sup>1</sup> Thus USAID, CRS and the Government of Indonesia joined in what was initially a four-year project, later extended to six years. Over this period, funding has totalled \$ 9,750,000, \$ 6,000,000 of this being from USAID and \$ 3,750,000 from CRS, with land and other resources made available by the GOI.

The Sare area was chosen for the project because the region was

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<sup>1</sup>. It was originally envisaged that the project would spend about two years rehabilitating land in one area and then move on to other areas. This plan turned out to be based on an unrealistic estimate of the time necessary to reestablish a viable agroecosystem and complementary socio-economic institutions.

already secure and because of the complete collapse of the rice cultivation system in the plain.

## 1.2 PRE-PROJECT CONDITIONS IN THE SARE AREA

The 1984 Evaluation<sup>2</sup> describes pre-project conditions:

The proposed project site, the so-called Sare Plain, had previously been under wet-rice cultivation. The farmers with .... rights to the land grew a single crop of rice, supplemented with various dry-land crops, particularly maize, grown on slopes adjacent to the lowlands. Some of the farmers also had ... coffee [gardens], others picked coffee for a cash wage on neighboring estates. Most had a modest home garden and a few small livestock and chickens. For much of the year their homes were on the slopes near their dry fields, built there to escape living in the malarial lowland areas. Many had a second, more modest, structure near the rice fields as well. This was occupied during crucial phases of the growing season when the walk from upland home to lowland field would take too much precious time.

When the [CRS survey] team<sup>3</sup> arrived in October, 1981, the situation they found was a weak reflection of this traditional, fairly balanced, one. To escape the death and disruption prevalent during the civil troubles farmers had abandoned their lowland fields. What was left of the suspicious, demoralized, and starving population was crowded onto the adjacent slopes. There they were forced into ever more destructive farming practices. Now these steep hillsides with their thin and poor soils had to support the entire population. Hill fields, rather than being a source of supplementary food, had become not just the primary but the sole source of a food crop. Fallow periods had been shortened, unsuitable cropping practices used, and ever more precarious slopes cleared. The result was an ecological disaster. Deforestation, soil degradation or removal, massive sheet, rill, and gully erosion and constantly declining yields were universal. In virtually all cases no crop at all was possible. The old rice fields, abandoned for as long as seven years, had been invaded by a dense, cane-like grass, *Saccharum spontaneum*. Stands of this impenetrable vegetation were reported as tall as five meters and individual stalks, almost like bamboo, were up to five centimeters in diameter. This vast and, to the farmer, useless biomass was supported by a thick interwoven root structure penetrating to a depth of [many] centimeters. Nothing else could grow where this invader had entered.

The old rice crops could [not] grow anyway because two other vital ingredients were missing: water and [animal power]. Traditional irrigation systems had long since disappeared through natural

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<sup>2</sup>. Clarkson et al.

<sup>3</sup>. For the report of this team, see Metzner et al., 1981.

attrition, lack of maintenance, and unchecked, unchanneled flooding. Until some semblance of a water delivery system could be restored no wet rice crop would be possible, even if the fields could be cleared. But the fields could not be cleared because there [were] no longer the means to do so. The old ways required the use of hand-clearing and cutting, plus herds of 30 to 50 or more buffalo to trample the soil in preparation for sowing. The buffalo were gone, consumed during the hungry times or killed or lost during the strife. There were no tools left to cut with, nor enough able-bodied people to use them had they been available. In any event the giant grasses were well beyond the power of men, unaided by animals or machines, to clear. Even if fire were used to destroy the surface growth the dense root structure would be too much for the size of the population and the techniques available.

The starting position for ETADEP, then, was going to be a poor one: ecologically degraded land in a marginal climatic zone; a demoralized and decimated population just recovering from famine conditions; a structural vacuum so far as social support organization was concerned; and a position on the very periphery of Indonesian government supervision and control. These were the conditions in which ETADEP was to attempt to establish a productive, viable, and self-sustaining small-hold agricultural system.

### 1.3 THE PROJECT

ETADEP commenced towards the end of 1981.<sup>4</sup> The major emphasis in the early years was in clearing land, reestablishing rice crops, and building up the livestock population through a credit program. Twenty-six tractors were introduced for this purpose, as a temporary measure until the grass was under control and enough livestock had been introduced to work the land.<sup>5</sup> Other foci of the Project were institution building, with the establishment of farmers' groups; soil conservation through terracing and planting of the fast-growing leguminous tree *Leucaena* (lamtoro) on the hillsides, required of farmers receiving water buffalo or Balinese cattle; and additional credit programs for seeds and tools (since discontinued). Other elements of the Project included agricultural extension, with a concentration on improved rice cultivation techniques, training of group leaders and cadres, a workshop for maintenance of tractors and other

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<sup>4</sup>. For details of the period up to 1984, see the 1984 evaluation, Clarkson et al.

<sup>5</sup>. The original plan was for animal-drawn plows and harrows to replace trampling as the method of land preparation. As the introduction of animal traction has not been successful, present plans are to provide enough cattle for trampling.

machinery, provision of basic veterinary services (now provided by the government Livestock Office), construction of small-scale household water supply systems, and recently, crop diversification and fish-ponds.

A system of "rolling planning" was established in the first year, plans being developed and funded for a six-month period at a time and thus responsive to ongoing changes in the situation and priorities. This system is still practised, though longer-term plans are also made.

Almost all staff are East Timorese. There have been three Project Managers during the life of the Project, the first two being expatriates and the current one East Timorese.

#### 1.4 THE CURRENT ETADEP REVIEW

CRS finishes its involvement with ETADEP on December 31, 1987. The newly-established, East Timorese, ETADEP Foundation will then assume responsibility for the Project and assets, and is expected to continue to receive USAID assistance.

A joint USAID/CRS review of technical and institutional aspects of ETADEP and of the transfer from CRS to the ETADEP Foundation was scheduled prior to the transfer. The purposes of this review were to (1) to determine the present status of ETADEP; (2) to establish what specific actions need to be taken by CRS and USAID during the transition period (October-December), prior to the termination of CRS's involvement; and (3) to make recommendations relating to the Foundation and activities that should be continued and/or initiated. The team were to determine, to the extent possible, the implications of CRS's withdrawal, and to identify which of the major CRS function will need to be fulfilled by USAID and/or expatriate consultants. (See Scope of Work, Appendix 1.)

The team, consisting of an agriculturalist, a sociologist/anthropologist, a CRS/New York program officer, and a CRS/New York legal officer, with the addition of a CRS/Jakarta project officer, were in East Timor for varying periods from 15 to 26 September. (Of the team members, only the sociologist/ anthropologist and the program officer spent the whole eleven days there - for details, see Appendices 3 and 9.)

## 1.5 THE REPORT

The remainder of this report is divided into two sections, "Current Status and Prognosis" and "Conclusions and Recommendations". "Current Status and Prognosis" consists of four chapters covering the main foci of this review: Agriculture; Community Development and Farmers' Participation; Management and Staff: Status and Capabilities, Training and Consultancy Needs; and The ETADEP Foundation. More details of a number of matters are presented in appendices.

**SECTION B**

**CURRENT STATUS AND PROGNOSIS**

## CHAPTER TWO

### AGRICULTURE<sup>1</sup>

This chapter is divided into three main sections. The first section describes the main centers of agricultural activity and the implications for achievement of project objectives. The second section examines the rice production practices currently in use and the implications for future increases in production. The last section focuses on four methods of land preparation and the benefits associated with each.

The agricultural issues identified in the scope of work of this review are interwoven into the three report sections as appropriate to each topic and the four issues are specifically addressed at the end of the chapter:

1. Is crop diversification a viable proposition? Which crops present the most promising opportunities?
2. Is the present plan to revert to traditional trampling relevant to present conditions? Are there other viable alternatives?
3. Can *Saccharum spontaneum* be controlled without cultivation? What is the minimal requirement for maintenance of presentlyheld hectarage in grass-free conditions? Can the new Foundation control grass in an additional 750 ha of project command area?

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<sup>1</sup>. The observations, impressions, and recommendations in this chapter are based on a very brief five-day visit to the project site by the agriculturalist, with some additional observations by the sociologist/anthropologist, and should be interpreted accordingly. They should form the basis for further examination of issues identified at the end of this chapter.

4. How long will mechanized land preparation and purchase of agricultural inputs have to be subsidized? How quickly can cattle replace mechanical methods?

## 2.1 CENTERS OF AGRICULTURAL ACTIVITIES

Reference to Figure 2-1 indicates the location of the four project kecamatans: Atabae, Kailako, Hatulia, and Maubara. Each of these four kecamatans is characterized by agricultural priorities which are determined by a variety of factors: ownership and location of coffee gardens, ownership and location of wet rice fields (sawah), location and characteristics of dry fields (ladang), total numbers of livestock available, family labor availability, proximity to technical or traditional irrigation systems, vulnerability to flooding, soil type (heavy clay versus loose porous soil), rainfall patterns, and quality and aggressiveness of camat leadership and direction.

The three centers of agricultural activity in the Project area are upland coffee gardens, upland dry fields (ladang) and lowland wet rice fields (sawah).

### 2.1.1 Coffee Gardens

The majority of farm families residing in the Maubara and, especially, Hatulia kecamatans own coffee trees in the uplands. There are few coffee farmers in Atabae and Kailako. There are four types of coffee grown: Mocha, Arabica, Robusta, and Liberia (Liberia is sold at less than half the price of the first two and is being replaced).<sup>2</sup> Main harvest seasons, July/August and November/December in Maubara, and April/May and June/July in Hatulia, compete strongly with rice operations. Rice planted in March/April will be ready for harvest in June/July. The coffee harvest for

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<sup>2</sup>. The price for Arabica and Mocha is Rp 1500 per kilogram. Robusta is Rp 1200, and Liberia is Rp 650. These purchase prices are much lower than in other parts of Indonesia, the reason being the coffee monopoly in the province. We were told that sometimes farmers may take their coffee to Dili to sell if the price is better there. However, Dili prices are still controlled by the monopoly and thus low. Wealthy coffee farmers may own a truck to transport their crop.

any one family may extend over 2-3 months. If coffee yields and prices are high and rice yields and prices are relatively low, family labor will mainly be devoted to coffee - weeding, harvesting and processing. In some instances coffee/ rice owners are reported to have completely neglected rice harvests.

It is common for families to divide their labor between coffee gardens and rice fields when harvests coincide: men and boys harvest coffee while women and girls go down to harvest rice, then the women and girls go up to the coffee while the men descend to thresh the rice. Sometimes coffee harvesting is done by groups in rotation.

Those rice farmers who own coffee gardens usually have their permanent houses in the uplands close to their coffee gardens and construct only temporary dwellings in the lowlands. The government would like more families to move down permanently to the lowlands but this has not happened on a large scale amongst coffee-growers. Furthermore, once people are back in the uplands for the coffee harvest (refer to Figure 2-2), they are reluctant to return to the lowland area to plant a second crop. There are several reasons for this preference for the highlands, particularly in the dry season (see Chapter 3 for more details):

1. The permanent upland settlements, the location of ceremonial houses and the graves of ancestors, are the place for the dry season (June-September) ceremonies which reinforce family and social ties while they mark weddings, baptisms, deaths, reburial of bones, newly constructed houses, and other events.<sup>3</sup>
2. Water for household use is in short supply in much of the lowlands in the dry season, except where water has been piped down from a source in the hills.

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<sup>3</sup>. The largest and most important ceremony, the reburial of the bones of deceased relatives, is seen as obligatory because the living have a debt to dead relatives. Furthermore, if relatives refuse to contribute they are ostracised; if they are living elsewhere, they cannot return and their land and trees are taken over. These ceremonies occur in the dry season (June - September). While agriculture has partly moved down, the locus of ceremonies and prayers has not (though we did see one traditional ceremonial house being built in the lower part of Maubara).

3. Malaria is a problem in the lowlands.
4. For farmers with substantial coffee holdings, rice and secondary crops on rice fields tend to be a lower priority. If a coffee or rice harvest is very good, some farmers do not return the following season to prepare their lowland fields for rice production. This encourages the extensive establishment of the *Saccharum spontaneum* which makes the following season's land preparation even more formidable. One or two crops per year are mandatory for adequate control of the *Saccharum spontaneum*, the large roots of which store enough moisture and food reserves that thirsty people have been known during the height of the dry season to cut open and extract water for drinking. Thus when the grass is cut and plowed even at the driest time of the year, it immediately resprouts. In the past, when there were more livestock, if only one crop were grown, the grass was kept under control by grazing.

The cropping intensities of the four kecamatans seem to be closely related to coffee ownership patterns: Atabae and Kailako inhabitants own few coffee gardens and may plant two crops a year in their lowland fields: generally rice followed by corn or cassava. The majority of the population in Maubara and Hatulia kecamatans own coffee gardens and generally plant only one crop a year in the rice fields.

#### 2.1.2 Dry Fields and House-Gardens (Ladang and Pekarangan)

Nearly all farmers in the project area cultivate food gardens in the upland areas, though in Kailako many farmers have started lowland, permanent gardens, with a more limited range of crops so far. The upland areas we visited had a wide array of garden crops including: corn, sweet potatoes, cassava, taro, *Canna edulis*, coconuts, papayas, bananas, pineapples, tomatoes, cabbages, greens, chillies, eggplants, spinach, melons, cucumbers, pumpkins, various beans, sugar cane, tobacco, jackfruit, breadfruit, mangoes, citrus fruits, guavas, Japanese cherries, pigeon peas, kapok, betel nuts, lontar (in the lower areas; used as a source of sago in times of famine, as well as thatch and the walls of houses). People have permanent gardens around their houses and slash and burn plots elsewhere. In Hatulia, as most of the land is taken up with coffee, there is little

left for gardens. Many of these are permanent and near houses, often on exceedingly steep, unterraced slopes.

Houses are generally in small clusters of related families. Several of these form a hamlet, and hamlets have been grouped together for administrative purposes into desas (villages). In some areas, villagers have been encouraged or ordered to move into larger settlements. This is particularly noticeable in the lowland permanent villages, where houses, each neatly fenced,<sup>4</sup> may be arrayed along straight roads.

Near houses, pigs, goats, chickens, and ducks are tended. One sees corn which has been sun-dried and is stored on the cob hanging in trees. It is hung either in large bundles just in its husks (if hung stalk-upwards it is protected from rain) or in sago skins woven together. We also saw large corn storage bins in upland settlements where corn represented the main staple. These villagers do not cultivate sawah and depend on the corn supplies throughout the year, often mixed with small amounts of rice purchased at the market. The thatched corn storage areas were around 3 meters by 5 meters and raised above platforms which are used as shaded areas where people gather to rest, talk, weave, grind corn, or eat. We saw women preparing the thread for weaving and others milling corn by pounding a small rock on top of a larger one on which corn grains were spread. Cassava tubers are cut and sundried and stored in small bins. Tobacco seed for planting is stored in corn husks still attached to the base. Legume seeds for planting are also stored in plant husks and hung under the storage bins.

The gardens we saw were meager compared to the food needs of the number of family members. We were told there is more variety of food eaten in the uplands than down below, and our observation of gardens bore this out. Those whose gardens are in the hills only carry down basic food needs when going to work in their rice fields. Children in some cases stay below to attend school. However, in the uplands as well as the lowlands, we saw many children with signs of malnutrition. (See Chapter 3.)

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<sup>4</sup>. A staff member referred to the Javanese mania for fences which serve no particular purpose as "fence sickness".

Water for household use frequently is carried long distances, in long bamboo tubes or plastic jerrycans.

Farmers generally prefer to practice slash and burn techniques on the upland slopes, planting garden crops in the vicinity of villages, than to establish and maintain these gardens in the lowlands at a distance from their permanent houses. In lowland areas water for household and garden purposes is scarce in the dry season, wild sugar cane grass easily outstrips foodcrops, and malaria is bad.

The slash and burn system as it is currently practised is severely degrading the land base in the area. The gardener abandons the garden after two to three years and moves to another area but, because land is not as plentiful as it once was, returns before the forest has had a chance to fully regenerate so that full fertility is not restored in the fallow period.

With the slash and burn method currently practised, short term benefits accrue to the gardener in the form of quick control of weeds by burning underbrush and free access to soil fertility without exhaustive continuous plantings which would require fertilizer applications (green manure or commercial fertilizers). However, long term adverse effects to the community in terms of deterioration of natural resources must be acknowledged.

Some farmers plant tree crops to establish ownership of the land for future use. Tree crops on slash and burn plots include those mentioned above. As well, *Leucaena* (lantoro), gamal (madre de cacao), kaliandra and teak have been introduced or encouraged by the project.

Upland dry fields or ladangs (rainfed) are cleared during the August - September period, planted with the onset of the rains during December - January, weeded in January - February, and harvested in April and May. This directly conflicts with preparation of wet rice fields (December - February). Unlike the rice fields which are susceptible to flooding when traditional irrigation canals wash away or technical irrigation canal gates are not closed, the dry fields produce predictable albeit low outputs. Rootcrops were traditionally the staple crops until the introduction of

corn and rice, and require less rigorous attention, especially than that required by rice. The soil serves as a storage area for the tubers which can be harvested as needed without undue losses, unlike rice which is far more demanding in terms of timely harvest operations. When permanent housing is located near coffee gardens or upland dry fields, the pull of these tends to dilute rice production efforts. This is seen particularly in the case of Mubara and Hatulia.

The project attempted to introduce *Leucaena* (lamtoro) on bench terraces and with indirect terracing into the upland area to provide erosion control and rejuvenate the soil with nitrogenfixing bacteria which produce nodules on the roots of these leguminous trees. The soil is nourished by these nodules, which slough off into the soil, and also by leaf fall material.

There has been relatively little extension work done on dryland agriculture. One reason for this is that the extension agents are busy with rice fields and tractor schedules at the beginning of the rainy season when dry fields are being prepared and planted.

Indirect terracing involves less work than bench terracing but neither has been widely adopted. To quote from the ETADEP Narrative Report for the period October 1985 to March 1986:

About two months prior to the onset of rain, farmers commence with the preparation of their gardens and the construction of indirect terraces. With the onset of rain the gardens are planted and thus do not allow further work on indirect terraces. This means that the period of time suitable to concentrate on the soil conservation is very limited.

Land conservation is clearly not a priority for the farmers. Once their gardens have lost their fertility, they just "shift" and open a new garden. The negative effects of this method in the long run, seem to make little impression on them. Contrary, the amount of work involved in putting up indirect terraces for the benefit of their children and grandchildren, hardly charms them. (Emphasis added).

The planting of *Leucaena* was tied to the receipt of cattle on credit and farmers only planted it because they were required to, not because they saw a need for either *Leucaena* or soil conservation. In other parts of

Indonesia where *Leucaena* planting has been more successful, farmers have needed the trees for fodder and firewood, neither of which seem to be in short supply (or at least are not perceived as being).

As in many areas of Indonesia, *Leucaena* was virtually the only tree crop encouraged under the Project (until this year, when teak, kaliandra and gamal started to be planted). The *Leucaena* has been killed or severely attacked by heteropsylla (jumping plant louse -- kutu loncat). Some is still being planted, however.

The Project is now introducing teak, to be planted at 1.5 meters intervals. After 2 - 3 years the trees are to be thinned out, and then probably a second time, ending up with 4 - 5 meters plantings. The discarded trees will be used for fuel and house construction material. Harvest of the trees is planned after 30 - 40 years, thus making the plantings an investment for old age or for children.<sup>5</sup> This is attracting farmer attention, and in fact farmers are requesting teak seedlings. Unfortunately the seedlings provided by the Forestry Office this year arrived too late and many died from lack of water. Next year the Project plans to raise their own seedlings.

The roots of the trees will bind the soil and absorb rain waters, preventing run off and erosion. Fallen leaves will also protect and enrich the soil. During the first 2 - 3 years food crops can be intercropped with the young teak trees. Then, when the field is left at the end of the usual 2 - 3 years, the trees protect the soil. When they have been thinned, food crops can be interplanted with them again.

It has since been pointed out to us that in some other provinces the Forestry Office encouraged the planting of teak on farmers' land but, when in later years farmers wanted to harvest it, they were told that it is a protected export crop and they are not allowed to touch it.

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<sup>5</sup>. It was pointed out by Viator Parera of the Agriculture Department in Kupang that while 30-40 year old teak can be used for farmers' own houses, it is not mature enough to be marketable.

Alley cropping\* (with trees other than *Leucaena*), agroforestry, and terracing with pineapples are viable propositions for better use of upland dry fields and should be explored in detail to determine what systems are most suitable, what will be adopted by farmers, and how new methods can best be promoted.

Some farmers, particularly younger ones, are choosing or have been pressured to move to the lowlands, particularly in Kailako. There is a problem with winds in the highlands - banana trees, for example, are sometimes blown over and destroyed. In the higher parts<sup>6</sup> of Hatulia, some farmers have their dry fields lower down than the villages, in the valleys, where it is warmer and less windy. They have house-gardens in the villages. We saw lowland fields and house-gardens in this area with pumpkins, beans, corn, peanuts, and cassava (less variety than in the uplands).

There are two kinds of lowland dry fields: (1) those on the floodplain in places where there is not enough water for rice so only corn is planted; the floodwaters bring fertile silt each year; and (2) those on the hillsides above the floodplain where there is no natural renewal of fertility but where farmers are cultivating fields on a permanent basis rather than shifting. It is important that the problem of maintaining fertility and preventing erosion in these fields be tackled, particularly if more families are moving permanently to the lowlands and thus clearing new fields. Alley cropping is a viable proposition in the lowlands too. It is important to place an emphasis on varied dry land crops in the interests of nutrition, and also as a source of additional income.

It would be useful to explore crops which could provide a source of income at the time of year when farmers run out of money and staples.

### 2.1.3 Lowland Rice Fields

The third center of agricultural activity is the lowland area where the majority of the Project's efforts are concentrated. In the lowlands there are a number of serious problems affecting agriculture and choice of

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\*. In which rows of trees across slopes alternate with annual crops or such crops as cocoa or coffee.

residence. These are the infestation with wild sugar-cane grass (*Saccharum spontaneum*), lack of control of irrigation water (leading to flooding and/or insufficient water), dry-season shortages of domestic water supplies, and malaria.

Those areas with the least coffee ownership and the greatest buffalo and cattle population tend to have the most intensely cultivated lowlands: rice followed by corn and cassava, or occasionally two crops of rice. In Atabae, for example<sup>7</sup>, using traditional buffalo trampling methods for rice field preparation (approximately 30-40 head of buffalo or cattle per hectare for three to seven days), they have brought the tall wild grasses under control again. This area also has a predominance of heavy clay soil which retains water throughout most of the lifecycle of the rice plant when planted in January. Of the rice fields in this area, some are rain-fed, with or without bunds, and others have simple irrigation from the river<sup>8</sup>.

Cultivation of the lowland area in Atabae is impressive due to the farmers' exploitation of water availability and control of the grass. The Project should concentrate future efforts in this kecamatan. High gains could be realized in food diversification, particularly with corn, cassava, mungbeans, and peanuts. The mountains are close to this area and consequently the Atabae people do not consider it a hardship to travel back and forth to their upland fields, unlike other areas which require 5-10 hours walking time. Few constraints to increased food crop production in the

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7. The inhabitants of Atabae have more water buffalo and cattle than do people in other kecamatans. During the war, the people in Atabae tended to either stay with their livestock (rather than fleeing to the hills), or to take their animals with them. Still others found their livestock again when they returned. The people of Atabae are also reputed to possess the secret of a potion which enables them to entice animals belonging to other people to follow them docilely.

8. Some farmers in this area have rice fields only on the Atabae (western) side of the Marobo and Be Bai Rivers, that is, on the other side of these rivers from the Base Camp and Bilimau. Others have fields elsewhere, particularly in Bilimau, or in both locations. About 100 ha. on the other side of the river is not included in the project, so only those farmers with rice fields elsewhere are members of Farmers' Groups. We were told that while in the past the owners of this 100 ha. were not interested in joining groups as they preferred animals to tractors, now they would like bunds made but this cannot be done as no more members are being accepted.

lowlands exist in Atabae and its inhabitants respond more enthusiastically to double cropping than do others. However, extension agents report more difficulties than in other kecamatans both with group involvement and with cooperation and coordination with village heads. (See Chapter 3.)

## 2.2 RICE CULTIVATION PRACTICES

As explained in Section 2-1, lowland rice cultivation is both a fairly recent (mostly post-World War II) development and, especially amongst coffee farmers, a lower priority. There are, however, certain reasons for encouraging it. Firstly, most of the riceland owners do want to cultivate their land<sup>9</sup>, even if not every year. There is concern, amongst farmers and Project staff, that riceland which appears to be not utilized or underutilized, and/or for which the owners do not hold deeds, could be expropriated for other purposes such as transmigration or commercial agriculture. If lowlands are to remain in the hands of the East Timorese owners there needs to be continued emphasis on lowland rice cultivation. Secondly, if the degradation of the upland slopes is to be reversed, there needs to be more lowland production of rice and other crops.

Increased rice production can be achieved with use of higher yielding, shorter statured rice varieties planted at optimal times in flood controlled areas with reliable irrigation supplies. Only under these conditions and favorable marketing conditions for surplus rice and production inputs (credit, irrigation) will the use of fertilizer seem attractive to farmers. At present many farmers view the use of fertilizer as boosting the growth of weeds, and weeding rice fields competes with harvest of upland dry fields. If lowland dry field crop types were grown in November-December and after the rice harvest (April-June) on residual soil moisture, pressure on upland dry fields as a major source of staples could be relaxed. Terraced upland fields would still be relied upon by rice field owners for fruits and vegetables and a portion of the staples. Farmers who own no rice fields of course must continue to rely on dry fields for staples, or buy them with the proceeds of coffee or other

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<sup>9</sup>. Some landowners who live elsewhere and do not cultivate their land have, on the request of the Project through the Camat of Kailako, allowed their fields to be used by farmers who own no riceland.

harvests<sup>10</sup>.

### 2.2.1 Irrigation

Areas prone to flooding are generally those located close to the rivers: the Loes, the Lauheli, and the Marobo (refer to Figure 2-1). The 400 hectares under the technical irrigation system are located near the Lauheli River and are served by one technical gate and four primary canals, three of which do not function due to high banks and reluctance of the farmers to pay pumping charges to lift the water into the canals (pumps were never installed). The gate for the technical inlet did not arrive until eighteen months after the inlet was constructed and consequently farmers' fields were flooded out or silted over with gravel and silt depositions. In addition, a siltation settling pond had not been part of the original design and was installed two years after the technical irrigation system was opened.

There is still disagreement over lines of authority and responsibility with respect to cleaning gravel and silt out of settling ponds and canals. There is a gate keeper at the main inlet, employed by the government. A house has been constructed for him. However, he is not always there (it is difficult for one person to be on the spot continually), and unless someone is present at all times, sudden heavy river swells following rain in the mountains may carry gravel deposits into the canals because the gates are not closed in time. The fact that only 200 hectares out of a total 400 hectares within the irrigation command area are prepared by tractors reflects in part the lack of farmer confidence in the reliability and dependability of the technical irrigation system. Some of the worst results are obtained in the technically irrigated area. For example, in 1986/1987, only about one quarter of the area prepared by tractor the previous year was planted - the remainder was left uncultivated and thus the wild sugar cane grass has grown very high again. The farmers paid in advance for land preparation but did not turn up in January, later claiming their money back.

Approximately 2,600 hectares are under traditional irrigation. These

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<sup>10</sup>. It is not recommended that these farmers reduce their production of staples and replace them with cash crops.

areas are mostly subject to flooding, which occurs in January and February, or, in the case of Bilimau, up till March. Bilimau fields are submerged to a depth of 2-3 meters. In order to avoid flooding, farmers plant rice in March (April in Bilimau) instead of the more optimal planting time in December which would preclude moisture stress at panical initiation, flowering, and grain formation stages. Farmers also claim that late planting avoids lodging during heavy rainfalls. Only tall rice plants are susceptible to lodging (falling over), but the majority of farmers plant the taller statured, albeit lower yielding, varieties, in order that rice plants will not be overtaken by tall weeds. If land preparation were improved (annual cropping to keep wild grasses under control; weeds fully submerged for 2-3 weeks until decay sets in), short rice varieties could be planted which would eliminate the problem associated with lodging under heavy rainfalls. In areas where proper drainage was provided, higher yielding rice varieties could be planted at optimal times and 2-4 times the current yields could be realized with fertilizer inputs.

In areas, such as Marko, where the rice fields are dependent on rainfall, rice must be planted earlier to ensure adequate water in the later stages of growth. In Marko, planting is done in December and January.

Two areas, Bilimau and Tata, have year-round irrigation water. It was suggested that, were there good water control there and a good market price for rice, farmers might plant two crops of rice during the rainy season. They could now plant a crop of corn after the rice harvest but generally do not. This, however, is partly because of other activities in the July-October period. We met one farmer who was about to plant a second rice crop, in September. He said, however, that there was only enough water for a few farmers to do this.

It should be noted that one of the reasons for the fertility of areas such as Bilimau is the silt brought by the floodwaters.

The construction and repair of technical irrigation systems is the responsibility of the Department of Public Works. This has so far been slow to occur. Currently a technical irrigation channel is under construction in Tata. There are some parts of Sare and Tata where the

traditional irrigation system has been damaged, for example by landslides, to an extent that farmers have been unable to repair. Government assistance is hoped for but has so far not eventuated.

### 2.2.2 Rice Cultivation Techniques and the Influence of the Camat (Sub-District Head)

The influence of the camat seems to be a key determinant in efficient use of lowland fields. The Camat in Kailako in the area known as Bilimau aggressively promotes improved methods of rice production. He has arranged for BIMAS fertilizer to be applied at the rate of 50 kg of urea and 50kg of TSP per hectare. He has insisted on all farmers transplanting rice (100 person days/hectare) rather than using the traditional method of broadcasting (1 person day/hectare) which facilitates weeding operations (walking in straight lines is faster and less rice is destroyed). In addition he has instructed ten farmers to train their pairs of project-provided buffalo to plow rice fields. Realizing that the 26 project tractors will no longer be available in 4-5 years, this Camat is preparing for the possibility that the cattle and buffalo population will not be big enough to handle all rice land preparation by traditional trampling methods. (See Animal Traction section.)

Bilimau demonstrates the potential for project success with respect to control of the wild grasses. Fields cultivated once or twice a year (preferably twice a year) with excellent land preparation techniques will control the *Saccharum spontaneum* problem. Fertilized HYVs grown on well-prepared irrigated fields can produce 3 - 4 tons/hectare as evidenced in Bilimau. Farmers who do not completely carry out the Camat's instructions are punished (see Chapter 3).

One 400 ha. rice field complex in Kailako only started to be cultivated in 1983. Prior to that time the area was said to be a "paradise for deer and wild pigs". Today 1,000 hectares (400 of which are prepared by tractors) are planted to rice.

The Project has tried to encourage the involvement of other camats in the promotion of improved rice cultivation methods. They even built a road in one area to provide easy access for the camat. But it made no

difference. These other camats are often happy to talk with Project staff in the kecamatan office, and claim to be supportive, but will not go to the fields to observe or encourage farmers.

### 2.2.3 Harvesting

Rice harvesting is done with a sickle close to the base of the plant if the field is relatively weed-free at harvest time.

In fields overgrown with tall grassy weeds (not sugar cane grass), however, we watched women harvesting scattered heads of rice one by one with kitchen knives. Laboriously searching for fallen rice plants among the weeds, the harvesters proceeded exceedingly slowly. In one of these fields, the crop was two to three weeks past optimal harvest time, due to a shortage of labour. Four harvesters were laboriously searching for meager rice grains amidst a large tangle of weeds. The implications of such late harvesting include harvest losses due to grain shattering, and yield losses due to bird and insect damage, as well as internal grain fracturing which lowers the percentage of head rice recovery during the milling process.

Such late harvests, however, are the exception rather than the rule.

After harvesting, the rice, which is tied in bundles, is dried for 1-2 weeks and then threshed by foot. Threshing is either done by small groups of men or at threshing parties. These parties take place at night and both men and women participate. Food is provided and the work is accompanied by much alcoholic drinking (tuak extracted from a palm tree) and singing and may go all night for a week. Threshing parties confer added status to the host.

The project rents out four large mechanical threshers (powered by tractors) at Rp. 2,000 an hour; three hours is sufficient to thresh the average production realized per hectare. Rental is set low to encourage use. The threshers are popular in the area around the Base Camp. We visited one farmer who had rented a project thresher. When questioned, he explained that he was not married and without a wife he would not be able to prepare all the essentials for a threshing party. There is a need to explore the use of simple threshing devices (threshing

boxes or foot-operated threshing machines) to reduce labor input in a labor-scarce society as well as to reduce losses. However, the likely demand for such devices, the role of threshing parties, and the compatibility of threshing devices and parties, should be examined.

Winnowing is done with a woven basket-tray from which the threshed grains are tossed into the air allowing the heavier grains to fall closer to the winnower and the lighter or empty grains to fall at a greater distance. This physical separation of empty and full grains is important for seed storage purposes and for seed stock used for planting the next year's crop.

Rice is stored in special containers, often kept in the kitchen where smoke from the kitchen fire retards insect infestation.

## 2.3 LAND PREPARATION

Land can be prepared by trampling, by project tractors with rotaslashers, rotavators and plows, by animal traction, or by herbicides. Each of these processes will be described and the advantages and disadvantages discussed.

### 2.3.1 Trampling

Trampling is accomplished by animals (the traditional method), by tractor-operated cage wheels (flotation devices designed to keep tractors afloat in flooded fields), or by animal-drawn grass-crushers (a new invention). Traditionally, a herd of about 30-40 water buffalo was used to trample irrigated rice fields for 3 - 7 days per hectare. Only the wealthy owned enough animals to prepare their fields unaided. Other farmers "rented" the animals in return for half of the harvest. Those who took care of a herd - perhaps four people in rotation - were in return entitled to use the animals to prepare their own land after the owner's land was done. Some wealthy farmers used to own hundreds of water buffalo.

Most of the buffalo were killed during the fighting. The project has been providing buffalo, initially, and, now, Balinese cattle to Farmers' Group members (1804 farmers in 48 groups) on credit to be repaid in kind.

To date approximately 700 cattle and 700 buffalo have been distributed under this arrangement. Farmers prefer cattle because of their greater disease resistance and higher reproductive rates (one calf every 12 months starting at the age of 1.5 to 2 years as compared to buffalos who produce a calf every 18 months and start reproducing only at the age of 3 - 4 years). Cattle also work longer hours. Buffalo only work from 6 to 8 am and from 3 to 6 pm and cannot work during pregnancy. Cattle trample the rice fields more quickly and industriously, and their smaller hooves cut up the roots of the *Saccharum spontaneum*. However, the large hoof area and slower movements of water buffalo often mean more complete and thorough trampling is accomplished.

The effects of the war and the Project's cattle credit are actually leading to a restructuring of important elements in the social fabric of the area. The few large buffalo owners who still exist (for instance, in Atabae, one individual, not a Group member, owns 100 head) are reported to be worried about their livelihood. When a Farmers' Group owns sufficient livestock for communal trampling operations, the rice farmers do not have to part with half of the rice harvest as payment. Each farmer who contributes his pair of livestock to communal trampling will receive free trampling services. During the transition period while many groups do not yet have enough animals to do this, some groups which already have a large number (from whatever source) rent out the herd to other groups for half the harvest. The proceeds are divided among the owners. In other cases, large owners still rent out their herds but with a somewhat different arrangement: the renter pays a share of the harvest if the crop is a good one, but money and livestock if it is not. This decision is made by the Farmers' Group leaders, not the herd owners. The traditional 50:50 arrangement still occurs but Project staff expect it to die out.

Innovative farmers have discovered that the cage wheels on the tractor can also be used to trample rice fields, although they are not designed for this purpose. Farmers are renting the tractors to trample their fields at Rp 10,000 per hectare. In an attempt to correct this problem but still respond to farmer needs, the Project built four sets of heavy wooden "cage wheel" grass-crushers, made from logs with metal "blades" attached, to be drawn by a pair of buffalo. These are provided rent-free to farmers. Only a few farmers have used this device to date as it means tethering the

animals and feeding them when they are not being used in addition to initial training for drawing the implement. Furthermore, it becomes very heavy when wet and can strain the animals. One farmer adjacent to the project base camp has been preparing his rice land for several years using this method. Grass control has been good. However, he plants corn as a second crop, so the grass is low.

### 2.3.2 Tractor-Operated Plows, Rotaslashers, and Rotavators

The project provides rotaslashing, plowing and rotavating tractor services. The cost is set at Rp 30,000 per hectare for complete soil preparation (usually rotaslashing followed by plowing or rotavating) or Rp 10,000 per operation per hectare.<sup>11</sup> This is a highly subsidized rate as the operation and maintenance of the 26 tractors now cost approximately \$6,000 per month (\$72,000 per year) and the tractors only prepare 750 hectares in a 12 month period (though they are also used for a number of other purposes). Income from the tractors is \$9,000 per year.

Rotaslashing is done for both wet and dry season crops, as a prelude to plowing or rotavating. It must, however, be done before the rainy season starts so that the cut grass can be burnt. If it is not burnt, it gets caught in the rotavator blades. About one hectare per day can be rotaslashed; another day is scheduled for plowing or rotavating. Some farmers do not use the rotaslasher even though they use the rotavator or plow: if the grass can be burnt completely, the slashing can be missed. Others burn both before and after rotaslashing.

Plowing is a dry season operation carried out during the August - October period. All grass must be well burned, and either hand cut or rotaslashed by the tractors prior to plowing. Only 100 hectares were plowed for non-rice crops or rainfed rice in the lowlands during this current dry season, well below the capacity of the fleet of tractors.

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<sup>11</sup>. There is some inconsistency in both records and replies to questions regarding whether there is a flat Rp 30,000 rate for any service or services, or whether farmers can choose one or two services for Rp 10,000 each. The records certainly seem to show some of the latter. However the usual number of services provided is only two, so it is hard to reconcile these two systems of charging.

Plowing can imply cultivation of a non-rice crop to be planted during the onset of the rains in November and December. Since many farmers plant their annual crops in their upland dry fields at this time, this type of tractor service has not yet proved as popular as the wet season tractor operations. However, on rainfed rice fields where water cannot be scheduled, fields are plowed during the dry season to be ready for the first rains. If the grass has regrown, the fields will be trampled before planting.

Rotavating is only done in the wet season when sufficient water can be let into the fields to soften the soil clods and permit mixing of soil, water, and large weed roots. The rotavators are only used on irrigated fields, as a tractor schedule cannot be prepared relying on rain. The demand for wet season tractor operations exceeds current capacity, given present operational efficiency, by approximately 50%. At the rate of one hectare per day per tractor service and assuming two tractor services per hectare (rotasplashing and plowing or rotasplashing and rotavating) 26 tractors should be able to prepare 1,300 hectares during a five-month working season at five days a week. In actual practice they prepare half of this amount. This is due to tractor breakdown, sick drivers, or unprepared fields. Fields may, for one reason or another, not receive irrigation water as scheduled (there is no organization of water distribution in most areas, so there may be delays or disputes). Unless the Project extension worker assigned to that particular area has been able to check on the condition of the field beforehand, the tractor driver arrives and either waits for the field to be irrigated or for other instructions, or returns to the temporary base camp for selection of the next field.

All farmer payments for the wet season tractor land preparation are due at the end of October, though they are often paid closer to the time for service. The Project is very strict with respect to advance payment.<sup>12</sup> Negative experiences with project credit at the beginning of the project

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<sup>12</sup>. There is provision for Extension Agents to recommend that a farmer whom they believe really cannot afford to pay in advance receive credit, but staff say that this has never been necessary - people sell some fruit or chickens if they have no coffee, or make palm-rib wall panels for sale.

in terms of seed and tools has made a strong impact on the Project personnel. Staff refer to BIMAS fertilizer credit as oleh-oleh (small gifts). The only credit given by the Project today is the cattle credit and due to the high status associated with cattle ownership, repayment rates have been very good. There is probably also an element of group pressure, as other group members are waiting to receive the offspring.

This year, the rate for dry season land preparation was raised to Rp 40,000 per hectare (two services) and it is planned to similarly raise the rainy season rate. The intention is to slightly reduce the subsidy and to encourage farmers with enough livestock to use them for land preparation. Staff believe that farmers who need the services will still be able to afford them. Since demand greatly exceeds capacity, this adjustment is wise. As the livestock population increases and the tractors wear out, the tractors will be phased out and traditional trampling techniques can resume. The difference will be in cattle and buffalo ownership patterns and payment for trampling services as described above.

### 2.3.3 Animal Traction

The introduction of animal traction, for plowing and harrowing, has not been successful. There are a number of reasons for this. (1) The animals must be carefully trained to accept and use the yolk. If they are used for plowing only once or twice a year and let free to forage for feed, as is the common practice, the rest of the year, they must be retrained the following year for the identical plowing operation. If they are kept tethered and yolked, then they must be fed, and labor is a scarce commodity in the Project area. Unlike Javanese farmers who may only cultivate 1/3 to 1/2 hectare intensively year round, the East Timorese farmer may have one hectare of rice land, one hectare of dry land, and one hectare of coffee to be tended by limited labor resources (one family). In Java, 50% of the farm families are effectively landless and sharecroppers are available to till the soil and cultivate crops of those who cannot or do not wish to cultivate all their land themselves. In contrast, in East Timor there is a relative abundance of land and a scarcity of labor.

(2) Another reason for farmers preferring trampling is that, if a lot of animals are available, it is considerably faster than plowing. (3) It is also something of a social activity, a group of people together supervising the animals, unlike plowing which is a lone job.

(4) Furthermore, many farmers believe that trampling does a better job of preparing the soil and discouraging the growth of *Saccharum spontaneum*.

(5) Finally, the original plows introduced by the Project were unsuited to local soil conditions and broke. Since then other, stronger models have been introduced.

A very few farmers are using animal traction, reportedly with good results. In Kailako, the Comat is strongly pushing the practice. The Project, however, has abandoned its program of training animals, feeling that the best approach is to let farmers see the results of those who use the plow. If they are impressed, and feel able to deal with the disadvantages of animal traction, they will come and ask for training, which the Project provides to anyone who asks. The Project will continue to place its emphasis on trampling unless a demand for animal traction arises.

#### 2.3.4 Herbicides

Round-up, a systemic herbicide reportedly successfully used on control of *Saccharum spontaneum* in Sumatra, could be used as an intermediary measure should there be a gap between tractors wearing out and the attainment of sufficient livestock numbers. An application to the cut stalks will travel throughout the entire root system and destroy the weed, then bio-degrade in the soil. Rice broadcast into the moist soil 3 - 6 weeks after application will grow without weed competition.

Experimental designs and sample bottles of Round-up were left with the Project Manager. Three levels of the herbicide will be tested as well as three different timings for broadcasting, and two types of land

preparation. This will give data on the most economic rates to be used on the grass in the project area and the optimal time for broadcasting under two different soil regimes. In one month the project tractor is able to prepare 10 hectares with rotaslicing and rotavating for control of weeds at a cost of \$6,000. Ten hectares treated with Round-up would cost the project only \$1,000 and follow-up applications the following year might cost only half as much.

Project personnel could be hired to spray farmers' fields just as project tractors are hired to prepare the land. In this way, caution could be exercised in the proper use of sprayers and the chemical.

It should be noted that when the Project Manager came to Jakarta after the team returned, he expressed some concern about the herbicide trial, partly because the Governor opposes the use of pesticides and herbicides where there are other alternatives. It was agreed that the agriculturalist would send the Project a letter, putting in writing USAID's request for a herbicide trial and thus relieving the Project staff of the responsibility.

## 2.4 EVALUATION ISSUES ADDRESSED

1. Crop diversification is a viable proposition if efficient irrigation, drainage, and flood control are provided. This will allow rice to be planted at optimal times for adequate soil moisture regimes throughout the life cycle of the rice plant. Corn, cassava, beans, pumpkins, and legumes can be planted on residual soil moisture after rice harvests with minimal soil tillage. Secondary crops should be encouraged on the lowlands in order to reduce further degradation of the hillsides. It is both economically and technically feasible to diversify the cropping system in the project with inputs of high quality seed, fertilizer, and promotional strategies on improved cultivation practices (weeding, spacing, timely harvests).

Agro-forestry should be encouraged on upland dry fields: alley-cropping, bench terracing with pineapples or cashew trees, or planting of other productive crops on the contours to act as barriers to soil being washed down in heavy rains. Such soil depositions in time form natural soil/root terrace ridges. The upland dry fields support a wide variety of annual and perennial crops which both help provide a balanced diet (though a nutrition program is needed to make the best use of these crops) and provide food security in the form of alternative staple crops (root crops, corn). They are also a source of additional cash income between other harvests.

Sound agricultural practices should be encouraged in the new lowland dry fields which are being opened up by farmers moving down from the uplands, to ensure that the land does not deteriorate. Cropping systems are needed which replenish and conserve the soil while allowing farmers to grow the kinds and variety of crops to which they are accustomed (as well as encouraging diversification). Alley cropping is a valid option in the lowlands too.

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2. The present plan to revert to traditional trampling is viable provided sufficient numbers of cattle and buffalo are available. Another alternative is to apply the systemic herbicide Round-up until livestock numbers are sufficient to trample the entire area.

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3. The minimal requirement for control for *Saccharum spontaneum* is annual cultivation of rice, whether by mechanical traction or by trampling. Flooded rice conditions can retard the growth of weeds if land preparation is excellent. The Foundation can only immediately start to control the grass in an additional 750 ha of project command area if use of Round-up is proven successful<sup>13</sup>. At the rate of 750 ha of tractor-prepared land per year, the additional 750 ha could not be tackled until livestock numbers are adequate to take over preparation of some fields by trampling in the balance of the project area. Currently 750 ha are prepared by tractor and approximately 1,500 ha are prepared by trampling. It would require approximately 2,000 additional adult

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<sup>13</sup>. We were told, however, that most or all of the 750 ha. has in fact been prepared by tractor once at some time.

cattle to replace the 26 tractors preparing the 750 hectares. At a rate of 400 cattle imported per year, this target could possibly be reached in 5 years. Each year, theoretically, more land in which the grass is under control could be worked by livestock, and thus more of the additional land could be prepared by tractor.

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4. It is anticipated that over the next five years the tractors (which will in any case be worn out in 4-5 years) will be phased out and replaced by cattle and water buffalo.

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C  
E  
A  
N

MAUBARA

Technical Inlet

Lauheli River

Lois River

HATULIA

ATABAE

Maroba River

Bilimau

KAILAKO

Hebani River

Figure 2-1

Figure 2-2

AGRICULTURAL CALENDAR

<u>Months</u>	<u>Rainfall</u> (mm) (in Atabae)	<u>Upland</u> <u>Dry Fields</u> ( <u>Ladang</u> )	<u>Lowland</u> <u>Rice Fields</u> ( <u>Sawah</u> )	<u>Coffee</u>
Jan	301	weed	field preparation	
Feb	325			
Mar	113		plant	
Apr	91	harvest		
May	41			
June	20		harvest	
July	22			harvest
Aug	10	clear & cut		
Sep	8			
Oct	32			
Nov	122	plant		harvest
Dec	266			

## CHAPTER THREE

### COMMUNITY DEVELOPMENT AND FARMERS' PARTICIPATION

#### 3.1 WHO BENEFITS?

##### 3.1.1 Scope: Percentage of Population

In 1980 the total population of the four subdistricts (kecamatan) in which the Project operates was 38,132, consisting of 7,859 households.<sup>1</sup> There are currently 1,804 households (23%<sup>2</sup>) which are direct beneficiaries of the Project, resident in about 30 villages. In one subdistrict, Hatulia, all villages (12) have Farmers' Groups. In the other subdistricts there are a number of villages not covered by Farmers' Groups.<sup>3</sup>

We do not have figures for the ratio of members to total households by village, but clearly a large proportion of farmers in the area are not beneficiaries.

The reason for this is that the original and main aim of the Project has been to rehabilitate and open up lowland rice fields. Thus Farmers' Groups were formed consisting of (male) farmers whose rice fields are

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<sup>1</sup>. We do not have figures later than the 1980 Census. Population in the project area would be expected to have risen substantially since 1980, both because of births and because of large numbers of people returning to the area from Dili and the mountains. Some residents however are not farmers.

<sup>2</sup>. The percentages of current population are of course lower.

<sup>3</sup> In Hatulia, there are now 645 members whereas the total number of households in 1980 was 3,020 (21%). This is an area where many people own no lowland rice fields but have upland coffee gardens. In Kailako (where virtually no-one owns coffee gardens), on the other hand, there are 530 members, and the 1980 household total was 1,050 (50%). In Maubara (where there is less coffee ownership than in Hatulia), the figures are 398 members to 2,546 households, the most extreme ratio (16%). In Atabae (where again there is little coffee and farmers must depend on wet rice fields (sawah) and dry fields (ladang)), there are only 231 to 1,243 (19%).

adjacent to each other.<sup>4</sup> At the time the groups were being formed, some landowners were still away from the area, in Dili or the mountains, and only those present were registered. Thereafter, new members continued to join until 1983, when it was felt that the Project could not service a larger membership so no more members were accepted. Lowland rice field owners who are not members of groups apparently constitute only a small percentage of total owners, with the exception of an area of Atabae not covered by the Project. (See Chapter 2). According to the extension agent there, in this riceland area on the other side of the river, the farmers had adequate livestock and the grass was not a problem so they did not wish to use tractors. Now, however, they would like to take advantage of the free bund-building service but are not eligible. Only those Atabae farmers who have land in Bilimau or other Project-covered rice field complexes are members of groups.

### 3.1.2 Characteristics of Beneficiaries

It is problematic having an agricultural Project which focuses on only part of a community. There is a need to examine the relative socio-economic conditions of the various categories of farmers: (1) the (generally) rice-field-owning farmers who comprise the Farmers' Groups, some of whom own coffee gardens, some of whom rely mainly on their rice land, and most of whom rely also on upland dry fields<sup>5</sup>; (2) the non-members who own rice fields (lowland and upland); (3) the non-members whose main income is from their coffee gardens; and (4) the non-members who own only dry fields. To discover the relative socio-economic conditions of the various categories of farmers, and the sub-categories within them based on, for example, area of riceland and coffee gardens owned or worked, would require further research. Almost certainly, farmers who own only dry fields (ladang) - i.e. no wet rice fields or coffee gardens - are considerably worse off than others. It seems possible that by concentrating assistance (particularly cattle) on lowland riceland owners,

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4. Farmers with adjacent rice fields tend to come from the same upland village.

<sup>5</sup> While in theory only rice field (sawah) owners are allowed to be members of Farmers' Groups, in fact some other farmers are also members. In one village visited in Hatulia, it was reported that only 12 of the 50 members owned sawah.

those who own no such riceland and thus receive no cattle or other services (including water supplies unless they live near Farmers' Group members), may be becoming relatively more disadvantaged, especially those with no coffee gardens.<sup>6</sup> This is a matter for investigation.

Data is also needed on farmers participating in or receiving assistance from various government programs - e.g. farmers' groups, Banpres cattle.

### 3.1.3 Women

The Farmers' Groups consist only of men, despite the fact that women are involved in agriculture to about the same extent as men. Both women and men work in rice, coffee, and dry land cultivation and are involved in agricultural decision-making. Women usually are in charge of household finances.

Some agricultural activities, such as vegetable gardens in Hatulia (see below), are largely in the hands of women.

While land preparation for rice cultivation tends to be a male activity, this is only one of the foci of the Project. Some agricultural processes such as rice harvesting are done entirely by women, and others, such as planting and weeding rice and corn, threshing rice, clearing and planting dry fields, and weeding and harvesting coffee, are done by either or by both together, depending on other family labor demands. Women are likely to be mainly responsible for storage practices, and may be in charge of marketing produce (most of those selling produce in the Sare market were women).

Women work longer hours than men, being responsible both for the above kinds of "directly productive" work and for household maintenance work. Fetching water is usually done by women and this may take several hours

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<sup>6</sup> We were not able to obtain any figures on the percentages of families in the project area falling into various categories of land-holding. It might be possible to obtain from village or subdistrict statistics the numbers of people who own wet rice fields and coffee gardens, but such statistics may not be in a usable form or reliable.

each day. Water supplies were a problem raised by women interviewed by the Bina Desa Socio-Cultural Assessment team. They spontaneously requested more water projects, an indication that this is a strongly felt need.

It is most important to involve women in project activities, probably through the formation of women's groups. These groups could focus on issues which are of particular concern to women - agricultural production, post-harvest processing and marketing; care of livestock; water supply; non-agricultural sources of income (such as weaving); and whatever else arises. The groups should work in close cooperation with the men's groups. Agricultural extension should be channelled through women's as well as men's groups. (Some could probably be done jointly.) Staff members are thinking about initiating health and nutrition activities in the future, and these could be channelled through women's groups.

### 3.2 SAWAH OR LADANG? IS THE AGRICULTURAL MODEL JAVA-CENTRIC?

For reasons which can be appreciated, the Project thus far has concentrated its attention on lowland ricefields. Soil conservation measures on upland dry fields have not been very successful, for reasons explained in Chapter 2.

In Indonesia there is a tendency to regard wet rice cultivation in the Java/Bali model as the norm and as a desirable goal everywhere. Even in Java, there has been much less attention than is warranted, by agriculturalists and others, to the economically and nutritionally important house-gardens. In East Timor and other parts of eastern Indonesia, the agricultural system is an extensive rather than an intensive one, and further-more, farmers do not necessarily regard rice as their most important crop or the one warranting the most attention. (See Chapter 2.)

There are political aspects to the emphasis on lowland rice cultivation. The government in East Timor (as in other parts of Indonesia) prefers people to live in accessible lowland areas where they do not move about and are more easily controlled and monitored. It is of course also easier to provide services to permanent, concentrated lowland communities. Both these considerations are of particular concern to the Indonesian government in East Timor. While one might not necessarily agree with the government policy on this matter, it is essential that the Project, and in

particular the new Foundation, are not seen to be working against government policy. It should however be possible to arrive at solutions which are satisfactory to both local farmers and the government.

In Kupang the team coordinator met with Viator Parera, one of the members of the original team which conducted a study of the area in 1981.<sup>7</sup> He works for the Provincial Agriculture Office (Dinas Pertanian) in N.T.T. and is known for his innovative ideas on agriculture in eastern Indonesia. He is very interested in developing agricultural systems appropriate to Timorese conditions, and believes that an agro-forestry approach with an emphasis on intensified cultivation of dry fields is the most appropriate. He emphasizes an approach which starts with recognition of the traditional local agricultural system as valid and of value. This system is then taken as the starting point in a process of agricultural development in which weaknesses in the traditional system are overcome.

He emphasizes the value of an alley-cropping system as an alternative to shifting agriculture. Fallen leaves and legumes replace soil nutrients. He is convinced from his experience that this system can succeed in Timorese conditions.

He feels that while some people may move down to lowland areas, others should be allowed to stay in the uplands where they would receive guidance in agricultural practices. As they would no longer be practicing shifting cultivation, the government might have fewer objections to their staying in the hills.

It should also be borne in mind that there is probably not enough land available in the lowlands for everyone to settle there and cultivate plots of dry land (as has been encouraged/ enforced in Kailako). However, where people do move down and cultivate permanent dry land plots, there is a great need for a system which replenishes nutrients.

It is vital that extension workers (trained in dryland agriculture and soil conservation techniques and also in community development) work with farmers (male and female) in finding appropriate approaches to local problems. This is necessary so that approaches can be worked out which are

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<sup>7</sup> Metzner et al., 1981.

seen as advantageous by the farmers (and are acceptable to the government) and thus will be practiced.

Viator Parera is currently setting up a permanent training team in Kupang. It is recommended that next year the possibility of running courses in the Project area (tailored to local needs) be discussed with him. He was receptive to this idea.

### 3.3 RESIDENCE: CHOICES AND PRESSURE - THE KAILAKO CASE.

Reasons for farmers' preference for living in the high-lands are discussed in Chapter 2.

Traditionally, people lived in the uplands. Lowland rice cultivation is evidently fairly new -- we were told that some farmers have been working lowland ricefields since before the Second World War but that most opened rice fields subsequently. It was not till the early seventies that the Portuguese actively encouraged people to move down and cultivate rice. While rice has recently become a status food, it is only one of several commonly-eaten staples -- tubers, corn, and sago are the others, though sago, because of the hard work involved in extracting it, is only used in times of famine.

Some people are moving down. They tend to be younger people, who wish to be closer to roads, transport and other facilities. In Kailako, where no-one has coffee gardens, the Camat (who comes from this area) exerts great pressure - with both negative sanctions and incentives - on people to settle in the lowlands (and to practice intensive rice cultivation techniques).<sup>6</sup> We were told, for example, that no schools are being built in the upland areas of Kailako. The Camat does not allow anyone to go to the uplands unless that person's land is well-prepared and planted to rice.

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<sup>6</sup>. Besides ensuring that farmers practise intensive rice cultivation techniques (see Chapter 2), he now has initiated plans for a Five Year 100% Literacy Plan. One kecamatan in East Timor claims to have actually achieved 100% literacy by refusing to allow anyone who could not pass a literacy test to travel to Dili, obtain an ID card, or apply for credit.

Written permission must first be obtained. On the positive side, the Camat has been able to provide some young people who have moved down with land to work.

The Camat's attitudes and practices are based on the traditional East Timorese relationship between ruler and ruled. His justification is that when people are in trouble they go to him for assistance; so he tells them to "plant rice properly otherwise I have to help you when your food supplies are depleted and you come to me for assistance". While the Camat has been quite successful with his regulations, incentives and punishments (these include beatings and making people stand in irrigation ditches in water waist-high or over), it remains to be seen whether people revert to former practices when he eventually moves. One of the Project staff guessed that perhaps half the farmers would continue the new practices.

This Camat has held his position for 12 years, and has just had his term extended again by the Governor, whereas the other three Camats within the project area have been replaced, as is normal, every 4-5 years. While Project staff are somewhat ambivalent about his methods, The Project Manager had intended to request the Governor to extend the Camat's term, feeling that a great deal has been achieved in the sub-district because of him and that his cooperation is very valuable.

### 3.4 TO WHAT EXTENT ARE FARMERS INTERESTED IN NEW INITIATIVES?

#### 3.4.1 Factors Determining Interest in Innovation

Farmers' interest in and adoption of new practices, techniques and forms of organization tend to be dependent on a number of factors:

- Do they respond to a need felt by farmers, either spontaneously or as a result of education?
- Do they conflict with valued traditional practices?
- Do they pose scheduling problems given other seasonal activities (agricultural or other)?
- What incentives or sanctions are there? (These may result in only temporary adoption of new practices.)

- How do they link in with other changes? For example, an adequate household water supply might lead more people to settle or spend the dry season in the lowlands; a demand/ good price for a product might lead people to produce it; nutrition education might lead people to try new crops.
- Did the idea come from the farmers themselves? If so, which farmers?
- Are the initiatives relevant to all farmers or only some?
- Is it women or men or both who are affected by the change? Who has been consulted?

Three new initiatives which have been tried are fishponds, the encouragement of non-rice food crops in the dry season, and household water supply systems.

#### 3.4.2 Fishponds

Where water is available, farmers have shown considerable interest in fishponds. However in some places the water supply had dried up this dry season and the fish have died. In other villages where household water supply systems are successfully used to supply fishponds.

In Kailako, the Camat has encouraged the construction of more than 100 fishponds which are stocked with carp fingerlings. At the ones we saw, water supply was adequate.

The question of marketing opportunities and the likely effect on prices of large increases in the production of one kind of fish need to be examined. Some farmers have tried raising catfish caught in rivers in ponds. Again, there was a problem with ponds drying up.

Another question is what contribution fish-raising is making to improved nutrition - who is eating (or will eat) the fish?

#### 3.4.3 Secondary Food Crops Diversification

It should be noted that farmers traditionally grow a variety of crops (staples, vegetables, fruit, coffee, tobacco etc - see Chapter 2) on dry fields and in house-gardens. According to Alex Miedema, however, the

variety is decreasing.

Interest in growing dry season crops in wet rice fields is affected by other dry season activities such as coffee harvesting, clearing dry fields, and ceremonies; by the availability of water; and by whether farmers feel the need for extra income or food.

Some farmers, especially those who have settled in the lowlands, are trying secondary crops such as corn or vegetables, but some crops have failed due to lack of water.

A number of families in Hatulia are planting vegetables beside a river. Women do most of the work, watering them from the river. These farmers have been successful and want to expand their vegetable gardens.

The market for vegetables is good. In the lowlands, traders come from Dili to purchase vegetables. In Hatulia, growers sell to the sub-district market, where demand exceeds supply, we were told, and vegetables are more easily sold than rice.

Fruit, on the other hand, does not have much of a market locally and many fruits ripen in the rainy season. Pineapples, for example, which are quite widely grown, sell for around Rp 1,000 (large) and Rp 500 (small) in the Sare market. In Dili, they can be sold for Rp 2,500 and Rp 1,500, making the bus trip with a sack of pineapples worthwhile (the fare is Rp 2,000 each way plus Rp 2,000 for the pineapples). A sack holds about 10 large or 15 small fruit. The problem is that pineapples ripen in November-December and once the rains set in, the roads to Dili are nearly impassable. Once the new Dili-Kupang road is completed, the trip should be easier.

In the Sare market (held weekly over two days), the traders of produce seemed mostly to be farmers selling small quantities of their own produce, sometimes together with baskets or other handicrafts. For example, one woman had five bunches of watercress for sale at Rp 100 each. Another had two bunches of bananas for Rp 150 each, several baskets (bote) for Rp 200 each, and a small bag of coffee which she had purchased from the grower in the mountains. Some had slightly larger stocks than this, but

these were not atypical. Rice, too, is sold by very small-scale traders, the unit being a sweetened condensed milk can-full which sold for Rp 100.<sup>9</sup>

The Sare market is the largest market in the region. The market in Maliane the capital of Bobonaro district (kabupaten), for example, is not so large or well-known. The Sare market is located where three districts meet, far from each of their capitals.

#### 3.4.4 Household Water Supply Systems

Water for household use is in short supply in much of the lowlands in the dry season, except where water has been piped down from a source in the hills. ETADep has, with village labor, constructed a number of water supply projects, but many more are needed and some of these would be over much longer distances than ETADep has so far had the capacity to tackle-- in one village we visited the distance would be seven kilometers. There are some bamboo-pipe water supplies, constructed by villagers, but we saw more of these in the uplands, probably because water does not have to be brought so far. There are a few hand-pumps, evidently from UNICEF, but the one we looked at was dry. It was 7m. deep and, we were told, had it been 10m. deep there would have been year-round water.<sup>10</sup> In some lowland villages, on the lower slopes, we were told water is at too great a depth for wells. In one settlement we visited, water is 1 1/2 hours return walk away between August and December. Despite this, there are farmers living there permanently. In other villages water may be further still. Water shortages are perceived by staff as a major deterrent to more people moving down from the hills.

#### 3.4.5 Water-Users Associations

We were told that there was a traditional system of water organization,

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<sup>9</sup>. There is a discussion of volume-weight using cans in the 1984 ETADep Evaluation (Clarkson et al), Appendix 2.

<sup>10</sup>. The pump was installed by two families who have temporary houses beside their rice fields. They dug a 10m. well but then had to wait a long time for the pump, and the bottom filled in. When the governor scheduled a visit, the pump appeared and was hurriedly installed without time to redig the well.

maintenance of channels, etc., but that it no longer functions. It broke down with the influx of newcomers into irrigation complexes. So far nothing has replaced it. It is not possible for irrigation to be organized through the Farmers' Groups, as these do not correspond to the irrigation channels.

One of the problems with getting farmers to take responsibility for water control and maintenance is the existence of a government irrigation employee. Farmers do not see why they should take responsibility for something which, as they perceive it, someone else is paid to do.

Another problem relates to the way work is done on the irrigation system: by communal labor. Farmers who do not join in still reap the benefits. As a result, those who do work are disgruntled and next time do not come either. In some other parts of East Timor, work is organized differently: the length of the irrigation channel is divided up according to how much land each farmer has, and each farmer is responsible for a stretch of channel. A Project staff member who comes from such an area feels that sanctions are easier to apply in this system than in the communal labor one.

There is reputed to be one rice field complex - Solo-sularang - in the Project area where a water organization system is functioning, but the team did not have time to investigate this.

#### 3.4.6 Health and Nutrition Activities

Health and nutrition courses for woman were recommended as inputs in the 1985 ETADEP Prolongation Proposal and have been suggested since but as yet no action has been taken. Such activities would be a completely new direction for the project and thus would require careful planning. However, the payoff in community development could be high and such concerns tie in well with agricultural planning and development, particularly an increased attention to dryland agriculture. The Foundation could choose to cooperate with a PVO with experience in the health field (e.g. Perdhaki who are already operating in East Timor) or employ health professional themselves for training or other activities. The advantage of the former choice is that the yayasan can draw on the experience of another organization.

It is the team's impression that health and nutrition in the area are important issues needing attention. In both the uplands and the lowlands, we saw many children (between the ages of about one or two and twelve) with signs of malnutrition such as reddish unkempt hair, excessive thinness, loose skin, rickets, and sores that had not healed properly. This is probably related both to seasonal food shortages and to the custom of eating only once or twice a day. Eating more often than this is regarded as extravagant, we were told. Adults will eat a huge plate of rice, corn or tubers. Children, however, are not able to eat enough, especially of carbohydrate foods, in one or two meals to provide adequate calories, let alone protein. Furthermore, we were told that children up to the age of five get their corn or rice in the form of bubur, porridge, which being diluted with water provides much fewer calories while filling the stomach. Calves usually get priority over children in receiving milk from family animals, and many families have no cattle or water buffalo yet, anyway. Eggs are generally sold or hatched.

Improved nutrition is vital for the future of the area: malnourished mothers produce malnourished children whose development, physical and mental, is retarded and who thus grow up to be farmers with less than their potential capacity for supporting their families and contributing to development.

#### 3.4.7 Other Initiatives

Plans for other new initiatives (such as in post-harvest storage practices) should be assessed by asking the questions listed in section 3.4.1 above.

#### 3.5 FARMERS' GROUPS (KELOMPOK TANI)

(See also Appendix 4, II: Structural Organization of ETADEP - C. The Farmers' Organization)

Farmers participating in the Project are organized into Farmers' Groups, the leaders of which constitute the Farmer Group Leader Coordination Committee. From the latter, the Local Development Committee is elected.

### 3.5.1. Farmers' Groups

At the start of the Project, there were no farmers' organizations in the area. Recognizing that long-term success and sustainability would only be ensured by farmers' participation in and support for project activities, project staff have, from the early months of the project, spent time organizing farmers' groups.

Initially, groups were formed based on village of residence, but as this did not necessarily imply adjacent rice land holdings, it was decided during the first year to reorganize the groups on the basis of location of rice fields so that land preparation by tractor could be more easily organized. While this new system was necessary to enable the rice field preparation to be coordinated, it reportedly

cause[d] some uneasiness initially, because in the past only a clan would work together, in a loose formation. [However,] the farmers .... accepted/understood the need for this new structuring.<sup>11</sup>

We were told that in fact farmers with adjacent fields tend to come from the same upland village. (There was some minor later reorganization back in this direction.) In the case of farmers who are living temporarily or permanently in the lowlands, we were told that they generally prefer to be in a group with others from their village of origin rather than with their lowland neighbors (i.e. if they do not own fields in the same location), and thus may not mind walking long distances to meetings.

Groups were formed and were assisted in choosing a leader (kontak tani) and secretary. Subsequently, as more land was opened up, new groups were formed and new members accepted. By March 1982, 13 farmers' groups had been formed. By September 1983, 48 groups with 1950 members existed, and it was decided that the Project could not cope with any further increase in the project area or number of Farmers' Groups. This was reported as being "not a popular decision with additional farmers who wished to participate with ETADEP."<sup>12</sup>

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<sup>11</sup>. ETADEP Six Month Plan of Action, No. 2, 1982.

<sup>12</sup>. ETADEP Narrative Report No. 5, 1984.

Although a few groups and their members no longer participate in ETADep, some groups have been reorganized along village membership lines, and a few large groups have been divided in two, many of the groups and their memberships have remained relatively stable. At present there are 48 groups with a membership of 1804. A table showing sub-district location, group names, number of members in each group, and total land area ever cleared by project tractor operations, is presented in Appendix 4: II. This is summarized in the following table:

Table 3-1  
GROUPS AND MEMBERSHIP

<u>Sub-District</u>	<u>No of Groups</u>	<u>No of Members</u>	<u>Wetland Area</u>	<u>Dryland Area</u>
1. Hatulia	19	645	597	25
2. Kailako	14	530	534.5	295.75
3. Mubara	8	398	349	73.5
4. Atabae	7	231	153	-
T O T A L S	48	1804	1633.5	395.25

There is considerable variation amongst groups. Some are more active than others. Some still need help in choosing leaders -- explanations and suggestions -- while others now choose their own. Some groups -- as was reported in Narrative Report No. 8 in 1985 -- continue to feel that Group meetings and activities are concerned with ETADep's interests, not their own. So they do not feel involved, or motivated to participate actively.

Those chosen as group leaders tend to be farmers of high status, traditional leaders, though a village head cannot hold this position. In some cases the leader is more or less appointed by the village head. If a group is dissatisfied with its leader, the leader can be replaced: this has happened on occasion.

The Farmers' Groups still need a lot of guidance and encouragement from the Extension Agents. Extension Agents have as many as eight

geographically separated groups to cover, and spend much of their time on matters such as planning rice field cultivation, tractor schedules, and credit. Perhaps more importantly, there has not been very much training or back-up for Extension Agents or Group Leaders in group dynamics or community development techniques. Thus many of the groups have not developed to a stage where members feel responsible for the group and where ideas arise and initiatives are taken by the group. There are certainly exceptions to this: some groups have made valuable suggestions for changes in Project activities or developed activities of their own, usually under the guidance of the Extension Agent. It appears that differences among groups are also often related to the skills of the Extension Agents.

One of the problems that some Extension Agents described with their groups was that in certain areas, farmers do not turn up to meetings called by the Group Leader, or they come but only stay briefly. Other Extension Agents expressed the opinion that the key to success or failure of Groups is in the hands of the Extension Agents. They also pointed out that topics need to be of interest to the farmers and, to keep members' attention, important matters need to be dealt with early in the meeting.

One Extension Agent described how he insists that there be no listeners in his Groups -- that all participate actively. He has found that gradually this happens.

The same Extension Agent described how he deals with a village head who dominates a meeting: he talks to him beforehand, and explains his plans for the meeting, so the village head does not feel the need to talk so much at the meeting.

Traditionally, the position of village head was one of high status and power. In Portuguese times, he was the only villager allowed to wear long pants! Thus the cooperation and support of the village head is very important. Village heads are invited to meetings of all Groups in their village.

Problems arise in some areas when both the Group and the government (village or sub-district level) schedule activities for the same time. In Ataxie, in particular, there have been occasions when a village head has

agreed to a Farmers' Group activity on a certain day but has then scheduled a village activity, which receives priority, at the same time. It was felt by staff that the way of dealing with these clashes (unintentional or apparently intentional) was better relationships, communication, and coordination with the government at village level and above.

The Group Leaders are supposed to call meetings to report on decisions or discuss suggestions made at the meetings of the Farmer Group Leader Coordination Committee. This often does not happen, and meetings are initiated by Extension Agents.

Most Groups at times decide to carry out group activities, such as cleaning irrigation channels, or constructing a household water supply system. Some Groups conduct these activities successfully, while others experience problems. One of the Extension Agents working in Atabae described his experience with groups agreeing to carry out an activity then many members not turning up. On the other hand, a Group Leader from Maubara described the sanctions applied to members who do not turn up to an agreed-upon activity: they are required to work on a plot of land which belongs to the Bupati (District Head) and is cultivated by the village to provide for cattle-herds, guests and the needy.

To sum up, there is considerable variation among Farmers Groups in the level of achievement and involvement of members in planning and activities. This variation is a result of:

- Differing levels of skills of the Extension Agents in group dynamics.
- Problems with certain village heads and camats, who, despite prior discussion and even agreement with the Extension Agent or Group Leader, schedule village or kecamatan activities which conflict with Group meetings or communal labor.
- Varying capabilities of Extension Agents to deal with village leaders and other government officials.
- The distance members have to travel to meetings;
- The benefits members feel they obtain from Group activities.
- The time demands on those owning coffee.

### 3.5.2 Training

Although an original goal of ETADEP was to have within each group one cadre trained in each of the main program areas --livestock, Leucaena, group motivation and model farmers -- plus a group leader, over the last two year period this goal has changed to training group leaders only. Apparently, project staff became discouraged with cadre training since many of the cadres, once trained, went off in search of other jobs, while the poor results from those who stayed in their groups did not seem to warrant further training efforts. Cadre efforts particularly waned when the monthly honorarium of Rp 7,500 was abolished in September 1984. After this, cadres' interest in continuing training within their groups was practically nil.

At present, it is difficult to assess the effectiveness of this new training focus on group leaders since the Project has yet to establish a system for recording changes in techniques or methods among participating farmers.

The question of training for group members, be they leaders or cadres, needs to be examined as part of the process of training Extension Agents in community development. It is desirable to encourage initiatives by the groups themselves, and group dynamics skills are needed by Group Leaders and cadres if groups are to function well. The question of relations with village heads and higher levels of government also needs to be dealt with.

The experience of Extension Agents (especially the more capable ones) and Group Leaders and cadres should be drawn upon in further training. Reasons for failure of previous training efforts (e.g. cadres) should be examined before embarking on new training programs.

To improve the capacity of Farmers' Groups to initiate, plan, and implement activities, it is very important that Extension Agents should be able to guide groups in the direction of more autonomy and initiative. A few Extension Agents are already doing this and it is to be hoped that the new extension Agents whom Florentino is trying to obtain will be better equipped for the difficult job they face. It is essential that all Extension Agents in the near future obtain training, with follow-up and

support, in community development and group dynamics. (See Chapter 4).

### 3.5.3 Farmer Group Leader Coordination Committee (FGLCC)

In July 1982 the first meeting of leaders of the Farmers' Groups was held. After this, regular monthly meetings were instituted, until 1985 when they were changed to quarterly. This group leader forum is called the Farmer Group Leader Coordination Committee (FGLCC). Meetings of the FGLCC primarily revolve around planning schedules for land preparation by project tractors, and cattle credit program issues.

### 3.5.4 The Loes Development Committee (LDC)

In March 1984, the FGLCC elected nine of its members to serve on a board called the Loes Development Committee (LDC). Today this committee is staffed by four FGLCC members who have the following positions: chairman, secretary, cattle credit officer, and tools/seeds/dehuller officer. The treasurer was killed in a tractor accident and has not yet been replaced. All four of these people have an office at the Project base camp in Raimate and receive monthly honoraria from project funds, thus ensuring their attention to their LDC positions.

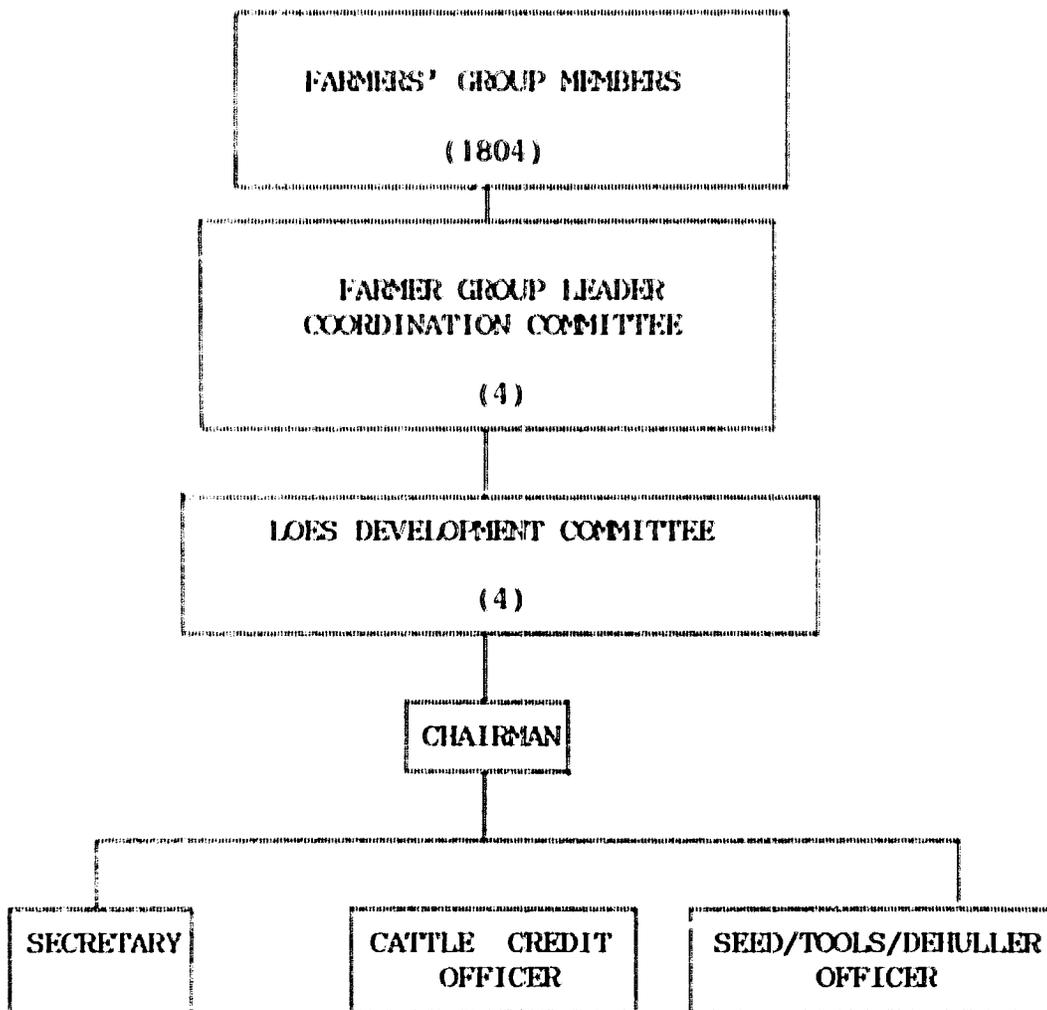
Initially the LDC was formed with the expectation that it would assume control of ETADEP activities after CRS's withdrawal, but this plan was dropped when it was decided to form a foundation. The LDC has assumed responsibility for the cattle credit program, collection of repayments of past seed and tool credit, and organization of quarterly FGLCC meetings. When questioned about future LDC activities once the cattle credit program terminates, the chairman replied that the matter had not yet been discussed.

To its credit, the LDC maintains extensive records on the cattle credit program which include all contracts on receipt of cattle by participating farmers. Records on those who have returned an offspring to the project, as well as records of those who received this offspring, are also maintained.

The LDC chairman, who is a member of the Founders' and Supervisory Boards of the ETADEP Foundation, knew about the phase-over of project responsibilities to the Foundation. He was confident that the Foundation would successfully manage to continue the activities now in place and he expressed a willingness to do additional work to ensure the success of ETADEP.

The diagram below depicts the present organizational structure of the farming groups associated with ETADEP.

TABLE 3-2

ORGANIZATIONAL STRUCTURE OF FARMERS' GROUPS

### 3.5.5 The Viability of the Farmers' Groups.

It is still an open question whether the present form of Farmers' Groups is the most appropriate or viable. The groups in their present form have not yet been given an adequate testing. Before deciding whether, for example, groups would be better based on residence than on proximity of rice fields, skills in community development and group dynamics need to be developed (through training and the assistance of consultants), so that changes can be based solidly in community desires and needs and will thus be viable.

Important considerations for the future of Farmers' Groups are :

- Whether and how it is possible to include farmers who are not currently group members. The benefits members obtain have given rise to ill-feeling in some villages.<sup>13</sup> The coverage and benefits of farmers' groups initiated by the government need to be examined at the same time.
- How women can be involved, both in agricultural and general community development decision-making, and in activities which particularly affect women such as child and maternal health and nutrition. Kailako has just started to form some womens' groups, which could be assessed for their suitability as models.<sup>14</sup>
- As tractors are phased out and the cattle credit program, concludes, the composition and functions of Farmers Groups will need to be adapted to new conditions and needs.

### 3.6 LAND REGISTRATION.

So far no farmers have received titles to their land.

Approximately 80% of lowland sawah was surveyed by the provincial Agrarian Affairs office but titles have not yet been issued. The reason for this is that there was a great deal of corruption in the Agrarian Affairs office and the official who had to sign the titles went to jail about a

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<sup>13</sup>. In Atabae, for example, a village head objected to an ETADep household water supply Project because it would only supply a small proportion of village households.

<sup>14</sup>. Note: meetings of women (and men) should be conducted in a language which all present understand. Women seem less likely than men to know Tetum.

year ago and has not yet been replaced. No-one else can sign.

Farmers are demanding titles from the Project, which has so far not succeeded in doing anything about the problem. After the Bina Desa visit, the Project Manager wrote to Agrarian Affairs with a copy to the Governor but received no response.

When we met the Governor, this issue was raised and the Governor expressed concern. He had not received the copy and suggested that the Project Manager write directly to him and hand-deliver the letter. He will then act upon it.

Farmers will pay only Rp 7,500 per hectare for land registration, under a special government program. This should be affordable.

Farmers want titles as soon as possible to give them a sense of security and in some cases to obtain bank credit.

No attempt has so far been made to register coffee gardens, houseland or permanent dry fields. The owners of large coffee plantations have mostly arranged their own registration. The need for and feasibility of registration of other land should be examined.

**MANAGEMENT AND STAFF:  
STATUS AND CAPABILITIES, TRAINING AND CONSULTANCY NEEDS**

#### 4.1 ETADRP STAFF

At present, ETADRP has on contract 66 full time staff members. ETADRP's plan is to continue with this size staff during the coming years. The departments in which these employees work, and the number of employees in each of these departments, are shown in Table 2, of the Appendix 4.

Generally, the team was impressed with the motivation and commitment of staff, and in the case of management staff and two of the extension agents in particular, with their knowledge of the Project, capabilities, and capacity to recognize training needs.

While some sections of ETADRP function quite effectively, in others, such as administration and extension, staff require training.

##### 4.1.1. Administration

While an administrative base is solidly established both in the Dili and Raimate offices, key management staff will require training to maintain and improve existing management systems. Such training is essential given that staff in positions listed below were only promoted into these new positions recently:

<u>New Position</u>	<u>Previous Position</u>	<u>Date of Promotion</u>
Project Manager	Administrative Assistant	July 1, 1987
Site Manager	Extension Officer <sup>1</sup>	July 1, 1987
Administrative Assistant	Procurement Officer	July 1, 1987
Procurement Officer	Assistant Procurement	July 1, 1987
Secretary/Dili	Not an ETADRP employee previously	August 1987

<sup>1</sup>. From June 1983 to March 1984, he was assistant to the Site Manager.

To date, the staff listed above have not received training for their new positions. Also, at present none of these staff members have formal job descriptions. While some of them have experience in administration, others are assuming their new positions with no management experience or training.

In order to ensure that existing management structures remain functional, key management staff were to undertake a short training course in Jakarta in October (see Appendix 4, Chronology of Key Events).<sup>2</sup> While this October training was expected to provide management staff with the skills to maintain existing systems, it was not expected to enable them to improve present management systems. (See Consulting and Training Needs, 4.3 below).

#### 4.1.2 Extension Agents (P2KT)<sup>3</sup>

(See also Chapter 3, section 3.5)

This section is also weak. Consisting of seven extension agents and two ploughmen, it is supposed to be the motivating force behind the farmers' groups, as well as a source of knowledge and new agricultural techniques. It is doubtful that the section fulfills such high expectations.

Out of seven Extension Agents, only two were trained at agricultural vocational schools and are considered highly competent at their work. The Project supported one of these agents (the previous Site Manager) in seeking a study scholarship in Java and if a scholarship were to be granted, he would leave the project, at least for several years. The Project Manager does not, however, think this is very likely to happen. Out of the remaining five, only one is sufficiently qualified. If the Project is successful in recruiting new agents, the other four will probably not have their contracts renewed when they expire on December 31,

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<sup>2</sup>. Three management staff - Bonifacio Correia, the Site Manager; Lihwana Orlando Petruzs, the Secretary at Raimate; and Gilman dos Santos, the Administrative Assistant in Dili - were supposed to attend but Gilman did not receive permission to leave East Timor.

<sup>3</sup>. P2KT is an abbreviation for Pusat Pengembangan Kelompok Tani, Center for the Development of Farmers' Groups. The term refers to extension agents - there is not actually a "center".

1987. Alternatively they may be moved to other positions.

ETADEP plans to hire at least four new extension agents as soon as possible. The aim is to have ten. It is very difficult to find suitable people who are willing to work long-term. The Extension Agent from Flores attempted to recruit people from his old school but was unsuccessful. Even if the project does manage to find trained agriculturalists, additional on-site training for this department should be scheduled for early next year.

Initial training should focus on community development, conducting needs assessments, and planning, since present staff capability in these areas is weak. Once needs and plans have been established, then based on planned activities, training seminars can be provided on more specific subjects. It is envisioned that such technical training would focus on crop diversification, irrigation, marketing, grain storage, drinking water programs, dry land agriculture, soil conservation, and pisciculture. While these are all current project activities, the skills to insure their effectiveness have not yet been developed.

To improve the capacity of Farmers' Groups to initiate, plan, and implement activities, it is very important that extension agents should be able to guide groups in the direction of more autonomy and initiative. A few extension agents are already doing this and it is to be hoped that the new extension agents ETADEP is trying to obtain will be better equipped for the difficult job they face. It is essential that all extension agents in the near future obtain training, with follow-up and support, in community development and group dynamics.

The CRS/Jakarta procurement officer will be visiting Timor where he will train staff in maintenance of adequate inventory records and controls, and review standard procurement procedures.

#### 4.2. REPORTING AND RECORDING PRACTICES

It is evident that project staff maintain reports and records on a myriad of subjects. What is not evident is the use of the documentation for planning or management purposes. While some records are clear and precise, e.g. monthly financial and vehicle reports, most other records and reports are unclear and inconsistent. Such practices make it impossible to

determine the following:

- Whether certain stated end-of-project goals are being achieved;
- The cost of any specific project activity;
- Changes in practices and technologies occurring in the Project area as a result of project activities.

A consultant with data management skills should be assigned to work with staff to develop simple record-keeping systems which could be used to record project results and changes, and which could also be used for planning and management decision making-purposes.

### 4.3 CONSULTING AND TRAINING NEEDS

We recommend the appointment of a one (or possibly two) longer-term consultants and a number of short-term consultants. Ideally some consultant time should be available to assist with the crucial initial planning that must take place in early 1988. The Foundation will need advice and recommendations in the choice of these consultants, and assistance in arranging their hire. It is hoped also that some training courses will be run for ETADep staff and for farmers in the project area, by organizations from other parts of Indonesia. It is hoped that USAID will be able to assist the Foundation in building up a network of resources upon which they can call.

#### 4.3.1 Consulting Needs

##### 4.3.1.1 Aims

- To provide the new Foundation with visible outside (foreign) support so as to discourage illegal acts against it or against project participants, and pressures that might be exerted from various sources.<sup>4</sup>

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<sup>4</sup>. The Foundation has a direct channel to the Governor through his brother. The Project Manager seems to have a good relationship with the governor and to be able to contact him regarding problems, but other staff might, in Florentino's absence, not feel so confident in this. Staff observed that there is a feeling of security, knowing there is outside backing, readily accessible. It was felt that it can be easier for a foreign consultant to contact the governor, even though the governor is very approachable.

Executive Board feels (if necessary based on outside advice) that they and other staff need strengthening.

- By presenting an outsider's view of the project, to help staff to take a broader and longer-term view, and to develop insights and methods of analysis which those immersed in the day-to-day running of the project find it more difficult to achieve.

#### 4.3.1.2 Areas in which Consultants and Training are Needed

- There is a need for at least one long-term foreign consultant, providing continuity in support to the Foundation and able to develop an in-depth understanding of the project, the Foundation, and the East Timor situation in general.
- The long-term consultant should have good all-round ability and experience in rural development, development planning and management, agriculture, and at least an awareness of and sensitivity to community development issues. He/she should be able to help the staff determine needs for short-term consultants and training and assist the Foundation in finding people and courses to fulfil these needs. He/she should be able to perform readily in an advisory rather than a management role, bearing in mind that the project will be under the control of the Project Manager and the other members of the Executive Board.
- Staff stressed that the most pressing need is for training in the fields of management, group dynamics and community development. While technical aspects are also important, there is a less pressing need seen for outside expertise. A long-term consultant should be able to identify areas in which specialized training or advice are needed, and help the Foundation make contacts and find appropriate resources outside the province.
- Ideally, the longer-term consultant should start work early in 1988. However, while all consultants should be carefully chosen, the longer-term consultant is seen as a key person with a broad range of skills and thus it may take longer to locate someone who is just right for

the job and available long-term in East Timor. Rather than choosing someone who is less than optimal, or having a period of perhaps months with no consultant there, it is suggested that while seeking a longer-term person, emphasis be placed on up-grading the staff's planning, management and cost-effectiveness analysis skills through the placing of short-term specialists.

If this is done, one consultant should be there for a period of two to three months (or until the long-term consultant arrives if this is sooner). This person should have planning and management skills and assist with:

(1) The design and writing of an overall plan for the next five years<sup>5</sup> (with provision for periodic adaptation and evaluation as the plan is implemented). The plan should be designed with close consultation between the staff and the advisor so that it reflects the experience and aspirations of the staff while taking advantage of a planner's skills and experience plus an outside's vantage point. A proposal for a USAID grant should also be written.

(2) Providing on-site training and design of management and administration systems.

If possible, this short-term consultant should have the same sort of experience and capabilities as those described for the longer-term consultant.

-- Should a longer-term consultant start work early in 1988, he/she should be responsible for the above tasks (if necessary with the assistance of short-term consultants).

-- As stated above, it is recommended that the long-term consultant should have at the very least an awareness of community development needs. If this person is not a community development specialist, he/she should be supplemented with a community development consultant who can work well together with the long-term consultant.

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<sup>5</sup>. A draft plan was written earlier this year but considerable further work and consideration are needed.

- \* It is desirable to have continuity in the community development consultancy as well as in the long-term one. In training in community development and group dynamics skills, extension workers need periodic reinforcement and feedback, from someone who knows the situation.
- \* While it is probably useful for staff members to attend courses in community development elsewhere, it seems particularly desirable to have in the field a consultant who can study the local situation, respond to this, and help the staff develop appropriate plans and techniques in cooperation with farmers.
- \* The staff with whom we discussed this matter were very interested in having Elias Moning return to the project, should he be available.<sup>6</sup> Elias Moning worked as a community development trainer for a short period when Hans Meir and Alex Miedema were Project Managers.<sup>7</sup>
- \* It is recommended that a short-term consultant be assigned to work with project staff in establishing simple cost-effectiveness analysis systems. The purpose of such systems would be to examine all aspects of long-term financial viability of the Project and Foundation, as well as the cost-effectiveness of all activities provided by ETADEP. Such systems should also assist with establishment of price determination standards for all goods and services provided by ETADEP. Pricing policies should take into consideration the ability of people to pay, the importance of the activity (i.e. does the Project wish to subsidize it to encourage adoption?), and the timeframe for increases in any charges or prices. It is recommended that the above consultant

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<sup>6</sup>. Elias Moning has recently returned from the U.S. after completing an M.A. in agriculture. He evidently also has training in community development.

<sup>7</sup>. It seems that Miedema and Elias Moning did not find it possible to work together. Miedema, while believing him to be a good trainer, was unhappy with his emphasis on group dynamics in dealing with farmers groups. These misgivings appear not to be shared at all by the staff to whom we talked. All those to whom we spoke were enthusiastic about having him back, should this be possible.

be an experienced PVO person.<sup>8</sup>

The financial consultant assigned to the above task should also redesign the present cash receipt system to improve present receipt controls and recording procedures.

- Although there have been some problems in relationships between ETADep and dinases (local offices of government departments), staff are able to obtain advice on agricultural problems and on new projects such as fish-ponds. There has been some cooperation on training. For example, two weeks training in fish culture was conducted by an agricultural official in 1986.

#### 4.3.1.3 Criteria for Choosing Consultants

- Consultants should have an understanding of Eastern Indonesian ecological conditions and societies.
- Given the history and current political situation in East Timor, in the choice of consultants particular attention should be paid to their cultural and political sensitivity.
- All consultants should speak Indonesian well.<sup>9</sup>

#### 4.3.1.4 Scheduling

- The question of where the long-term consultant should be based and

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<sup>8</sup>. It is recommended that the training and systems approach employed be based on The Cost Effectiveness Field Manual, prepared by Robert R. Nathan Associates, Inc. This manual provides a simple guide for PVO field staff in establishment of systems for analysis of the cost effectiveness of development projects. As such, the manual provides guidance on assessing project costs and monetary benefits, non-monetary benefits and social benefits.

<sup>9</sup>. Knowledge of Tetum would be an advantage, but few people other than East Timorese and some West Timorese would know this language. It should be noted that there are many people in the project area who speak neither Tetum (a lingua franca) nor Indonesian but only a local language. There are some 30 languages spoken in East Timor.

how much time he or she should spend in Dili and the project area was discussed with several project-related people. The decision is one for the Foundation, the Project Manager in particular.

- It was suggested by Project management that a consultant might be based in Jakarta, making relatively frequent visits to the province, or in East Timor, dividing his or her time between Dili and the field.
- While it appears to us that the Foundation and project could function effectively with a consultant visiting on a regular basis rather than based in the province, there are certain drawbacks in this arrangement:
  - (1) The consultant would not be engaged full-time with ETADEP and therefore presumably would need to be employed elsewhere by somebody else. The questions are, who this employer would be and how time would be divided. ETADEP would need to be a priority, the consultant making lengthy visits to East Timor. One to two months, three or four times a year, would be desirable, with perhaps three months initially.
  - (2) It is important that the consultant follow closely all developments and problems in the project and with the Foundation, so as to be in a position to provide appropriate advice and support at any time. The consultant should develop good relationships with the governor and other government officials, both to avoid problems arising and to support the Foundation if problems do arise either in relation with the government or in matters with which the government, particularly the governor could help.
- It would seem to be a better arrangement to have a consultant assigned full-time to the Foundation and thus able to devote his or her full attention to ETADEP.
- Short-term consultants, Indonesian or foreign, should be used to address particular needs, especially in training.

### 4.3.2 Training

It is recommended that an emphasis continue to be placed on training of staff and farmers. Staff and consultants, with USAID assistance, should actively search for and identify good and relevant sources of training in other parts of Indonesia (such as YIS, Bina Desa, and Bina Swadaya for community development; LP3T at Sukabitetek, western Timor (where courses can be run in the Tetum language) for appropriate technology; Foundation Alpha Omega, west Timor, for dry land agriculture<sup>10</sup>; in the future, Viator Parera's Department of Agriculture training team (Kupang) for agricultural systems appropriate to Timorese conditions, agro-forestry; CARE in NTB where the Project previously sent staff for training in water supply systems). It needs to be decided in each case whether training would be more effective if conducted on the spot in response to local conditions and Project needs, or elsewhere in a situation where participants have the opportunity to exchange experiences with people from other regions or to observe successful projects or activities. It might be possible in some cases to follow up an outside course with a visit to the Project site by one of the trainers.

It is most important that over the next few years the Foundation be helped to build up a network of contacts and resources to fulfill training needs.

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<sup>10</sup>. Yayasan Alpha Omega is a new organization set up by the Evangelical Christian Church of Timor. It is small but rapidly expanding, and is reportedly extremely interested in moving into East Timor. One foreign consultant the team coordinator talked to in Kupang said they have excellent dry land agriculture training, a three-month cadre training course, and mobile on-site dry land agricultural training. Another consultant however pointed out (1) their relative lack of experience, (2) the fact that they are run by a Protestant minister and have never worked in a Roman Catholic area, and recommended caution. Therefore it is suggested that while it might be good to explore sending people to their courses, it would be unwise at present for ETADEP to invite them to run courses in East Timor.

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CHAPTER FIVE

THE ETADEP FOUNDATION

5.1 INTRODUCTION

The aims of the ETADEP Foundation as stated in its Articles of Incorporation (Appendix 6) are:

- (1) to raise the standard of living of farming communities in East Timor, and
- (2) to improve the welfare of farming communities in East Timor.

These aims are to be addressed through various activities. The Foundation will:

- a. provide services and information to farmers in the field of agriculture;
- b. support government agricultural programs;
- c. cooperate with existing farmers organization;
- d. conduct other activities and efforts which will further the aims of the Foundation.

The immediate tasks and concerns of the Foundation are in taking over the project from CRS at the end of 1987 and continuing the project activities which are currently underway. By December 31, the Foundation needs to be in a position to competently carry out both those tasks performed in East Timor and those performed by CRS/Jakarta for the project.

The training needs and plans for the transition period (October-December) are detailed in Appendix 4.

It is extremely important that prior to 31 December, the Foundation be registered by USAID to receive grant funding and that a grant amendment be approved and signed so that the Foundation can continue to spend the remaining Project funds. Direct funding of the Foundation will need to commence some time prior to mid-August 1988, when funds would run out if there were no consultancies or training. (See details under Financial and

Administrative Issues of this chapter and Appendix 4.) When exactly funds run out will depend on how much is spent on consultants and training during the early part of 1988, and the source of funding for these. Chapter 4 provides detailed recommendations for training and consultancies.

As clearance for visitors to East Timor is difficult or impossible to obtain from the Dili end, the Foundation will continue to need USAID assistance in arranging these clearances for all consultants and trainers until the requirement for clearance is dropped.

## 5.2 STRUCTURAL ORGANIZATION OF ETADEP

There are three organizational structures which will be important to the success of ETADEP. These are:

- The Foundation
- The ETADEP staff and
- The Farmers' Organization.

Staff are discussed in Chapter 4 and the Farmers' Organization in Chapter 3.

## 5.3 THE ESTABLISHMENT OF ETADEP FOUNDATION

A primary objective cited in the 1985 proposal to extend the project for an additional eighteen-month period was:

To establish a local foundation (yayasan) which would continue to provide extension services to the farmers' organization.

The structure and purpose of such a Foundation were further developed in a concept paper at the end of 1985. Having assisted with the preparation of these two documents, key management staff in East Timor were aware and supportive of the plan to establish a local foundation which would assume responsibility for ETADEP upon CRS's withdrawal from the project. Actual steps to develop such a Foundation were begun in May 1986 with preparation of a first draft of the Articles of Incorporation. These statutes were subsequently reviewed by legal counsel in both Indonesia and

the United States, and revisions made.

The next step in developing this Foundation was identification of candidates to serve on the various boards. This step was completed by July 1987 and a first set of legal articles finally signed by a notary in Kupang on July 15, 1987. This version of the Articles, prepared by the Kupang notary, differed considerably from the previous drafts. This first notarized version of the Articles has since been withdrawn (it was never registered with the court of justice) since members of the boards agreed that it did not represent the foundation structure envisioned.

A new set of Articles was notarized in Dili on September 23, 1987. This notarization was attended by all members of the Board of Founders except two.

At the meeting, the Kupang document was reviewed article by article and revised. Each article was discussed in detail amongst the prospective Board members present and with the Notary.<sup>1</sup>

A significant change in the structure of the Foundation was made at the meeting. In the previous versions, there was a three member Board of Founders who were evidently envisaged as playing a formal role as founders and helping to give legitimacy to the Foundation but subsequently having little active involvement except at occasional meetings of a Council (Dewan) to, for example, approve changes to the Articles of Incorporation. It was felt that they could be expected to provide support and assistance should problems arise.

The three people initially designated as members of the Board of Founders (Carrascalao, Ganap and Goncalves) were chosen because they are prominent and influential members of the community. It was apparently not anticipated that they would be interested in routine involvement in the Foundation. As it turns out, both Ganap and Goncalves (Carrascalao was in Jakarta and we were not able to meet him) want to be actively involved in the Foundation and bear formal responsibility. Ganap felt that in the

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<sup>1</sup>. The previous draft, which had been approved by CRS's Jakarta and New York lawyers, was not referred to. This was evidently the initiative of the notary.

Foundation. As it turns out, both Ganap and Goncalves (Carrascalao was in Jakarta and we were not able to meet him) want to be actively involved in the Foundation and bear formal responsibility. Ganap felt that in the Kupang Articles, the Board of Founders was given no responsibility. Ganap was concerned enough that when he was in Jakarta he talked to people at USAID about his objections. He explained his position when interviewed in Dili but by that time was satisfied with the changes made at the September 23 meeting. Domingos Soares and Florentino felt that the Executive Board was given too much power by the Kupang Articles.

It was pointed out by the Notary that the Founders hold the highest authority in a foundation. It was then suggested and agreed that all those present, plus Carrascalao and Eugenio Borges, be the Founders. The Board of Founders thus took over the role of the Council (Dewan) in the Jakarta draft and the Kupang document: the Council was to consist of all members of the three Boards.<sup>2</sup>

These Articles were registered at the court of justice in Dili on September 26, 1987. With this registration, ETADEP Foundation became a legally recognized PVO according to GOI law. An amendment to this document, incorporating the Boards' rules of operation, should be completed before the end of October.

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<sup>2</sup>. Other members of the Supervisory Board (two at present) and the Executive Board (none at present) no longer have a role in the plenary meetings which are the highest authority in the Foundation.

A list of the various boards and their memberships is provided below:

TABLE 5.1.

ETADEP FOUNDATION

BOARDS AND THEIR MEMBERSHIPS

BOARD OF FOUNDERS (BADAN PENDIRI)

<u>N A M E</u>	<u>P O S I T I O N</u>
1. Manuel Viegas Carrascalao	Entrepreneur
2. J.A. Ganap	Entrepreneur
3. Jose Goncalves	Director of the Regional Development Bank
4. Fransiskus Tan	Catholic Priest responsible for Diocesan Social Welfare Programs
5. Domingos M.D. Soares	Lawyer. Director of the Provin- cial Government's Bureau of Economics
6. Eugenio Borges	Chairman of the Loes Development Committee
7. Florentino C. Sarmento	ETADEP Project Manager
8. Bonifacio Correia	ETADEP Site Manager
9. Gilman E. Santos	ETADEP Administrative Assistant

SUPERVISORY BOARD<sup>3</sup> (BADAN PENGAWAS)

<u>N A M E</u>	<u>P O S I T I O N</u>
1. Domingos M.D. Soares	Chairperson
2. Fransiskus Tan	Deputy Chairperson
3. Tomas Ribeiro	Member
4. Eugenio Borges	Member
5. Delegate from Farmers' Groups	Member

<sup>3</sup>. The Supervisory Board is composed of three founding members and two representatives chosen by the Board of Founders.

## EXECUTIVE BOARD (BADAN PENGURUS)

<u>N A M E</u>	<u>P O S I T I O N</u>
1. Florentino C. Sarmiento	Chairperson
2. Bonifacio Correia	Secretary
3. Gilman E. Santos	Treasurer

It should be noted that ETADEP Foundation is only in its formative stage. Besides the September 23, 1987 Board of Founders meeting, only one other meeting has been held by this group. This was a general information meeting in August. In recognition of the need for the Board to start functioning and to become familiar with ETADEP activities, Board of Founders meetings have been scheduled monthly for the next four-month period (see the Chronology of Key Events, Appendix 4 for the dates and descriptions of these meetings).

## 5.4 CONCERNS VOICED REGARDING THE FOUNDATION

The team talked about the Foundation with a number of Board members, ETADEP staff, the Governor and the Apostolic Administrator. While all these people expressed confidence in the ability of the Foundation and staff to continue the project, they also expressed certain concerns.

These concerns were of four kinds:

(1) **Pressures from the outside:** Several people made the point that the Foundation and its leaders must be strong and decisive to resist pressure from private or state interests. With the situation in East Timor still unpredictable, the Foundation needs strong people on its Boards (such as Manuel Carrascalao) and backing it (the Governor). The importance of initially having a foreign consultant to indicate foreign interest in, support for, and monitoring of the Foundation and thus to discourage interference, was stressed.

(2) **Functioning of the Founders' and Supervisory Boards:** some Board members expressed concern about lack of acquaintance of some members with each other, about the need for members to have knowledge of the project, and about uncertainty regarding the role of Board members and ways of getting out of an impasse should members

disagree. The need for the Rules of Operation to be worked out carefully in the near future (the plan is October) was mentioned.

The Governor expressed concern that, in a new Foundation, people might be afraid to take risks, whereas they should consider themselves decision-makers and commit themselves to fighting in support of a decision once made.

Board members, he said, should be chosen not just for political influence: also needed are people who will work, people who are dedicated to the cause of the Foundation. All should be trustworthy-people outside will take advantage of one weak member. And the concern was that no single person in the Foundation should be too strong, that there be others capable of standing in for the Chairperson of the Executive Board/Project Manager. Neither should the Foundation become a forum for power struggles.

- (3) **Management Capacity of the Staff:** potential management capacity is not doubted, but the need is seen for experience and training, plus the advice of consultants initially.

Ganap believes the Chairperson of the Executive Board/Project Manager needs to be strong and firm and to stand up for his ideas (based on his and the other Executive Board members' experience of the project).

- (4) **Sources of funding:** The Foundation has as yet had no opportunity to find alternative sources of funding to USAID. Board members and staff will be fully occupied in the early months determining policy, planning, and managing the ongoing project. Thus it is of immense concern to all that USAID funding should continue while a network of donors and resources can be slowly built up. Without continuing USAID funding the Foundation sees no way to function at present.

It should be noted that CRS and USAID's support of the establishment of a Foundation was with the intention that it be the channel for continuing USAID funding when CRS pulled out. (See Appendix 7 for more detailed discussion of this.)

## 5.5 NEW DIRECTIONS

The Foundation is interested, in the future, in initiating new fields of activity, shifting emphases, and expanding into other geographical areas. Staff however realize the need to move slowly, establishing the Foundation firmly and dealing satisfactorily with current activities before starting new endeavors. However, shifts in emphasis, for instance in the direction of more community development and water supply activities in the project area, might well be initiated in the coming year.

The project manager, Florentino, has already had at least one request for assistance with water supply in another area, but has said this will be a matter for the future.

## 5.6 CURRENT FINANCIAL AND ADMINISTRATIVE STATUS: TRANSFER TO THE FOUNDATION

This section briefly discusses the status of ETADEP grant funds, and property inventories. For more details of project finances, income, inventories and other project reporting and recording procedures, see Appendix 4, III.

### 5.6.1 Status of ETADEP Grant Funds

As of August 31, 1987 there was an estimated unspent grant balance of \$400,865. Of this total, approximately \$ 7,481 are overhead monies which have yet to be drawn down by CRS/NY, making the actual balance as of August 31, 1987 \$ 393,385.

Monthly project expenditures for the September - December 31, 1987 period are expected to average \$ 20,207. At this rate of expenditure, the grant balance remaining on December 31 would permit current project activities without the recommended consultants and training to continue for an additional 7.5 months before new monies would need to be available. Were vehicle and equipment purchases to be postponed until new Foundation grant monies were made available (it should however be noted that these vehicles are needed now), then the estimated balance on December 31 would

be \$ 213,358, and ETADep could continue current activities for an additional 10.5 months beyond December 31, 1987. However, as the consultants and training are seen by the Review Team, Project management and Board members as essential early in 1988, the number of months for which funds remain will need to be recalculated on the basis of these needs. A new proposal will need to be completed in the first few months of 1988.

### 5.6.2 Property Inventories

The July 1987 Price Waterhouse Audit, for the period January 1986 to June 30, 1987, examined both physical inventories and related records and noted the following:

- The listing of assets is not up to date
- Lists do not include the value of assets.

In order to ensure that valid inventory records are readied by project turn-over to the Foundation, the CRS/Jakarta procurement officer was scheduled to go to Timor in October to oversee the completion of inventory lists. Property used by the Project will be listed separately from property which is damaged or unused.

Upon completion of valid inventory lists, a disposal plan for the damaged and unused property will be prepared and submitted to USAID for approval.

While in Timor the CRS/Jakarta procurement officer was also to train staff in maintenance of adequate inventory records and controls, and review standard procurement procedures.

### 5.7 FUNDING FROM 1988

New funds need to be made available to the Foundation by the time the current grant funds run out. Initially, a similar level of routine expenditures to that anticipated for the remainder of the present grant (\$ 20,207 per month) is to be expected, plus the cost of the technical assistance and training which is essential to the development of the

Foundation and the functioning of the Project.

A revised and carefully thought out five year plan should be formulated early in 1988. On the basis of this, estimates will be able to be made for funding requirements over this period. A proposal for continuing USAID assistance will be prepared. Later in 1988, approaches will be made also to other prospective donor agencies.

**SECTION C**

**CONCLUSIONS AND RECOMMENDATIONS**

## CHAPTER SIX

### CONCLUSIONS AND RECOMMENDATIONS

This chapter reviews briefly the achievements of ETADEP and the problems faced by the Project and the Foundation. The issues in the Scope of Work are addressed and recommendations made.

#### What has been Achieved?

- Approximately 1,650 Ha. of wet rice fields and 400 Ha. of dry fields have been cleared and plowed by tractor one or (in most cases) more times during the life of the project.
- Tractor use has been phased out entirely or for certain operations on approximately 2/3 of the cultivated lowland area.
- Approximately 1400 Balinese cattle and water buffalo have been distributed under a successful revolving credit program.
- There has been adoption, if very limited, of new rice cultivation techniques and inputs.
- There has been some very limited success with greening of dryland hill areas (ladang).
- 48 Farmers' Groups with 1804 members have been established and are functioning.
- An agricultural extension service is functioning.
- A number of gravity-fed household water supply systems, used also for fishponds and house-garden irrigation, have been constructed using Project funds and communal labor.

- In July 1987, management was transferred to East Timorese staff.
- In September 1987, the ETADEP Foundation was established to take over the role of CRS and ultimately expand and diversify project activities.
- The management is enthusiastic and committed with an awareness of weaknesses and training needs.

#### What has Still to be Achieved?

- Complete control of the grass.
- Distribution of enough cattle to make tractors unnecessary.
- Progression to a fee structure for services which reflects costs.
- Significant adoption of soil conservation techniques in the upland and lowland areas of dry fields (ladang).
- Integration of wet-rice, dryland and coffee cultivation into an overall, diversified agricultural strategy.
- Substantial agricultural extension work on dryland crops and agro-forestry.
- Development of Farmers' Groups to function as more than channels for tractor organization and cattle distribution.
- Training of staff to an adequate level of capability in management, planning and financial management.

### What Problem Areas Should be Addressed in Future Planning?

- Involvement of women.
- Incorporation of health and nutrition elements into an overall agricultural and community development strategy.
- Involvement of farmers who own no lowland rice fields or who for other reasons have not been able to join Farmers' Groups. In some cases such farmers constitute a substantial majority of village populations. Focus should probably be on those with little or no coffee.

### REVIEW ISSUES

#### 1. AGRICULTURE

Farmers' agricultural priorities are determined by a variety of factors: ownership and location of coffee gardens, ownership and location of wet rice fields (sawah), location and characteristics of dry fields (ladang), total numbers of livestock available, family labor availability, proximity to technical or traditional irrigation systems, vulnerability to flooding, soil type, rainfall patterns, and quality and aggressiveness of camat leadership and direction.

The preparation of upland dry fields conflicts with preparation of wet rice fields (December - February). Unlike the rice fields which are susceptible to flooding when traditional irrigation canals wash away or technical irrigation canal gates are not closed, the dry fields produce predictable albeit low outputs.

Some farmers have chosen to move down to the lowlands, nearer to roads, markets, and schools. Others have been encouraged or pressured by the government to do so. Reasons for wanting more people to move include the desire for (1) protection of eroded mountain slopes, (2) more intensive cultivation of rice, (3) discouraging migration to or other use of the land

by outsiders, and (4) more control over the population. Compromise solutions need to be sought which satisfy the government and the farmers, protect the slopes and ensure that a wide variety of crops continue to be grown, enable good rice yields to be achieved with relatively low-labor-input methods, and optimize grass control.

### 1.1 Diversification

Crop diversification on lowland rice fields is a viable proposition if efficient irrigation, drainage, and flood control are provided. This would allow rice to be planted at optimal times for adequate soil moisture regimes throughout the life cycle of the rice plant. Corn, cassava, beans, pumpkins, and legumes can be planted on residual soil moisture after rice harvests with minimal soil tillage. Secondary crops should be encouraged in the lowlands in order to reduce further degradation of the hillsides. It is both economically and technically feasible to diversify the cropping system in the project with inputs of high quality seed, fertilizer, and promotional strategies on improved cultivation practices (weeding, spacing, timely harvests). There should be an effort to identify techniques which are not labor-intensive.

The slash and burn system as it is currently practiced on upland dry fields, with a short fallow period due to inadequate land to rotate over a longer period, is severely degrading the land base in the area. Short term benefits accrue to the gardener, but there are long term adverse effects to the community in terms of deterioration of natural resources.

The Project has not had very much success with encouraging the planting of trees for soil conservation. The planting of *Leucaena* (lantoro) was tied to the receipt of cattle on credit and farmers only planted it because they were required to, not because they saw a need for either *Leucaena* or soil conservation. In other parts of Indonesia where *Leucaena* planting has been more successful, farmers have needed the trees for fodder and firewood, neither of which were perceived to be in short supply.

*Leucaena* was virtually the only tree crop encouraged under the Project (until 1987, when teak, kaliandra and gamal started to be planted). The

Leucaena has been killed or severely attacked by heteropsylla (jumping plant louse - kutu loncat). There has been relatively little extension work done on dryland agriculture, and what there has been has not been very successful.

Agro-forestry should be encouraged on upland dry fields. Alley-cropping, bench terracing with pineapples or cashew trees, or planting of other productive crops on the contours to act as barriers to soil being washed down in heavy rains, would all be valuable.

Sound agricultural practices should be encouraged in the new lowland dry fields which are being opened up by farmers moving down from the uplands, to ensure that the land does not deteriorate. Cropping systems are needed which replenish and conserve the soil while allowing farmers to grow the kinds and variety of crops to which they are accustomed (as well as encouraging diversification). Alley cropping is a valid option in the lowlands too. It is important to place an emphasis on varied dry land crops in the interests of nutrition, and also as a source of additional income. It would be useful to explore crops which could provide a source of income at the time of year when farmers run out of money and staples.

## 1.2 Grass Control Methods

The present plan to revert to traditional trampling is appropriate for present conditions provided sufficient numbers of cattle and buffalo are available. If the plan to import 400 Balinese cattle per year proceeds as scheduled, there should be enough adult animals available as the tractors wear out.

The promotion of animal traction has not been successful for a variety of reasons, and the plan to revert to trampling has replaced it. A very few farmers use animal traction and the Project provides training to any farmer who requests it.

Another alternative is to apply the systemic herbicide Round-up until livestock numbers are sufficient to trample the entire area.

The effects of the war and the Project's cattle credit are leading to a restructuring of important elements in the social fabric of the area. The few large buffalo owners who still exist are reported to be worried about their livelihood. The traditional 50:50 arrangement still occurs but Project staff expect it to die out.

### 1.3 Maintenance and Extension of Grass Control

The minimum level of cultivation for control of *Saccharum spontaneum* is annual planting of rice, whether using mechanical traction or trampling. Flooded rice conditions can retard the growth of weeds if land preparation is excellent. Grazing by large numbers of animals can help keep the grass low in the dry season.

The Foundation will be able to take on the control of the grass in an additional 750 ha of project area in the immediate future only if use of the herbicide Round-up is proven successful. Currently 750 ha are prepared by tractor and approximately 1,500 ha are prepared by trampling. It would require approximately 2,000 additional adult cattle to replace the 26 tractors preparing the 750 hectares. At a rate of 400 cattle imported per year, this target could be reached in 5 years. Each year, theoretically, more land in which the grass is under control could be worked by livestock, and thus more of the additional land could be prepared by tractor.

The fact that only 200 hectares out of a total 400 hectares within the irrigation command area are prepared by tractors reflects in part the lack of farmer confidence in the reliability and dependability of the technical irrigation system. Some of the poorest results are obtained in the technically irrigated area.

Two areas, Bilimau and Tata, have year-round irrigation water. It was suggested that, were there good water control there and a good market price for rice, farmers might plant two crops of rice during the rainy season.

1. We were told, however, that most or all of the 750 ha. has in fact been prepared by tractor once at some time.

The construction and repair of technical irrigation systems is the responsibility of the Department of Public Works. This has so far been slow to occur.

The influence of the canat seems to be a key determinant in efficient use of lowland fields. The Canat in Kailako aggressively promotes improved methods of rice production, and has good cooperation with ETADep. His methods of making farmers adopt new techniques, however, with the use of physical punishment, may not result in long-term adherence to these techniques.

#### 1.4 Subsidies

The charges for mechanized land preparation are being raised this year, with the intention both of reducing the subsidy and of encouraging farmers to use their livestock. It will probably be feasible to gradually increase the charges over the remaining life of the tractors (estimated to be 4-5 years).

Agricultural inputs supplied through the Project - seed and tools - are usually sold to the farmers at the purchase price. Consideration should be given to choosing an appropriate time to add on the cost of transport and handling. Some agricultural inputs, particularly tree seedlings, should probably continue to be subsidized to encourage their acceptance.

#### 1.5 Agricultural Emphases and Priorities: Is the Agricultural Model Java-Centric?

In East Timor and other parts of eastern Indonesia, the agricultural system is land-extensive rather than labor-intensive. Furthermore, farmers do not necessarily regard rice as their most important crop or the one warranting the most attention.

The government in East Timor (as in other parts of Indonesia) prefers people to live in lowland areas. It is essential that the Project, and in

particular the new Foundation, are not seen to be working against this policy. However the Foundation should strive to see that farmers' preferences are taken into account.

We recommend an approach which sees merit in the traditional agricultural system and takes this as the starting point for a process of agricultural development in which weaknesses in the traditional system are overcome.

It is vital that extension workers (trained in dryland agriculture and soil conservation techniques and also in community development) work with farmers (male and female) in finding appropriate approaches to local problems.

Viator Parera is currently setting up a permanent training team in Kupang. It is recommended that during 1988 the possibility of running courses in the Project area - tailored to local needs - be discussed with him.

#### 1.6 Appropriate Technology

There is a need to explore the use of simple labor-saving equipment - such as threshing devices (threshing boxes or foot-operated threshing machines) or weeders - to reduce labor input in a labor-scarce society as well as to increase yields or reduce losses. However, the likely demand for such devices, and their compatibility with customary forms of labor organization (such as threshing parties), need to be examined.

## 2. COMMUNITY DEVELOPMENT AND FARMERS' PARTICIPATION

### 2.1 Involvement of Community Members

#### 2.1.1 Beneficiaries and Non-Beneficiaries

It is problematic having an agricultural project which focuses on only part of a community. There is a need to examine the relative socio-economic conditions of the various categories of farmers and the sub-categories within these based on, for example, area of riceland and coffee gardens owned or worked. Almost certainly, farmers who own only dry fields (ladang) - i.e. no wet rice fields or coffee gardens - are considerably worse off than others. It seems possible that by concentrating assistance (particularly cattle) on lowland riceland owners, those who own no such riceland and thus receive no cattle or other services (including water supplies unless they live near Farmers' Group members), may be becoming relatively more disadvantaged, especially if they have no coffee gardens. This needs to be investigated.

Data is also needed on farmers participating in or receiving assistance from various government programs, and the links existing or possible between government programs and ETADEP.

#### 2.1.2 Women

The Farmers' Groups consist only of men, despite the fact that women are involved in agriculture to about the same extent as men. Both work in rice, coffee, and dry land cultivation and are involved in agricultural decision-making. Women usually are in charge of household finances.

It is most important to involve women in project activities, probably through the formation of women's groups. These groups could focus on issues which are of particular concern to women - agricultural production, post-harvest processing and marketing; care of livestock; water supply; non-agricultural sources of income (such as weaving); and whatever else arises in each group. The groups should work in close cooperation with the

men's groups. Agricultural extension should be channelled through women's as well as men's groups. (Some could probably be done jointly.) Staff member are thinking about initiating health and nutrition activities in the future, and these could be associated with women's groups.

### 2.3 New Initiatives

Farmers' interest in and adoption of new practices, techniques, and forms of organization tend to be dependent on a number of factors:

- Do the new initiatives respond to a need felt by farmers, either spontaneously or as a result of education?
- Do they conflict with valued traditional practices?
- Do they pose scheduling problems given other seasonal activities (agricultural or other)?
- What incentives or sanctions are there? (These may result in only temporary adoption of new practices.)
- How do they link in with other changes? For example, an adequate household water supply might lead more people to settle or spend the dry season in the lowlands; a demand/ good price for a product might lead people to produce it; nutrition education might lead people to try new crops.
- Did the idea come from the farmers themselves? Which farmers?
- Are the initiatives relevant to all farmers or only some?
- Is it women or men or both who are affected by the change? Who has been consulted?

### 2.3.1 Fishponds

Where water is available, farmers have shown considerable interest in fishponds. However for this activity to be successful, a year-round water supply is necessary. The construction of household water supply systems has enabled farmers in some villages to raise fish without fear of the ponds drying up. With reliable water, more farmers would be interested in pisciculture.

Marketing opportunities and the likely effect on prices of large increases in the production of one kind of fish need to be examined. The contribution of fish-raising to improved nutrition also warrants investigation - who is eating (or will eat) the fish which are not sold?

### 2.3.2 Secondary Crops and Agricultural Diversification

Some farmers, especially those who have settled in the lowlands, are trying secondary crops, such as corn or vegetables, on rice fields in the dry season, but some crops have failed due to lack of water.

A number of women in Hatulia are planting vegetables, watering them from the nearby river. These farmers have been successful and want to expand their vegetable gardens.

The market for vegetables is good. Fruit, on the other hand, does not have much of a market locally and many fruits ripen in the rainy season when it is near-impossible to transport them to Dili. Once the new Dili-Kupang road is completed, the trip may be easier.

### 2.3.3 Health and Nutrition

Health and nutrition are important issues needing attention. In both the uplands and the lowlands, we saw many children with signs of malnutrition.

Health and nutrition courses for women were recommended as inputs in the 1985 ETADPEP Prolongation Proposal and have been suggested since but as yet no action has been taken. Such activities would be a completely new direction for the project and thus would require careful planning. However, such concerns tie in well with agricultural planning and development, particularly an increased attention to dryland agriculture. The Foundation could choose to cooperate with a PVO with experience in the health field (e.g. Perdhaki who are already operating in East Timor) or to employ health professionals themselves for training or other activities. The advantage of the former choice is that the Foundation could draw on the experience of another organization.

Improved nutrition is vital for the future of the area: malnourished mothers produce malnourished children whose development, physical and mental, is retarded and who thus grow up to be farmers with less than their potential capacity for supporting their families and contributing to development.

#### 2.4 Water-Users Associations

There was a traditional system of water organization, maintenance of channels, etc., but it no longer functions. It broke down with the influx of newcomers into irrigation complexes, and so far nothing has replaced it. It is not possible for irrigation to be organized through the Farmers' Groups, as these do not correspond to the irrigation channels. Further study is needed of options for the organization of irrigation.

#### 2.5 Farmers' Groups

Farmers' Groups have not developed much beyond being a channel for cattle credit and the organization of tractor services. The level of functioning and involvement of members in planning and activities varies from group to group. Factors which result in passive groups with little initiative include:

- Members feeling that they experience few benefits from Group activities.

- Low level of skills of Extension Agents in group dynamics.
- Problems with certain village heads and camats, who, despite prior discussion and even agreement with the Extension Agent or Group Leader, schedule village or sub-district activities which conflict with Group meetings or communal labor.
- Lack of capabilities of some Extension Agents in dealing with village leaders and other government officials.
- Distances members have to travel to meetings.
- Time demands on those owning coffee.

The Farmers' Groups still need considerable guidance and encouragement from the Extension Agents. Extension Agents have not had a lot of time to spend on group development, there being many other demands on their time. Perhaps more importantly, there has not been very much training or back-up for Extension Agents or Group Leaders in group dynamics or community development techniques. Thus many of the groups have not developed to a stage where there is any initiative or autonomy shown.

The problem of lack of cooperation from some village heads and camats was felt by staff to be solvable through efforts to improve relationships, communication, and coordination with the government at village level and above. This needs attention, firstly by training for Extension Agents and secondly by increasing efforts at communication.

One of the problems at present with improving group functioning is that there are not enough Extension Agents, and some of them are not very good at their job.

To improve the capacity of Farmers' Groups to initiate, plan, and implement activities, Extension Agents should be able to guide groups in the direction of more autonomy and initiative. A few Extension Agents are already doing this and it is to be hoped that the new extension Agents whom the Project Manager is trying to recruit will be more skilled. It is essential that all Extension Agents in the near future obtain training, with follow-up and support, in community development and group dynamics. (See below.)

### 2.5.1 The Viability of the Farmers' Groups

The present basis for Farmers' Groups may not be the best. It still needs to be decided whether groups should be based upon household residence or on proximity of rice fields. Before this decision is made, skills need to be developed in community development and group dynamics to ensure that changes in Farmers' Groups are based solidly upon common desires and needs. With the phasing out of tractors and eventual conclusion of the cattle credit program, the composition and functioning of groups need to be examined and adapted to new conditions and needs.

Other important considerations for the future of Farmers' Groups are:

- Whether and how it is possible to include farmers who are not currently group members. The coverage and benefits of farmers' groups initiated by the government need to be examined at the same time.
  
- How women can be involved, both in agricultural and general community development decision-making, and in activities which particularly affect women such as child and maternal health and nutrition. Kailako has just started to form some women's groups, which could be assessed for their suitability as models.

### 2.5 Land Registration

While no land titles have yet been issued, the Governor has been informed of the problem with the Agrarian Office and has promised to take action when he receives a letter from the Project Manager.

### 3. ETADep FOUNDATION CAPACITY ISSUES

#### 3.1 Staff and Management

Generally, the team was impressed with the motivation and commitment of staff, and in the case of management staff and two of the extension agents in particular, with their knowledge of the Project, capabilities, and capacity to recognize training needs.

While some departments of ETADep function quite effectively, in others, such as administration and extension, staff require training.

While an administrative base is solidly established both in the Dili and Raimate offices, key management staff, many of whom assumed their present positions only in the second half of 1987, will require training to maintain and improve existing management systems.

Two key management staff undertook a very short training course in Jakarta in October 1987. While this training was expected to provide management staff with the skills to maintain existing systems, it was not expected to enable them to improve present management systems.

ETADep plans to hire at least four new extension agents as soon as possible. The aim is to have ten.

#### 3.2 Training and Consultants

We recommend the appointment of a one (or possibly two) longer-term consultants, at least one of them foreign, and a number of short-term ones. Some consultant time should be available to assist with the crucial initial planning that must take place in early 1988. The Foundation will need advice and recommendations in the choice of these consultants, and assistance in arranging their hire. It is hoped also that some training courses will be run for ETADep staff and for farmers in the project area, by organizations from other parts of Indonesia. It is hoped that USAID

will be able to assist the Foundation in building up a network of resources upon which they can call.

The most pressing need is for training in the fields of management, planning, group dynamics and community development. On-site training for Extension agents should be scheduled for early 1988, focussing on community development, group dynamics, conducting needs assessments, and planning, since present staff capability in these areas is weak. Once needs and plans have been established, training can be provided on more specific subjects. Such technical training would focus on such matters as crop diversification, irrigation, marketing, grain storage, drinking water programs, dry land agriculture, soil conservation, and pisciculture. While technical aspects are important, there is a less pressing need for outside assistance. Advice and sometimes training are available from local government offices such as agriculture.

The long-term consultant should be able to provide guidance in management and development planning, and to help staff to develop a broader perspective on the local situation.

While it is probably useful for staff members to attend courses in community development elsewhere, it is also desirable to have in the field a community development consultant who can help the staff develop appropriate plans and techniques in response to local conditions and in cooperation with farmers.

### 3.2.1 Consulting Needs

Details of the kinds of consultants needed, criteria for choosing them, and recommendations for scheduling, are found in Chapter 4.

### 3.2.2 Training

It is recommended that ETADEP continue to place an emphasis on training staff and farmers. Staff and consultants, with USAID assistance, should actively search for sources of training in other parts of Indonesia.

(For some suggestions, see Chapter 3.) It needs to be decided, for each specific training need, whether training would be more effectively conducted at the project site or at a course elsewhere. It might be possible in some cases to follow up an outside course with a visit to the Project site by one of the trainers. Follow-up to training is essential.

### 3.3 The Foundation

The Foundation was legally registered on September 26, 1987.

The immediate tasks and concerns of the Foundation are in taking over the project from CRS at the end of 1987 and continuing the project activities which are currently underway. By December 31, the Foundation needs to be in a position to competently carry out both the tasks performed in East Timor and those up to now performed by CRS/Jakarta for the Project.

The Board members and other prominent East Timorese to whom the team talked expressed confidence in the ability of the Foundation and staff to continue the Project, but expressed certain concerns about:

- (1) Pressures from the outside. With the situation in East Timor still unpredictable, the Foundation needs strong people on its Boards and backing it. It is also important to initially have a foreign consultant to indicate foreign interest in, support for, and monitoring of the Foundation and thus to discourage interference.
- (2) Functioning of the Founders' and Supervisory Boards. It is necessary now for the Rules of Operation to be formulated and for the Boards to conduct meetings regularly (see Chronology of Key Events, Appendix 4) to become familiar with each other, ETADep, and procedures.
- (3) Sources of funding. (See below.)

### 3.4 New Directions

The Foundation plans, in the future, to initiate new activities, to shift emphases, and to expand into other geographical areas. The need is

recognized, however, to move slowly, establishing the Foundation firmly and dealing satisfactorily with current activities before starting new endeavors. However, shifts in emphasis, for instance in the direction of more community development and water supply activities in the project area, might well be initiated in the coming year.

The Project Manager has already had at least one request for assistance with water supply in another area, but has said this will be a matter for the future.

#### 4. CRS WITHDRAWAL ISSUES

##### 4.1 CRS's Transition Role

The training needs and plans for the transition period (October-December) are detailed in Appendix 4 (Chronology of Key Events and the text).

##### 4.2 The Role of USAID

It is extremely important that prior to 31 December, the Foundation be registered by USAID to receive grant funding and that a grant amendment be approved and signed so that the Foundation can continue to spend the remaining Project funds.

Because of the exceptional circumstances of East Timor, it appears that at this stage the Foundation cannot meet all the formal criteria for USAID registration, though it is hoped that over the next five years this will change. Details of some obstacles to registration and reasons why it is necessary to rapidly find ways to overcome them are found in Appendix 7.

The Foundation will need USAID assistance in arranging clearances for travel to East Timor for all consultants and trainers until the requirement for clearance is dropped.

### 4.3 External Funding

Monthly project expenditures for the September - December 31, 1987 period are expected to average \$ 20,207. At this rate of expenditure, the grant balance remaining on December 31 would permit current project activities without the recommended consultants and training to continue for an additional 7.5 months before new monies would need to be available. Were vehicle and equipment purchases to be postponed until new Foundation grant monies were made available (it should however be noted that these vehicles are needed now), then the estimated balance on December 31 would be \$ 213,358, and ETADEP could continue current activities for an additional 10.5 months beyond December 31, 1987. However, as the consultants and training are seen by the Review Team, Project management and Board members as essential early in 1988, the number of months for which funds remain will need to be recalculated on the basis of these needs. A new proposal will need to be completed in the first few months of 1988.

The Foundation has as yet had no opportunity to find alternative sources of funding to USAID. It was originally hoped that the Foundation would have other donors by the time it took over the Project but delays in Jakarta and Dili have left no time for this. Board members and staff will be fully occupied in the early months determining policy, planning, and managing the ongoing project. Thus it is essential to the continuance of the Foundation and project that USAID funding continue while a network of donors and resources are built up.

The Foundation was established by a group of East Timorese on the recommendation of USAID and CRS so that there would be a way of continuing to fund the Project after CRS left. USAID, it was understood, would initially continue to be the major donor while a network of other donors was established. (See Appendix 7 for more detailed discussion of this.)

New funds need to be made available to the Foundation by the time the current grant funds run out. Initially, a similar level of routine expenditures to that anticipated for the remainder of the present grant (\$ 20,207 per month) is to be expected, plus the cost of the technical

assistance and training which is essential to the development of the Foundation and the functioning of the Project.

A revised five year plan should be formulated early in 1988. On the basis of this, estimates will be able to be made for funding requirements over this period. A proposal for continuing USAID assistance will be prepared. Later in 1988, approaches will be made also to other prospective donor agencies.

#### THE FUTURE OF THE ETADEP FOUNDATION

ETADEP is a model for reconstruction of a war-torn area, the re-establishment of a viable agro-ecosystem, and movement in the direction of self-reliance. The Project has made considerable progress towards the achievement of its objectives, but the newly created Foundation will require continued external support as it moves toward self-sufficiency. The Foundation -- one of only two East Timorese-managed foundations and one of a handful of private voluntary organizations (PVOs) operating in East Timor -- is staffed by competent local people and has the support of the Governor and other prominent East Timorese. This is a promising beginning for an organization which hopes to move into other areas and activities as it works to improve the lives of East Timorese farmers. USAID has the opportunity, through continuing financial and technical assistance, to participate in its development and achievements.

## APPENDIX 1

### USAID/Indonesia - Catholic Relief Services Joint Evaluation

#### Scope of Work

East Timor Agricultural Development Project  
(Project No. 497-0330 and 497-0336)  
(Grant Agreement No. 1064)

#### I. ACTIVITY TO BE EVALUATED

The evaluation team is to examine the East Timor Agricultural Development Project (ETADEP) which has been implemented by Catholic Relief Services (CRS) since its initiation in 1981. The total value of the project is estimated at \$9,750,000. Of this amount, AID has provided \$6,000,000 under ETADEP (497-0330) and \$1,000,000 under the PVO Co-Financing Project (497-0336); the remaining amount has come from CRS and East Timor counterparts and beneficiaries. CRS will terminate its role in this activity on December 31, 1987, and the newly-constituted East Timorese ETADEP Foundation is to assume responsibility for the on-going programs and related assets. CRS is in the process of completing a social/cultural assessment of this project which should be available for review and use by the evaluation team and incorporated into this evaluation, as may be appropriate.

#### II. PURPOSES

The purposes of this evaluation are to determine: (1) the present status of ETADEP; (2) what requirements should be completed in the transition period (October-December), prior to the termination of CRS' involvement; and (3) make recommendations relating to the Foundation and activities that should be continued and/or initiated. A mid-term evaluation was completed by CRS in June 1984. The results of the evaluation will be used by CRS, USAID and ETADEP Foundation for immediate and long-term program planning and funding decisions.

#### III. BACKGROUND

Portugal had held East Timor as a colony for over four hundred years when the delayed aftershocks of the Portuguese revolution of 1974 caused her to abruptly abandon this possession. The following dozen years saw considerable social and physical disruption. By 1979, East Timor, an area of marginal subsistence in the best of times, had become a famine area. The disruption of the previous years had destroyed the subsistence and commercial agricultural base of the economy.

It was to mitigate the effects of this disaster situation that the Catholic Relief Services (CRS) and the International Commission of the Red Cross (ICRC) initiated their relief programs in 1979. From 1979 to 1981, these agencies distributed grain to 250,000 people, saving the lives of many. By 1981, the civil unrest had been isolated to small areas in the easternmost parts of what was now Timor Timur, the 27th province of the Republic of Indonesia. Famine had been alleviated and a semblance of normal existence restored. AID provided over \$13,000,000 in funding and PL 480 commodities for these programs.

Because of their involvement in the relief program, CRS was asked by USAID to participate in the subsequent attempt to reestablish a viable agro-ecosystem on the Sare Plain of East Timor. The GOI wanted to move from relief to development programs. To this end, they joined with CRS and USAID in a \$5,000,000, four-year program to begin in September 1981; USAID subsequently increased its funding to \$6,000,000 and the GOI and CRS were to contribute \$3,750,000 (funding and in-kind) for a program valued at \$9,750,000. This project, the East Timor Agricultural Development Program (ETADEP) is designed to improve the social and economic position of the farmers of East Timor.

The project site, the Sare Plain, had previously been under non-intensive wet-rice cultivation. The farmers with traditional rights to the land grew a single crop of rice, supplemented with various dryland crops, particularly corn, grown on slopes adjacent to the lowlands. Some of the farmers also had a few coffee plants, others picked coffee for a cash wage on neighboring estates. Most had a modest home garden and a few small livestock and chickens. For much of the year, farmers' homes were on the slopes near their dry fields, built there to escape living in the malarial lowland areas. Many had a second modest structure near the rice fields as well.

The goal of improving the social and economic conditions of Timorese farmers was to be accomplished through the introduction of appropriate agricultural technologies in 30 desas (villages) of four kecamatans (subdistricts) -- Hatulia, Kailako, Atabae and Maubara -- of three kabupatens (districts) -- Ermera, Liquica, Bobonaro. The major activities to be implemented in ETADEP since 1981 have been as follows:

1. Rehabilitation of approximately 3,000 ha. of rice fields overgrown by grass and the preparation of these lands for irrigated rice agriculture and/or dryland farming or other crops.
2. Rehabilitation, improvement and expansion of irrigation and flood control infrastructure.
3. Distribution of tools, seeds and cattle on credit to participating farmers in the area.
4. Formal and non-formal training in agricultural practices and the extension to participating farmers, extension agents and project field staff.

5. Establishment and nurturing of farmer's cultivation and irrigation management groups.
6. Introduction of improved farming methods and soil cultivation.
7. Stimulation of ancilliary income-generating activities such as pisciculture and horticulture.
8. Establishment of an indigenous PVO to assume management of the project following CRS' withdrawal in December 1987.

Accomplishments to date are contained in reports prepared by CRS and USAID, and in other related documentation in the files.

#### IV. STATEMENT OF WORK

As indicated previously, the purposes of this evaluation are to (1) record and assess the status of all activities which have been or are being implemented by CRS, (2) determine what specific actions need to be taken by CRS and USAID during the transition period to turn the project over to ETADep Foundation, and (3) make recommendations relating to the Foundation and activities that should be continued and/or initiated in the short and long-term. The evaluation team will determine, to the extent possible, the implications of CRS' withdrawal from the project and which of the major CRS functions will need to be fulfilled by USAID and/or expatriate consultants.

Specific issues and related questions and considerations to be addressed by the evaluation team are as follows:

##### Agricultural Issues

1. Is crop diversification a viable proposition from the economic and technical points of view? If so, what are the crops which present the most promising opportunities?

2. Assessment of the traditional grass control method -- is the present plan to revert to traditional trampling relevant to present conditions? Besides this method and mechanical traction mentioned above, are there other viable alternatives?

3. Can control of the grass (*Saccharum spontaneum*) be maintained even if there are plots which are not cultivated? What is the minimum in the way of mechanical traction or traditional methods required to maintain presently-held hectareage free of grass? Can we reasonably expect that the Foundation can take on the control of the grass in the additional 750 ha. of project command area?

4. Assessment of the subsidy issues. How long will mechanized land preparation and the purchase of agricultural inputs have to be subsidized? How quickly can cattle replace mechanical methods?

### Farmers Participation Issues

5. Assessment of progress to date in registration of beneficiary farmers' land covered to date. What steps are being taken or should be taken to ensure registration proceeds expeditiously?

6. Interest/ability of participating farmers to adapt to new initiatives, such as expansion of fish ponds, post-harvest storage practices, water use associations, and secondary food crops diversification.

7. To what extent have water users associations been established? Is this a viable organizational structure given cultural and agricultural constraints in the project area(s)? Are there viable alternatives for managing water resources?

### ETADEP Foundation Capacity Issues

8. Assessment of technical capabilities of current ETADEP field workers. Based on the team's recommendations for future activities, what skills do the staff require, in terms of training; namely, technical, design/implementation/evaluation?

### CRS Withdrawal Issues

9. Assessment of CRS transition role. What can CRS do to support the process of the Foundation's formation over the coming months? Prepare a tentative schedule with benchmarks of each phase of CRS' withdrawal.

10. What is the level of external funding required (once the present level of funds are expended) to finance ETADEP Foundation's maintenance of the current program? In fulfilling the goals of the 1987-92 Strategic Plan? What tasks or activities should the Foundation be performing annually over the next five years?

APPENDIX 2

PROJECT OUTLINE/LOGICAL FRAMEWORK

(THIS SHOULD BE AVAILABLE FROM THE VHP OFFICE OF USAID JAKARTA)

## ETADEP REVIEW: METHODOLOGY AND PROBLEMS

BACKGROUND

Two end-of-project evaluations were planned for mid-1987, the first, a socio-cultural assessment by CRS and the second, an agricultural and institutional evaluation to be conducted jointly by USAID and CRS.

Sociocultural Study

It was hoped that the socio-cultural assessment (conducted by INDIRRA, also known as Bina Desa) could provide useful data and analysis on which the USAID/CRS team could rely in their study. While it was of some use, this was minimal, the reasons being:

1. The preliminary findings were available less than a week before the USAID/CRS team left for East Timor.
2. The task assigned to the team was too extensive for the time allowed.
3. The team had neither a good knowledge of East Timorese (or eastern Indonesian) conditions nor sufficient grounding in research methods.
4. There was inadequate communication and cooperation between CRS and INDIRRA on the research design.
5. As a result of (3) and (4), the team attempted to collect quantitative, scored data on abstract concepts and opinions from farmers. They ran into major problems, both because these sorts of questions are notoriously difficult to obtain reliable answers (or any answers) to in such a context and because of language and interpreting problems. The questions were in Indonesian and interpreted on the spot by untrained interpreters into Tetum or the local language.

Agricultural and Institutional Review

The present study was originally conceived as an evaluation. However, at the last moment, USAID and CRS decided upon a review because of limitations evident in composition of the final team.

The team was to consist of two agriculturalists, one from USAID, who was the team leader, and one contracted by CRS; a sociologist/anthropologist contracted by USAID who was also the team coordinator. They were to be supplemented by a program officer and a legal officer from CRS/New York.

The visit of the CRS-contracted agriculturalist, a specialist in community forestry with extensive arid-land experience, was cancelled by CRS about the time the evaluation was due to start. This happened because (as has occurred in the past), clearance for the team's departure to East

Timor did not come through until just prior to the scheduled departure date. As CRS had requested visitors' visas for its three team members stating that they would be going to East Timor, the go-ahead from Jakarta for the issuance of visas in the US and UK could not happen until clearance came through from the military authorities in Jakarta. As the agriculturalist was being contracted and was fitting the assignment in before starting her doctoral studies, CRS/New York felt they should not keep her waiting. Thus when the Jakarta CRS Director telexed that he did not know when or whether clearance would come through, CRS/New York reacted by cancelling the agriculturalist's participation.

To complicate matters, the USAID agriculturalist was available for only six days out of Jakarta. Also the team's departure was delayed one day by a mistake in the clearance date, thus Ms. Hale had only three days in the project area. In addition, she was available for only brief periods in Jakarta (certain meetings and discussions).

When it became evident that an evaluation conceived of as half agricultural had only one, approximately one-quarter to one-third time, agriculturalist, with CRS no longer having any part in an agricultural evaluation, VHP and CRS agreed to downgrade the evaluation to a "review", and the team was instructed to make recommendations for further studies where deemed necessary. The sociologist/anthropologist/team coordinator, having some agricultural background and interest, devoted some of her time to agricultural issues too.

### Team Scheduling

The review was scheduled to take five weeks, with the team coordinator working a further three days at each end. The CRS team members, all coming from overseas, were scheduled to arrive a week before departure to East Timor so that the entire team could spend a week in planning, briefings, and review of project materials.

As it turned out, only the CRS program officer and the USAID team coordinator were available for the entire week. The agriculturalist, while able to review materials, had very little time available for meetings and consultations (USAID made its agriculturalist available for a total of ten days including six days in the field and report-writing time). The CRS legal officer did not arrive until the end of the week and therefore missed most of the preparatory period.<sup>1</sup>

Planning and organization of the review certainly could have been more effective and efficient if all team members had been available as scheduled.

It was originally planned that the CRS team members would depart after the draft reports were completed and presented. This was changed before the Scope of Work was finished, the CRS members being scheduled to stay a further week to finalize their sections of the report and to assist with appendices. The legal officer returned to the U.S. while the team was still in East Timor, and the program officer left on completing her report,

<sup>1</sup>). His role on the team was unclear. There was very little in the way of legal matters to be dealt with, and he had left Dili by the time of the Board of Founders' meeting.

the day after the second presentation of findings and four days ahead of schedule.

### Division of Tasks

The Scope of Work divides issues and questions into four categories: agricultural, farmers' participation, ETADEP foundation capacity, and CRS withdrawal implications for USAID. Joanne Hale took major responsibility for the agricultural issues, Barbara Martin-Schiller for the farmers' participation issues, Pauline Wilson and Barbara Martin-Schiller for Foundation capacity issues, Pauline Wilson for CRS withdrawal issues, and Barbara Martin-Schiller and Pauline Wilson for the implications for USAID.

All team members contributed information and recommendations to other sections of the review.

Bill O'Shea, the CRS legal officer, had planned to examine legal aspects of the Foundation according to the Articles of Incorporation notarized in Kupang. However, when the team arrived in Dili we found that these Articles were to be replaced, so this was not possible. Bill O'Shea consulted with CRS and USAID lawyers in Jakarta.

Pauline Wilson, and the team in general, were assisted by Yulianti Setiowinoto, a project officer from CRS Jakarta.

### The Field Schedule

Monday 14 September to Thursday 24 September was allocated as the period in East Timor. As stated previously, departure from Jakarta was delayed a day. Both Pauline Wilson and Barbara Martin-Schiller stayed on extra day in Dili to allow for additional interviewing, leaving on Saturday 26 (actually B.M.S. left 27th as flight was altered to by-pass Kupang).

The agriculturalist needed to spend as much time as possible in the project area while the CRS program officer needed a considerable amount of time in the Dili office. The sociologist/ anthropologist needed the majority of her time in the project area but also several days in Dili to look at Foundation issues. The field schedule was worked out with these needs in mind. Two vehicles were available, and the Project Manager went backwards and forwards to Dili with team members when necessary, the Site Manager accompanying those in the project area.

The agriculturalist hoped to visit the provincial office of the Department of Agriculture in Dili on her last day but this was not possible as offices were closed for the Governor's inauguration.

### Methodology

The team started with a series of questions and issues -- those stated in the Scope of Work plus additional ones arising from discussions in Jakarta with people involved in the project and in previous evaluations, and from the team's review of project materials, as well as issues particularly relating to project closure by CRS.

The team had tentative plans for field visits, observation, interviewing and inspection of records. However, it was felt that the initial phase of the study should consist of discussions with project

management field observations, and preliminary observation of office procedures. On the basis of this preliminary data, it would be possible to make more detailed plans which would be implementable given constraints of time, distances and team capacity.

The team discussed with project management what they needed to see and find out, then, as we established what was feasible, planned accordingly. Plans were constantly modified as a result of: data taking longer to collect than anticipated by the team; visits taking longer than anticipated by staff because team members found ad hoc interviewing very useful along the way; priorities shifting as a result of information obtained or difficult to obtain.

The team used six main approaches to data collection:

1. Interviewing of project staff.
2. Planned interviewing of others involved with the project or Foundation.
3. "Situational" interviewing of farmers in fields or villages, traders in the market, and people met on the road. Interview topics were generally related to what the person was doing at the time, which tends to be an effective way of obtaining information.
4. Observation (of ecological conditions, agricultural practices, irrigation, housing, nutritional status, etc).
5. Consulting project records, with explanations from the relevant staff.
6. Observation of meetings (with or without participation by team members).

### Interviewing

Sources (see Appendix 8) were many and varied. However the limitations of time and personnel, plus the focus on institutional issues, led the team to rely fairly heavily on project staff as sources. They do, however, represent a wide range of backgrounds and experience in ETADEP, and we frequently obtained more than one point of view on a topic or report of a situation.

Had there been more time and/or a larger team, it would have been desirable to devote more attention to interviewing farmers (male and female), both those who are members of farmers' groups and those who are not. An additional week would have enabled this to be done on a small scale by the sociologist/ anthro-pologist. To determine the appropriate questions to ask - ones which make sense to respondents - it is necessary for a team to spend more time in the area learning about the project, agricultural practices, and socio-economic conditions, prior to formulating questions to be asked of farmers. Towards the end of the time at the project site we started to be in a position to phrase relevant, answerable questions. It is necessary to have an interpreter who speaks the local language, not just Tetum (ad hoc double interpretation is

not recommended), and discussion of phasing of questions beforehand with the interpreter would be a good idea. Use of a female interpreter with women might well be advantageous.

Farmers were interviewed in a number of settings. The use of double translation made some interviews very slow, with some questions being discussed at length by respondents. On the other hand we had a number of very fruitful interviews with people working in fields, a considerable amount of information on agricultural practices, constraints, residence patterns etc being obtained.

Interviewing in the Sare market yielded data on sources of produce and prices. It had been hoped to use the weekly market as a quick way of interviewing people from a number of areas on a range of topics. This proved unworkable as a huge audience gathered each time, and the interviewees became very embarrassed!

Interviewing of family groups at home (eg. sitting under the corn storage bin) is useful but something we had only a few opportunities to do.

An evening meeting with members of a farmers' group in Hatolia was inhibited by the presence of the Sub-district Military Commander and two military "social guidance" people assigned to the area, as well as the village heads and other officials of two villages.

Likewise, hopes for informal discussions with village officials during the later part of the evening were thwarted by the military commander staying the night.

### Project Records

While extensive project records are kept and some are clear and precise, many are unclear and inconsistent. This problem made it impossible to determine:

- Whether certain stated end-of-project targets are being achieved;
- The cost of any specific project activity;
- Changes in practices and technologies occurring in the area as a result of project activities.

Monthly financial and vehicle reports, on the other hand, are clear and precise, enabling the team to record and analyze expenditures and receipts as a basis for predicting funding needs.

Cattle credit records are also well-kept, enabling progress on raising livestock levels to be assessed.

**APPENDIX 4**

**An Administrative Review of the East Timor  
Agricultural Development Program  
Grant: AID-0330-G-00-1064-00**

**Pauline L. Wilson  
October 7, 1987**

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## INTRODUCTION

As per the September 8, 1987 meeting at USAID/Jakarta, it was agreed that Catholic Relief Services (CRS) would carry out a review of East Timor Agricultural Development Grant Number AID-0330-G-00-1064-00, which would then be incorporated as a separate section to the USAID/CRS joint review of September 7 to October 7, 1987.

Due to the lack of an agriculturalist on the CRS team, no review of agricultural issues was completed by CRS. A review on agriculture in the Loes Valley is contained in the USAID section of this document.

The CRS review section focuses on issues related to the present administrative status of the project and is organized as follows:

- I. A Chronology of key events which should take place over the next six month period if the Foundation is to assume responsibility for ETADDP when CRS departs.
- II. A description of the status of the three organizational structures relevant to ETADDP's continued operations.
- III. A description of financial and administrative concerns.
- IV. A synopsis on end of project status indicators.

I.

CHRONOLOGY OF KEY EVENTS DURING CTS PHASE OVER  
OF PROJECT RESPONSIBILITY TO FOUNDATION ETADEP

<u>D a t e</u>	<u>E v e n t</u>
September 23	Notarization of Foundation Etadep Articles of Incorporation in Dili.
September 24 - 25	Site manager attends soil conservation seminar in Kupang.
September 28	Foundation Articles of Incorporation registered at the GOI Court of Justice.
Sept.29 - October 3	ETADEP Management Meeting at Raimate to write plan of action for October 1, 1987 - March 31, 1988 period.
October 2	Meeting at USAID to discuss Foundation requirements and status.
October 5	Letter to Governor Carrascalao on status of written titles confirming farmer land ownership rights.
October 5 - 9	ETADEP Project Manager in Jakarta to present October 1987 - March 1988 Plan of Action and to discuss Phase-over Plan.



D a t eE v e n t

November 9	Disposal Plan for unused and damaged equipment submitted to USAID.
November 13	USAID registration of Foundation completed in Jakarta.
November 16	USAID accepts October 1987 to March 1988 Plan of Action as the basis of a Grant Agreement under which the Foundation can continue to function until March 31, 1988. Before the end of this planning period, a detailed proposal will be submitted by the Foundation and approved by USAID.
Nov. 17 - Dec. 13	USAID prepares necessary agreements to turn-over project to the Foundation.
November 20	Board of Founders meet to discuss results of USAID registration.
Nov. 26 to Dec. 7	Rewrite of Employment Manual in Indonesian based on current Department of Manpower Regulations.

D a t eE v e n t

November 27	Project Manager meets with GOI Income Tax Department, Dili, to clarify tax status of Foundation employees effective January 1, 1988.
November 30	Letter to Governor Carrascalao requesting continuation of secondment of 18 GOI employees to Foundation ETADEP.
Dec.1 '87 - Mar.31'88	Intensive tractor operations for clearing and ploughing wetland areas for rice cultivation. All staff completely occupied with field operations.
December 1, 1987	Project Manager verifies period required to re-register vehicles in name of Foundation and begins re-registration documentation process.
December 7 - 11	Formulation of new employee contracts for the Foundation.
December 14 - 18	Final negotiation with USAID on Tri-partite Agreement between CRS, FOUNDATION and USAID to phase-over complete grant responsibilities to Foundation ETADEP effective January 1, 1988.
	Signing of Novation Agreement.
	Signing of Grant Amendment between USAID and the Foundation.

D a t eE v e n t

December 23 - 24

Final CRS salary obligations to ETADep employees completed and formal statement signed by each employee to verify that all financial obligations from CRS have been met.

New employee contracts signed with the Foundation to be effective January 1, 1988.

January 4, 1988

CRS bank accounts in Dili closed and funds transferred to new bank accounts under the name of the Foundation.

Jan. 4 - Feb. 28

Planner/Administrator appointed to work with Foundation to develop new five year proposal.

March 1

New proposal submitted to USAID.

March 31

USAID incorporates proposal into grant agreement with Foundation.

## II. STRUCTURAL ORGANIZATION OF ETADEP

There are three organizational structures which will be important to the success of ETADEP. These are:

- The Foundation
- The ETADEP STAFF and
- The Farmers' Organization.

The evolution and present status of these three different organizational structures are described in this section of the review.

Discussions on the continued viability of these organizational structures and their appropriateness and ability to affect positive change in the Loes Valley are found in the review section prepared by the USAID, Jakarta team.

### A. THE FOUNDATION

A primary objective cited in the 1985 proposal to extend the project for an additional eighteen month period was:

To establish a local foundation (Foundation) which would continue to provide extension services to the farmers' organization.

A concept paper on the structure and purpose of such a Foundation was further developed in another document at the end of 1985. Having assisted with the preparation of the above documents, key management staff in Timor were aware and supportive of establishing a local foundation which would assume responsibility for ETADEP upon CRS' withdrawal from the project. Actual steps to develop such a Foundation were begun in May 1986 with preparation of a first draft of the legal statutes, which would serve as the Articles of Incorporation. These statutes were subsequently reviewed by legal counsel in both Indonesia and the United States.

The next step in developing this Foundation was identification of candidates who would serve on the various boards. This step was completed by July 1987 and a first set of legal articles finally signed by a notary in Kupang on July 15, 1987. This first notarized version of the articles have since been withdrawn since members of the board agreed that they did not represent the Foundation structure envisioned.

A new set of articles were notarized in Dili on September 23, 1987. This notarization was attended by all members of the Board of founders except two. Much discussion and debate determined the final version of the articles which were then signed by the notary and all attending members of the Board of Founders.

These articles were registered at the court of justice in Dili on September 26, 1987. With this registration, Foundation ETADEP has become a legally recognized PVO according to GOI law.

A list of the various boards and their memberships are provided below. A copy of the articles of incorporation are attached as Appendix I. An amendment to this document, incorporating the Boards' rules of operation, should be completed before the end of October.

## TABLE 1

FOUNDATION ETADEP

## BOARDS AND THEIR MEMBERSHIPS

BOARD OF FOUNDERS

<u>N A M E</u>	<u>POSITION IN EAST TIMOR</u>
1. Manuel Viegas Carrascalao	Businessman
2. J.A. Ganap	Businessman
3. Jose Goncalves	Director of the Regional Development Bank
4. Fransiskus Tan	Catholic Priest responsible for Diocesan Social Welfare Programs
5. Domingos M.D. Soares	Lawyer. Director of the Provincial Government's Bureau of Economics
6. Eugenio Borges	Chairman of the Loes Develop- ment Committee
7. Florentino C. Sarmiento	ETADEP Project Manager
8. Bonifacio Correia	ETADEP Site Manager
9. Gilman E. Santos	ETADEP Administrative Assis- tant

SUPERVISORY BOARD<sup>1</sup>

<u>N A M E</u>	<u>R E P R E S E N T I N G</u>
1. Fransiskus Tan	The Catholic Church
2. Domingos M.D. Soares	The Regional Government
3. Drs. Tomas Ribeiro	The Regional Government
4. Eugenio Borges	The Farmers' Groups
5. Delegate	The Farmers' Groups

EXECUTIVE BOARD

<u>N A M E</u>	<u>P O S I T I O N</u>
1. Florentino C. Sarmiento	Chairman
2. Bonifacio Correia	Secretary
3. Gilman E. Santos	Treasurer

It should be noted that Foundation ETADEP is only in its formative stage. Besides the September 23, 1987 Board of Founders meeting, only one other meeting has been held by this group. This was a general information meeting in August. Recognizing the need for the Board to become familiar with ETADEP activities, Board of Founders meetings have been scheduled monthly for the next four month period (please see the chronology of Key Events for the date and description of these meetings).

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<sup>1</sup>. The Supervisory Board is composed of three founding members and two representatives chosen by the Board of Founders.

## B. ETADEP STAFF

At present, ETADEP has on contract 66 full time staff members. ETADEP's plan is to continue with this size staff during the coming years. The departments in which these employees work, and the number of employees in each of these departments, are shown in Table 4, on page 32. (Mess and bar employees do not have employment contracts with ETADEP. Services provided by this section are covered in a separate contract where by workers in this section receive honoraria from project funds).

While some departments of ETADEP function quite effectively others such as administration and extension require training.

### 1. Administration

While an administrative base is solidly established both in the Dili and Raimate offices, key management staff will require training to maintain and improve existing management systems. Such training is essential given that staff in positions listed below were only promoted into these new positions recently.

<u>New Position</u>	<u>Previous Position</u>	<u>Date of Promotion</u>
Project Manager	Administrative Assistant	July 1, 1987
Site Manager	Extension Officer <sup>2</sup>	July 1, 1987
Administrative Assistant	Procurement Officer	July 1, 1987
Procurement Officer	Assistant Procurement	July 1, 1987
Secretary/Dili	Not an ETADEP employee	August 1987

To date, the staff listed above have not received training to fill their new positions. Also, at present none of these staff members have formal job descriptions. While some of the above staff have experience in administration, others are assuming their new positions with no management experience or training.

In order to insure that existing management structures remain functional, training for key management staff will take place in October (please see chronology of Key Events). While this October training is expected to provide management staff with the skills to maintain existing systems, it is not expected to provide staff the skills to improve present management systems. Rather, it is recommended that USAID identify a management consultant who could provide on-site training and design of management systems by April of 1988 or if USAID and the Foundation agree that a full time consultant should be employed by the project in 1988, it is recommended that one of the skills of this consultant be in the area of management and administration.

<sup>2</sup>. 1 June 1983 - March 1984 was assistant to Site Manager.

## 2. Extension Officers

Presently, this department is also extremely weak. Consisting of seven extension officers and two ploughmen, this department is supposed to be the motivating force behind the farmers' groups, plus the bringer of knowledge and new agricultural techniques. It is doubtful that this department fulfills such high expectations.

Out of seven extension officers only two were trained at agricultural vocational schools and are considered highly competent at their work. One of these agents is seeking a study scholarship in Java and will leave the project if the scholarship is granted. Out of the remaining five, only one is sufficiently qualified as an extension officer. The remaining four will be terminated when their present contracts end on December 31, 1987.

ETADEP plans to hire at least four new extension officers as soon as possible. Even if the project does identify trained agriculturalists, additional on-site training for this department should be scheduled for early next year. Initial trainings should focus on community development, conducting needs assessments and planning, since present staff capability in these areas is weak. Once needs and plans have solidified, then based on planned activities, training seminars can be provided on more specific subjects. It is envisioned that such training needs would focus on crop diversification, irrigation, marketing, grain storage, drinking water programs, soil conservation and pisciculture. While the project presently promotes all of these subjects, the skills to insure their effectiveness have not yet been developed.

## C. THE FARMERS' ORGANIZATION

### 1. Farmers' Groups

At project start-up, an organizational structure among farmers in the Loes Valley did not exist. Recognizing that long-term success and sustainability would only be insured by farmers' support and participation in project activities, from the initial months of the project, project staff have spent time organizing farmers' groups. Farmers, who had traditionally owned ricelands adjacent to one another, were formed into a group. The group was then assisted by project staff in their selection of a leader. In practice, most leaders of the farmers' groups have been traditionally sanctioned village leaders although not village heads.

By March 1982, 13 farmers' groups had been formed. By September 1983, 48 groups with 1950 members existed. Although a few groups and their members no longer participate in ETADEP, and some groups have been reorganized along village membership lines, many of the groups and their memberships have remained relatively stable. At present there are 48 groups with a 1804 membership. The sub-district location, along with group names, number of members in each group and total land area ever cleared by project tractor operations are presented in the following table.

TABLE 2

FARMER GROUPS BY SUB-DISTRICTHATULIA

<u>G R O U P</u>	<u>NUMBER OF MEMBERS</u>	<u>WETLAND<sup>3</sup> AREA (Ha)</u>	<u>DRYLAND AREA (Ha)</u>
1. Assulau A	46	30.5	-
2. Assulau B	50	44	-
3. Assulau C	47	32.5	-
4. Hidup (Samara)	40	57.5	-
5. Garuda Chatolia	31	39	-
6. Mate Moris	35	40.5	-
7. Lemorai	39	23	-
8. Terang Matahari	19	27	-
9. Suka Maju	34	62	-
10. Manu Kesi Fatin	33	33	-
11. Lemorai Moris Hamutuk	28	23	-
12. Fatubesi Moris Foun	47	28	25
13. Hadomi	27	29	-
14. Buka Maka Hetan	27	22.5	-
15. Foho Leten	39	17	-
16. Loriku Maukiak	20	21	-
17. Buka Moris	23	20	-
18. Terus Buka Nafatin	35	29	-
19. Hodi Bit	25	18.5	-
Sub-Total	645	597	25

<sup>3</sup>. Both wetland and dryland hectarage represent areas which were cleared and ploughed by tractor at least once during the life of the project.

KALLAKO

<u>G R O U P</u>	<u>NUMBER OF MEMBERS</u>	<u>WETLAND AREA (Ha)</u>	<u>DRYLAND AREA (Ha)</u>
1. Iha Oin	40	49.5	-
2. Meligo Nafatin	19	13	-
3. Haksolok Atudara	43	39.5	-
4. Genolai Moris Uluk	31	31	-
5. Libur Hamutuk	58	43.5	-
6. Moris Hamutuk	29	42	-
7. Moris Karik	54	41.5	35.75
8. Hadia An	37	28.75	46
9. Moris Foun Leo Balu	45	37.25	51
10. Moris Foun Bea Bai	36	40	40.5
11. Isin Moris Bearik	30	45.5	35
12. Isin Moris Feto Mane	38	37	24
13. Leo Laku Duni Tuir	32	38	32
14. Laka Basi Dau Lelo	38	48	31.5
<b>Sub-Total</b>	<b>530</b>	<b>534.5</b>	<b>295.75</b>

MAUIARA

<u>G R O U P</u>	<u>NUMBER OF MEMBERS</u>	<u>WETLAND AREA (Ha)</u>	<u>DRYLAND AREA (Ha)</u>
1. Lisadila	79	70	-
2. Moris Foun	43	50	-
3. Gugu Leur	50	-	30
4. Tuir Nafatin	36	-	31.5
5. Hamutuk Fera Nakukun	45	49	-
6. Galugae	45	35	-
7. Gaolara	60	95	12
8. Goulolo Telu	40	50	-
<hr/>			
Sub-Total	398	349	73.5
<hr/>			

ATABAE

<u>G R O U P</u>	<u>NUMBER OF MEMBERS</u>	<u>WETLAND AREA (Ha)</u>	<u>DRYLAND AREA (Ha)</u>
1. Sali Tali	24	14	-
2. Sali Mago	38	19	-
3. Dasa Tatar	31	14	-
4. Buikari Sole lulu	27	15	-
5. Muas Lanber	31	21	-
6. Muas Goudole	40	35	-
7. Maun Alin	40	35	-
<b>Sub-Total</b>	<b>231</b>	<b>153</b>	<b>-</b>

SUB-TOTALS

<u>Sub-District</u>	<u>No of Groups</u>	<u>No of Members</u>	<u>Wetland Area</u>	<u>Dryland Area</u>
1. Hatulia	19	645	597	25
2. Kailako	14	530	534.5	295.75
3. Maubara	8	398	349	73.5
4. Atabae	7	231	153	-
<b>T O T A L S</b>	<b>48</b>	<b>1804</b>	<b>1633.5</b>	<b>395.25</b>

## 2. Farmer Group Leader Coordination Committee (FGLCC)

On July 1982 the first meeting with leaders of the farmers group was held. After this, regular monthly meetings were instituted, until 1985 when quarterly meetings became the norm. This group leader forum is called the Farmer Group Leader Coordination Committee (FGLCC). Meetings of the FGLCC primarily revolve around planning schedules for land preparation by project tractors and cattle credit program issues. After each of these meetings, leaders are supposed to return to their particular farmers group and convene the members of their group to discuss results of the FGLCC meeting. In practice, this has seldom occurred. Rather, meetings among members of a particular group have been initiated by project extension workers.

Although an original goal of ETADep was to have within each group one cadre trained in each of the main program areas, specifically livestock, lumtoro, group motivation and model farmers, plus a group leader, over the last two year period this goal has changed to training group leaders only. Apparently, project staff became discouraged with cadre training since many of the cadres once trained went off in search of other jobs, while the poor results from those who stayed in their groups did not seem to warrant further training efforts. Cadre efforts particularly waned when the monthly honorarium of Rp. 7.500,- was ended in September 1984. After this, Cadres interest in continuing training within their groups was practically nil.

At present, it is difficult to assess the effectiveness of this new training focus on group leaders since the project has yet to establish a system for recording changes in techniques or methods among participating farmers.

## 3. The Loes Development Committee (LDC)

In March 1984, the FGLCC elected nine of its members to serve on a board called the Loes Development Committee (LDC). Today this committee is staffed by four FGLCC members who have the following positions: chairman, secretary, cattle credit officer and tools/seeds/dehuller officer. All four of these people are officed at the project base camp in Raimate and receive monthly honoraria from project funds thus insuring their full time attention to their LDC positions.

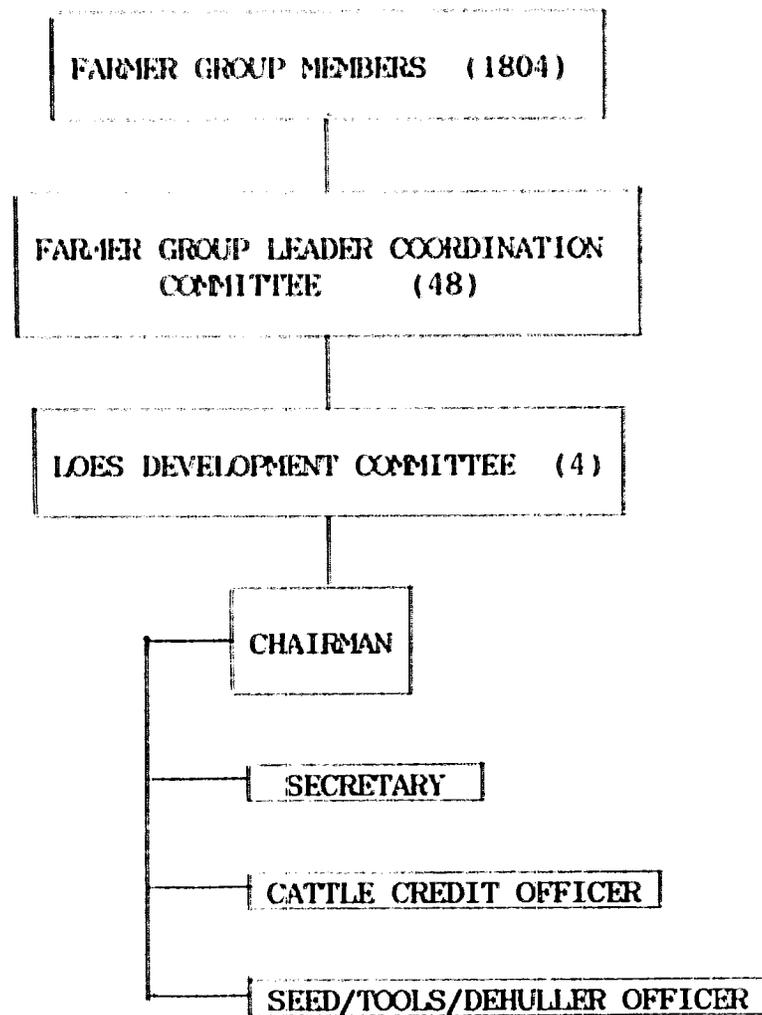
Initially the LDC was formed with the expectation that it would assume control of ETADep activities after CRS' withdrawal. In reality, the LDC has only assumed responsibility for the cattle credit program, collection for receipts on past seed and tool credits, and organization of quarterly FGLCC meetings. When questioned about future LDC activities once the cattle credit program terminates, the chairman stated that no decision on such an eventuality had ever been discussed.

To its credit, the LDC does maintain extensive records on the cattle credit program which include all contracts on receipt of cattle by participating farmers. Records on those who have returned an offspring to the project, as well as records of those who received this offspring, are also maintained.

The LDC chairman, who is a member of the supervisory board of Foundation ETADEP was knowledgeable of phase-over of project responsibilities to a Foundation. The chairman was confident that the Foundation would successfully manage to continue the activities now in place and he planned to work overtime, if necessary, to insure the success of ETADEP.

The Diagram below depicts the present organizational structure of the farming groups associated with ETADEP.

TABLE 3  
ORGANIZATIONAL STRUCTURE OF FARMERS GROUPS



### III. FINANCIAL AND ADMINISTRATIVE CONCERNS.

This section briefly discusses the status of project finances, income, inventories and other project reporting and recording procedures.

#### A. STATUS OF ETADEP GRANT FUNDS

As of August 31, 1987 there was an estimated unspent grant balance of \$400,865. This balance was in the following accounts:

In CRS/NY Federal Letter of Credit	349,329
In CRS/Jakarta Bankers Trust account	304
In local currency account	<u>51,532</u>
Total	\$ 400,865

Of this total, approximately \$ 7,481 are overhead monies which have yet to be drawn down by CRS/NY making the actual balance as of August 31, 1987 \$ 393,385.

An estimated projection of project expenditures for the September-December 31, 1987 period is provided in Table 5 (page 33) so that CRS, USAID and the Foundation will know the balance of funds remaining on December 31, 1987 and can plan negotiations accordingly.

Average monthly expenditures have been divided into two columns, namely Jakarta and Dili expenditures, in order to facilitate estimates for Dili expenses in 1988.

As shown in Table 5, total projected expenditures for September 1-December 31, 1987 will be \$ 238,927. The balance on December 31 should be as follows:

Grant balance on August 31, 1987	\$ 393,385
Projected expenditures Sept. - Dec.'87	<u>238,927</u>
Grant balance as of December 31, 1987	\$ 154,358

Based on Table 5, a projected estimate of monthly expenditures for Dili during 1988 can be derived as follows:

Average monthly expenditures	:	\$ 10,572
Spare parts originally purchased by Jakarta and now purchased by Dili	:	7,000 <sup>4</sup>
15% inflation	:	<u>2,635</u>
Projected Monthly Expenditures for 1988	:	\$ 20,207

<sup>4</sup>. Please note that the average costs for spare parts has been decreased below those in Table 5, since the Table 5 figures represent overly high averages. Plus, costs of spares will be lower during the first quarter of 1988 since the project is presently stockpiling parts.

With an average monthly expenditure rate of \$ 20,207, the grant balance remaining on December 31 will permit project activities to continue for an additional 7.5 months before new monies must be allocated. If vehicles and equipment purchases are postponed until new Foundation grant monies are made available, then the estimated balance on December 31 will be \$ 213,358, and ETADEP could continue activities for an additional 10.5 months beyond December 31, 1987.

#### B. PROJECT INCOME

While many of the services first undertaken by ETADEP were provided free of charge, a major example being tractor services, others such as provision of seeds, tools and cattle were set up to function on a revolving credit basis. Since project start up delays occurred in 1982, and 1983 harvest results were poor, collection on credit programs was postponed until 1984.

By 1984, ETADEP decided that the overall agricultural situation in the Loes Valley was sufficiently stable to warrant a fee for service policy. The initial period, in which payment for services was required and collection on credit programs begun, proved difficult. In fact, farmers demand for tractor services appreciably fell during the first months when service fees were instituted. Apparently, farmers had become too accustomed to hand outs from ETADEP and GOI programs to believe that services would be denied for failure to pay.

By the latter part of 1984, farmers had resigned themselves to advance cash payment for tractor services and payment for land preparation became the norm. Then in 1985, after seed and tool availability had improved in the Loes Valley, tool and seed credit programs were terminated and replaced by a cash for goods only policy.

Tables 6 and 7 (on pages 34 and 35) present a break-down of rupiah receipts for goods and services provided by ETADEP from April 1984 to September 1987.

While it is evident that the project is charging for the major goods and services it provides, it is not always possible to determine the relationship of charges to costs. Below is a description of present fees and a description of how they are set:

<u>Service</u>	<u>Charge</u>	<u>Reason</u>
Threshing	Rp. 2000/hour	Not known. Rent is set low to encourage use.
Tractor Trailer	Variable	Based on distance. No data to determine percent of costs recovered.
Dehulling	Rp. 16.6/kg.	Price set in 1983. No data to determine percent of costs recovered.
Vegetable seeds	Variable	Based on purchase price.
Tools	Variable	Based on Dili purchase price.
Fuel	Rp. 450/litre	Based on Dili purchase price plus Rp. 50.
Welding	Unknown	Not Known.
Tractor clearing and plowing	Rp. 30,000/ha (1984-1986). Rp. 40,000/ha (1987).	Rp. 30,000 price set in 1984 based on GOI charges in the Loes Valley.

As noted in the above, charges are not calculated on the basis of total cost. In fact, no pricing methodology, except sale of goods at original purchase price was noted. At present, ETADep staff do not know the percentage of costs covered by incomes, nor is there documentation in Dili or at the project site which would permit such analysis.

Considering the high cost of the primary activity of the project, tractor operations, it would be appropriate to establish a simple cost benefit analysis system, in Dili, which could be used by staff for planning tractor phase out schedules (all tractors will be phased out within a three to four year period).

To adequately plan such a phase down activity, financial costs on each tractor should be maintained to determine which tractors should be retired first. Such cost benefit data would also help with planning the actual termination date for tractor operations.

In order to establish a cost benefit analysis system which examines all aspects of long-term financial viability, as well as the cost benefits of all activities provided by ETADep, it is recommended that a short-term consultant be assigned to work with project staff in establishing simple cost benefit analysis systems. This system should also assist with establishment of price determination standards for all goods and services provided by ETADep. Pricing policies should take into consideration the ability of people to pay and the timeframe for increase in any prices.

It is recommended that the above consultant be an experienced PVO person and that the training and systems approach employed be based on The Cost Effectiveness Field Manual, Prepared by Robert R. Nathan Associates, Inc. This manual provides a simple guide for PVO field staff in establishment of systems which analysis the cost effectiveness of development projects. As such, the manual provides guidance on assessing both project costs and monetary benefits, non-monetary benefits and social benefits.

Also, the financial consultant, assigned to the above task, should redesign the present cash receipt system to improve present receipt controls and recording procedures.

It should be noted that some of the originally planned revolving fund programs for seeds and tools were never established. An in-kind revolving credit system was established for grain seeds and the cattle credit program. Cash revolving funds have not yet functioned. Rather, all funds collected have been deposited into a separate bank account pending an amendment to be prepared by USAID/Jakarta which will permit expenditure of income generated by the project. Once this amendment is processed, and training in financial analysis completed, it should be an easy process to establish revolving cash funds for goods provided by the project.

### C. PROPERTY INVENTORIES

The July 1987 Price Waterhouse Audit for the period January 1986 to June 30, 1987, examined both physical inventories and related records and noted the following:

- The listing of assets is not up to date
- Lists do not include the value of assets.

In order to ensure that valid inventory records are readied by project turn-over to the Foundation, the CRS/Jakarta procurement officer will go to Timor in October to oversee the completion of inventory lists as described below.

Listing of property will be classified into the following separate sections:

- Machinery
- Tools and Equipment
- Furniture and fixing
- Buildings
- Motor Vehicles
- Spare Parts

Each of these classifications will be separated into two parts. Part I will list property used by the project. Part II will list property that is damaged or unused by the project.

Upon completion of valid inventory lists, a disposal plan for the Part II property lists will be prepared and submitted to USAID for approval.

All inventory classifications will include the following information, item name and description, date of purchase, purchase price, present condition, present value and present location.

While in Timor the CRS/Jakarta procurement officer will also train staff in maintenance of adequate inventory records and controls, and review standard procurement procedures.

#### D. REPORTING AND RECORDING PRACTICES

It is evident that project staff maintain reports and records on a myriad of subjects. What is not evident is the use of any of the documentation for planning or management purposes. While some records are clear and precise, ie. monthly financial and vehicle reports, most other records and reports are unclear and inconsistent. Such practices make it impossible to determine any of the following:

- Whether stated end of project measurable indicators are being achieved;
- The cost of any specific project activity;
- Changes in practices and technologies occurring in the Loes Valley as a result of project activities.

If this project continues, a data management consultant should be assigned to work with staff to develop simple record-keeping systems which could be used to record project results and changes, and which could also be used for planning and management decision making purposes.

#### IV. END OF PROJECT STATUS INDICATORS

The proposal to extend the ETADep project for an additional 18 months period beyond December 31, 1985, listed nine measurable indicators to be achieved by the end of the project.

The indicators, with a short synopsis on each, are presented below. It should be noted that many of these measurable indicators were not verifiable because records were either unclear, inconsistent or not maintained.

If this project is to continue for another five year phase under the Foundation, a requirement for continuation should be the establishment of an integrated data management base which would measure project progress.

##### A. 1,100 HECTARE IN THE PROJECT AREA CONSISTENTLY PRODUCING ONE CROP.

It can be assumed that the project has achieved this target. Actual verification of this achievement was not possible because records on tractor operations are unclear and inconsistent, while records on the alternative land preparation method, trampling of fields by cattle, are not maintained at the project site.

Information provided by project staff indicate that tractor operations clear approximately 750 hectares of land per year. An additional 1500 hectares are supposedly cleared by trampling. The bulk of this land is then planted with rice and to a lesser extent corn. If these estimates are correct, then the project has more than met the above target.

##### B. 1,100 HECTARE OF DRYLAND PROTECTED BY INDIRECT TERRACES PLANTED WITH LAMTORO (LEUCAENA LEUCEPHALA) USING A-FRAME METHOD.

Again inadequate record-keeping systems did not permit verification of this indicator. The 1984 evaluation, prepared by Clarkson, Suwelo, Brown and Siregar, indicated that at least 500 hectares had been planted by mid-

1984. Since then planting of Lamtoro has continued at an increasingly slow pace. This is primarily because of the difficulty in inducing farmer participation in such a labor intensive activity in which they see little value or purpose. Also, the question has arisen about the viability of Lamtoro since the introduction of an insect pest from Central America in 1985. The noticeable destruction wrought by this pest has decreased planting of Lamtoro by both project staff and farmers.

Considering the current plight of Lamtoro, project staff have begun to plant Gamal (*Hiricidia Sepium*), Caliandra and Teak on a trial basis. This change in species should be discussed in the next six month report and this indicator be revised to reflect present soil conservation activities of the project.

C. 1,000 HEAD OF BALI CATTLE DISTRIBUTED AND ADMINISTERED BY THE CATTLE CREDIT COMMITTEE OF THE LOES DEVELOPMENT COMMITTEE.

The above target will not be achieved by December 31, 1987. Difficulties in obtaining clearance for purchase and import of animals into East Timor has hampered the accomplishment of this target.

The table below provides a description of cattle distributed to date.

<u>Year</u>	<u>No of Cattle Imported</u>	<u>Recorded Offspring</u>	<u>Known Deaths</u>	<u>Distributed to farmers</u>
1983	200		13	187
1985		100		100
1986		10		10
1987	400	6	12	394
<b>Total</b>	<b>600</b>	<b>116</b>	<b>25</b>	<b>691</b>

Records on the above are maintained by the Loes Development Committee. This committee is responsible for distribution of cattle to the 48 farmers' groups and for assuring that the required repayment of an offspring, by

farmers who have received a cow from the project, is respected. Since their management and follow-up on this project activity is adequate, there is every reason to believe that the cattle distribution program will eventually provide each participating farmer with a cow.

Since the 1,000 target has not been achieved and the Loes Valley still lacks sufficient cattle to prepare land by trampling, the next five year plan requests funds to purchase 400 head of Bali cattle per year for the next five year period.

**D. 500 HEAD OF BUFFALOES DISTRIBUTED AND ADMINISTERED BY THE CATTLE CREDIT COMMITTEE.**

The above target was passed by 1984 after importation of two separate shipments of buffalo. Out of 650 imported buffalo, 66 head were lost from disease leaving 584 head for distribution. These animals were distributed to 292 farmers and records indicate that 107 offspring have been born and distributed by the Loes Development Committee.

While the committee will continue to monitor buffalo births and offspring distribution, the project does not intend to import additional buffalo for reasons described in the USAID review section.

Considering the above, this indicator should be revised to reflect the present credit focus of the cattle distribution program.

**B. A SELF-RELIANT MACHINERY POOL, RENDERING PAID SERVICES AND CONSISTING OF TRACTORS, PLOWS, THRESHERS, GRAIN DRYERS, HARVESTERS, HULLER, PLANTERS, SPRAYERS AND OTHER AGRICULTURAL EQUIPMENT.**

While all of above equipment was purchased by the project and is presently found at the Raimate base camp, not all of this equipment is being used and only one piece of equipment can claim to be possibly covering its cost of operation. This is the dehuller.

As described in section III B. Project Income, fees for services were instituted in 1984 without establishment of a cost vs. pricing system. Thus it is impossible to determine how close to self reliance this machinery pool may be.

The recommendation to establish a cost benefit data system for the project would have to be completed before the above indicator could be measured. Also, the project needs to examine which equipment can be used in the future, and revise the above list accordingly.

**F. FOOD PRODUCTION PROVIDING FOOD FOR THE POPULATION (100,000) OF THE THREE KABUPATEN (DISTRICT) TO WHICH LOES BELONGS**

The above indicator was examined in length by the 1984 Evaluation Team. Their conclusion was that a reasonable target for the project would be to improve food production for participating farmers and their families. This would be a target group of approximately 10,000 people.

Examining the scant rice production records available at Raimate, it would appear that food production in the Loes Valley is improving and just meeting subsistence standards for participating families. Information provided was as follows:

<u>Year</u>	<u>Hectares</u>	<u>Production</u>
1981		No rainy season crop
1982		No rainy season crop
1983/84	789	1,395 mt of rice and corn
1984/85	585	1,196 mt of rice
1985/86	564	1,147 mt of rice
Total		3,738 mt of grain

Again lack of records did not permit verification of the above production figures, plus production figures for areas not plowed by tractors were not available.

This indicator should be revised per the 1984 recommendation. If the project continues to focus on agricultural production, then a data base for recording production figures of all participating farmers should be established.

**G. PROVISION OF EXTENSION SERVICES TO THE FARMERS' ORGANIZATION BY AN OFFICIAL LOCAL FOUNDATION (FOUNDATION).**

This indicator should be accomplished by December 31, 1987. No further discussion will be provided here on the foundation's structure and capabilities since these subjects are covered in both the USAID and CRS review sections.

**H. CREDIT ACTIVITIES SUCCESSFULLY IMPLEMENTED BY THE FARMERS' GROUPS.**

The primary farmers' credit activity is the cattle credit program. This is an in-kind credit program successfully managed by the Loes Development Committee.

Other farmers' credit programs are not functioning at this time. While collections on past tool and seed credit programs are still being processed, these two credit programs have not operated since 1985.

It is suggested that this indicator be revised to read: cattle credit program activities successfully implemented by the farmers groups.

**I. GOVERNMENT CREDIT PACKAGE (BIMAS) UTILIZED BY THE FARMER GROUPS.**

Again it is difficult to measure this indicator. The project has no data on the above program and could only explain that the program does not function on a credit basis. Rather, farmer groups receive Bimas credit packages on a revolving schedule basis. To date no one has repaid this credit package.

It is suggested that this indicator be revised to reflect the current realities experienced by project staff.

ETADEP  
EXISTING ORGANIZATIONAL STRUCTURE

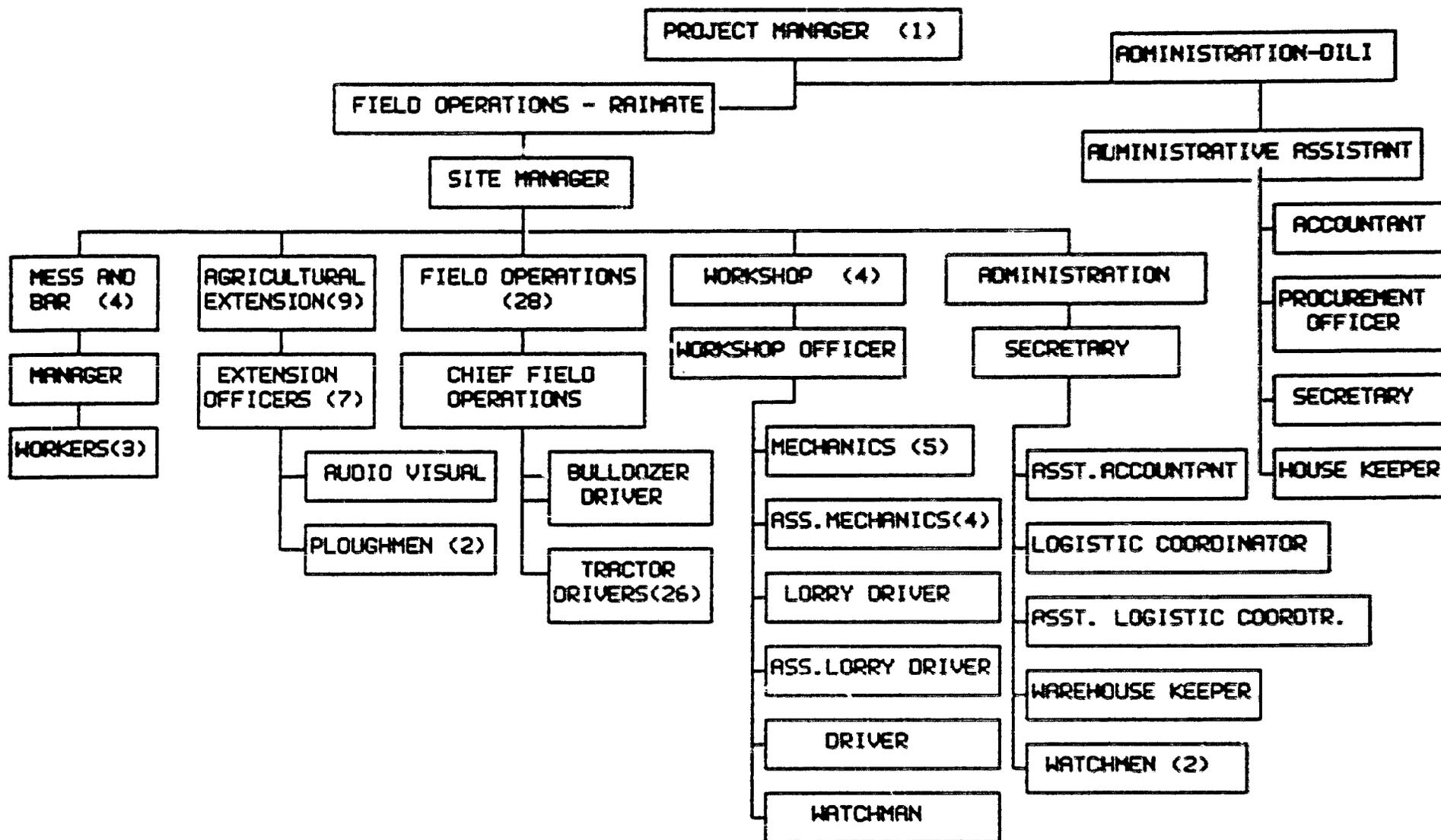


TABLE 5.

PROJECTED GRANT EXPENDITURES FOR SEPTEMBER 1 - DECEMBER 31, 1987  
(IN RUPIAH)

LINE ITEM	AVERAGE MONTHLY EXPENDITURES JAKARTA	AVERAGE MONTHLY EXPENDITURES DILI	TOTAL AVERAGE MONTHLY (4) EXPENDITURES	PROJECTED EXPENDITURES SEPTEMBER - DECEMBER '87
SALARIES	1,216	5,969	7,185	28,740
SEVERANCE/ BENEFITS	1,246	195	1,441	5,764
HONORARIA/ SUBSIDY	0	528	528	2,112
OFFICE EXPENSES	426	293	719	2,876
OCCUPANCY	92	142	234	936
TRAVEL	1,519	1,270	2,789	11,156
SPAREPARTS/ FUEL/OIL FOR H.E.	18,389	2,175	20,564	82,256
CONSULTANCY	3,556	0	3,556	14,224
TOTALS	26,444	10,572	37,016	148,064

## OTHER COSTS:

- MOTORCYCLE SHIPMENT CHR.G.	608
- MERCEDES TRUCK -JEEP	55,000
- PHOTOCOPIER - TYPEWRITER	4,000
- BLDG. RENOVATION/BASE CAMP	15,000

SUB TOTAL	222,672
CRS N.Y. OVERHEAD	16,255

238,927

\* This figure is only for spare parts and has been overly high during the last four months since the project is stock piling spares before the year ends.

TABLE 6.

RECEIPTS FROM PROJECT SERVICES  
(IN RUPIAHS)

SERVICE	1984 (APR-DEC)	1985	1986	1987 (JAN-SEP)	TOTAL
THRESHING		170,000	583,700	117,000	870,700
TRACTOR TRAILER		1,158,500	1,067,000	652,000	2,877,500
DEHULLING	1,218,700	768,025	645,700	389,400	3,021,825
VEGETABLE SEEDS	31,000	53,400	8,350	0	92,750
TOOLS	5,333,402	191,000	22,000	127,900	5,674,302
FUEL	625,680	392,200	943,950	681,850	2,643,680
WELDING	0	412,235	33,325	34,500	480,060
TRACTOR CLEARING & FLOWING	8,265,943	19,360,250	21,228,950	9,682,400	58,537,543
TOTALS	15,474,725	22,505,610	24,532,975	11,685,050	74,198,360
	\$9,436	13,722	14,959	7,125	\$45,242

\* 1 US\$ = 1640 RUPIAHS

TABLE 7.

RECEIPTS FROM TRACTOR PLOUGHING AND CLEARING OPERATIONS\*  
(IN RUPIAH)

MONTH	1984	1985	1986	1987
January	0	90,000	776,500	3,031,025
February	0	4,317,500	2,798,750	0
March	0	2,925,300	2,341,250	3,393,075
April	0	685,500	425,750	287,500
May	1,871,537	1,465,000	0	401,550
June	111,306	877,000	795,300	266,250
July	439,000	240,450	298,400	512,000
August	361,050	531,500	371,500	437,000
September	833,300	906,000	412,500	1,354,000
October	3,819,750	549,000	1,630,500	
November	110,000	3,765,000	4,473,500	
December	720,000	3,008,000	6,905,000	
T O T A L	8,265,943	19,360,250	21,228,950	9,682,400
Dollar Equivalent	₹ 5,040	₹ 11,805	₹ 12,944	₹ 5,904

\* Income from July-October was for dry-land service and November-June was for wet-land service

THE ETADEP BOARD MEMBERS

The process of formation of the Foundation, its organization, and the composition of the boards are described in Chapter 5.

The team interviewed seven of the nine members of the Board of Founders (three of them are members of the Executive Board and three are members of the Supervisory Board). Furthermore, we were fortunate in being able to attend the meeting of seven Founders at which the final version of the Articles of Incorporation was decided upon and notarized.

A significant change was made in the Boards at the meeting. In the previous version (notarized in Kupang and subsequently withdrawn), there was a three member Board of Founders who were evidently envisioned as playing a formal role as founders and helping to give legitimacy to the Foundation but subsequently having little active involvement except at occasional meetings of a Council (Dewan) to for example approve changes to the Articles of Incorporation.

The three members of the originally proposed Board of Founders were:

- Manuel Carrascalao, the Governor's brother, powerful and influential, an entrepreneur involved in coffee cultivation<sup>1</sup> and the building industry. He was a Minister in the short-lived Democratic Republic of East Timor. He was chosen as a Board member for his prominent position in the community, his relationship to the Governor and thus his potential role as a channel of communication with the Governor, and his Church connections. He did not have previous connections with CRS.

He is described as a tough man who in the past would maintain his stand or opinion in the face of all opposition. Recently, however, he has started to listen to the opinions of others and to be prepared to change his. While he will convey problems from others to the Governor, he does not take his own problems to his brother -- he goes to the Provincial Assembly or to the Governor of NTT who conveys his concerns to Jakarta. Unlike his brother, he is not highly educated.

<sup>1</sup>) It is interesting to note that the Carrascalao family (who own extensive coffee plantations) pay their workers Rp 1750 per day (without meals), to the annoyance of Denok, the coffee monopoly company who pay only Rp 600 (though with a little food). Denok has apparently not been able to force them to pay lower wages. ETADEP pays its daily workers Rp 1500.

- J.A. Ganap, Menadonese, a retired army intelligence officer who has been in East Timor since 1976 or 1977. In 1979, he was appointed Third Assistant Provincial Secretary (Asisten III Sekwilda). He was involved in the transportation of food relief and thus closely involved with CRS. He now runs a large chicken farm and is the Deputy Chairman of the Provincial Assembly (DPRD). He was chosen as a Board member on the Governor's recommendation, probably because of his military connections, his position in the Provincial Assembly, and his long involvement with CRS. He is also said to have good connections with the US Embassy.

When he first came to East Timor he was an Intelligence Assistant. It is said that there were never any complaints about him from any source. He is regarded as being sincere and reliable.

- Jose Goncalves, Director of the Regional Development Bank (Direktur I, Bank Pembangunan Daerah). He was in Jakarta up to 1982. Under the Portuguese, he was Head of the Bureau of Economics in Dili.

Goncalves spent many years in Portugal in his youth, and also studied in Belgium. He speaks good English and French; he does not speak Tetum. He is described as having wide foreign connections. Besides the possible usefulness of these connections, it was felt he could provide assistance with administration and book-keeping, either personally or through someone else from the bank.

The above Board members were chosen because they are prominent and influential members of the community. It was apparently not anticipated that they would be interested in routine involvement in the Foundation. It was felt however that they could be expected to provide support and assistance should problems arise. As it turns out, both Ganap and Goncalves (Carrascalao was in Jakarta and we were not able to meet him) want to be actively involved in the Foundation and have formal responsibility. Ganap said his objection to the Kupang Articles was that the Board of Founders was given no responsibility. Ganap was so concerned that when in Jakarta he talked to people at USAID about his objections. He explained his position when interviewed in Dili but by that time was satisfied with the changes made at the September 23 meeting. Domingos Soares and Florentino also felt that the Executive Board was given too much power by the Kupang Articles.

It was pointed out by the Notary that the Founders hold the highest authority in a foundation. It was then suggested that all those present, plus Carrascalao and Eugenio Borges, be the Founders. This was agreed to by the meeting. The Board of Founders thus took over the role of the Council (Dewan) in the Kupang document: the Council consisted of all members of the three Boards. Other members of the Supervisory Board (two at present) or the Executive Board (none at present) no longer have a role in the plenary meetings which are the highest authority in the Foundation.

The other members of the enlarged Board of Founders are:

- Domingos Soares, Head of the Provincial Government's Bureau of Economics. He has two law degrees from Airlangga University in Surabaya and previously studied in Portugal for 8 years. He returned from Surabaya only last year. He was approached originally (over a year ago) as a lawyer regarding the structure of the Foundation. Then, because he was a classmate of the Apostolic Administrator, he was asked to help in discussions with the Diocese. He was extensively involved in discussions with Florentino and Miedema regarding the format of the Foundation.

Soares was chosen as a member of the Supervisory and Founders' Boards because of his law background - which he sees as enabling him to provide more effective supervision; his church connections - he is active as a legal advisor and is also the Chairperson of the Seminary Alumni Association; and his government position. He is interested in cooperation between the Foundation and the Government.

- Fr. Fransiskus Tan, a Jesuit priest of Chinese extraction from Java. He has been in East Timor for two years, and is responsible for Diocesan social welfare programs. He apparently has close connections with CSIS.

The Diocese was requested to provide a representative to the Foundation and Fr. Tan was appointed, evidently, because of his involvement with social development programs.

Fr. Tan said that at first, while accepting the assignment, he took only a passive role, waiting to see in what way he could be involved. Now he believes that the Foundation and his social welfare activities can be supportive of each other. He does not yet know a great deal about the ETADEP project but seems interested. In the course of several hours we spent with him and Florentino, Fr. Tan asked a great many questions about the project and the people involved, and the impression was obtained that he and Florentino got to know each other's views and positions on a wide variety of subjects. The discussion seemed free and open.

Fr. Tan is interested in agriculture, non-formal and formal education, health, and community development in general. He could be a good resource for the Foundation in making connections with PVOs in other parts of Indonesia.

- Eugenio Borges, a farmer from Hatulia, has been Chairperson of the Loes Development Committee since its formation in 1984.

Borges has secondary school education, though he did not complete it.

The other members of the Supervisory Board, not on the Board of Founders, are an as-yet-unchosen representative of the Farmers' Groups, and Tomas Ribeiro.

- Tomas Ribeiro, another seminary graduate, works in the local Government section (Biro Pemerintahan) of the Provincial Government. He studied social sciences at Mulawarman University in Kalimantan.

Ribeiro is involved in a wide variety of community activities, and is particularly active in the church. He is known as a person who will complete any task he takes on.

RELATIONS AMONG BOARD MEMBERS

Most members of the Founders' and Supervisory Boards were chosen by consultation among Florentino, Alex Miedema, and the earlier-chosen of the Board members such as Domingos Soares. Domingos Soares is an old schoolmate of Florentino's from the seminary. Tomas Ribeiro is another seminary graduate.

Florentino and Soares are both old friends of Manual Carrascalao and Jose Goncalves. As Soares observed, Dili has a radius of only 6 km and people from similar backgrounds tend to see each other at meetings, sport, religious occasions and so forth. The Carrascalao's are also related to Florentino's wife.

Eugenio Borges, the Chairman of the Loes Development committee, and the as-yet-unchosen delegate from the Farmers' Groups, are from the project area so only know the Executive Board members. Borges has met the others at one meeting.

The two non-Timorese, Fr. Tan and Ganap, are less well known to the others, and vice versa. Ganap having been in East Timor for ten years, is acquainted with the Dili people. He did however express concern that the Founders do not yet know each other well, having only just started meeting as a group.

Fr. Tan knows the other members the least, having been in the province less than two years and moving in somewhat different circles. However he had met most of the other members and knew at least a little about the Dili ones.

The National Crest

OFFICE OF

THE NOTARY PUBLIC

LAND DEED OFFICER

M. HARJONO, S.H.

JL. BELARMINO LOBO 45 P.O. BOX 357

D I L I

EAST TIMOR

COPY OF

DEED ON : INCORPORATION OF "YAYASAN ETADEP"

NUMBER : - 28 -

DATED : 23RD SEPTEMBER, 1987.-

**JEFTA SAMUEL**  
Authorized & Sworn IN ANGLIMOR  
SK. Gab. E. T. 259/1981  
B.IV-3992/a/1981  
JAKARTA

NUMBER: 28.-

INCORPORATION OF "EMA MATA DALAN BA PROGRESSO  
INSTITUTE" OR ABBREVIATED "ETADEP INSTITUTE".

---

-- On this day, Wednesday the twenty third day of ----  
september nineteen hundred eighty seven -----

-- Have appeared before me, Mas Harjono, Sarjana Hukum-  
(law graduate), acting deputy notary at Dili, by virtue  
of Decree of the Chief Judge of the Ist Class Court of-  
First Instance at Dili, dated 10th December, 1981, ----  
Number SK. 496/1981/UM/PN OIL, in the presence of the -  
witnesses who are known to me, the notary public, and -  
whose names will be mentioned in the closing section of  
this deed : -----

1. Mr. JAN ANTHONIUS GANAP, entrepreneur, residing at-  
Dili, Toko Baru, according to his statement in this  
matter acting : -----

a. on his own behalf, and -----

b. as verbal proxy of and as such representing by -  
empowering himself to fully guarantee and assume  
the responsibility for the interest of : -----

- Mr. MANUEL VIEGAS CARRASCALAO, entrepreneur, -  
residing at Dili, at Jalan Antonio de Carvalho  
and -----

- Mr. EUGENIO BORGES MARTINS, entrepreneur, ----  
residing at Ermera, Hatolia; -----

JENTA SAMUEL  
Authorized & sworn Notary Public  
S.E. Guaymas  
B.I.V. 3992.R. No. 269/1981  
JAYA RTA

2. DOCTOR JOSE GONCALVES, private person, residing ---  
at Dili, Farol; -----
3. Mr. FLORENTINO DA CONCEICAO, entrepreneur, residing  
at Dili, Farol; -----
4. Mr. BONIFACIO CORREIA, Civil Servant, residing at -  
Dili; -----
5. Mr. GILMAN ASSUNCAO EXPOSTO DOS SANTOS, entrepre- -  
neur, residing at Dili; -----
6. Mr. DOMINGOS MARIA DAS DORES SOARES, Sarjana Hukum,  
(law graduate), Civil Servant, residing at Dili, --  
Farol; -----
7. Mr. FRANSISKUS TAN, SJ, priest, residing at Dili, -  
Dare; -----
- The appearers are known to me, the notary public; -  
-- The appearers hereby state, that the appearers ----  
collectively with those represented by them, have set -  
aside from their property, cash amounting to -----  
Rp. 450,000 (four hundred fifty thousand rupiah), which  
are intended as the principal property of the Institute  
to be mentioned hereunder, which was established by the  
appearers collectively with those represented by them -  
with this deed, and on the terms and conditions or with  
the articles of association, as follows : -----

NAME, DOMICILE AND DURATION

Article 1.

- (1). This institute is named : -----  
"EMA MATA DALAN BA PROGRESSO INSTITUTE" or -----

JUFEA SAMUEL  
Authorized & Sworn TRANSLATOR  
S.E. GONCALVES  
B.IV-325/1981  
JANUARIA

abbreviated " E T A D E P INSTITUTE ", -----  
domiciled at Dili, with branch offices and/or --  
representations at such other places as are ----  
deemed necessary by the Board of Founders; -----

- (2). This institute is established for an unspecified  
time and is deemed to commence upon the signing-  
of this deed; -----

PRINCIPLES

Article 2.

- This institute is based on the single principles of  
Pancasila and the 1945 Constitution; -----

AIM AND OBJECTIVES

Article 3.

- (1). This Institute is aimed at : -----  
Improving the standard of living of the farmer -  
community of East Timor; -----
- (2). The objectives of this Institute are : -----  
To make the farmer community of East Timor ----  
become prosperous; -----

UNDERTAKINGS

Article 4.

- In order to realize these objectives, the Institute  
will : -----
- a. provide service and extension to the farmer -----  
community in the agricultural sector; -----
- b. support Government programs in the agricultural ---  
sector; -----

JENTA SAMUEL  
Authorized & Sworn CAPSULTOR  
SK. GAB. DILI  
B.IV-3992/3/1981  
JAK/ETA

- c. cooperate with existing farmer organizations; -----
- d. undertake activities and other attempts which -----  
support the objectives of the Institute; -----

CAPITAL/PROPERTY/ASSETS

Article 5.

- The capital of this Institute is unspecified; -----
- The property of this Institute comprise of : -----
- 1. Property which has been set aside as mentioned ----  
above; -----
- 2. Proceeds from the undertakings of the Institute it-  
self; -----
- 3. Contributions, grants and inheritance, donations --  
which are not binding, both from individuals or ---  
from institutions, either private or government, --  
either from domestic or abroad, and other items ---  
which are available and unutilized, hereinafter in-  
any way not being in contrary to, or prohibited by,  
the prevailing laws; -----

BOARD OF FOUNDERS

Article 6.

- (1). The Board of Founders of this Institute -----  
comprise of 9 (nine) persons; -----
- (2). The meeting of the Board of founders shall be --  
the highest authority of this Institute; -----
- (3). For the supervision of and management of this --  
Institute, the Board of Founders is authorized -  
to appoint and dismiss members of the Board of -  
Founders and members of the Board of Managers --

**JEETA SAMUEL**  
 Authorized & Sworn **MANAGER**  
 BK. Club, ...  
 B.IV-3927/... & 259/1931  
 JAWARTA

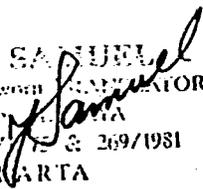
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- for the service period of 3 (three) years; -----
- (4). The Board of Managers shall be elected/appointed among the founders of this Institute, while the Board of Supervisors, shall be elected/appointed from the majority of founders of this institute;
- (5). The Board of Supervisors shall comprise of : ---  
 - a chairman and a deputy chairman, -----  
 - who are assisted by several members; -----
- (6). The Board of Managers shall comprise of : -----  
 - a chairman, -----  
 - a secretary, -----  
 - a treasurer, and -----  
 - implementors all of whom are appointed by the Board of Managers, for an unspecified time; --
- (7). If deemed necessary, the Board of Founders may -  
 appoint one or several advisers and trustees; --

AUTHORITY OF THE BOARD OF MANAGERS

Article 7.

- (1). The Board of Managers represent the Institute, -  
 both concerning actions inside and outside the -  
 Court, both concerning actions regarding manage-  
 ment as well as ownership and authorization, and  
 binds the Institute to third parties and on the-  
 contrary third parties/outsideers to the -----  
 Institute, all of which with such restrictions -  
 as are to be mentioned in para 2 of this article;

  
 JENTA SAMUEL  
 Authorized & Sworn MANAGER  
 Sd. Gdn. Jenta  
 B.IV-3592/3/1981 & 269/1981  
 JAKARTA

(2). If the Chairman is not present, ill, absent/ -----  
prevented the cause of which need not be known to-----  
outsiders, in succession the Secretary and further  
the Treasurer respectively reserve the right to --  
represent the Institute, with restrictions to : --  
- sell; purchase, transpor and other actions which  
are normally conducted by the Institute, to ----  
become a guarantor, to open and/or close down --  
branch offices/representations, he has to act --  
on the basis of -----  
The Meeting of the Board of Founders of this ---  
Institute; -----

EXPIRY OF MEMBERSHIP OF THE FOUNDERS/SUPERVISORS/

MANAGEMENT

Article 8.

-- The membership of the Founders, Supervisors and ----  
Managers shall expire because of : -----

1. the death, -----
2. bankruptcy or insolvency, -----
3. at one's own personal request, -----
4. the expiry of one's term of office, or -----
5. being dismissed from one's position for performing-  
a misconduct which harms the Institute, at the ----  
decision of the Meeting of the Board of Founders; -

VACANCY OF THE POSITION OF SUPERVISOR/MANAGER

Article 9.

-- If there are vacancies in the positions of Super--  
visor/Manager for any reason, a new Supervisor/Manager-

IRISYA SAMUEL  
Authorized & Sworn In AMSLAYOR  
SK. Gub. DKI Jakarta  
B.IV-3992/a/1983 & 269/1981  
JAKARTA

must be elected at once according to the Decision of --  
the Meeting of the Board of Founders, in order to fill--  
such vacancy; -----

MEETING OF THE BOARD OF FOUNDERS/BOARD OF MANAGERS

Article 10.

- (1). If deemed necessary, at any time the Board of ----  
Founders may organize a meeting; -----
- (2). The Board of Managers is obligated to organize an--  
annual meeting; -----
- (3). If deemed necessary, at any time the Board of ----  
Managers may organize an extraordinary meeting; --
- (4). Such Meetings which are organized as referred to --  
in para 1 and para 2 of this article, may be -----  
deemed valid and a binding decision may be taken,--  
if they are attended by one half or more of the --  
members of the Board of Founders/Board of Managers;
- (5). Decisions of the meeting are taken by mutual -----  
consensus and if not possible, by majority votes,--  
namely one half plus one vote; -----

ANNUAL REPORTS

Article 11.

- (1). This institute shall keep its books in a proper ---  
and organized way which are organized by the Board--  
of Managers; -----
- (2). At the end of every year, the Secretary shall draw  
up the minutes concerning anything that have been--  
carried out by the Institute during the previous -  
year; -----

Author: *Samuel*  
B.I.V.-D. 269/1981  
JANUARY

- (3). The above mentioned books are closed at the end --  
of every year, and will be closed for the first --  
time at the end of nineteen hundred eighty seven;-
- (4). Within the period of two months from the closing -  
of the books, the balance sheet must be compiled;-
- (5). The balance sheet and the books shall be ratified-  
by the Meeting of the Board of Founders; -----
- (6). After the ratification in the manner as referred -  
to above, the Board of Managers is acquitted from-  
its responsibilities (acquit et de charge) -----  
concerning all actions performed by the Board of -  
Managers in the previous year; -----

ALTERATIONS TO THE ARTICLES OF ASSOCIATION

Article 17.

- (1). Alterations to the Articles of Association of ---  
this Institute may be made only by the Board of --  
Founders by notarial deed; -----
- (2). The decision for such purpose may be taken only in  
a Meeting of the Board of Founders which is -----  
organized specifically for such purpose by -----  
unanimous votes, which meeting shall be attended -  
by at least 7 (seven) members of the Board of ----  
Founders or, represented by proxy in writing; ----

DISSOLUTION

Article 13.

- (1). The Board of Founders is authorized to dissolve --  
this Institute if : -----

JEFTA SAMUEL  
Authorized & Signed by MANAGER  
SK. Gub. I  
B.IV-3922/3/1981 26/1981  
JAKARTA

- a. it is no longer deemed necessary because the -- objectives of this Institute have been achieved;
- b. the objectives of this Institute cannot possibly be achieved; -----

(2). In this event shall be applicable the provisions -- which are contained in article 12 regarding the -- decision concerning Alterations to the Articles of Association, unless, -----  
- it is instructed by the Government to dissolve - this Institute; -----

LIQUIDATION

Article 14.

- (1). Settlement after the occurrence of dissolution --- shall be made by the Board of Founders; -----
- (2). After dissolution has occurred, if for matters --- which are related to such settlement it, is still - required, this Institute shall remain to exist for the time being; -----
- (3). During such settlement the provisions of these --- articles of associations shall remain applicable; -
- (4). The Board of Founders shall determine, after ----- having settled all the debts, to whom shall be --- given or what the remainder of the property of --- this Institute shall be utilized for, on ----- condition, -----  
- that such remainder shall be -----  
utilized for an objective which is --  
the same or similar to the objectives  
of this Institute; -----

COMPANY RULES

Article 15.

-- Matters which are not organized by the articles of -  
association of this Institute shall be organized -----  
separately with the decision of the Meeting of the ----  
board of founders, if necessary shall be organized in -  
the Company Rules or other regulations which are not in  
contravention of the Articles of Association of this --  
Institute; -----

Article 16.

-- This institute as a legal entity shall be subject to  
the rules and regulations of the Civil Code, the -----  
Commercial Code and the Insolvency Code; -----

Article 17.

-- Regarding this matter and any and all consequences -  
thereof and the implementation thereof, this Institute-  
has elected as its general and unchangeable domicile --  
the Registrar's Office of the Court of First Instance -  
at Dili; -----

-- Further, the founders of this Institute state that -  
they have mutually agreed to appoint the Board of ----  
Supervisors and the Board of Managers of this Institute  
for the first time, as follows : -----

I. BOARD OF SUPERVISORS : -----

1. Chairman : DOMINGOS MARIA DAS DORES ---  
SOARES, Sarjana Hukum, -----  
the above appearer; -----

JEFFTA S. JEL  
Authorized & sworn TRANSLATOR  
SK. Gub. No. 11/1981  
B.IV-3992/a/1981 & 259/1981  
JAKARTA

2. DEPUTY CHAIRMAN : FRANSISKUS TAN, SJ; -----  
the above appearer; -----
3. Members : 1. Doctorandus TOMAS -----  
RIBEIRO, Civil Servant, -  
residing at Dili; -----  
2. EUGENIO BORGES MARTINS, -  
the above appearer; -----  
3. The above mentioned -----  
Deputy Committee for Co--  
ordination of Farmers' --  
Contact; -----

II. BOARD OF MANAGERS : -----

1. Chairman : FLORENTINO DA CONCEICAO, ---  
the above appearer; -----
2. Secretary : BONIFACIO CORREIA, -----  
the above appearer; -----
3. Treasurer : GILMAN ASSUNCAO EXPOSTO DOS-  
SANTOS, the above appearer;-

-- The appointments of whom pursuant to the statement -  
of the above appearers, have been approved by the -----  
parties respectively; -----

-- Furthermore, the appointments shall be affirmed ----  
again in the Meeting of the Board of Founders which is-  
organized for the first time; -----

-- Finally, the appearers state that the cash amounting  
to Rp. 450,000 (four hundred fifty thousand rupiah) ---  
as referred to above in the opening section of this ---  
deed has been deposited into the cash supply of this --  
Institute; -----

**JEFTA SAMUEL**  
Authorized & Sworn TRANSLATOR  
SK. Gub. IRI JAYA  
B.IV-3992/a/1975 & 269/1981  
JAKARTA

----- IN WITNESS WHEREOF, THIS DEED -----  
is duly made and ratified as legal evidence at Dili, on  
the day and date first mentioned above, in the presence  
of Maria de Jesus Sarmento and Denis Soares da Silva, -  
both of whom are employees of the notary public who has  
drawn up this deed, and all of whom are residing at ---  
Dili, as the witnesses; -----  
-- Immediately after I, the notary public, have read --  
out this deed to the appearers and to the witnesses, --  
this deed is immediately signed first by the appearers,  
then by the witnesses, and followed by me, the notary -  
public; -----  
-- Executed with : 5 (five) inserts, 9 (nine). -----  
deletions and 3 (three) substitutions; -----  
-- THE ORIGINAL DEED HAS BEEN DULY SIGNED; -----  
-- ISSUED AS A TRUE COPY IN ACCORDANCE WITH THE ORIGIN-  
AL THEREOF; -----

Dili, dated 23rd September, 1987

Notary Public at Dili

signed across stamp duty

amounting to Rp. 1,000

(M. HARJONO, S.H.)

**JEFITA SAMUEL**  
Authorized & Sworn **NOTARY PUBLIC**  
SK. Gub. IKA. I. DAYA  
B.IV-3992/a/11/5 & 269/1981  
JAKARTA

THE ROLE OF USAID1. ISSUES RELATING TO USAID REGISTRATION1.1 SECONDED STAFF

Eighteen employees of the Project are seconded from the GOI. The willingness of the government in East Timor, and particularly the Governor, to assist and support the Project in such ways as supplying skilled East Timorese personnel on semi-permanent "loan" has contributed significantly to the progress of ETADEP under CRS and to its potential for continuing and developing as a local, "home-grown" foundation.

East Timor differs markedly from most of the Indonesian provinces in that it has a severe shortage of educated and trained people. It was only in the last few years of Portuguese rule that education started to become a priority. East Timorese with education, skills and experience are in great demand and virtually all have been employed by the government. There is no pool of such people outside the government, another reason being that there are hardly any PVO's operating in East Timor at present. Thus the Project has been very fortunate to have had some excellent and committed people seconded to it.

Seconded staff are a problem for registration of the Foundation with USAID, as they receive salaries both from the GOI and from ETADEP.<sup>1</sup> While this is not a situation unique to East Timor, the unavailability of local people to replace them is more uncommon. East Timor is not at present comparable with other areas of Indonesia.

While many of the seconded employees are tractor drivers and theoretically replaceable (though not in the next few months and they are said to be the most careful and reliable tractor drivers), there are several key seconded staff who are vital to the continuation of the Project and the achievement of its goals. These include Florentino, the Project Manager; Bonifacio, the Site Manager, Raimundo, the previous Site Manager, now an extension agent; and Castela, the Workshop Officer. Castela is vital to the Project as long as the tractors are in operation; according to Florentino there are only two other people with his skills in the province, and both work for the government.

A government job in Indonesia provides people with security which one with a local foundation cannot hope to equal. Government employees are guaranteed a pension, which is of great importance in a country with no social security system. In contrast to the security provided by a government job, the Foundation is brand-new, has not yet had a chance to prove that it can function (though staff expressed confidence that it

<sup>1</sup>) While they thus receive larger salaries than direct employees of ETADEP, they are not entitled to the substantial severance pay to which other employees are entitled.

could, and the team also believes this to be the case; however this needs to be seen for staff to take risks with their security and that of their families), and has no guarantee of the continuing USAID funding on which it will initially be dependent.<sup>2</sup>

The question has been raised of asking employees to take a leave-of-absence from the government, maintaining their status as government employees but receiving no salary.<sup>3</sup> If they eventually leave the Foundation, they would request reinstatement. The problem with this suggestion seems to be that it is not a common procedure either in East Timor or elsewhere in Indonesia, it has to go through Jakarta, and according to Florentino, it is likely to be very difficult to restart the payment of government salaries. Thus employees will be very loath to request a leave-of-absence, especially in, say, the first year of the Foundation's management of the Project. Florentino said it would be impossible to ask employees to make this choice before USAID registration were approved (and thus funding and their jobs guaranteed in the short term). Were the choice between taking leave of absence and returning to the government to be put to them during the first year, Florentino feels that most would feel forced to choose to return to the government because of the uncertainty about getting their government salaries back and retaining pension benefits.

It seems clear that should the Foundation be forced to make employees choose in the near future, then would return to the government and that would be the end of the Project and the Foundation, as several of these staff are vital to their continuation.

The possibility has been raised of replacing staff with non-government employees. As stated above, suitable East Timorese are not currently available though this situation should change over the next few years. To bring people in from outside the province, particularly for key positions, would be a huge step backward, the Project now being in East Timorese hands. It would also be completely unacceptable to the governor, himself East Timorese and a strong supporter of East Timorese endeavors. He would have to approve the request for people to be brought in from outside and, Florentino says, would refuse it: it would not make any sense at all to the governor to have experienced, skilled people from the Project returned to the government and replaced by outsiders with no knowledge of local conditions or the Project.

In the longer term, employees could if necessary be asked to choose between taking leave-of-absence and returning to the government. While Florentino can conceive of this being possible at the end of 1988, neither he nor the team sees this as appropriate timing. This will be a time when the Foundation will hopefully be becoming firmly established, perhaps expanding its activities, and seeking to establish a network of resources and donors so as not to be dependent only on USAID. Thus to place employees in a difficult and worrisome position of having to make a choice at that stage seems detrimental to the development of the Foundation and

<sup>2</sup>) See 1.3, Financial Resources.

<sup>3</sup>) Their salaries would need to be supplemented by the Foundation (i.e. by AID funding) up to the previous level.

achievement of Project goals. The situation could be assessed regularly (perhaps annually) by the Foundation and USAID over the next five years and the appropriate time chosen if it is necessary.

It should be noted that while working for ETADEP, government employees lose a number of benefits. They receive only the base salary, which is often nominal. They do not have a position in the government and thus do not receive position supplements, regular raises, or housing. Furthermore, former colleagues of people in ETADEP management positions are now heads of provincial offices of government departments and heads of bureaux in the provincial government: the ETADEP staff could have had similar high positions. These staff, some of whom have worked with ETADEP since its inception, are very much committed to the Project, identifying with it rather than with the government in which they do not have such close involvement.

## 1.2 INDEPENDENCE OF THE FOUNDATION.

One of the conditions of eligibility of non-U.S. PVOs for registration with USAID is that they be private, non-government and non-political, and non-profit. The foundation is clearly non-political and non-profit. The team believes that, in the Indonesian context, it meets the criteria of "private and non-government".

It is very common indeed in Indonesia for people - especially those with higher education, development experience and extensive contacts - to be involved in a number of non-government and government organizations. Furthermore, there are a number of respected PVOs which work closely with the government, in development and training programs for example. Thus "private and independent" is a matter of degree everywhere in Indonesia.

The members of the Boards of the Foundation (as described in Appendix 5) were chosen for a variety of reasons with the aim of forming an organization which:

1. Would be capable of taking over the running of ETADEP and carrying through its aims.
2. Would be capable of establishing its own priorities, policies and programs.
3. Would represent the elements important in East Timorese culture and in the current East Timorese context.
4. Would be strong enough to resist the sort of pressures which make East Timor a difficult area for a PVO, especially a local one, to work in.

Thus members were chosen who knew the Project well or who represented the beneficiaries, others who had legal or financial knowledge, others who represented the church or had good contacts within it, people who had wide contacts within and outside East Timor, others who could provide a channel to the Governor or the Provincial Assembly. Finally, attention was given to choosing people who could work together and would not dominate the Boards.

There are three government employees on the Boards, besides the two on the Board of Management (Florentino and Bonifacio). However, they were not chosen because they were government employees but rather because of their knowledge, experience and contacts. For example Domingos Soares (who is the Head of the Economics Bureau of the Provincial Government and a schoolmate of Florentino) is a lawyer and was consulted early on about the structure of the Foundation. Then, because of his acquaintance with the Apostolic Administrator and his active role as a lay-person in the church, he was asked to help in discussions with the Diocese. His government position is secondary, though his interest in good cooperation between the Foundation and the government should be beneficial to the Foundation.

Jose Goncalves, who is a banker with a government bank, is thus in a different category of government employees. Besides his financial knowledge and contacts, he was chosen for his wide network of foreign and Indonesian connections.

The government positions of these people were not a major factor in their choice for the Boards, though of course government contacts and good relationships with the government are very important. It does not appear that the Foundation will be in any way a tool of the government because of the inclusion of these people.

### 1.3 FINANCIAL RESOURCES

Another USAID criterion is that an "organization has the financial resources to enable it to perform its normal functions in the absence of AID support."

The background of the Foundation must be kept in mind here: the intention of USAID in encouraging the establishment of a Foundation was that this would enable outside support for ETADEP to continue after CRS left. While it was envisaged that more than one donor should be involved, USAID was expected to be the major donor initially.

It was intended that the Foundation be established nine months before CRS withdrew. However in fact the Articles of Incorporation were notarized only three months before the end of CRS involvement. It was originally envisaged that CRS, together with a nationwide NGO which had a network of international funding sources, would seek other funding during this nine-month period, so that the Foundation would, when it took over ETADEP activities from CRS, already have other sources of funding and technical assistance.

Neither CRS nor USAID has caused this to happen and there is no time left for it to be done before 31 December. Thus if USAID is committed to the completion of the Project and achievement of its targets, USAID will need to accept initial responsibility for funding and for assisting the Foundation in building up a network of donors and resources. It is the aim of the Foundation to do this as soon as is feasible. In the early months however management staff will have other priorities.

4) Concept paper, USAID, 1985

The Foundation has Rp. 450,000 given by the Founders. On January 1, it will take over the assets of ETADEP. Until registered with USAID however it will not be able to touch the funds remaining from the USAID grant to CRS and thus if this is not done before January 1, the Foundation will have virtually no working capital.

## 2. CLEARANCES FOR EAST TIMOR

Since the beginning of the ETADEP project, clearances for USAID and CRS staff visiting East Timor have been slow and complicated to obtain but have usually eventually been forthcoming.

Both Hans Meir and Alex Miedema at no time had clearances for more than six weeks in the province. This was not particularly inconvenient for them as Meir's family was in Jakarta (his wife received clearance to visit East Timor for a few weeks) and Miedema frequently needed to go to Jakarta. The likelihood that similar obstacles to mobility and access to East Timor will continue to apply should be borne in mind when scheduling longer term consultants.

It is desirable that USAID or the Embassy explore various possible ways of facilitating clearances with the Indonesian government. The facilitating of clearances for ETADEP staff to leave the province might also be discussed.<sup>5</sup> A lengthy process of questioning and clearance must be gone through each time an East Timorese wishes to leave the province, though for civil servants the process is now a little quicker than it used to be.

While it is of course most desirable that USAID and ETADEP consultants have easier access to East Timor, the continuation of assistance to the project should not be made dependent upon it. First priority should be given to support of the new Foundation and continuation of the project which USAID has funded thus far and which has not yet reached completion. While an improvement in clearance procedures should be sought, it should be understood that this may not be forthcoming. Clearance problems may need to be accepted as an unfortunate given. If the major aim is to help the people of East Timor and to assist the Foundation to establish itself and fulfil its aim of "raising the living standards and improving the welfare of farming communities in East Timor", then it is not constructive to argue along the lines that "if the GOI wishes the assistance to continue, they will facilitate arrangements". Firstly, "the government" is not a single entity. Secondly, there is no reason to suppose that all elements of the government or military (either in Jakarta or East Timor) have a particular commitment to either the project's continuation or the Foundation's development.

5. As an example : While we were in East Timor, the Site Manager was invited at short notice to attend a conference in Kupang. His clearance did not come through until after he was supposed to leave and thus he missed the first and most important session of the conference.

## APPENDIX 8

### SOURCES AND PERSONS CONSULTED

In the project area, we met with the Project Manager, Site Manager, previous Site Manager, Assistant Accountant, Coordination and Logistics Officer, Secretary, Warehouse Keeper, Workshop Officer, Audio-Visual Assistant, extension agents, the Chairman of the PTDS (a Founder and member of the Supervisory Board), as well as some Farmers' Group leaders, and farmers (male and female). In Dili, we met all the members of the Board of Founders who were in town (Manuel Carrascalao was away), and interviewed six of them in depth - the Chairman and Vice-Chairman of the Supervisory Board and one of the three who are just Founders, plus the three members of the Executive Board. We interviewed the Administrative Assistant, Accountant and Secretary in the Dili office.

Furthermore, we were fortunate in being able to observe a meeting of the Founders with the Dili notary, Haryono, in which the Articles of Incorporation were finalized and notarized.

In an effort to assess the strength of support for the Foundation, we met with people from the government and the Church. We talked with the Governor, Mario Carrascalao, for about one and a half hours, and also had an interview with the Apostolic Administrator, Monsignor Carlos Belo. We had a lengthy discussion with Fr. Tan, the Diocese's delegate on the Supervisory Board, and interviewed J.A. Ganap, one of the Founders of the Foundation and Deputy Chairman of the Provincial Assembly (DPRD).

In the project area, we met the Camat of Kailako and several village heads, plus the Danramil (Military Commander) of Ermera.

## APPENDIX 9

### ETADEP REVIEW TEAM SCHEDULE

#### A. TEAM SCHEDULE

2 September	Wednesday	Team Coordinator/Sociologist/ Anthropologist started work on preparation of materials for team.
7 September	Monday	CRS/New York Program Officer started work.
7 - 14 Sept.	Mon - Mon	Review of project materials and discussions with USAID and CRS staff.
8 September	Tuesday	Briefing with USAID and CRS (Team Leader, Team Coordinator, CRS/New York Program Officer, CRS/Jakarta Project Officer)
9 September	Wednesday	Meeting with INDHRRA
12 September	Saturday	CRS Legal Officer started work.
14 September	Monday	Departed for Den Pasar.
15 September	Tuesday	Arrived Dili
19 September	Saturday	CRS Legal Officer returned to Jakarta.
20 September	Sunday	Team Leader/Agriculturalist returned to Jakarta.
27 September	Sunday	CRS Program Officer returned to Jakarta.
28 September	Monday	Team Coordinator returned to Jakarta from Kupang.
29 September	Tuesday	CRS Jakarta Project Officer returned to Jakarta.
28 Sept-5 Oct	Mon - Mon	Preparation of preliminary reports.

2 October	Friday	Presentation to meeting of USAID and CRS of preliminary reports on institutional aspects.
6 October	Tuesday	Presentation to meeting of USAID and CRS of preliminary reports on agricultural and farmers' participation issues.
7 October	Wednesday	CRS Program Officer left Jakarta.
7 October	Wednesday	Completion of final draft of report.
9 October	Friday	Meetings of Team Coordinator with Florentino and Alex Miedema.
13 October	Tuesday	Meeting of Team Coordinator with USAID Contracting Office staff going to Dili.
20 October	Tuesday	Meetings of Team Coordinator with USAID Contracting Office and Finance staff going to Dili.
30 October	Friday	Debriefing (Team Leader and Team Coordinator) with USAID Director and Deputy Director
Planned	.....	Debriefing (Team Leader and Team Coordinator) with Ambassador and DCM.



22 September	Tuesday	<p>P.W., YS.: with Florentino to Dili. Interviews with office staff and inspection of records. B.M-S. with Bonifacio: to Faulara. Interview with Farmers' Group Leader and wife.</p> <p>To Hatolia - Lisapat village. Meeting with: - village officials - 2 Farmers' Groups Night spent in village.</p>
23 September	Wednesday	<p>B.M-S with Bonifacio:</p> <ul style="list-style-type: none"> <li>- Observation in Lisapat</li> <li>- To village of Fatubolu - observed traditional ceremony</li> <li>- To Dili</li> </ul> <p>P.W., YS: Interviews with office staff and inspection of records. Whole team: Attended meeting of Board of Founders at which Articles of Incorporation were notarized.</p>
24 September	Thursday	<p>Meeting with Governor (with Florentino) Interview with Domingos Soares Interviews with office staff &amp; inspection of records. Planning meeting with Florentino. Meeting with Apostolic Administrator.</p>
25 September	Friday	<p>Meeting with Fr. Tan (with Florentino). Discussion with Florentino. Inspection of office records.</p>
26 September	Saturday	<p>Interview with Ganap. Planning with Florentino. P.W. left for Jakarta. B.M-S's departure for Kupang delayed (plane by-passed Kupang)</p>
27 September	Sunday	<p>B.M-S. to Kupang. Meetings with: Gene Galbraith Craig Thornburn Jim Clarkson Martin Wright</p>
28 September	Monday	<p>Meeting with Viator Parera. B.M-S. to Jakarta.</p>

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**APPENDIX 11**

**M A P S**

SCALE

