PD-ABL-664

A.I.D. EVALUATION SUMMARY - PART I

1. BEFORE FILING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit:	B. Was Evaluation Scheduled in Current FY Annual Evalution Plan?	C. Evaluation Timing
Mission or AID/W Office INDONESIA	Yes [X] Slipped [ ] Ad Hoc [ ]	Interim [ ] Final [ ]
(ES# *)	Evaluation Plan Submisson Date: FY 95 Q 1	Ex Post [ ] Other [ ]

D. ACTIVITY or Activities Evaluated (list the following Information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
497-0368	AGRIBUSINESS DEVELOPMENT PROJECT	1992	09/97	$10,837	20,000

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required		
1. A Project Planning Workshop will be held as soon as possible, in February/March 1995, to establish a clear project objective statement, endorse changes in project management structure, and clarify project technical and geographic priorities.	USAID - A. Yates and J. Verhelst MOA/BA-P.Soempeno MOI/DGIHP - A. Setiadi DAI - J. Welsh	March 31, 1995
2. Project Log Frame and other relevant documents will be updated to reflect results of the Planning Workshop and to establish clear, verifiable indicators for annual output targets during life of the project.	USAID - A. Yates and J. Verhelst	March 31, 1995
3. Project Technical Assistance contract and team composition will be modified in accordance with results of planning Workshop, log frame revisions, and the need to establish a fully collaborative partnership for project implementation among the Ministry of Agriculture and its numerous cooperating public and private organizations.	USAID - A. Yates and J. Verhelst	April 30, 1995
4. MOA and MOI will review GOI project contributions and take necessary action to assure adequate funding and counterpart staff for GOI fiscal year 1995/96.	MOA/BA - P. Soempeno MOI/DGHIP - A. Setiadi	April 30, 1995
5. Project work plans for GOI fiscal year 1995/96 and beyond will be modified to incorporate evaluation recommendations concerning project management structure, field activities technical and geographic focus, training and workshop priorities policy studies, institutions strengthening, and results monitoring.	USAID - A. Yates and J. Verhelst MOA/BA - P. Soempeno MOI/DGHIP - A. Setiadi	April 30, 1995

APPROVALS

F. Date of Mission Or AID/W Office Review of Evaluation: (Month) * (Day) * (Year) *

G. Approvals of Evaluation Summary And Action Decisions:

	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Acting Mission Director
Name (Typed)	Andrea J. Yates	Soempeno Putro	Patricia Chaplin	Vivikka Molldrem
Signature		*	*	
Date	*	* 6 June 1995	*	* May 30 '95

ABSTRACT

H. Evaluation Abstract (*Do not exceed the space provided*)

The purpose of the Agribusiness Development Project (ADP), to help restructure public and to strengthen private institutions for agribusiness development, fits well into GOI development objectives of encouraging inter-sectoral linkages, generating employment, expanding non-oil exports, and increasing the share to small producers of public and private agribusiness development.

The ADP was signed on September 28, 1991. A temporary bridging Technical Assistance Team (TAT) was active between January and December 1992. The long-term TAT was installed between April and June 1993. A total USAID grant of $ US 20.0 M and GOI contribution of $ US 7.6 M was planned. The Mid-Term Evaluation was conducted in December 1994, a final evaluation is planned for December 1996 and the expected completion date is September 30, 1997.

- Good progress has been made on the broad institutional objectives. The Ministry of Agriculture has created a new Agribusiness Agency and the Ministry of Industry has created a Directorate General for Agro-Industry. The project has assessed and begun working effectively with numerous agribusiness associations.

- Changes in the planned project management structure and in project management personnel within both the GOI Ministries involved and in USAID have weakened initial policy agenda/definition and hampered the project's ability to focus on key technical issues and geographic areas.

- The TAT provided implementation leadership and carried out a large number of activities, but many of these activities were not undertaken with careful attention to counterpart concerns/participation, nor to strategic priorities for the project. Slow GOI counterpart funding and personnel changes aggravated this problem.

A newly revised project management structure, hopefully streamlined, coupled with changes in the TAT and re-enforced counterpart relationships, should facilitate priority focal program/area/activities selection and implementation in order to address the short comings to date in these elements.

COSTS

I. Evaluation Costs

1. Evaluation Team Name	Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. $)	Source of Funds
1. Brook A. Greene	Cargill Technical Services (CTS)	LAG-4200-I-00-3057-00	$131,860	Projects Funds
2. Robert Mck. Burns	CTS			
3. Clarence J. Murphrey	CTS			
4. Syahmardan Kamili	CTS			

2. Mission/Office Professional Staff Person-Days (Estimate) 30

3. Borrower/Grantee Professional Staff Person-Days (Estimate) 20

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not exceed three(3) pages provided)
Address the following Items:

- Purpose of Evaluation and methodology used
- Purpose of activity(ies) evaluated
- Findings and conclusions (relate to questions)
- Principal Recommendations
- Lessons Learned

Mission or Office:USAID/AEE	Date This Summary Prepared: 5/12/95	Title And Date Of Full Evaluation Report: ADP Mid-term Evaluation Mission Report, April 1995

Summary of the Evaluation Findings, Conclusions, and Recommendations

1. Purpose of the Project

The purpose of the Agribusiness Development Project (ADP) is to enhance public sector support to agribusiness and to strengthen the private agribusiness sector, especially agribusiness organizations. The public sector counterpart of Ministry of Agriculture (MOA) and Ministry of Industry (MOI) staff were to lead a redefinition of Government role in stimulating agribusiness development, through select agribusiness policy studies, [illegible] on specific deregulation activities, and institutional changes to catalyze private institutions and services supporting agribusiness development. The private sector component was to include a broad range of associations involved in agribusiness with an initial emphasis on [illegible] and horticulture product lines. Criteria suggested in the PP were to be used to select focal product lines for ADP activity support.

A contract technical assistance team (TAT) from Development Alternatives, Inc. (DAI) was put in place to advise the project managers and to provide long and short term assistance for training and workshops, policy studies, and private associations development. The contractor was also to carry out project procurement, and install and manage a project management information system (MIS).

2. Purposes of Evaluation and Methodology Used

The purpose of the mid-term evaluation was to provide Indonesia and USAID project management with an appraisal as to what extent the ADP program objectives were being achieved and to suggest modifications both in objectives and implementing activities. The specific objective was to evaluate the extent to which the ADP was enhancing public sector support to agribusiness and strengthening agribusiness organizations.

This was to be done by determining the degree to which the ADP achieved the program outputs as set out in the logical framework. Keeping in mind counterpart priorities, the evaluation was to assess project management structure, the priority focal areas for project activities, the services of agribusiness development centers, the performance of the TA Team, the progress to date of association institution building activities, the appropriate mechanism for addressing marketing needs for agriousiness development, the definition of policy studies, and the impact of the project on women. A key issue throughout has been to comment on the institutional sustainability of project activities.

The methodology used was to review background materials, interview key personnel in the project management and the TA Team as well as in private sector firms and associations and visit several current and potential project sites.

3. Findings and Conclusion

The major findings and conclusions of the evaluation are:

- Good progress has been made on the broad institutional objectives. The Ministry of Agriculture has created a new Agribusiness Agency MOA/BA and the Ministry of Industry has created a Directorate General for Agro-Industry (MOI/IHP). The staffing of these two new agencies, directly responsible for facilitating agribusiness development, has been a major step forward.

- The project has assessed and begun working effectively with numerous agribusiness associations. The assistance in strengthening selected private sector associations has been effective in laying a sustainable foundation for future activities under the private sector component of the project.

- Changes in the planned project management structure and in project management personnel within both the GOI Ministries involved and in USAID weakened the initial policy agenda/definition and hampered the project's ability to focus on key technical issues and geographic areas. However, a new GOI structure and stable USAID management is now in place. With clarification of project objectives, some additional management streamlining and changes in the contract TAT, the ADP should attain its objectives over the life of project to September 30, 1997.

- The TAT provided implementation leadership and carried out a large number of support activities, but many of these activities were not undertaken with careful attention to counterpart concerns/participation, nor to strategic priorities for the project. TAT activities have not been sufficiently focused nor institutionalized through commitment and support from public and private sector collaborators.

• GOI budgetary support for the ADP to date has been less than the agreed amounts. This has somewhat limited MOA and MOI ability to support the project, and has made it harder for the TAT to develop counterpart relationships. It has also contributed to the slow progress of the agribusiness policy studies component and hampered the development of field activities.

• The original Project Log Framework Matrix was unrealistic in many aspects. The project management information system has focused on progress of inputs provided by the TAT, rather than on progress in achieving outputs and broader project objectives. This is partly because ADP management has been slow to undertake agribusiness support programs in field sites and to identify priority issues for policy studies.

• Women represented 20% of training participants and are very actively involved in most agribusiness companies at the production and processing levels. Agribusiness support programs in field sites have very good potential for a high level of impact on women.

4. Principal Recommendations

A. Project Objectives and Focus

1) A Project Mission Statement should be established by Project Managers to provide a brief, clear statement of ADP's objectives that is accepted by MOA, MOI and USAID. This Project Mission Statement should be followed by specified strategies, procedures and priorities for the ADP, both technical and geographical.

2) Technical and Geographical priorities should be clearly established, following from the ADP Mission Statement. Badan Agribisnis and ADP operations should be started in these priority focus areas working with the KANWIL (Regional Agricultural Office), private sector associations, and other appropriate regional institutions.

The Evaluation Team suggested that the following seven focus areas be considered:

1) vegetables and fruit in North Sumatra;
2) pepper in Bangka;
3) seaweed in one or two locations;
4) on-line market information service centers in Jakarta and in regionally-based institutions;
5) processed foods;
6) essential oils in selected location of Java; and
7) cocoa in Sulawesi-both Central and Southern.

The Evaluation recommends that the project expand selected technical assistance to private sector associations in the above focus areas. The Evaluation also recommends that the Badan Agribisnis consider placing representatives at the regional government levels within the Kanwil in at least three of the selected focus areas: N. Sumatera, South Sulawesi and Surabaya.

B. Project Management Structure

1) The Project Steering Committee (SC) should be restructured and mobilized to be smaller (9 members), well organized, informed, and a functioning high level steering group.

The Evaluation Team suggests that the committee be composed of one high level staff member from the following: MOA, MOI, MOF, MO Coops, MOT, one university, 2 private sector agribusiness and USAID. The USAID member of the steering committee would be the USAID/AEE Office Director. This high level group should meet three or four times per year to approve project focus, priorities and scope of ADP activities. The existing Communication Forum should continue to be used to inform and involve a wider government and private community in ADP activities.

2) The Project Implementation Unit (PIU) should be a small management group (6 members) including: two from MOA, two from MOI and two from USAID.

The Evaluation Team recommends a smaller, more operational group that should meet about once a month, or as needed, to deal with the legal, financial, and management responsibilities of the project. They should monitor project progress, project funding from USAID and from GOI to see that funds are received and disbursed according to approved programming. The technical assistance team should not be on the PIU or the steering committee. They should be advisors to both groups just like they are advisors to other public and private organizations working in the project. The project working groups should be retained as implementation mechanisms, and the TAT will have an important role in these groups.

C. Project Implementation

1) Project Technical Assistants should work more closely with Government counterparts in MOA and MOI as well as directly with specific field activities. The Government should provide adequate counterpart funds to support this closer working relationship.

The Evaluation Team suggests that the TA team work as much as possible in the same offices as their counterparts in MOA/BA and MOI/DGIHP. Government counterpart funding is essential for project operations, particularly for field travel for counterpart staff.

2) Technical Assistance Team composition should be modified and measures taken to improve team performance, through clearer responsibilities and better communications with the GOI and with USAID.

The changes in the TA team should be in line with needs of the clarified project objectives and focus and be made so as to minimize any disruption to ongoing activities.

3) Training Workshops and Seminars should be focused on MOA and MOI, current and potential associations, small scale agribusinesses, small holder producers; and, should have some geographic focus to match ADP focus areas. More effort must be made by the ADP to take advantage of and involve local institutions in proposed training activities.

The Evaluation Team suggests that in-country training be re-directed to involve local institutions, expertise and facilities so as to enhance long term sustainability of activities. Similarly, they suggest that greater effort be made by the ADP to use NGOs (such as VOCA, VITA, SCORE/ABLE) to provide low cost, short term TA in selected areas, and that immediate assistance be prepared in 4 areas of major concerns:

- quality improvement for producers, quality improvement for processors
- primary data collection and interpretation in general
- primary/secondary data analysis in marketing
- small holders to small and medium scale contractual inter-relationships, credit needs, and organization into groups. In this area immediate training courses should be developed to strengthen the cash flow projections and feasibility analysis by bank staff district-level lending offices together with small holder training in how to obtain and use data in order to prepare loan applications.

4) USAID Project Management should provide direction and stimulation, be active on the PIU, but should not get involved in micro-management of project activities on a daily basis.

The Evaluation Team suggests that USAID look all resources available to assist agribusiness in Indonesia and better organize its efforts to manage cross-cutting inter-office cooperation between USAID projects and ADP, and other donor projects, to re-enforce ADP activities over the LOP. The ADP small grant fund could be a mechanism to help accomplish this.

D. Policy Studies

1) Policy Studies component should be continued and strengthened through the identification of priority studies to be approved by the Project Steering Committee.

The Evaluation suggests that these studies focus on regulations, policies, procedures and constraints that are impediments to agribusiness expansion. The findings should be followed by preparing issue papers and discussing the issues throughout the appropriate places in the sector. More in-depth studies and recommendation should be made if requested by the sector.

2) Indonesian institutions should be more involved in the ADP policy studies in order the strengthen the analytical work and to build local analytical capabilities.

The Evaluation Team suggests that future ADP work in agribusiness related policies be done with joint involvement between ADP and local policy research institutions. Development of a agribusiness policy analysis network would help provide long term continuity that is critical in policy formulation and, add to the sustainability of ADP efforts.

E. Institutional Strengthening

1) ADP activities for strengthening Non-Profit Organizations have been successful and should be continued. The assessment and monitoring of associations should also continue. Producer associations in the focus areas should receive some priority.

The Evaluation Team suggests that ADP assistance to associations should be related to the strength of the association. For stronger associations this could be helping them with international linkages, with ideas for promotional activities, with TA for training courses, and with arranging affinity group meetings. For weaker associations, assistance would involve preparing grant proposals, holding workshops, organizing capacity building seminars and training. Assistance to stronger associations should be developed around the principle of self-help and self-finance, i.e. no financial assistance.

2) Development of self-supporting funding mechanisms for agribusiness institutions should be explored.

The Evaluation Teams suggested the possibility of creating a local retribution funds created by industry association contributions for improving linkages between producers and processors. Other mechanisms to be considered are NGO programs for microenterprise development focused on agribusiness, or microenterprise lending through BRI or another appropriate financial institution. These activities could be supported under the ADP Small Grants Fund.

F. Field Activities

1) Marketing systems development by ADP management should focus on two commodity systems for immediate visible results. These are the pepper industry in Bangka and seaweed industry development. The BA activities should include strengthening the market information services available whether through associations or universities. In the first instance this could be done in the areas above.

The Evaluation Team suggests that the ADP use the considerable amount of work carried out by the TAT as a basis for drawing up selective action plans in both above sectors. This should be an aggressive and sustained effort. Training and TA provided by the ADP should be directed to focus areas and include interpretation and use of market information, report preparation, business and marketing skills, market identification, quality requirements and implementation, innovative credit schemes, producer cooperatives.

2) Involvement of local counterparts should be better organized. A plan for working with local institutions should be included in proposals for field sites. All necessary parties would be persuaded to take part not the least of whom would be village leaders, traders, and processors.

The Evaluation Team suggests that ADP fund some experiments in organizing small producers into simple marketing groups in order to reduce their dependance on collectors/traders/processors. The project might also work with a banking institutions, such as BRI in order to set up dependable credit facilities. These activities could be supported through NGOs under the ADP Small Grants Program using special microenterprise funds from USAID. The MOA/MOI project management should adopt a systems approach to each commodity/subsector focus area, and should develop a stronger and more imaginative commercial philosophy to take advantage of opportunities for agribusiness development at local levels.

3) Agribusiness Development Centers should be retained as a concept, but with the emphasis on using existing institutions to develop on-line agribusiness reference and marketing information systems.

In the first instance, this service unit could be located in the BA/CMID and the IHP/MOI equivalent office. In the second instance, a network of information centers could be established in selected institutions in Jakarta and in major regions like Ujung Pandang, South Sulawesi; or Medan, North Sumatra. Concurrent with the above, center personnel should have training in the interpretation and analysis of market information and in practical business marketing. Training materials should be systematically collected in the ADC reference libraries for future use.

G. Project Monitoring

Changes should be made in the Project Log Frame Matrix to provide better project status indicators and to measure impacts on women. The project management information system (MIS) should be strengthened to monitor output and impact changes and these expected impacts should be incorporated in the USAID Program Impact Reporting System.

The Evaluation Team made several recommendations to modify the modified Log Frame. These reflect the stated concern of ADP counterparts that more attention be given to:

- market information analysis in order to better identify new markets, domestic or foreign;
- quality control of produce in order to facilitate foreign exports; and,
- the linkage between small holders or producers, small or medium scale processors and the important role of financial services and farmer groups in this linkage.

The Evaluation Team also suggests that ADP continue to systematically collect data regarding the participation of women in each activity.

5. Lessons Learned

- Using a bridging technical assistance team is hazardous and probably counterproductive. Haste in implementing activities in the absence of broad Host Country and USAID consensus on strategic priorities and without close involvement of local counterparts, can be counterproductive in terms of wider policy and institutional impact and sustainability.

- An agribusiness development center, accessible to public and private, should probably be housed in a separate, independent and neutral location in an existing institution.

- Slow release of host government counterpart funds should be addressed immediately by USAID management at the highest level or risk serious compromise to the sustainability of project successes.

- Project management structure should be as simple and streamlined as possible and directed by good managers from both the Host Country and USAID. USAID should not frequently change, nor overload its project managers with other tasks. A contractor cannot serve effectively as a proxy project management entity for either the Host Country, or USAID.

ATTACHMENTS

K. Attachments *(List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys,etc, from "on-going" evaluation, if relevant to the evaluation report.)*

Final Evaluation Report

COMMENTS

L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

Mission notes that:

1) In general, the evaluation meets the demands of the scope of work and provides answers to the questions posed. Also, the evaluation addresses most issues of interest to the Mission and our GOI counterparts.

2) The findings and lessons learned have been agreed by the Mission and the GOI counterparts. Many actions have already completed as recommended by the evaluators.

XD-ABL-666-A

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

INDONESIA MISSION, JAKARTA

AGRIBUSINESS DEVELOPMENT PROJECT
MID-TERM EVALUATION MISSION REPORT

FINAL REPORT

OFFICE OF AGRO-ENTERPRISE AND ENVIRONMENT
Technical Consultancy by: CARGILL TECHNICAL SERVICES INC.

April 1995

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APPENDICES

LIST OF ABBREVIATIONS

AA	Agribusiness Agency or Badan Agribusiness/MOA
ABC	Agribusiness Club
ADP	Agribusiness Development Project
AEHI	Horticultural Exporters Association
AELI	Pepper Exporters Association
AEKI	Coffee Exporters Association
ATI	Tea Exporters Association
APCI	Coldstorage Association
APBIRI	Indonesia Seaweed Growers and Producers Association
APHI	Horticulture Producers Association
APSARI	Juice Producers Association
ASPEMTI	Animal Feedstuffs Producers & Exporters
ASKINDO	Indonesian Cocoa Association (= INCA)
BAPPENAS	National Development Planning Agency
BPEN	National Agency for Export Promotion (= NAFED)
BA	Badan Agribusiness/MOA (also called Agribusiness Agency)
CF	Communication Forum
COFARD	Communication Forum for Agribusiness Research & Development (= FKPPA)
CMAA	Chocolate Manufacturers' Association of America
CMID	Center for Market Information & Development/MOA
DAI	Development Alternatives, Incorporated
DG	Directorate General
FKPPA	Communication Forum for Agribusiness Research and Development (= COFARD)
GAPMMI	Association of Food & Beverage Enterpreneurs
GAPKINDO	Rubber Producers Association of Indonesia
GOI	Government of Indonesia
GPKI	Palm Oil Producers Association
HPDKI	Union of Sheep & Goat Farmers
IC	Information Center
IMCC	Int'l Management Consulting Corporation
INCA	Indonesian Cocoa Association (= ASKINDO)
INDESSOTA	Essential Oil Trade Association
IHP	Industri Hasil Pertanian (= Directorate General of Agroindustry/MOI)

IPB	Institut Pertanian Bogor (= Bogor Agricultural University)
KADIN	Chamber of Commerce & Industry
KANWIL	Regional Office
KUD	Village Cooperative Unit
LOP	Life of Project
MMA	Magister Manajemen Agribusiness (= Master's in Agribusiness Management)
MOA	Ministry of Agriculture
MOI	Ministry of Industry
MOT	Ministry of Trade
NAFED	National Agency for Export Development/MOT
OVI	Objectively Verifiable Indicator
PI	Performance Indicator
PP	ADP Project Paper
PIU	Project Implementation Unit
PPNI	Union of Poultry Farmers
PPSKI	Cattle & Buffalo Farmers Association
PO	Project Officer
SC	Project Steering Committee
SS	South Sulawesi
SO	Strategic Objective
TAT	Technical Assistance Team
UP	Ujung Pandang
WG	Working Group

1. PURPOSE OF THE PROJECT

1.1 Background

Indonesia's strategy for the agricultural sector, defined by Repelita VI, has four main program areas:

- integrated small farm development
- agricultural enterprise development
- food and nutrition diversification
- agricultural resources and infrastructural development

A systems approach is envisaged within which collaborative efforts among producers and agribusiness entrepreneurs are to be supported. It is well recognized that each subsector is a complex system that must include many elements. These include:

- input delivery
- production effort
- post-harvest operations
- processing
- the provision of supporting services, some R&D, education, technical training, extension, credit, transportation, and marketing
- infrastructural support including deregulation activities

Many opportunities for agribusiness activities exist along each commodity chain. Furthermore, the Government of Indonesia (GOI) has larger socio-economic policy objectives such as off-farm employment opportunities in rural areas so as to minimize rural to urban migration and to improve wealth distribution. Objectives include:

- intersectoral linkages between sub-systems in each geographic location of agribusiness activities
- the promotion of the rural economy to include farmer/producer participation in commercial activities through decentralization of government decision making
- the support for grass-root participation and traditional cooperation
- the sustainable utilization and conservation of natural resources

The Indonesian agribusiness sector is dynamic. Agricultural exports were valued at US$10.7 billion in 1993 or 29 percent of total exports. The most important export products were wood (51percent), fisheries (13 percent), and rubber (9 percent). All others represented 27 percent (Appendix 5, American Embassy, 1994, Table J.).

Investment opportunities exist in nearly all subsectors. For example, the sustainable

potential production of marine-based fisheries is estimated to be 8 million tons/year compared with production of 2.84 million tons in 1993. Daily per capita protein consumption was 3.39 grams in 1992 compared with a GOI target of 18 grams. An estimated 1.9 million hectares are suitable for livestock production in Eastern Indonesia, of which only 15 percent was utilized in 1993.

Rising incomes have led to rising domestic demand for fresh horticultural products as well as for processed foods. With both these products, there is growing demand for export-quality products. For example, vegetable oil exports increased from US$441 million in 1988 to US$628 million in 1992 while export of canned vegetables grew from US$9.7 million in 1988 to US$40 million in 1992. Canned fruit exports grew from US$14.9 million in 1988 to US$47 million in 1992. Finally, potential exists in more domestic processing of agro-industrial crops. For example, 85 percent of rubber exports were in the form of raw material or primary products and 85 percent of palm oil production was exported as crude palm oil (Appendix 5, MOA, Indonesian Agriculture).

With regard to GOI policy objectives of wealth distribution, employment opportunities, sustainable development and socio-economic development of the rural economy, including minimal rural to urban migration, the importance of the agricultural sector cannot be over-emphasized. The smallholder sector plays a central role in development. Smallholders produce about 73 percent of total rubber production valued at roughly US$524 million between January and June 1994 (GAPKINDO). Smallholders produced about 70 percent of total cocoa bean production in 1992 and earned about US$105 million (Appendix 5, ASKINDO, p.79). There were roughly 2.9 million fishermen (Directorate General of Fisheries) who exported US$1.4 billion in 1993 (American Embassy, ibid.). Over 90 percent of coffee production is from smallholders.

Major constraints remain. Some examples are: private monopolies in certain commodities, excessive government regulation by certain ministries and private parties or the production of certain estate crops and over-regulation of other commodities, limited access by small or medium scale firms to newly available technologies and market information, some shortfall in managerial skills, trained workforce shortages, and limited support by trade associations for the private sector as well as restricted membership (ADP Project Paper - PP, p xiii).

1.2 Purpose

"The goal of the Agribusiness Development Project (ADP) is to generate sustainable increases in employment and incomes by increasing the competitiveness, efficiency and

growth of the agribusiness subsector. The purpose is to enhance public sector support to agribusiness and to strengthen the private agribusiness sector, especially agribusiness organizations" (Project Paper, p. xiii).

Both the goal and purpose of the ADP are consistent with GOI long-term development plan objectives. This sees the development of the agribusiness sector as including: the exploration for new sources of growth opportunities within a context of inter-sectoral linkages, the generation of employment opportunities to absorb the growing number of job seekers, the expansion of non-oil exports based on the competitive advantages of individual commodities, and an increase in the share of value-added activity in agribusiness development, public and private, going to farmers and fishermen.

1.3 Brief Project Overview

The Agribusiness Development Project (ADP) 497-0368 was signed on September 28th, 1991. Total USAID costs over the life of the project were to be a grant of US$ 20 million and a host country contribution of US$7.6 million or a total US$27.6 million over a planned length of project of 6 years from date of initial obligation. A mid-term evaluation was planned for August 1994 (which, due to administrative delays, occurred in November-December 1994), a final evaluation for December 1996, and a project assistance completion date of end-September 1997.

The ADP is currently managed by the Badan Agribusiness (BA) of the Ministry of Agriculture (MOA) in association with a counterpart agency (the IHP) of the Ministry of Industry (MOI). This Agency has the task of assisting the Minister of Agriculture in formulating and implementing policies for the development of agriculture that help create an environment conducive to the growth of agribusiness activities in order to fully participate in challenges brought about by agreements on global (GATT) or regional (APEC) trade. The BA has been chosen as the forum to coordinate the programs and activities of related public and private organizations, agencies and institutions. In order to carry out its responsibilities, the BA has specific offices for marketing information and development, investment development and environmental impact analysis, business development and institutional cooperation, and standardization and accreditation. The Technical Assistance Team (TAT) has been contracted to advise the BA and its MOI counterpart, the IHP, within this overall context.

2. PURPOSE OF THE EVALUATION

2.1 The Evaluation Team

The mid-term evaluation team consisted of these four members:

- Brook A. Greene — Team Leader, Evaluation, Agriculture Economist
- Robert McK. Burns — Marketing Specialist
- Syahmardan Kamili — Institutional Development Specialist
- Clarence J. Murphrey — Agribusiness Development Specialist

The evaluation team was fielded by Cargill Technical Services Inc. and the final draft prepared in Bangkok under the direction of Mr. Geoffrey Bastin, CTS Regional Manager. The evaluation began with the arrival of the Team Leader on November 20th, 1994 followed by the rest of the team on November 23rd. The first draft was delivered to USAID by the team leader December 23rd. After editing, the final draft was sent to USAID/Indonesia in February 1995.

2.2 Purpose and Methodology

A detailed Scope of Work has been presented in Appendix 1. In brief, the purpose of the mid-term evaluation was to provide USAID/Indonesia Project management with an appraisal as to what extent the ADP program objectives were being achieved and to suggest modifications both in objectives and implementing activities.

The evaluation schedule included visits and discussions with the Development Alternatives, Incorporated (DAI) Technical Assistance Team, USAID/Indonesia officials, key MOA and MOI personnel, and individuals representing private enterprise and various trade associations (Appendix 8). All those interviewed were helpful and the team wishes to express its gratitude for the cooperation received. The team visited together or separately the above contacts in Jakarta, Bogor, Bandung, Surabaya, Medan, Berastagi, Bali, Ujung Pandang in South Sulawesi, Bangka Island, and Pontianak, Kalimantan (Appendix 6).

The evaluation team was also able to take advantage of two activities in which ADP played a role: the first National Conference of the Indonesian chapter of the International Agribusiness Manufacturing Association (IAMA) held in Jakarta on December 2-3rd, 1994, and the first annual conference of the re-established Seaweed Association held in Bali on Dec 8-9th, 1994. Robert Burns attended a Business Forum of horticultural exporters in Surabaya sponsored by NAFED and promoted by the ADP.

3. FINDINGS AND CONCLUSIONS

3.1 **Project Status Indicators**

3.1.1 Current Status

A. Project goal.

No change in the goal is envisaged and no comment is made on the goal.

The Objectively Verifiable Indicators (OVI 1-8) set out in the Logical Framework Plan r ,fer to increase in new jobs, increase in per capita incomes, increase in agribusiness contribution to GDP, and increase in production and sales of agribusiness products.

B. Project Purpose

The detailed OVIs set out in the original Logical Framework Plan (Appendix 4) related to the project's purpose were:

OVI#1 - 100 new agro-processing firms in the market
OVI#2 - Agribusiness trade increased by US$1 billion and investment by US$500 million
OVI#3 - AT least 50 percent of agenda policy items achieved
OVI#4 - MOA/MOI offering two new services to the private sector
OVI#5 - Five private sector initiated services supported by GOI
OVI#6 - Five agribusiness organizations operating as full partners in updating policy/regulations
OVI#7 - In assisted product lines, new sales of up to US$500 million and new investment of $250 million, at least US$100 million in US goods and services
OVI#8 - In assisted product lines at least 100,000 new jobs created representing US$30 million in new income of which two-thirds to low-medium income people

The OVIs, as originally specified, refer to the agribusiness sector as a whole rather than to activities carried out by the ADP. Given the limited resources of the ADP in relation to ongoing agribusiness activities in Indonesia, it is doubtful whether the ADP can have much impact on macroeconomic GOI policies that directly affect trade and investment. This has been particularly true up to this point, half-way through the six-year project, because of changes in organization that have occurred in the MOA and MOI, and in the project management structure. It was not realistic to suppose that the

ADP would create 100 new processing firms in the market and that ADP would cause agribusiness trade to increase by $1 billion (OVIs #1 and 2).

While trade and investment in agribusiness are expected to increase, as in the past, it is difficult to estimate what part of this is directly linked to ADP activities. A large number of GOI trade and investment regulations are being changed continuously through no action on the part of the ADP itself. This process is continuing and these changes affect agribusiness as well as all other forms of business.

Two policy studies have been initiated under the ADP (OVI#3). OVI#4 needs to reflect the fact that services should have more impact on small producers. Nevertheless, two new services (the BA in the Ministry o. Agriculture and the IHP in the Ministry of Industry) have been formed, so it can be said that this objective has been realized.

The original objectives suggested in the Project Paper (PP) included seven main objectives and twenty-three subobjectives (Appendix 13). The ADP has been working directly in three out of seven of these objectives and indirectly in two others. But since these objectives are open-ended and long term, there was never any chance of them being completed in the sense suggested by OVI# 3.

In addition, a basic "Important Assumption" on the policy and regulatory process (OVIs #3 and 6), that the Permanent Agriculture-Industrial Working Commission or PAIWC be established, is of concern, as this commission is established but not functioning as envisioned. An additional concern is that at the implementation level, as of November 1994, more than one hundred activities have been undertaken by the TAT, but with little focus.

It is unlikely that trade associations (OVIs #5 and 6) will be able to be full partners with GOI, but the ADP and the project management have supported extensive selective assistance to private sector associations which includes GOI participation in many association supported activities such as workshops, business meetings and conferences. Cooperation between the MOA and the MOI, and between these and other Ministries, has been promoted.

For OVIs #7 and #8, it is difficult to measure the influence of ADP itself on employment and incomes since its main purpose is to influence the structural environment. The aim is to encourage the development of agribusiness and not to invest capital in specific small scale businesses. The Bridging Team attempted this with three pilot projects but did not achieve the success hoped for (Appendix 5, Welsh). However, the idea was carried over into the current TAT where the

Marketing Advisor has been trying to work with a vegetable producer in Bali and with a vegetable cooperative in Berestagi. There are issues with this activity as it is approached as a public sector-sponsored project aimed at governmental-level intervention.

C. Output

Has the ADP produced outputs as indicated in the original LogFrame? The output (o) OVIs were:

OVI#1(o) - Two policy studies completed each year
OVI#2(o) - Agribusiness Promotion Office fully staffed and operating effectively
OVI#3(o) - Approximately ten meetings and twenty-five joint promotions conducted
OVI#4(o) - (a) Five agribusiness organizations financially self-supporting and delivering services, (b) these organizations viewed by GOI as full partners in development

If project management can define the policy agenda and activities, then a possible series of policy studies could be drawn up as suggested (see section 2.4). Two studie, on seed policy and constraints on business development, are near completed or completed by now. Of concern is whether the studies were implemented in close collaboration with counterparts, and whether they will be translated into Indonesian.

With regard to the second output OVI (OVI#2(o)), new GOI institutional framework and services to promote agribusiness, the new BA and IHP have been in place since April 1994. Project management had decided quickly not to develop a separate agribusiness promotion office as suggested in the LogFrame and instead to develop this capability within existing institutions such as the BA/MOA, the IHP/MOI, a regional Kadin (S. Sulawesi), Universities (Hasanuddin and Bogor), or private associations.

Both the BA and the IHP have been actively supporting business meetings, association workshops and conferences over the last eighteen months of the project. This corresponds well with expected outputs OVI #3(o) and #4(o).

3.1.2 Conclusions

The original OVIs were neither realistic nor directly under the control of the Agribusiness Development Project (ADP). Some important assumptions may have been omitted in the development of the indicators. Only three of the original seven policy objectives and six of the original twenty-three subobjectives discussed in the PP

have been addressed, and this is not commensurate with the resources expended.

More positively, the MOA and MOI have formed two new agencies that support the private sector. A new Project management structure has emerged. Agribusiness associations have been assisted in many ways, including the sponsoring of speakers and study tours and the support for relevant training in seed policies, horticultural and seafood quality controls. A number of short term studies have been carried out through the TAT (though the impact of these studies is of concern).

3.2 Project Management and Implementation

3.2.1 Current Status

A. Project Management Structure

There are three main elements concerned with the management of the ADP:

- the Badan Agribusiness/MOA, Agribusiness Directorate/MOI, Project Implementation Unit, and Steering Committee
- the foreign Technical Assistance Team (TAT)
- the USAID/Indonesia

1. The Badan Agribusiness is responsible for developing a policy agenda and work plan through a Project Implementation Unit (PIU), with approval from the Steering Committee (SC). The SC is composed of eleven members, eight of whom are from the MOA and MOI, one from USAID, one from an agribusiness association, and one from producer associations such as the National Farmers' Association. The work plan is implemented by means of a Project Implementation Unit (PIU). Specific issues are addressed by means of non-permanent working groups (WG), with the whole process being linked to other concerned Ministries through a Communication Forum (CF) (Appendix 10).

   There are no full time GOI counterparts to the TAT. There has not been an individual or group in the GOI that has accepted the role of guiding Project focus in line with GOI priorities. However, the effort to select priorities has been a valuable learning experience that needs to be continued. The increased cooperation between MOA/MOI, and between Ministries and associations is to be commended.

2. The Technical Assistance Team (TAT) has been contracted by USAID/Indonesia to assist the Badan Agribusiness/HIP both in policy formulation and in implementation by means of long and short term technical assistance work. It is important to

emphasize that the TAT is charged with interacting and providing services to the MOI/IHP as well as the MOA/BA. This consists of agribusiness-oriented training, policy studies, study tours, workshops and seminars, private sector agribusiness support including an agribusiness development center (ADC) (in the original PP) in Jakarta and one each in Surabaya and Ujung Pandang, and the procurement of equipment.

USAID and the GOI agreed to contract a "Bridging Team" to begin work in January 1992. The purpose of the Bridging Team was to begin some Project activities, and to prepare a longer-term work plan for the long-term technical assistance team during the required and normally protracted USAID contracting process. The team was provided by the International Management Consulting Corporation (IMCC) (IMCC subsequently became a sub-contractor for the prime Project contractor, the Development Alternatives, Incorporated (DAI)). A first-year work plan was prepared for the DAI team by the Bridging Team. The Chief-of-Party (COP) arrived in April 1993 and inherited this plan. Other team members began arriving in June 1993.

The TAT has been active in the one-and-a-half years since April 1993 as instanced by their outputs: reports, studies, training, study tours and work with associations (These can be seen in details in Appendix 9, ADP Publications, Annual Report for year 1 of the TAT contract, and year 2 Qtrly Reports).

Short term studies, in particular, have not been as useful as hoped to ADP with regard to strengthening the capacity of counterpart institutions, since they were basically done by TAT staff, or contracted foreign or local staff, with too little involvement by counterpart staff from the MOA and MOI. The publications have been printed only in English, limiting their readership. They have not been distributed adequately throughout the agribusiness sector. Publications have been largely a TAT operation, undertaken by expatriate TAT staff. Some results have been presented in workshops with associations, but the full potential of these studies has certainly not been realized.

3. Management from the USAID side has been through the office of the USAID Mission to Indonesia in Jakarta (USAID/Indonesia). The team feels that the ADP should receive more attention from senior USAID/Indonesia management. USAID/Indonesia and its office for Agro-Enterprise and Environment (AEE) are responsible for supporting the TAT and monitoring Project activities. The ADP is one of many activities under the USAID/Indonesia Project Officer. There have been three Project Officers over the life of the project to date. As a result, USAID/Indonesia management contributions to the project have not provided the

desired consistency.

In summary, since the arrival of the present TAT, there have been:

- a bridging team for the first year
- a first-year work plan prepared by the bridging team
- three USAID/Indonesia Project Officers (PO)
- two different GOI organizational units within the MOA responsible for the ADP
- two new GOI directorates created within the GOI counterpart ministries
- changes in the composition of the Project Implementation Unit (PIU) and Steering Committee (SC) as a result of the creation of the two new agribusiness organizational units in the MOA and MOI
- the lack of effective functioning of the Permanent Agriculture Industrial Working Commission (PAIWC)

B. TAT Location

There have been other concerns during the implementation of the ADP so far. The TAT was originally housed in the Bureau of Planning (BOP), Ministry of Agriculture (MOA). Due to a shortage of space (some fifteen people were working in one large room), the TAT relocated outside the MOA, to its own offices during the first year of the contract. Subsequently, the GOI transferred the counterpart project management to a newly formed Directorate called Badan Agribusiness (BA) in the MOA. At the same time, a new unit was created in the Ministry of Industry (MOI) equivalent to the unit in the MOA but known as the Directorate General of Agroindustries (DG/IHP or IHP). The creation of these two units resulted in changes in the composition of the Project management structure.

The TAT moved its office from the BOP during 1994 to a separate building located physically between the MOA and the MOI, at least fifteen minutes away from either. At this time, the TAT took four out of six project vehicles with them (per their contract). Funds allocated for the Jakarta ADC were utilized for the separate office, the rationale being:

- that there was insufficient office space in the BOP for the growing TAT
- that a separate location for the TAT would encourage greater participation and ease of access by private sector organizations and GOI ministries other than the MOA
- that such a move would be a step in the creation of one of the Agricultural Development Centers (ADC) suggested as an objective in the original PP

Point # 1 is being addressed with the expected completion of a large new office

building in the MOA compound in June of 1995. Point #2 is still valid. And the creation of a new bricks and mortar office for the ADP, point #3, was not originally contemplated by the PP.

The physical separation of the TAT from its counterparts in the MOA and MOI posed simple physical communications problems and possibly a sense of isolation. At the same time, the TAT felt that it had to play a leading role in implementing project activities. Eventually, this situation led to a belief, at least by some members of the TAT, that it was the ADP. As a result, many activities were carried out with insufficient MOA and MOI (and other ministries through the PIU/SC mechanism) participation. Better linkages among all Project players are needed.

C. Some Consequences

The TAT has certainly played more an excessive (though understandable and in some respects commendable) lead role whether in project activity implementation. But because of the problems mentioned above, there is now a serious question as to the TAT's credibility in strengthening counterpart organizations.

Lack of attention from the Chief of Party (COP) to Project management, particularly as the new GOI organizational units were formed, has resulted in a lack of commonality of direction among the Project players.

More positively, the TAT, the BA/MOA and the MOI/IHP have begun to work together since April 1994. But at the moment, the TAT members do not have clearly defined counterparts in the BA or the IHP. At present some Indonesian officials think that the ADP is the TAT. Therefore, the ADP must become an Indonesian unit supported by a TAT of *advisors* not *executives* if it is to have a chance to succeed over the next two plus years in strengthening the capabilities of the BA and IHP.

D. BA Representation at Regional Levels

The new BA/IHP has had no direct representative at the regional governmental level (the KANWIL) as do all other MOA Directorate Generals, e.g., Fisheries, Livestock. This is because they provide services to all technical directorates and are not an implementing unit as such. Current reorganization in the KANWIL will result in a BA office in the KANWIL in 1995. An argument can be made to support these linkages in those areas suggested in the Project Paper (PP), i.e., in Surabaya and Ujung Pandang. Given the importance of North Sumatra in fresh and processed horticultural and fruit production and export, Medan would be another site. A physical BA presence might not be necessary, but it would certainly strengthen linkages between

the BA and other Ministries at the regional level and it would help support ADP activities (and other future projects) in these important areas.

E. ADP Links with USAID/Indonesia and Other Projects

At present, links between the ADP and other USAID/Indonesia projects are minimal. One area of work undertaken through the Cocoa Association (ASKINDO) has focused on an Integrated Pest Management (IPM) program for cocoa. This activity has not been linked with other bilateral and centrally funded USAID activities in IPM in Indonesia because the other activites focus on rice and palawija crops only.

Another area of possible collaboration is between ADP and the Indonesia Clean Industry Program. This Project is just getting underway. USAID/Indonesia (AEE) has discussed the possibility of joint work, but the Project (which is with the Ministry of the Environment) is at too early a stage for anything to be agreed.

Rural roads are a necessary component of agribusiness development. The Rural Roads Management Systems (RRMS) project under the AEE office has been active in South Sulawesi. But ADP has not been active recently in South Sulawesi. This would be a further argument for concentrating some activities here.

Other USAID/Indonesia projects have activities that could collaborate the ADP, for example, the Agriculture and Rural Sector Support Project (ARSSP) and the Development Studies Project (DSP) under the USAID/Indonesia/EPSO. Joint brown-bag seminars wer' organized early on so that USAID TATs could exchange information. However, there has been little collaboration to date.

The Human and Institutional Resources Development Office (HIRD) has several goals that overlap with the ADP, but it is mainly active in North Sumatra. If Medan is chosen as a center of activities, then these linkages might be developed.

3.2.2 Conclusions

Concerns to date in Project implementation include the incorporation of a Bridging Team, the lack of clear counterparts in the MOA and MOI for the TAT, the separation of the TAT from the ADP office in the MOA, on-going reorganization within the GOI, USAID Project Officer personnel changes, a lack of Project monitoring by the TAT contractor, and the excessive lead role played by the TAT (rather than an appropriately low-key supporting role).

In summary, there are seven particular areas of concern:

- the structure/management performance of the BA/IHP, the PIU, SC, Communication Forum and WGs
- the excessively pro-active role of the TAT and the consequent necessity of repairing relations with BA/IHP, the MOA/MOI and USAID/Indonesia
- personnel changes in USAID
- the need for stronger links with related projects
- the physical location of the ADP and the TAT
- the presence, physical or otherwise, of BA/IHP at the regional government level of administration

3.3 Project Focus

3.3.1. Current Status

A. Past History

The ADP Project Paper (PP, Annex C) suggested seven major policy objectives including twenty-three subobjectives (Appendix 13). However, during the first year of the TAT contract, little progress was made in defining a policy agenda. Rather, work was concentrated on setting up the project management structure and in implementing initial public and private sector activities, some of which fitted this policy agenda.

The incoming TAT inherited a work plan for its first year April 1993/94 from the Bridging Team which emphasized training and private sector activities. A shopping list of over eighty activities had been prepared by the ADP/BOP. The TAT reduced this to fourteen program areas for the year 2 work plan for the TAT (Appendices 9 and 11). This focusing exercise was done well, but its execution was tardy in responding to USAID/Indonesia management demands that it be done earlier. The report presented to USAID/Indonesia did not present the matrix analysis required by USAID/Indonesia and as suggested in the PP (Annex K, Technical Analysis). The TAT had carried out this exercise with a different matrix (Appendix 11) using a wide variety of technical reports prepared by various TAT members, usually in draft, and usually not presented to USAID/Indonesia or the ADP management in the BA (e.g., the studies on pepper, essential oils, cocoa, and passion fruit).

It seems that the TAT was doing good work but that the COP had not told the Indonesian or USAID/Indonesia Project management players about it. The result was an extended PIU meeting on November 29th, 1994 when the list of activities proposed by the PIU numbered over one hundred. The focusing exercise remains to be completed to fit into the GOI fiscal planning for 1995/96.

Some of the most significant events during the period included the MOA establishing the Badan Agribusiness and the MOI establishing a unit, IHP, to jointly work on agribusiness development. These are positive steps toward the MOA and MOI focusing together to work on agribusiness development. The ADP assistance and work with agribusiness related associations have been positive. MOA, MOI and private associations are beginning to focus together on major problems and this is positive, if somewhat belated.

B. Focus Themes

The ADP greatly needs to tighten its focus. The agribusiness sector is so diversified and complex that the demand for assistance is enormous. One of the major problems is that during the project design stage and during the bridging period, the ADP developed an image that it could satisfy all requests, no matter the resources/time required. It was not focused from the start.

A useful set of five focusing themes has been suggested by the TAT as follows (Appendix 9, ADP, Refining and Focusing ..., Nov 1994):

- integrating smallholders into the agribusiness system
- improving the flow of market information to agribusinesses
- improving the quality/safety of agribusiness products
- providing opportunities for women in agribusiness development
- promoting linkages and identifying and solving constraints to agribusiness organizations' operations in cooperation with public institutions including *Temu Usaha* (meetings based on a specific theme), seminars and working groups

These fit into the GOI agricultural objectives of:

- integrated small farm development
- agricultural enterprise (agribusiness) development
- food and nutrition diversification
- agricultural resources & infrastructural development

Four main program areas were highlighted by the TAT as focus areas:

1. Fresh vegetable export and fruit processing for export in North Sumatra and Bali would involve both the MOA and MOI, include both primary and specialized processing, and various associations.

2. The seaweed industry development program in Sumbawa and Flores would involve

both the MOA and MOI, also include both primary and specialized processing activities, and various associations.

3. Smallholder specialty product development programs in pepper (Bangka), cocoa (Sulawesi), and essential oils (Java) would include MOA and MOI activities, mainly primary processing and associations.

4. Industrial processing of horticultural products would include both MOA and MOI activities: primary and secondary processing, and various associations.

These program areas respond to the goals, purpose and expected outputs of the original PP logical framework (Appendix 2) and to the four main GOI agricultural objectives. Individual activities would then fit into these areas, for example helping the cocoa association (ASKINDO) to develop a proposal for an integrated pest management (IPM) project (which could then be proposed to USAID/Indonesia or other donor organizations for separate funding) in Central and South Sulawesi to address the Cocoa Pod Borer problem, supporting training on improved methods of bean fermentation or on coffee bean selection and roasting.

As previously mentioned, the PP had suggested at least seven main policy objectives and twenty-three subobjectives. With the reorganization of the MOA and MOI to include two agencies responsible for agribusiness development, the BA and IHP, proposed activities have mushroomed.

The lack of a consensus on the means of achieving the objectives of the ADP along with the existence of a top-heavy and complex project management structure is responsible for the currently unfocused plan of work/implementation, currently so multi-sectoral, so geographically diverse. This precludes significant early achievement of a specific goal, in a measurable way that can develop credibility in ADP on which it can build. Had stronger leadership at policy level been exerted early on, there would have been more evidence of progress than is visible to date.

3.3.2. Conclusions

The ADP needs to redefine the objectives of the project and to outline strategies, procedures and priorities to achieve them, both geographically and technically. The recent focusing exercise by the TAT and the PIU is positive. The project LogFrame should be revised to include more valid and realistic measurable indicators. Project activities to-date have provided an important learning period for all involved in focusing together on agribusiness development and moving closer to establishing consensus among various public and private agencies on how to work together

While the project has lacked focus, project activities have been progressing along a strategy that is building a strong solid base to support successful agribusiness growth in the future. Main activities that are contributing to establishing an agribusiness growth and expansion environment include:

- GOI restructuring the MOA and MOI to be better organized jointly to support agribusiness development
- organizing and assisting agribusiness-related associations to be better prepared to address problems and to take advantage of opportunities in their specific areas of interest
- public and private sector are beginning to work more closely on common objectives in the agribusiness sector
- commodity profiles, overviews, policy papers, studies and reports have been done that are useful to support agribusiness growth
- useful technical assistance has been provided on various technical areas throughout the sector
- valuable training has been conducted in technical and geographic areas throughout the agribusiness sector (See Appendix 9, ADP Publications, Annual Report for year 1 of the TAT contract, and year 2 Qtrly Reports)

To rigidly select a few geographic areas may hinder the ability of the BA/IHP and the ADP to respond to requests for assistance. However, some attempt must be made to select geographic areas because of the large size of Indonesia and the small size of the ADP. But the BA, in the larger picture outside the ADP, should be able to respond to a much wider area using funding from other sources. Hence the ADP must be flexibly focused and suggestions have already been made both in the PP-for Medan, Ujung Pandang and Surabaya-and by the TAT team-for Medan, Bali, Sumbawa and Flores, Bangka, Sulawesi and Java. Flexibility could be enhanced if funds from several sources were pooled into one operations budget and not tied to individual projects.

In some cases, the ADP should concentrate on working with the trade associations, for example in essential oils with INDESSOTA, so that an impact can be made throughout the industry which has many different products widely spread throughout the country and which involves a large number of smallholders (Appendix 9, essential oil study), or with the exporter association AEHI for fresh produce exports or GAPMMI in fisheries, an umbrella association that includes many fishery agroindustries.

The same can be said for ASKINDO for cocoa where emphasis could be laid on South Sulawesi as an important cocoa producing area. In addition, Ujung Pandang is the major port for exporting many products from Sulawesi. It is the gateway to the

Eastern provinces, and there is an active interaction between public and private organizations, as shown by the regional Kadin supporting meetings on important local production and agroindustrial processing in such areas as fisheries, estate crops, livestock. These meetings involve a wide range of institutions, including the Kanwil and Hasanuddin University, which has links to sixteen other Universities in the Eastern provinces (Appendix 12).

Private sector business organizations around the world play a critical role in business development. They also provide vital services to their members in product and market development, information and research which could not be supported by firms individually. They are particularly important as countries move from public sector dominated structures to more balanced structures which emphasize market forces. The public sector is not structured to understand the needs of the private sector and requires direct private sector input to its policy-making. This is a function universally fulfilled by business organizations.

Hence the ADP should continue to assist agribusiness associations in order to strengthen these links. This should include those associations active in estate crop production because of their importance for small holders. Indonesia has definite comparative advantages in agroforestry systems used by small holders and estates. Tree crops offer opportunities to provide a range of benefits to smallholders, processors and the nation. These systems include environmental benefits, greater income and employment for a large number of smallholders, expanded business opportunities for traders, processors, exporters, and a focal point for development at the regional level.

The criteria to be used to make the focusing decisions are of most importance, and in the fall of 1994 the Steering Committee agreed to utilize a slightly modified/updated version of the criteria in the PP. There is not yet consensus from the various groups about which commodities should be selected. So the approach should be to get a high degree of consensus, then make a decision and get on with it. The higher level, well informed Steering Committee should make the final decision. The ADP should announce what it is doing and make it clear across the sector that it cannot undertake all projects proposed to it.

There may be opportunities to work through the cooperative movement. North Sumatra has a fairly active fruits and vegetable cooperative. This is often cited as one of the few effective cooperatives in the country. However, some observers feel that the effective operation of cooperatives is more hindered by lack of rationale than anything else. As this argument runs, if clear market imperatives existed, cooperatives in fruit and vegetables and/or other areas would blossom.

Most project activities in the future should be directed to supporting and improving complete systems of production through to marketing, a systems approach, and be based strongly on market demand. Policy studies and on-line market information centers (MICs), technical assistance and training should all be directed toward strengthening those selected agribusiness systems from raw material production, collection, handling, processing, all the way through to marketing/distribution.

Decisions have to be made as to how to proceed, for example, regarding the balance between domestic and export markets, the use of the experience of producing for the domestic market as a way of tooling-up for export production quality, and the upgrading of existing services rather than the creation of new ones. Policy studies could be directed to these areas.

Immediate opportunities exist for the BA project management to use the ADP to provide selective, simple and important TA in at least five subsectors. The first is pepper in Bangka; the second is seaweed farming in Lombok Sumbawa, and Flores; the third is with essential oils working through the association INDESSOTA to include TA to producers and local small scale processors in specific areas of Java still to be identified; the fourth with processed foods with GAPMMI in selected foods and areas; the fifth would be to link fruit processing to the Sentra Hortikultura program and the AEHI in North Sumatra, which accounts for about 65 percent of fresh vegetable and fruit exports from Indonesia. These areas have previously been identified by the TAT.

Other areas for immediate TA assistance have been identified by the BA/MOA. These are to assist in the implementation of a management information system (MIS), in particular in the Center for Market Information and Development (CMID), which includes personnel who are responsible for analyzing and preparing market information in fisheries, livestock, food and horticultural crops and in estate crops. An agribusiness on-line market information center (MIC) in this office could be linked to the development of other agribusiness MICs located in key institutions such as: IPH/MOI, NAFED, Bogor Agricultural University, Hasanuddin University in Ujung Pandang, and major associations. An immediate need is to identify someone to study the implications of new trade arrangements such GATT and APEC on Indonesian agriculture.

3.4 Policy Studies

3.4.1 Current Status

The original Logical Framework (Appendix 2) proposed as a verifiable indicator of an output (OVI#1(o)) that at least two policy studies be carried out for each year of the

project.

The Bridging Team carried out one policy study. The current TAT, active since June 1993, has completed only two policy studies. The first of these has been the draft on Plant Variety Rights and Protection for Indonesia done by the TAT and Mississippi State University. This has not yet been released as a publication by the TAT. The second is the draft report on Regulatory Constraints to Agribusiness Development in Indonesia recently completed and listed in Appendix 9. Given the difficulties faced by the TAT on arrival with regard to management organizational structure, and the original policy agenda suggested in the PP and shown in Appendix 13 (op.cit.), the current TAT has done its job in getting these studies written. Both certainly fall within the objectives suggested by the original PP.

However, the TAT, perhaps perhaps unfairly, has been subject to criticism from the GOI for undertaking the studies. There is a view by GOI counterparts that more policy studies were not needed (although they were in an agreed LogFrame). The TAT proceeded with the two studies anyway. Consequently the TAT has been further criticized on the grounds that there was insufficient participation by the MOA/MOI. The reason given by the TAT is that at that time clear definition of counterparts had not been made. However, this was probably not sufficient reason to go ahead on its own and risk straining relations with Project management.

The ADP is not placed in a position within the MOA/MOI to have significant impact on policy formulation in Indonesia. More policy impact would have been possible if it had been placed in the National Development Planning Agency (BAPPENAS), though as a general rule, implementing projects in not in BAPPENAS' mandate. Further, this was clearly impossible, since the overall objective was a more definitely supportive role for agribusiness rather than simply policy formulation.

The ADP is identifying constraints, regulations and policies that restrict agribusiness. The TAT has been active in organizing seminars and meetings for both private sector representatives and GOI officials to discuss and work together in formulating a new proposed seed policy. A working group has been set up by the BA and is working on the new seed policy. The group consists of GOI officials, private seed companies, associations, universities and research institutions. This is a positive output.

Other policy objectives that seem to be the result of consensus in the project management are:

- to improve the linkages between smallholder producers and small and medium scale processors by strengthening the performance of farmer organizations

- to emphasize improvements in agribusiness product quality standards for domestic and foreign markets
- to improve financial services to small producers and small scale enterprises

The first two fit under policy objective OVI#1(o) of the original PP and the third fits under OVI#4 (Appendix 13).

There are other policy issues involved in preparing for the successful, sustainable implementation of ADP, which when addressed, discussed and established would smooth the implementation program. Among these might be:

A. Role of Domestic and Export Markets

This is a unresolved issue, the emphasis varying widely among beneficiaries of ADP. It is an important issue, though not necessarily perceived as such by all potential beneficiaries.

In a discussion with officials of the MOI on quality standards for food products, it was apparent that they did not see a fundamental conflict in terms of agroindustrial management or operations in two-tier, domestic/export, manufacturing operation/marketing activities and structures. Nor did they see the domestic market as a training ground for upgrading operation/products to enter world-class quality markets on the scale required to meet the needs of a nation of one hundred and eighty million people, or that the domestic market could be a low-cost training ground for the just-stated purpose, as opposed to the higher-risk export market where errors can be costly in terms of reputation, rupiahs and results. The GOI is already experiencing many of the latter, e.g., with pepper or Medan vegetables.

B. Raising Income Levels

Another policy issue not addressed has to do with ADP's income-raising mandate. No agro-industrial-business infrastructure can be sustained without a sound crop production infrastructure as its foundation; put simply, agriculture itself must be able to supply the raw materials.

That implies that efforts at income generation/improvement and consequent employment increase must have some focus at the production level. While the LogFrame is specific (Appendix 2, Project Purpose, measure #8), little if any attention at the production level beyond "trickle-down" economic theory is in evidence. This is particularly evident in the association strengthening activities undertaken by the TAT.

The PP is vague on this point, although improvement in the Nucleus Estate Scheme for smallholders and the encouragement of producer cooperatives were both stated priorities (see Appendix 13). Producer cooperatives have not been addressed by the ADP, due in large part to the fact that the complex cooperative structure is directly linked to public sector imperatives. Smallholder relationships with processors has been addressed (ADP Publications, Appendix 9) but need further attention. In practice, association strengthening efforts seem more defined by typical American association concepts than what might be required in the context of a developing country in Asia.

A broader definition of associations would be useful. For example, outside help (institution strengthening) might enable selected cooperatives to improve their image, and delivery of services to members. Such services might include preparation for the introduction of concepts for farmers/producer marketing cooperatives managed by qualified professionals representing producers of a given crop for a number of producer cooperatives. This would bring the producer closer to the market/buyer of his crop/product and eliminate the usual network of collectors and the chain of brokers which now characterize the Indonesian marketing/distribution structure.

With a stake in a new network, the farmer would be more responsive to: exporter/end user/processor demands and requirements for a specified product of quality, in volume, more stable price than he can project under present procedures. The ADP has not looked at this policy issue to date. Assistance to complement association building activities at producer level would also focus and synergize ADP resources toward primary Project and GOI goals.

C. Trade Settlement Issues

The financial settlement issue in the export trade, particularly export of fresh produce, but other products as well, by Indonesia into regional markets may be more of a constraint to development of a strong producer/export infrastructure than is generally perceived.

This is an area for action if ADP is to increase incomes and employment in the agribusiness sector. The ADP cannot do this directly and should not be involved in micro-level attempts to set up individual enterprises. The approach suggested is to build up new institutions such as the producer marketing cooperatives previously discussed and to strengthen existing ones.

3.4.2 Conclusions

The ADP is not properly positioned in the GOI administrative structure nor is it

staffed to do major policy formulation work. But some relevant policy issues can be selected and studied over the life of the project with the assistance of the TAT. Improving product quality for the domestic market would be an important step in reaching the higher quality standards required in export markets. Raising producer incomes might be better accomplished by improving existing institutions as well as by forming producer marketing cooperatives that avoid traditional trader control. Financial availability to settle trade transactions is a constant problem as is the availability of credit for producers and small scale processors.

3.5 Marketing

3.5.1. Current Status

A. Findings

There has been a fundamental underestimation of the strategic nature of this project by all concerned with its implementation. This is due in some part to the PP, in which objectives are so broadly stated that the widest interpretation is possible, indeed, almost inevitable.

The road map for implementation has not been State Policy guidelines, but the numerous specific assistance requests from the players involved, enabled by lack of a champion to achieve *musyawarah*, common understanding and interest leading to consensus and enabling action. Lack of broad accord on Project objectives must be addressed.

B. A Marketing Component

There are three levels of marketing activity involved in the implementation of the ADP:

- concept marketing
- Project marketing
- training and education in marketing skills

Concept Marketing of the "institutional ADP concept" at the highest level of leadership of the component entities, most especially the Ministerial level, in order to build a constituency and support group for the program is essential.

A Mission Statement, apart from the stated Project Goal and Purpose statements, and to which all participants have agreed, is needed. This statement should be executed in

both English and Indonesian, with Indonesian "ownership."

Project Marketing addresses the specific proposals that derive from the evolution of the ADP in cooperation with the PIU, Steering Committee, the various agencies concerned plus USAID, the TAT, the private sector, trade and industry associations and whatever other entities are perceived as being able to contribute to a successful effort. The latter might helpfully include local government and academic institutions (which have not been generally included, due to the large number of entities already targeted for ADP assistance). Again, the "local ownership" aspect should be specifically emphasized in executing marketing efforts at this level and local presence and full participation is essential.

Education and training is needed to upgrade local marketing skills and to introduce the concept of product marketing, as opposed to simply selling goods. It is at this level that plans must be developed that assure that the marketing component effort expended under the ADP umbrella receives the appropriate marketing emphasis and execution to whatever audience or market is being addressed.

Whichever of these activities is undertaken by the TAT should involve a local counterpart-in-training for this role, as should be the case in virtually all activities, in order to achieve the desired sustainability and local ownership perception. That person should be supplied by the Indonesian side with approval by the TAT.

Beyond regular staff, various trade and industry associations or appropriate academic institutions might be sources for identifying such staff. The individual selected might be assigned as an assistant to the TAT and assigned to the Ministry. He/She should be given a greater continuity by avoiding a short-time/part-time activity image, which may be a current perception.

The ADP marketing component is currently seen as an " *common sense-driven*" approach. Little use has been made of developments in the contemporary art of marketing. Fundamental concepts of that art have been overlooked, e.g., the concept that for many of its products GOI must "*create*" a market , or how to do that in all its implications is not evident even in relatively sophisticated agencies such as NAFED. Secondly, little differentiation between "*niche*" and "*commodity*" markets is evident, nor is there a clear understanding/awareness of the complexity of distribution networks in the markets to be addressed.

C. *Product Market Focus Examples*

A considerable number of background economic and technical studies have been

carried out by the TAT in a number of subsectors, including smallholder specialty crops such as seaweed, pepper, essential oils, cocoa, passion fruit and other vegetables and fruits.

A review of these studies revealed an immediate potential for ADP intervention to achieve the specific Project goals of increasing producer employment and incomes through increased trade and investment. Both the pepper and seaweed industries are good examples. In many cases, the TAT has already identified a number of specific low cost interventions that could be made to achieve rapid and substantial monetary impact while at the same time reinforcing associations at the producer level as well as at the processor/trader level.

The ADP-sponsored seaweed report (#14) is technically outstanding. This could be a priority focus of ADP activity. As a new industry, the chance to achieve new structure is optimum, whereas other subsectors are set in their ways. However, if ADP is to follow-up in this sector, there must be support from the ADP public sector counterparts key in the management structure of the ADP. Thus far, counterparts have not shown support for pursuing this area under the Project.

Excellent work has been carried out by the TAT on the Bangka pepper industry, drawing on the long experience, technical expertise and careful research over years by the Agroprocessing Advisor (ADP, not published). While Indonesia currently holds a dominant market share in a global market industry, this position is threatened by traditional cultivation methods that no longer meet the needs of the producers to consumer network as pepper evolves from a commodity to a food product. ADP has developed a program of relatively simple remedies based on selective intervention through the MOA/MOI and including appropriate low-level technology of minimal cost with major potential to result in considerable measurable dollar results. These would improve, not upset, the socio-economic balance in a small island with a half-million population, of whom 90 percent are pepper producers, and on which no other alternative crops, employment and sources of income are presently available.

3.5.2 Conclusions

Individual, specific objectives have not been selected and promoted by the Project to the extent necessary, particularly with a broad commercial and marketing orientation. Also, the Project itself needs to be promoted.

There has also not been a concerted effort to develop training in product marketing skills, and the need to understand the needs of the market (commercial demand and supply) as the driving force for particular commodity promotion for focal activities has

not been adequately emphsized.

There appears to be no shortage of locally available products that have a domestic and export market demand. Two such products are pepper and seaweed. Both subsectors have many opportunities identified by the ADP for selective low-cost intervention that can address several of the Project purposes, such as increases in agribusiness trade investment, employment and incomes to smallholders and small scale processors. In each case, and in other products as well, intervention would be done through the appropriate associations that exist and by taking the opportunity to encourage producer marketing cooperatives so as to lessen unwarranted control by middlemen.

3.6 Technical Assistance Team

3.6.1 Current Status

The ADP did not have full technical assistance during the first one and one half-years of the project. Unfortunately, a one year delay due to USAID's compulsory competitive procedures is common. USAID and the GOI tried to fill the gap with a Bridging Team. When the current TAT arrived in April-June 1993, it inherited an annual work plan that had been formulated by the Bridging Team. The long-term TAT did not feel or assume "ownership" of this work plan, resulting in a difficult situation.

Even so, the performance of the TAT (as constituted during the time of this evaluation) has been misdirected, with an apparent emphasis on activity at any price, rather than careful work behind the scenes to develop Project activities with Indonesian resources. In this respect, the words of T.E. Lawrence in describing his own work with the Arabs are called to mind: *It is more important that they do the job imperfectly than for you to do it perfectly, for it is their war in their country, and your time is limited* (The Seven Pillars of Wisdom).

Three and one-half years into the project, a major reorganization occurred within MOA and MOI which caused a period of transition, resulting in a learning period, a new period of selecting criteria to be used for choosing priorities, and a period of gaining a degree of consensus among the main organizations involved, the USAID/Indonesia, MOA, MOI and TAT. The TAT moved forward with implementing activities in an understandable attempt to get things going. But the long-term implications of this response have been unfortunate.

Although some of the work done by the TAT and short-term TA has undoubtedly been valuable to the ADP effort, errors of approach have been made, not least that certain

members (not all) of the TAT failed to properly establish working relationships with the MOA and MOI. Several TAT members did work closely with many MOA/MOI/other personnel, and are to be commended for their efforts.

The TAT have been criticized sharply by the MOA/MOI for and USAID/Indonesia

- not working with MOA/MOI counterparts even if they were available
- not establishing priorities with the MOA/MOI
- using MOA and MOI staff information and data for preparing commodity overviews, working papers, and studies and not giving credit to Indonesians
- publishing ADP documents only in English and not making them useful and accessible
- being too forthright and aggressive in meetings and conferences

It does appear that actions by the TAT (especially the COP) did cause adverse reactions by some GOI personnel and within USAID/Indonesia. In trying to push forward without sufficient involvement of the new and more dynamic BA/IHP Project management that was in place beginning in April 1994, being too active in running the Project, and in taking too much credit for Project activities, the COP led, but failed to provide the *right* leadership for the project. It seems that it was not so much *what* was done, but *how* it was done, setting a style/image that the ADP was the TAT, rather than an Indonesian Project assisted by the TAT. Unfortunuately, this has had adverse effects on Project progress.

Apart from the overall direction of the TAT (for which the COP is responsible), the other concern within the TAT is the Marketing Advisor's work. Some of the problems have been discussed already in the section on marketing Along with the TAT Small Holder Agribusiness Program Manager, he has been working to put together producer groups linked with foreign markets. This work is valuable but has been done without the cooperation of the BA/IHP staff. The approach and accomplishments in Project marketing work, market information systems and price analysis have been limited.

For example, there is some concern as to whether ADP Working Paper No.13 on the design and implementation of an agribusiness Market Information System for BA/IHP is practical. Also, work undertaken at the enterprise level (assisting individual commercial businesses) is not a good match for a public sector-sponsored project.

The overall approach by the TAT to Project publications can be criticized. As of approximately November 1994, the ADP TAT had produced at least 92 documents categorized by the TAT as follows:

- Working papers 14
- Newsletters 12
- Technical Reports 3
- Resource Documents 3
- Project Reports 7
- Activity Reports 9
- ADP Training Reports 1
- Trip Reports 25
- Other 18

The overall quality of the reports is mixed: from misleading titles (e.g., "Overview of Indonesian Fisheries Industry," which it is *not*) through lacking interpretation (Hong Kong vegetable market for fresh fruit & vegetable, useful as background information, but not warranting printing/distribution), to unprofessional, e.g. "Bali, Medan Vegetable (Draft) Study," which indicates little more than that the consultant visited those areas (the study is without recommendations).

The apparent lack of a Publications and Communication Policy (P&C), beyond required internal reporting items, has produced reference documents with no coordination of resources or any focus, although there has been a great deal of progress in this direction with the appointment of the deputy COP, who has been able to work on an MIS.

A P&C policy might also take into account the resources already mobilized by USAID/W, many near identical to reports on the TAT's Publication List. Similar reports have been prepared by the Asian Development Bank, the World Bank and other international agencies. The Fisheries Report is a good example: titled "Overview,", it is little more than a statistical summary of various publications by various organizations.

While the coverage of the PP is multi-sectoral (horticulture, livestock, fisheries, associations), the activities do not have to be concurrent. It should be clear to an experienced management team that activities should be undertaken only after they have been screened to determine those that offer an opportunity for successful implementation or compelling need, those with an impact beyond the life of the project, and those within the management capabilities of the ADP TAT and its available resources.

The prevailing situation does not indicate that the above approach is in effect. It also indicates a lack of in-depth institutional and bureaucratic management skills and lack of practical business/commercial experience to manage all the activities undertaken to

date, with resources available. ADP is a more commercially-oriented activity than a USAID/TAT normally deals with. A lack of commercial and management sense in the TAT is evident, and needs to be addressed.

The key issue is the optimal use of the TAT under the ADP. Differing MOA/MOI priorities must be reconciled. For example, the BA/MOA wish to emphasize the production and sale, domestic and foreign, of fresh vegetable and horticultural produce, fresh fish and livestock products, and estate crop products like crude palm oil, cocoa beans, rubber and other minimally processed products. The IHP/MOI, by contrast wishes to emphasize the processing of raw materials to produce higher value-added products irrespective of origin.

But both offices of agribusiness, the BA and the IHP, have the same objective which is to increase the role of small holders in agribusiness development. The question is how to resolve these two approaches? Communications between these institutions should have been facilitated by the TAT. However, the lack of communication between the TAT and its GOI counterparts hampered progress in bringing these two entities to consensus on mutual interests.

3.6.2 Conclusion

That the TAT has been active is clear; but the *purpose* of this activity is not clear. Reports have been produced in abundance, but not disseminated or made available in Indonesian. Meetings have been held, but aimed at dictating to the ADP (and so giving offense) rather than advising respectfully behind the scenes. The unfortunate result has been a compromised TA effort.

3.7 Agribusiness Development Centers

3.7.1 Current Status

The project called for the development of Agribusiness Development Centers (ADCs). It appears to be the consensus of all major agencies involved in the Project (USAID/Indonesia, MOA, MOI), that the establishment of ADCs, as new institutions, was not appropriate for the ADP. Rather, mechanisms to deliver the services envisioned under the ADCs in the design is more appropriate.

A key question to resolve is the role of the BA/MOA. At present, this agency has a number of departments, all of them concerned with agribusiness development-institutional cooperation, market information, investment and accreditation. Hence, this agency could be considered an ADC. As such, the role of the ADP would be to

assist the BA to carry out its responsibilities. And we have seen, in order to strengthen the BA as an operating agency, the TAT should have direct full-time counterparts with whom to interact and who have adequate counterpart funds to carry out field activities as required.

The BA could act as the first ADC as proposed in the PP and this probably means that the TAT should be located in the BA/MOA. A second argument for locating the TAT with the BA is that funds now spent on the TAT office would be saved that could be used to develop other ADCs in other institutions.

The first question is to decide in what way the BA should be represented at the regional level. This could take at least three forms:

- *a physical presence* of BA staff in the Kanwil office, as for example in several focus areas such as Medan, Ujung Pandang and Surabaya
- *a facilitating presence* in existing institutions, as for example, by providing selected TA, assisting to develop marketing information centers, or assistance for typical ADP activities such as training, work shops, seminars and study tours working in collaboration with existing institutions
- *a specific objective* such as to develop several operating market information services within existing institutions, as above, and including the development of an MOI marketing information center or ADC

It is agreed that the establishment of Agribusiness Development Centers is not a valid objective of this project. The recommended alternative approach is to establish dynamic on-line Marketing Information Centers (MIC) within existing major agencies/organizations in the agribusiness sector. These should be established in the BA/MOA, the IHP/MOI, NAFED/MOT, and other appropriate organizations, including major associations interested in becoming part of this information system network.

The ADP should provide technical assistance and training to the network member organizations to systematically acquire and manage secondary data, reports, documents, and to establish an on-line information/data network within Indonesia and with outside sources, such as CDS/ISIS-UNESCO, CGIAR , Vegetable Research Center/Taiwan, Market News Service/USDA, US National Agricultural Library, Post Harvest Center in Moscow, Idaho, Europe, Singapore and other appropriate information/data sources.

For those selected commodity systems, information should include all aspects from planting, production, harvesting, handling, processing, pricing, shipping, marketing delivery, and distribution, as well as information on credit cost and availability, policy, incentives and disincentives. The ADP should also provide technical assistance and

training in the analysis and use of the agribusiness related information and data, in order to better identify major constraints and opportunities in the agribusiness sector, as well as for preparing proposals, loan applications, and business/investment plans useful in agribusiness development.

Information is one of the critical missing elements in the agribusiness sector. Centers of information become centers of development. The main ADP marketing information center (ADP/MIC) should be located in the BA/MOA and the IHP/MOI in the first phase. A second activity could consider an independent ADP/action office located outside any Ministry but representing public and private users.

3.7.2. Conclusions

Each of the approximately six to eight ADP/MICs should include the following elements:

- On-line information transfer capabilities with appropriate sources within Indonesia and outside foreign sources to get information/data for the selected commodities
- The ADP/MIC staff should receive training in obtaining and managing targeted information services and in analysis, interpretation and use of data for high priority uses, such as priority selection, site selection, preparing agribusiness documents, proposals, loan application, and joint venture arrangements. The training should be done in a "train-the-trainer" mode, so that after the ADP/MIC staff have been formed and trained, then they in turn can train information users to more effectively utilize the information/data. Another approach would be to institutionalize this training in a local existing institution

3.8 Training Workshops and Seminars

3.8.1 Current Status

A. General Findings

In the first year of activities, 34 participants were sent to the US for training in five subject matter areas, 21 were sent for regional training in Malaysia, 303 took part in in-country training in ten courses (four subject matter areas), 25 persons went on three different study tours, and there were 14 work shops and seminars (10 in Jakarta) (ADP Annual Report for year 1 of the TAT contract, p.38). There were 108 women (19 percent) out of the total of 572 participants.

Between July and September of 1994, there was one further training course and five

work shops or seminars (ADP, Quarter 6 Report). Subject matter areas have included seafood quality control, post harvest technology for horticultural produce, seed policy, butchery, beef cattle feedlot management, financial management for small scale agribusiness, and lead content assessment. As an example, the financial management of small scale agribusiness course was held in four locations: Medan, UP, Surabaya and Bandar Lampung, with a total of 159 participants.

The level of activity was high, and even though there was not consensus on specific focus areas ADP training activities were generally within GOI focal areas for agribusiness development, i.e., fisheries, horticulture, financial management, and seed policy.

One concern is that the TAT has not fully utilized the abilities of the local staff, whether in-house or sub-contracted to the TAT. The Training Coordinator has worked closely with the MOA/MOI in developing in-country courses. Also of concern is that the roles of training coordinator and project administrator have an appearance of overlap. These roles and responsibilities should be clarified.

B. More Specific Comments

1. Training:

- training to date has been useful and well documented
- most GOI participants in years 1 and 2 of the TAT contract were from the MOA. This reflected the predominant role of the BOP/MOA in Project management until April 1994 when the BA and the IHP were formed
- training was focused on four groups of commodities: fisheries, selected horticultural (harvest and seeds), livestock (meat) and processed food products. These groups are of strategic concern to the MOA. One other impact area was addressed-financial management for small scale enterprises in year 2 of the TAT contract
- each training course was held in a geographic location of relevance to the subject. For example, quality control for shrimp, tuna and other fish was held in Jakarta, East Java, South Sulawesi and North Sumatra in the first year of the TAT contract
- In year 2 of the TAT contract, training was focused on seven commodities: fresh fruit and vegetables, seaweed, fisheries, livestock, cocoa, white pepper, passion fruit and processed foods. 14 program areas have been suggested but more specific focusing is suggested for the life of the project
- in Year 1 of the TAT contract there were no primary training counterparts appointed from the GOI, an association, or the private sector. In year 2 of the TAT contract, an attempt has been made to rectify this. Association involvement

needs to be strengthened

- it appears that except for the HACCP training course, few activities have been institutionalized in-country. Developing local courses to fit local needs with a local institution would have maximum impact
- concerns have been expressed by contacts during this evaluation that ADP address the following:
  (1) quality control for producers and processors, e.g., cocoa bean handling, pepper seed processing, coffee bean selection and processing, seaweed primary and commercial product controls, and quality control for horticultural produce
  (2) primary data collection and analysis
  (3) analysis and interpretation of marketing data
  (4) improvement in small producer-processor interactions to include local cooperative management, local financial availability, and producer group participation in processing
- The team believes that a weakness in the ADP is that there are few joint collaborations with Indonesian universities. Some local Universities, for example, the Agricultural University at Bogor and the Hasanuddin University in Ujung Pandang, have active programs in agribusiness training at the undergraduate, post graduate and informal education levels. Some local universities have professional staffs and facilities that are available for joint collaboration with the ADP. The participation of Universities in training could enhance the ADP training program, making it much more efficient, effective and supplying the program with a sustained impact. For example, the Hasanuddin University in Ujung Pandang has an active agribusiness program. The constraints to expanding for major collaborations with universities are resources, both human and financial, as the ADP already has as major partners and provides assistance to two ministries and numerous private sector organizations
- Another area of cooperation for ADP would be to help arrange a course in small holder-processor relationships based on the expertise and experience of the TAT extension advisor. The Faculty of Economics has a marketing course but not a marketing infomration center nor practical training in market analysis. This could be assisted and linked to the MOA and IHP/MOI marketing information centers. The University has a match and link policy to link academic programs with practical needs. Training instructors for a course with the planning office in 3 provinces (South Sulawesi, Central Java, West Sumatra) under the USAID/Indonesia Agricultural Planning Project (1984-1989) came from Hasanuddin University and the AEE Project Manager has good links to the University based on this experience. Again, the contraints to this kind of expansion are resources, human and financial, available in the project, given ongoing demands
- Careful attention should be paid to concentrate remaining training resources in

clearly focused areas selected by a consensus process

2. Workshops and Seminars:

Fourteen such meetings were held in year 1 of the TAT contract, with ten of these in Jakarta (ADP, Annual Report Year 2, p.38). In year 2 of the TAT contract (to date), a seed policy seminar was held in Jakarta, a one week training in rapid needs assessment by the BOP/MOA in Ujung Pandang was assisted by ADP, and a one day debriefing tour was held. One day meetings have been held (4 in Jakarta) on seaweed industry development, seed policies, and business association fora (ADP, Qtrly Report, 6th Qtr).

The workshop or "*temu usaha*" has been a common form of activity in many regions of Indonesia. The example of the Kadin workshops in Ujung Pandang demonstrates that with more careful selection of interventions, the ADP can tie into already-planned and on-going activities in the selected focus areas and thereby communicate with a large audience of GOI/private sector personnel.

3. Short Term TA:

In the first year of the current TAT (April 1993 to 1994), there were eighteen studies carried out under short term TA. In year 2 of the TAT contract (to-date), there have been another ten. As already discussed under the evaluation of TAT performance, these short studies have not been used by the TAT as a means of building bridges with local GOI. Few have been translated into Indonesian, or used to conduct workshops. Nor have authors (except in one or two cases) taken part in presentation of on-going activities scheduled by universities or associations. Consideration should be given to limiting the number of short term TA missions organized and in involving the BA/IHP to a much greater extent in their conception and realization.

For example, there is an immediate need for TA in the BA/CMID which has been mentioned by the Director of that center both to the BA project officer/manager and the COP/TAT. This is in two areas of concern to the ADP and includes assistance in improving the MIS in the BA as well as in studying the impact of recent trade agreements such as GATT/APEC on agribusiness development in Indonesia.

It is not clear to what extent the short term TA by the consultancy company Fintrac in MIS (6th Quarter) was directed to BA and IHP needs rather than TAT needs. It is of serious concern that a TAT should itself require assistance in something so fundamental.

Banks such as the BRI have a high level of poor or non-performing loans (poor pay

back). Although ADP does not have the resources to conduct a massive training program at the regional/province level to update the banks' ability to evaluate proposed feasibility studies and cash flow projection on ADP priority commodities, GOI and USAID could look to other USAID sources or other sources of funds for this work.

At the same time, ADP could be providing training at the smallholder cooperative level in how to obtain, interpret and use information/data to prepare loan applications, feasibility studies and cash flow projections. Using the "train-the-trainer" system and involving local institutions, a massive training program reaching banks, cooperatives and smallholders could be launched.

Again, the constraints for the ADP in tackling this are human and financial resources, given ongoing demands. Although the ADP is not in a position to support this level of effort, it could play a selective role, for example in bank officer training, institutionalizing such practical training. Or USAID could try to identify other sources of funding for such efforts as complements to ongoing ADP activities.

3.8.2 Conclusions

Although the ADP project has been busy in providing assistance under this component and the correlation between training and focus areas has been relatively good, institutionalization is of concern. Also of concern is broader dissemination of information by use of workshops and seminars, and dissemination of written materials in Indonesian.

3.9 Strengthening Non-Profit Organizations

3.9.1 Current Status

A. Findings

The TAT has done much work with agribusiness associations. Examples of the types of assistance include:

1. Institutional Assessments:

The purpose of this short term TA was to enable associations to better understand and address their institutional weaknesses, and to identify opportunities for BA/ADP assistance. A detailed assessment of twenty-eight selected associations was carried out and completed in January 1994 (Appendix 9, ADP, Hermann et al, 1994). An indicator in the LogFrame uses this base line information as a means of assessing

changes over the life of the project by means of annual assessments of the same associations (Appendix 2). This information was used to prepare an agribusiness association directory in May 1994 (ADP, Appendix 9). This work was made possible by the extensive contacts made by the previous (Bridging Team) and current TAT with more than one hundred companies scattered as members of the associations. These contacts have been documented (ADP, Annual Report for year 1 of the TAT, pp.28-36). This represents a good foundation for the life of the project and is sustainable in its usefulness.

2. Workshops:

This involved discussions with associations on how to create more effective programs for their members. As an example, three workshops were held to help in the rehabilitation of APBIRI (seaweed) culminating in the National Seaweed Conference, Bali, December 8-9th, 1994 in which ADP sponsored the main speaker. Other potentially long-term benefits should result from the forum of agribusiness associations which has over the last year organized several conferences/workshops for this umbrella association.

Another example was ADP assistance in two workshops for forming the National Chapter of the International Agribusiness Management Association (IAMA), which held its first National Conference in Jakarta on Dec 2-3rd, 1994.

3. Support Services:

These have included helping selected associations prepare work plans (Agribusiness Club) or grant proposals for specific interventions (ASKINDO, AEHI, and AEKI), and preparing market information services and post-harvest technical guides.

4. Technical Assistance:

This has taken many varied forms and has included, among others, an analysis of market opportunities (Singapore, Hong Kong) for AEHI members, product market briefs, processing information for the essential oils trade association INDESSOTA, identification of water issues for pepper processing (Bangka), studies on production and marketing of passion fruit for APSARI, training study tours to Malaysia (AELI) and US (ASKINDO), food shows (GAPMMI), and product development (APSARI).

B. Present and Future Potential

Six associations are relatively strong and well established. These are: GAPKINDO

(rubber), ASKINDO (cocoa), AEKI (coffee), ASPEMTI (cattle feedlots), APCI (cold storage) and GAPPINDO (fisheries). They have anywhere from ten to three hundred and sixty active members who are either processors, exporters or enterprise owners. They have some form of professional management, adequate operating funds, promotion activities and good working linkages with the GOI and private sector entities (Appendix 14).

A further eight associations have been identified as having near term potential to become stronger associations. Some have small numbers of active members, a small number of professional staff, and limited operating capital. These are: ABC (agribusiness club), AEHI (horticulture), AELI (white pepper), APBIRI (seaweed), GAPMMI (food and beverages), INDESSOTA (essential oils), APSARI (juice) and ATI (tea) (Appendix 14).

C. Selection process for ADP

Assistance by the ADP could be concentrated on those associations directly involved in the four main program areas. These were:

- fresh vegetable export
- seaweed
- specialty products-pepper, cocoa, essential oils
- industrial processing of horticultural produce

This would include at least the following associations: AEHI, APBIRI, AELI, ASKINDO, INDESSOTA, APSARI, APCI, GAPPINDO and GAPMMI.

However there are a number of associations that should receive selective TA because of either their importance with regard to employment, especially of women in some instances, and hence incomes of rural households, or because they are producers' associations rather than processors/traders and need more assistance.

In the first category would be the several associations related to estate crops (cocoa, rubber, coffee, tea, palm oil, and sugar). Several of these associations only include as paying members estate owners and business men. But they are finding that to improve the quality and the added value of their products requires an improvement in primary production and processing at the farmer/producer level. Hence, they have to begin to service their own needs by better serving the needs of the smallholder producer who, in most instances except for oil palm, is the majority producer. An example of the type of high impact selective ADP assistance was assisting ASKINDO to make contacts with American associations that were able to help a group of cocoa exporters

visit the port of entry into the USA and see the quality control measures required for Indonesian cocoa. A further example is the assistance to ASKINDO in preparing a grant proposal to address the pod borer problem in Sulawesi.

In the second category would be associations like APHI (horticultural producers), PPUI (poultry farmers), HPDKI (sheep and goat farmers), PPSKI (cattle and buffalo farmers), GAPKI (palm oil producers).

Not fitting into either of these categories would be the Agribusiness Association Forum, the IAMA, and the village cooperative structures.

3.8.2 Conclusions

The work with the associations has begun, but has necessarily been partial (because time for the short-term TA was limited) and so needs to be expanded. The assessment of twenty-eight associations out of fifty-four is not complete. The twenty-eight were chosen on the basis of initial criteria linked to agribusiness interests. Much of the data collected is incomplete because it is not easily available.

3.9 Program Performance Information System for Strategic Management (Objectives Tree)

3.9.1 Current Status

The so-called "Objectives Tree" is an information management system used by the USAID/Indonesia Mission to develop a set of strategic objectives to guide its Indonesia program between 1993 and 1998 and to establish a performance-based monitoring system (USAID/Indonesia,1994).

Four strategic objectives (SO) have been defined. The first of these is the development of a more competitive participatory economy. The expected outputs from the ADP relate directly to several of the performance indicators (PI) described under this SO and under a number of the program outcomes (PO) expected under this SO.

For example, for SO1, PO 1 is the percent annual change in non-oil manufacturing exports. Given the expanding importance of agribusiness exports, these could be added to this indicator. For the PO 2, a change in real non-oil GDP for five poorer regions, a similar element could be added. This argument could be used to support ADP activities in South Sulawesi as it is one of these poorer regions. The PO 4 relates to the percent change in total annual investment and this could include investments in the agribusiness sector as shown by sales volumes on the Jakarta Stock

Exchange, for example.

Under the second program outcome (PO 1.2) under this same SO, indicators relate to strengthening institutions for sustainable growth and several of the performance indicators relate directly to ADP activities. For example, the first performance indicator, PI 1, refers to trained Indonesians in key development institutions and these could definitely include those trained in agribusiness skills. For the PI 2, the participation of women in this training is highlighted. PI 4 refers to the improved effectiveness of agribusiness associations to provide services to and attract more members. This needs to be further specified to suggest what type of members and services. The data source for this last indicator could be updated.

3.10 Women in Development

3.10.1 Current Status

The ADP never had a specific objective in this area. Hence, there has been no specific activity organized by the ADP to increase the level of participation for women in agribusiness.

However, much of the field work as well as labor in processing factories is provided by women. The number of female participants in agribusiness factories is estimated at about 80 percent. Hence stimulation of new agribusiness leads to more part- and full-time labor opportunities for women situated near processing plants.

Women were observed to play important roles in the ADP as follows:

- USAID/Indonesia Project Officer, Contract Officer, Deputy Mission Director
- ADP/TAT - Deputy COP, Office Administrator
- MOA - head of fish inspection and quality control program
- Kadin, Ujung Pandang - Assistant Director
- NAFED - Director
- BPEN - Director
- Association - members
- MOA and MOI staff assigned to the ADP

3.11.2 Conclusions

The important role of women (both in agribusiness and in the actual ADP itself) indicates that WID should be included in Project objectives.

4. PRINCIPAL RECOMMENDATIONS

A. PROJECT OBJECTIVES AND FOCUS

Several recommendations have been made to modify the LogFrame. These reflect the stated concern of ADP Indonesian counterparts that more attention be given to:

- market information analysis in order to better identify new markets, domestic or foreign
- quality control of produce in order to facilitate foreign exports
- the linkage between small holders or producers, small or medium scale processors and the important role of financial services and farmer groups

These recommendations/concerns have been addressed in the modified LogFrame (Appendix 3).

B. PROJECT MANAGEMENT STRUCTURE

A thorough change in management spirit and practice is recommended. The emphasis must be on TAT cooperation *with* the MOA/MOI rather than undertaking the work of the ADP *for* them. Such a change (given individually good performances by some of those associated with the Project) could contribute greatly to work during the remainder of the ADP's life.

Specific changes can be made as follows:

1. Locate the TAT in the same offices as the MOA/BA and assign TAT personnel to be advisors to specific counterparts in the MOA/BA and MOI/IHP.

2. The Project Implementation Unit (PIU) should be a working group made up of only six members: Two from MOA, two from MOI and two from USAID/Indonesia.

3. The Project Steering Committee (SC) should be restructured and mobilized to be smaller (nine members). The committee should be composed of one high level staff member from the following: MOA, MOI, MOF, MO Coops, MOT, one university, two private sector agribusiness organizations, and USAID/Indonesia .

4. USAID/Indonesia Project management should be active on the PIU. It should encourage the GOI to provide planned counterpart support as well as further funding so as to enable more flexible response to GOI and private sector demands for assistance.

5. USAID/Indonesia should organize a working group to define cross-cutting inter-office cooperation between USAID/Indonesia projects and the ADP, and other donor projects, to reinforce ADP activities over the life of the Project.

Recommended changes in the Technical Assistance Team.

6. **The Chief of Party (COP)**: should be replaced. The new COP must be acceptable to the MOA/MOI/USAID/Indonesia Project management and combine relevant business experience with experience of work in the public sector. He/She will probably be a mature individual in order to have the correct management background and experience and will have a diplomatic and flexible personality suitable for team-building and forging links with GOI/USAID/Indonesia management. The new COP should also serve as Policy Advisor and Coordinator of TA services, both long term and short term. The COP should be directed to take full advantage of PVO services such as VOCA, VITA, and SCOPE/ABLE, in order to stretch the budget provided for TA by the Project, so more TA can be provided.

7. **Deputy COP/Management Information System Advisor**: the incumbent is mis-titled, however useful or efficient her contributions may be. Her title should be changed to "Management Information System (MIS) Advisor". Her present scope of work is to assist the local project administrator in establishing and utilizing a project management information system and coordinate training of the PIU in this area. In addition she should be assigned to provide assistance to the Marketing Advisor in establishing the proposed ADP/MIC. She would act as counterpart to a member of the BA/CMID for this purpose, and be assisted by inputs from other TAT members. A senior local staff member could be appointed to the position of DCOP.

8. **Agribusiness Organizations Advisor**: should continue in his present scope of work with modifications to reflect his role in assisting the Marketing Advisor in setting up the MICs. He could work with associations to identify high priority information needs for these centers. He should pay more attention to trying to encourage linkages between private organizations of processors/large producers and small producers through various GOI sponsored schemes.

9. **The Agroprocessing Advisor**: the incumbent's contract should be extended for the life of the project. He should continue his current work arrangements in the HIP/MOI as well as building up a counterpart relationship with a center director of the BA/MOA. His counterpart must be persuaded to provide secretarial support services for this demanding role. He should assist the COP, the marketing advisor

and MIS Advisor in setting up an MIC in the MOI as well as continuing to carry out aspects of his current scope of work. In particular, he should give more attention to assisting the MOI in defining quality standards in assisted product lines, identifying TA needs and helping to organize appropriate implementation. He would cooperate with the TAT training advisor in identifying specific needs in the MOI.

10. **Marketing Advisor**: should be replaced. He has had difficulty focusing on certain aspects of his scope of work and in particular in developing a marketing information system.

There is a clear objective to develop MICs in a number of institutions as well as the capacity of personnel in these institutions to carry out analysis and interpretation of product marketing data, including market prices and identification of markets for various product lines. The Marketing Advisor must provide leadership for these activities.

He has been working for the most part within his scope of work in identification of markets in Indonesia and in some proximate countries, for example Singapore, Thailand, Malaysia and Hong Kong. The Hong Kong study (Harmon and Suriadinata, 1994, Draft) identified potential market demand for many Indonesian products and is a contribution to a market information data service. Other work in horticultural products for the Singapore market also fits his scope of work (ADP Appendix 9). But insufficient attention has been be paid to domestic market analysis.

The advisor has been active in presenting the findings of his studies and market study tours to business meetings as well as working with some associations. He has been ably assisted by the smallholder agribusiness program manager. However, his attempts to initiate actual product marketing strategies on the ground with a private farm in Bali and KOPPAS in North Sumatra are not appropriate because the ADP itself cannot preferentially support a specific enterprise.

11. **Training Coordinator/Advisor**: might be considered as the local deputy COP to assist the expatriate COP and in addition to coordinate human resource development needs in the chosen focus areas. His main concern would be to advise the new COP in good working relationships with GOI counterparts and to develop training programs, in particular by building linkages to local university agribusiness programs so as to institutionalize selected training.

12. **Agribusiness Extension Specialists**: there are two local staff in this position:

(a) One is working more directly with the organizations advisor and should continue to assist in this work. His work experience with a local bank in human resources development and credit administration gives him an insight into constraints to agribusiness development in Indonesia and as such, he should be called upon by the COP and BA to identify solutions to credit constraints faced by small producers and processors.

(b) The second specialist has been assisting the marketing advisor in product line market opportunities. His particular expertise lies within the interface that the ministries say they wish to strengthen. This is the relationship between small producers and processors. He has an animal husbandry degree from a University in Bandung and seven years work experience with public estate companies after which he wrote an MSc thesis at Bradford University in the UK on the Nucleus Estate Small Holder Scheme in Indonesia. His scope of work should include the definition of constraints and alternative policy guidelines to assist the BA and IHP in developing possible activities at this interface.

The COP should encourage the full participation of both in all team activities. They could also assist the market information centers in identifying market data of interest to small producers and processors.

13. **Project Administrator:** this title should be changed to "TAT Office Administrator" to better reflect the duties associated with it. Assisted by the MIS Advisor where necessary, she should handle local procurement of materials/equipment for setting up the MICs, provide logistical assistance for TAT members, administratively manage short-term TA, and provide assistance to the Training Coordinator as required. She should *not* be developing training courses but only providing administrative assistance. She should continue to publish TAT reports, as directed by the COP, and to help in setting up an internal communication network. In addition she should provide administrative support for the TAT in personnel matters, and for the payment of vouchers. If the TAT physically join the MOA/MOI, her position would need to be redefined.

C. PROJECT IMPLEMENTATION

1. The ADP Project management (the PIU and SC) should select the following geographic areas for focus activities: Medan, Bangka, Lombok, Sumbawa and/or Flores, Ujung Pandang and specific areas of Java.

2. The ADP Project management should select the following seven focus areas:

- vegetables and fruit in Medan
- pepper in Bangka
- seaweed
- an on-line Market Information Service network in BA, IHP and other selected institutions University in Ujung Pandang
- processed foods
- essential oils in a selected location of Java
- cocoa in Sulawesi (both Central and Southern)

3. The ADP Project management should expand selected TA to private sector associations in the above focus areas to include: AEHI, AELI, APBIRI, ABC, GAPMMI, INDOSSOTA in the first instance and with flexibility to others who are willing to help themselves, such as estate crop associations.

4. Training and TA provided by the ADP should include interpretation and use of market information, data analysis, report preparation, business and marketing skills, market identification, quality requirements and implementation.

Recommendations for improving implementation performance

5. In October 1994, the TAT outlined a new style of implementation as described in Appendix 11. This recognizes many of the shortcomings noticed by the evaluation team. Some of the main issues were as follows:

- all TA and training should be done with counterpart involvement, preferably with the Indonesian counterpart playing a dominant role and the TAT advisors a more supportive role. The goal is sustainability
- results of studies, technical or otherwise, need to be published. This can take many forms including, seminar presentations or a workshops, but would necessitate documentation in Indonesian
- the TAT members should work with counterpart personnel in the BA or IHP. If host country counterpart funds are not forthcoming, and to date there is a shortfall of approximately 50 percent of the estimated GOI contributions planned up to September 30,1994, then the TAT must enlist USAID/Indonesia to help obtain these funds from the GOI. Given the budget cycle preparation in the GOI, USAID should make sure that these funds are set aside in the BA/MOI budgets for fiscal year April 1995/96. If this is not done, then the participation of BA/IHP personnel in ADP activities will once again be affected to the detriment of the goal of sustainability for these activities
- The Organizations Advisor and Agribusiness Program Manager should have wide flexibility in responding to requests for assistance from associations. They should

not be limited to the four main program areas, i.e. fresh produce, seaweed, specialty products, and processed horticultural products. But they should include organizations that have on-going programs, or associations that have a large impact on small holder producers, have high employment rates of women, and that distribute incomes in the rural economy, such as estate crops

D. POLICY STUDIES

1. A study should be made to determine what policies, regulations and influences contributed to the closure or low level of operation of over nine hundred agribusinesses in Indonesia. Lessons learned need to be widely discussed.

2. A study should be made to determine how to create producer marketing cooperatives in selected focal areas such as pepper and seaweed.

3. The initial study on small holder-processor contractual relationships carried out by the TAT should be expanded.

4. Special efforts should be made to maximise the benefits from the study already completed by the TAT on constraints to agribusiness expansion. The negative findings should be followed by preparing issue papers and discussing the issues throughout the appropriate places in the sector. More detailed studies and recommendations should be made if requested by the sector.

5. The constraints to getting access to capital for export trade cost settlements should be studied.

E. INSTITUTIONAL STRENGTHENING

1. The ADP should use the considerable amount of work carried out by the TAT as a basis for drawing up action plans in selected focus areas (of which the pepper and seaweed subsectors are two examples) where immediate impact can be made in support of several Project outputs. All necessary local parties would be persuaded to participate in setting up these plans.

2. Resources permitting, the opportunity should be taken to assist the Ministry of Cooperatives in organizing small producers into simple marketing cooperatives in order to reduce the dependence of small producers on collectors, traders and processors. The Bank Rakyat Indonesia (BRI) should be involved in order to set up dependable credit facilities.

5. The concept of ADCs should be retained but with the emphasis on using existing institutions to develop on-line agribusiness reference and marketing information centers. In the first instance, this service unit could be located in the BA/MOA and the IHP/MOI equivalent office. In the second instance, a network of information centers could be established in selected other institutions.

F. FIELD ACTIVITIES

1. Immediate areas for training assistance, subject to available human and financial resources, could be in:

- quality improvement for primary processing activities of selected commodity producers
- quality improvement for secondary processing activities of selected commodity processors
- primary data collection and interpretation in general
- primary/secondary data analysis in marketing
- smallholders to small and medium scale processors contractual inter-relationships
- strengthening district bank officers' ability to process smallholder credit needs by institutionalizing a local practical course
- how to organize selected producer cooperative groups

2. In-country training should be redirected to involve the expertise and facilities of local institutions, in order to enhance long term sustainability of activities.

3. The ADP should try to participate in and develop materials that can be used to tie into other media such as TV, radio, provincial agroindustry news as well as on-going subject matter meetings such as those organized by associations.

4. The ADP assistance to associations should be related to the strength of the association. For stronger associations this could be helping them with international linkages, such as ASKINDO with the CMAA, with ideas for promotional activities, with TA for training courses, and with arranging affinity group meetings. Assistance to stronger associations should be developed around the principles of self-help and self-finance. For weaker associations, this could be with assistance in preparing a grant proposal, in holding workshops (as with APBIRI), and in capability building seminars and training.

5. The ADP should systematically collect data regarding the participation of women in each activity as they are now doing in training. A study of working conditions and wages for women could be conducted as part of activities in the pepper, seaweed,

cocoa, and essential oil focus areas.

G. PROJECT MONITORING

The following recommendations are suggested :

1. SO1, PI 1: change to percent annual change in non-oil manufacturing and agribusiness exports.

2. SO 1, PI 2: change in real non-oil and agribusiness related GDP of five poorer regions.

3. SO 1, PI 4: percent change in total annual investment including agribusiness.

4. SO 1, PO 1.2, PI 4: to include those trained in agribusiness skills.

5. PI 2: to include women trained in agribusiness skills.

6. SO 1, PO 1.2, PI 4: change this indicator to: improved effectiveness measured by an increase in members from different subsectors such as producers, traders, processors, manufacturers and exporters, an increase in number and range of services to members such as wholesale activities, advertising, transport, workshops, training, marketing information, and an increase in sales volumes for the agribusiness sector on the Jakarta Stock Exchange.

DRAFT 2

DRAFT 2 - 15 July 1994

Agribusiness Development Project (497-0368)
Midterm Evaluation
Statement of Work

Background

The Agribusiness Development Project (ADP) is a six-year effort with a goal of generating sustainable increases in employment and income by increasing the competiveness, efficiency and growth of the agribusiness subsector in Indonesia. The purpose of the project is to enhance public sector support to agribusiness; and to strengthen the private agribusiness sector, especially agribusiness organizations.

The Grant Agreement was signed by the governments of Indonesia and the United States in September 1991. Life of Project funding is $20 Million. The project design calls for an external mid-term evaluation to assess the progress of project implementation and to make recommendations to project management on improving implementation.

The project is now in its third year of implementation, but the long-term technica assistance (TA) team has been in place only since April 1993. Several factors contributed to the decision to conduct the midterm evaluation at this time:

1. In April of 1994, at the beginning of the Indonesian fiscal year (IFY), there were reorganizations within both counterpart ministries, the Ministry of Agriculture (MOA) and the Ministry of Industry (MOI). The creation of new organizational units within both ministries for agribusiness speaks to the increased emphasis the Government of Indonesia (GOI) places on the sector. The new ADP home is with the new Agribusiness Agency (AA) in the MOA, an organizational unit which has Directorate General status. This is an opportune time to both refocus the project in line with GOI priorities as identified by the counterpart ministries and with Indonesian private sector comparative advantages in select subsectors, and to assist the new agribusiness organizations during their start-up phase.

2. The TA team, provided under a contract with Development Alternatives, Inc. (DAI) has gained considerable expertise in a number of commodity sectors as well as cross-cutting themes in agribusiness in Indonesia, and also has built up a considerable contact base within both the public and private sectors. Thus it is also an opportune time to now focus this expertise, particularly with regard to the project's limited resources in the context of the Indonesian economy.

3. The timing of this evaluation will allow the results and recommendations of the evaluation to be taken into account during the planning process for the next

IFY.

Article I. Title

Agribusiness Development Project (ADP), Project Number 497-0368

Article II. Objectives

The objectives of the evaluation are to:

1. Evaluate progress of the project compared to the logical framework targets in Annex I of the Project Paper, and to recommend revision of the logical framework as appropriate with respect to the USAID Program Performance Information System for Strategic Management (PRISM).

2. Evaluate progress toward the project goal and purpose to date, including delivery of inputs and achievement of outputs by the various project implementors.

3. Examine counterpart priorities in view of project resources and experience and recommend a few select commodity and/or geographical and/or cross-cutting themes or foci.

4. Examine the project management structure and make recommendations for altering the management structure where it will make project management more efficient and/or enhance the achievement of project objectives.

Article II: Statement of Work (SOW)

The evaluation team shall undertake the following tasks:

1. Review Background Information
Review background information on the project, including but not limited to the Project Paper, the Project Agreement, the SOW for TA, quarterly and annual reports, and reports and studies produced thus far under the project.

2. Meet Key Contacts
Interview key contacts, including USAID officials; GOI counterparts (Ministries of Agriculture, Industry and Trade; and Bappenas (the GOI planning agency); and the private sector, private firms as well as associations.

3. Visit Project Sites (and potential project sites)
Visit project sites, particularly in South Sulawesi, North Sumatera, East Java, and Bali to assess field activities. Other potential project sites for team site visits may be identified after consultations with USAID, counterparts, and the TA team.

4. Evaluation of Achievement of Purpose and Output Level Indicators
Evaluate achievement of purpose and output level indicators and the USAID PRISM, including answering the following questions: To what extent has the project achieved the purpose and output level indicators as per the logical framework? Is the project likely to achieve the purpose and objectives with the present project implementation approach? Should the logical framework be modified to better reflect counterpart priorities, experience to date in project implementation, and the resources of the project?

5. Project Manangement and Implementation
Evaluate the present management structure, including the roles and interactions of the Project Steering Committee (PSC) and the Project Implementation Unit (PIU). Is the present structure the most efficient for providing strategic directions as well as implementing the project? Two new units are now being incorporated into project management: (i) The AA Director has initiated formation of an interministerial committee composed of the ministries actively involved in agribusiness development in Indonesia; and (ii) Working groups (composed of both public and private sector representatives and a member of the TA team) are now formed for specific implementation tasks. The team should evaluate the addition of these new units and whether this new configuration is the most efficient for project management, and make recommendations concerning modification, if appropriate.

6. Project Focus
The team will examine and make recommendations concerning project focus. Given present GOI priorities in agribusiness development, private sector comparative advantages, the comparative advantages of the TA team with regard to experience to date with agribusiness in Indonesia, and the resources of the project, the evaluatin team should recommend and give full justification for a select few commodity and/or geographical and/or cross-cutting foci.

7. Agribusiness Development Centers (ADCs)
The project design calls for the development of three ADCs. All concerned parties agree this is not a "bricks-and-mortar" issue, but an issue of what services are provided, how they are provided for the life of the project, and how these services can best be provided by the public and private sectors when the project ends. At present, the TA team is developing a Jakarta ADC which provides services out of the contractor's office, and with the resources of the TA team. The evaluation team will evaluate the ADC concept, detail those services which are critical (and possibly missing links) for agribusiness development in Indonesia, and make recommendations concerning how those services can best be provided within the life of project and after the project ends, and how the capability for provision of those services can be transferred to the public and/or private sector. The evaluation team will also examine and make recommendations concerning the

realistic prospects for developing the two ADCs outside of Jakarta during the life of the project, and include consideration of the foci as discussed in number 6 above.

8. Technical Assistance
Assess the progress of the TA team in meeting team tasks as specified in the contract. Can the evaluation team suggest ways to improve the implementation performance of the TA team? What guidance can the evaluation team provide in identifying priority technical assistance with regard to the issue of focus as discussed in number 6 above?

9. Training, Workshops and Seminars
The evaluation team will examine and make recommendations concerning the development of annual workplans for training, workshops, and seminar, particularly the relationship between development of these plans and the particular foci as discussed under number 6 above.

10. Assistance to Strengthen Not-for-Profit Associations
Assess the progress to date of association institution building. Comment on the present and potential in the near term of associations in Indonesia in agribusiness development, given their present stage of institutional capability. Make recommendations on the selection process for project support to particular associations. Is it practical to tie specific association support to the foci which will be recommended under number 6 above, i.e., are there good matches between recommended foci and institutions appropriate for project support? Are there other types of associations (i.e., using a very broad definition of associations) that the project should assist, particularly in areas outside of Jakarta, in order to maximize impact in the identified foci?

11. Marketing Information System
Timely provision of marketing information is an objective in the developemnt of the ADCs. With reference to items 6 and 7 above, what are the present systems of obtaining information, however limited; what are the best mechanisms to be used within the life of the project; and what institutions are appropriate for assuming these responsibilities as the project nears completion?

Discussion concerning development of an Information Technology Strategy is in progress. It is planned that this work will be completed before or during the evaluation and can be included and/or appended as appropriate.

12. Policy Studies
The project originally called for two policy studies per year. The specific objective of two studies per year has not been achieved. There has been discussion among USAID, GOI and the TA team regarding setting priorities for a policy agenda under

the ADP. These discussions have included options other than the kinds/numbers studies envisioned during project design, including more micro-policy issues and a process-oriented approach rather than studies per se. Taking into account GOI policy priorities, expertise of the TA team, and likely impacts on agribusiness development in Indonesia, the team should examine options for policy work under the project and make recommendations regarding a rolling design approach/criteria for identification of policy issues to be undertaken by the project, and what form (studies or other) the policy agenda should take.

13. Program Performance Information System for Strategic Management (PRISM)

The evaluation team will recommend additional PRISM indicators for the ADP which are in turn based on the evaluation findings and recommendations discussed in numbers 4-11 above.

14. Women in Development

The evaluation team will assess the initial impact of the project assistance on women and identify strategies to further increase the involvement of women in all project activities.

Article IV: Reports and Deliverables

The evaluation team shall:

1. Develop, present and submit in writing for the GOI and USAID Project Officer concurrence a detailed workplan for conducting the evaluation, including a schedule and methodology for conducting the evaluation, including a schedule and methodology for conducting interviews in Jakarta and site visits. This workplan shall be submitted by the end of the third working day in-country.

2. Prepare and present a draft evaluation report for GOI and USAID officials regarding project status, including progress towards achieving project outputs, problems encountered, and recommendations to be taken into consideration to improve implementation performance or to modify project documents. The draft report should address all of the issues specified in the statement of work. The draft shall be presented four weeks after beginning work in-country.

3. Submit a final report, 30 days after receiving USAID's written comments on the draft report. This report shall incorporate comments/suggestions from GOI and USAID officials and others, describing analysis, project accomplishments, and recommendations to improve implementation progress and project impact. The report should include an Executive Summary which presents the most important findings, conclusions, and recommendations of the evaluation.

Article V: Roles and Responsibilities

The team will receive technical direction from, and be responsible to, the Chairman of the ADP PSC, and the USAID Project Officer for ADP. The USAID contracting officer will be responsible for contractual matters and will provide related guidance. The team shall work closely with the technical advisors to coordinate logisitics and information gathering.

Article VI: Performance Period

The evaluation shall begin o/a 15 September 1994 and end o/a 31 October 1994 (in-country work).

Article VII: Personnel and Work Days Ordered

The evaluation team, including both expatriate and local experts, shall bring a multi-disaplinary approach in addressing the key tasks. The positions, major responsibilties, and qualifications are as follows:

1. Team Leader/Evaluation Specialist (Expatriate)

Responsibilities: Review background information, meet with key contacts, and visit field sites. Assess overall key issues as described in Article II.1-8 and 14, with emphasis on project focus, and contributions and interactions among the various public and private sector counterparts. Take the lead in delivering oral presentations on evaluation findings and recommendations. Review the evaluation reports and write, edit, revise, finalize and submit the final evaluation report.

Qualifications: Ph.D. or equivalent in international development, management, or related field and at least 15 years work experience. Evaluation team leader experience. Minimum of five years experience in development projects, including evaluations. Demonstrated ability to work effectively in a developing country context. Demonstrated ability to produce standard reports within a limited time. Workdays: 45

2. Agribusiness Development Specialist (Expatriate)

Responsibilities: Review background information, meet key contacts, and visit field sites. Assess key issues as described in Article II.1-3, 6-9, and 12. Prepare report, present findings, incorporate comments as appropriate.

Qualifications: Ph.D. or equivalent in an agribusiness or agricultural area and at least 15 years relevant work experience. Minimum of five years experience in developing agribusiness projects in developing countries.

Workdays: 45 days

3. Institutional Development Specialist (Indonesian)

Responsibilities: Prepare individual workplan for executing the evaluation. Review background information, meet with key contacts and visit field sites. Assess key issues as described in Article II.1-3, especially 10 (with reference to 9 with regard to not-for-profit associations), and 15. Write, edit, and submit a report on the above key issues and assist team leader in delivering oral presentations.

Qualifications: Masters degree in social sciences, political science, public administration, or related disipline. Minimum of five years experience in institutional development work. Demonstrated expertise in evaluating donor assisted projects.
Workdays: 30 days

4. Marketing Specialist (Expatriate)

Responsibilities: Prepare individual workplan for executing the evaluation. Review background information, meet with key contacts, and visit field sites. Assess key issues as described in Article II.1-3 and 11. Assess primary opportunities for the project to assist both the public and private sector in marketing opportunities and follow-through on those opportunities.

Qualifications: Ph.D. or equivalent in agribusiness, marketing, or related discipline and at least 10 years experience in agribusiness marketing. At least five years experience in agribusiness marketing in developing countries. Experience in working with both the public and private sector in developing countries.
Workdays: 30

Article VIII: Special Provisions

1. Duty Post
The team will perform work under this contract in Jakarta, East Java, Bali, South Sulawesi, and North Sumatera. Other potential project sites may be identified during the evaluation.

2. Language Requirements
No specific language capability is required under this contract.

3. Access to classified information
The contractor shall not have access to any government classified materials.

4. Logistical Support

The team will provide all administrative and sectarial support in close coordination with the project technical team and USAID/Indonesia staff.

5. Work Week
A six-day work week is authorized.

Article IX: Evaluation Report Format

The evaluation report must contain the following sections:

1. EXECUTIVE SUMMARY
   PURPOSE OF ACTIVITIES EVALUATED
   PURPOSE OF THE EVALUATION AND APPROACH USED
   FINDINGS AND CONCLUSION
   PRINCIPLE RECOMMENDATIONS
   CLEAR AND SUCCINCTLY STATED LESSONS LEARNED, BOTH REGARDING PROJECT DESIGN IMPLICATIONS AND BROAD ACTIONS IMPLICATIONS.

2. PROJECT IDENTIFICATION DATA SHEET

3. TABLE OF CONTENTS

4. BODY OF THE REPORT. The body of the report shall include: (i) purpose and study questions; (ii) the economic, political, and social content of the project; (iii) team composition and study methods (1 page maximum); (iv) evidence and findings of the study concerning the evaluation questions; (v) succinctly stated conclusions drawn from the findings (including lessons learned); and (vi) recommendations.

5. Appendices containing a copy of the evaluation scope of work, the most current logframe, the degree of conformance to the goals, a list of documents consulted and individuals and agencies contacted; and more detailed discussions methodological or technical on major issues as appropriate.

LOGICAL FRAMEWORK
AGRIBUSINESS DEVELOPMENT PROJECT

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
PROJECT GOAL:	MEASURES OF ACHIEVEMENT	METHOD/SOURCES OF VERIFICATION	ASSUMPTION FOR SUCCESS
To generate sustainable increases in employment and incomes by increasing the competitiveness, efficiency, and growth of the agribusiness sub-sector.	Number of new jobs. Increase in per capita income Increase in agribusiness contribution to GDP. Increases in production and sales of agribusiness products.	GOI Statistics. IBRD reports. USAID project reports and evaluations.	Political and economic stability. Continued GOI commitment to supporting development of agribusiness. World market conditions for agribusiness continue along current positive trend.
PROJECT PURPOSE:			
To enhance public sector support to agribusiness and to strengthen the private agribusiness sector, especially organizations organizations.	1) 100 new agroprocessing firms in the market; 2) Agribusiness trade increased by $1 billion and investment by $500 million 3) At least 50% of policy agenda items achieved; 4) MOA/MOI offering 2 new services to the private sector; 5) 5 private sector initiated services supported by GOI; 6) 5 agribusiness organizations operating as full partners in updating policy/regulations; 7) In assisted product lines, new sales of $500 million and investment of $250 million, at least $100 million in U.S. goods and services; 8) In assisted product lines (fisheries, horticulture, etc.), at least 100,000 new jobs created representing $30 million in new income, of which two-thirds to low-medium income people.	Project studies and evaluations; GOI records and statistics; national media. Project studies and evaluations.	Ministry of Agriculture (MOA), Ministry of Industry (MOI), and the Permanent Agriculture-Industrial Working Commission (PAIWC) continue a policy and regulatory process which responds to evidence of economic inefficiencies or opportunities for improving the business climate for agribusiness; MOA, MOI, and the PAIWC are receptive to donor-financed assistance. Stronger PAIWC role supported by line DGs and Bureaus. Targeted organizations can be made capable of providing effective, high-quality agribusiness services to members/clients; demands exists among members/clients for improved and expanded agribusiness services; targeted organizations are receptive to donor-financed assistance.

APPENDIX 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
OUTPUTS:			
1) MOA and GOI capable of analyzing agribusiness deregulation issues and options and implementing necessary actions.	1) 2 policy studies completed each year;	1-3) Project work plans and progress reports; project evaluations; GOI, IBRD, and ADB reports and statistics.	1-3) Assistance provided through project results in improved capabilities in MOA, MOI, and PAIWC, and other relevant agencies.
2) New GOI Institutional framework and services in place to assist and promote agribusiness.	2) Agribusiness Development Center fully staffed and operating effectively;		
3) Public and private sectors effectively collaborating to assist and promote agribusiness.	3) Approximately 10 forums and 25 joint promotions conducted;		
4) Private sector agribusiness organizations providing highly-valued, self-financed services to members and input to GOI on policy and regulatory matters.	4a) Five agribusiness org. financially self-supporting and delivering services;	4) Project work plans and progress reports; project evaluations.	4) Assistance provided through project results in strengthened agribusiness organizations; demand exists in private sector for agribusiness organization services.
	4b) Five agribusiness org. viewed by GOI as full partners in development, implementation and monitoring policy/regs.		
INPUTS:			
	($000)		
	USAID / GOI / Priv. Sector		
1) Technical Assistance		Project monitoring and documentation.	Qualified and acceptable technical assistance available and contract(s) can be negotiated.
A. Long-term TA	5,390 / 275 / 275		
B. Short-term TA	2,200 / 100 / 100		
C. Admin. & Logistics	1,472 / 150 / 150	USAID project implementation reviews.	
2) Training			
A. In-country	1,320 / 400 / 400		A.I.D. and counterpart funding provided as planned.
B. Regional	660 / 132 / 100		
C. U.S.	825 / 260 / 100		
3) Agribusiness Studies			
A. Policy Studies	1,750 / 100 / -		
B. Study Tours	750 / 500 / 200		
C. Workshops/Seminars	550 / 250 / 150		
4) Pri. Sec. Agrib. Promotion	2,526 / 3,000 / 1,000		
5) Other			
A. Vehicles	90 / - / -		
B. Commodities	175 / - / -		
C. Evaluation	300 / - / -		
D. Audit	100 / - / -		
E. Int./Contingency	1,892 / - / -		
Totals	20,000 / 5,167 / 2,475		

APPENDIX 3 : REVISED LOG FRAME

Narrative Summary	O V Indicators	Means of Verification	Important Assumptions
Project Goal	Measures of Achievement		
Same	Same	Same	Same
PROJECT PURPOSE			
Same	1). Increase in No of new agro processing firms in focused sectors reasonably attributed to ADP. 2). % increase in trade & investment over base year measured by agrobusiness performance in Jakarta Stock Exchange 3). Policy agenda more defined and annual review mechanism established and functioning in MOA/MOI; 4). MOA/MOI improving existing agribusiness services through existing institutions that impact on small-holders; 5). Private sector organizations improve services to small holders and strengthening linkages with processing enterprises; increase in membership by producers, traders, processors, manufactures and exporters; increase in services rendered to members. 6). Agribusiness organizations reasonably involved in updating GOI policy/regulations, 7). Determine new sales in assisted product lines & assess volume & evaluate merit of impact on US goods & services		MOA/MOI and ADP project management continue to respond to specific opportunites for improving the climate for agribusiness development; continue to be receptive to donor financed assistance. MOA project management structure including communication forum, steering committe and PIU/working groups functioning reasonably; based on clearly defined policy objectives for the ADP as one project within the BA/MOA; targeted organizations are receptive to donor financed assisstance.

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APPENDIX 3 : REVISED LOG FRAME (con't)

Narrative Summary	O V Indicators	Means of Verification	Important Assumptions
OUTPUTS			
1). Same	1). Upto 4 policy studies completed over LOP in cooperation with GOI;		1). Organizational policy needs including function and objectives more clearly defined.
2). Same	2). Badan Agribusiness and DG IHP/MOI operating more effectively ; TA & Training targeted to focus on commodities & relationship between small holder/ processors /credit facilities ; quality controls and market information availability and interpretation.		2). Assistance provided by ADP improves capabilities & sustainability of BA/MOA, DG IHP/MOI and other government agencies.
3). Same	3). Approximately 10 Forums and 25 joint promotions supported by the ADP;		3). Assistance provided by ADP strengthens Agribusiness organizations and their capability to provide member services.
4). Same	4). At least 5 agribusiness organizations relatively self-supporting and delivering market information and other services to members; and cooperating with GOI;		4, 5). Management information system in place in 2-4 organizations and functioning reasonably; staff able to interpret and use data bases.
5). Same	5). ADP impact on Association services such as quality control programs and market information services in selected geographic/institutional and focus areas.		
INPUTS			
	Same	Same	Same

APPENDIX : 4

ADP FINANCIAL STATEMENT AS OF SEPTEMBER 30, 1994

ADP EXPENDITURES ($ 000)

		LOP	Current Obligation
1.	Technical Assistance	15,418	7,494
2.	Other procurement	1,190	106
3.	Assistance to Non-profit	1,500	300
4.	Inflation & Contingencies	1,892	200
	TOTAL	20,000	8,100

(Source: USAID)

COUNTERPART EXPENDITURES (000 Rp.)

		LOP	Commulative Expenditure (%)
1.	Personnel Costs	2,152,500	
2.	Materials + Equipment	2,853,600	
3.	Travel Costs	2,460,000	
4.	Other	8,200,000	
	TOTAL	15,666,000	1,581,648 (10%)

(Source: PIMPRO, Oct 24, 1994)

APPENDIX: 5 LIST OF REFERENCES EXCLUDING ADP PUBLICATIONS

American Embassy. 1994. Agricultural Situation Annual Report 1994. FAS Jakarta. Nov. 9

Agribusiness Club. 1994. Agribusiness Club Program.

ATLAS. Indonesia and Dunia

ASKINDO 1993 Theobroma: Guide Book Int'l Conference on Cocoa Economy, Bali Oct 19-22

ANTARA. 1994. Rubber News. Nov 24

Booth, Anne. 1988. Agricultural Development in Indonesia. Asian Studies Association of Australia, SE Asia Publ. Series No. 16. Allen & Uswin, Sydney, Australia

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Department of Trade. 1989. Standard Indonesian Rubber - New Scheme. Bulletin No.5. Directorate for Standardization & Quality Control (MOI) and Rubber Association of Indonesia. June

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GAPKINDO. 1994. Bulletin Karet No. 20/Th XVI. Jakarta. October 20

GAPKINDO. Bulletin. No.20th XVI

Mann, Richard I. 1995. 1995 Guide to Industrial Estates in Indonesia. Gateway Books, Toronto, Canada.

USAID. 1994. USAID/Indonesia Strategy Update and Prism Monitoring. Jakarta. June.

Verhelst, Johannes. 1992. The Role of Public Institutions in Indonesian Agribusiness Development: Institutional Profile and Analysis. USAID, Jakarta. August.

Welsch, J.L. 1992. Pilot Projects-Final Report. Inter-American Management Consulting Corporation ADP Bridging Tech. Asst. Team. Jakarta. Nov.

West, Martin. 1994. Draft Report. Horticultural Development in N. Sumatera and Bali. Short-term TA DAI Team

APPENDIX : 6 LIST OF PERSONS CONTACTED

Name	Position	Affiliation
Adiwibowo, Dicky A.	President Director	Tipperany Indonesia
Aji, Firman	Asst. Director	USAID/EXO
Anang Lukman	Vice Chairman	DG IHP/MOI Steering Committee, ADP
Anwar Wardhani	Director Member	Bureau for Agriculture Food & Forestry/NPA Communication Forum
Abdul Munir Oesman	Director	Environment & Technical Asst./DG IHP/MOI
Abdul Madjid Sallatu	Vice Chairman Lecturer	Regional Development Planning Board/SS Faculty of Economics/HU
Adiratma, He. Rockasah	Prof. & Director	Agribusiness Master Program, B Ag I
Argus Setiadi	Director	Bureau for Programs/DG for Agroindustry/MOI
Ary Wahyuni	Diretor	Market Dev. of Ag. Commodities
Asahi, Yasma	Project Administrator	DAI, Jakarta
Baginda Sagala	Chairman Chairman	AEHI/North Sumatera PT Wahana Grahama K Mur
A.M. Saleh	Director	Bank Rakyat Indonesia (BRI/UP,SS)
Bahfe/N, Edy	Agribusiness Assoc. Programs	DAI, Jakarta
Basri Hasanuddin	Rector	Hasanuddin University
Budiman, A.F.S.(Dr.)	Executive Director	GAPKINDO
Boomgard, J.J.(Dr.)	Chief of Party	DAI/Jakarta
Corneles P. Patty	Secretary	ASKINDO/UP,SS
Dadang Syamsul Munir	Secretary General Manager	AEHI/Jakarta Horticultural Marketing Coop.
Dipa S. Komala	Director	PT Galic Arta Bahari
Dipo Alam (Dr.)	Director	Bureau for Industry & Mining/NPA
Djusdil A Krim	Head	Laboratory/PT Bantimurung Indah

LIST OF PERSONS CONTACTED (con't)

Didi Rukmana	Agr. Nat. Resource Economist	Center of Environment Studies/HU
Djoni Liano MSc.		Program Cooperation/DG Livestock/MOA
Erwin A. Azis	Director	Tobacco and Beverages/DG IHP/MOI
Frugtniet, G.	Manager	Bali Berry Farm/PT Mustika
Fairnie, Ian	Executive Vice President	Curtin University, W. Australia
Ginting, A.J.	Conference Organizer	PT Global Executive Training
Halim	General Manager	PT Unit Win Indonesia , Medan
Hamid, Abdul	Director	Small Scale Agro-industry/MOI
Hardjapamekas	President Director	Tin Company
Harmon, Henry C.	Marketing Advisor	DAI, Jakarta
H. Dudung Abdul Adjid (Dr.)	Head Chairman	Badan Agribusiness/MOA Steering Committee, ADP
H. Syah Benol	Director	HS. Bureau
Hasnovi, Ferdi	Finance Officer	USAID/FIN
Humphrey, M.L.	Ag. Conselor	US Embassy
Husain Ibrahim	General Secretary	Chamber of Commerce & Industry (KADIN), UO, SS
H. Rahim Darma	Ag. Economist (PhD., Phill., Shrimp)	Faculty of Agriculture/HU
H.M. Aksa Mahmud	President Director	Bosowa Group, UP
H. Hasan Basri		ASKINDO/UP,SS
Iain C. Neish	Dev. Maneger, Indo-Pacific	FMC Corporation
Indrawati, M	Sec. General	Food Beverage Association
Ismail Malik	Deputy Director	BRI/UP,SS
Insyaf Malik	Director Deputy Chairman	P.T. Perkebunan XI-XIII Ind. Tea Association
Juico, B.J.	Contract Officer	USAID/CM

LIST OF PERSONS CONTACTED (con't)

Josephine Wiryanti (Dr.)	Head	Fish Inspection & Quality Control Program/ DG Fisheries
Kang Siu Ming	Chairman	PT Amarta Sari Lestari
Kaman Nainggolan	Head	Market Information , Dev/BA/MOA
Karya Elly	Marketing Manager	PT Unit Win Indonesia, Medan
Limanseto M. Eng.	Member	Bureau of Planning/MOI
Made Simbik	Village Headman	
Mawry, Ridhwan (Dr.)	Training Advisor	DAI, Jakarta
M. Winarno MSc.(Dr.)	Director	Horticultural Production/MOA
Muelyono Partosoedarso (Dr.) M.M	Agribusiness Consultant Former Director	Tea & Rubber Rearch, Inst/Bogor
M. Yunus Zain	Lecturer Phd Int'l Econ., Univ. of Phippine	Faculty of Economics/HU
M. Saleh S. Ali	Chairnnan Chairman (Phd. Cornell: Rural Sociology)	Center of Policy & Development Management Studies/H Dept. Ag. Social Economics, Faculty of Ag./HU
Mochtar Wahab	Member	IHP/MOI
Purvis, Malcolm (Dr.)	Project Committee	USAID/EPSO
Panji Widjaya	Director	Food Crops & Horticultural Products/ DG IHP/MOI
Quane, David	Agro-processing Advisor	DAI, Jakarta
Radi A. Gany	Deputy Rector	Academic Affairs/HU
Rachmat, Badaruddin	President Director Chairman	Kantor Bersama Perkebunan Chaksa (BPC Ind. Tea Association
Rachman, H.M. Yamin	Director	Livestock & Fish/MOI
Rasyid, A. Hakim		
Ratu, Nico A.	Ex. Manager	PT UNWIN Indonesia

LIST OF PERSONS CONTACTED (con't)

Josephine Wiryanti (Dr.)	Head	Fish Inspection & Quality Control Program/ DG Fisheries
Kang Siu Ming	Chairman	PT Amarta Sari Lestari
Kaman Nainggolan	Head	Market Information, Dev/BA/MOA
Karya Elly	Marketing Manager	PT Unit Win Indonesia, Medan
Limanseto M. Eng.	Member	Bureau of Planning/MOI
Made Simbik	llage Headman	
Mawry, Ridhwan (Dr.)	ining Advisor	DAI, Jakarta
M. Winarno MSc.(Dr.)	Director	Horticultural Production/MOA
Muelyono Partosoedarso (Dr.) M.M	Agribusiness Consultant Former Director	Tea & Rubber Rearch, Inst/Bogor
M. Yunus Zain	Lecturer Phd Int'l Econ., Univ. of Phippine	Faculty of Economics/HU
M. Saleh S. Ali	Chairman Chairman (Phd. Cornell: Rural Sociology)	Center of Policy & Development Management Studi Dept. Ag. Social Economics, Faculty of Ag./HU
Mochtar Wahab	Member	IHP/MOI
Purvis, Malcolm (Dr.)	Project Committee	USAID/EPSO
Panji Widjaya	Director	Food Crops & Horticultural Products/ DG IHP/MOI
Quane, David	Agro-processing Advisor	DAI, Jakarta
Radi A. Gany	Deputy Rector	Academic Affairs/HU
Rachmat, Badaruddin	President Director Chairman	Kantor Bersama Perkebunan Chaksa (BPC) Ind. Tea Association
Rachman, H.M. Yamin	Director	Livestock & Fish/MOI
Rasyid, A. Hakim		
Rattu, Nico A.	Ex. Manager	PT UNWIN Indonesia

LIST OF PERSONS CONTACTED (con't)

Suryana Achmad	Planning	program Planning/BA/MOA
Sylvia Marsudi	Director	Agribusiness & Estate Crops/ DG Estate Crops MOA
Sudjana, Ohim	Director	PT Merlindo Rekimatna (seaweed)
Teungku A.R. Hanafiah, MSc.	Project Manager	ADP/BA/MOA
Tijahya Setiawan	Director	PT Phoenix Mas
Tumiwa, Samuel	Project Committe	USAID/PPS
Torres, Tanya R.	Deputy Chief of Party	DAI, Jakarta
Tony Kristianto	Secretary General Secretary General	ABC COFARD
Verhelst, Johannes	Project Manager	USAID/AEE
Welsh, Joe	Organizations Advisor	DAI, Jakarta
Winarno, M	Member	DG Crops & Horticulture/MOA
Yates, Andrea (Dr.)	Project Officer	USAID/AEE
Yamin, M	Director	Livestock and Fisheries/DG IHP/MOI
Yusron Avianto	Commercial Manager	Kantor BPC
Zatnika, A.	Deputy Manager	Ag. Technology/BPP Teknology

APPENDIX : 7
BIO-DATA OF EVALUATION TEAM

Clarence J. Murphrey

Jim Murphrey is an agribusiness, agroindustry, export marketing, and private-sector development specialist. He has served as team leader, chief of party, or consultant in 18 countries in Asia, the Caribbean, Central America, Middle East, South and North America. He was on the staff over 20 years at Texas A&M University jointly with the United States Department of Agriculture (USDA), of which 15 were in international agriculture. Since retiring from Texas A&M University, USDA, he has been a private consultant. His clients include USAID, USDA, VITA, NCBC, Tropical Research and Development, Agricultural Bank of Jamaica, Agro-21-Jamaica, private investors in Saudi Arabia and USA-Texas, Texas A&M University, and the University of Georgia. Address:1015 Francis Drive, College Station, Texas 77840. Tel. 1-409-696-6657. Fax:1-409-776-1504

Brook A. Greene

Working experience includes IVS in LAOS, PhD research in Thailand, University Teaching as Agroeconomist in AUB (Lebanon), U. of Nairobi, U. of Edinburgh College of Agr. and Inst. Gestion International Agroalimentaire (IGIA), Institute Superieur Technique d' Outre Mer (ISTOM) in France; on USAID Projects with Winrock (Bangladesh), Chemonics (Zaire); on consultancies with Dan Educ (Burkina Faso, I Rural Dev. Project), Cargill (Final Evaluation USAID/AR & E project, Caribbean), Pragma (Panama), FAO (Caribbean) and World Bank. Two years with AID/LA/DR, Washington. Address c/o IGIA, 13 Blvd de L'Hautil, 95092 CERGY-Pontoise-Cedex, France. Fax: 33.1.30.75.60.82

Robert Mck. Burns

With a graduate degree in political science and BA in Int'l Economics has Extensive private industry experience including; Vice-President/manager of Corporate Finance Dept, Walston & Co, SF; President, Petroleum Resource Corp. Chicago; Founder/Manager of Mara Ltd. Dublin, Ireland; Director for Far East Bureau of State of Illinois, Hongkong; Managing Director FMC Iran Ltd. Tehran; regional Director FMC S.E. Asia Pte Ltd. Singapore; Regional Director Sea-Tract Services Ltd. Singapore; Regional Director, Asia/Pacific Multinational Operations, Motorola Inc.; Founder Director McKeon-Burns Int'l Inc. Washington, D.C. Address: 7536 Ambergate. Fax: 703/751-2394

Syahmardan Kamili

Has experience in Agriculture Economics, Institutional Development and Training, Regional Planning and Intergrated Area Development Projects. He has served as Team Member of Consultant Team and executive secretary/Project Manager of The Cintanduy

II Project, Upland Agriculture and Conservation Project in West, Central and East Java and NTTIAD Project in NTT. He has also conducted In-Depth Evaluation of the CCAD Project in Irian Jaya (UNDP Project).

APPENDIX: 8 EVALUATION SCHEDULE

Date	Member	Event
Nov 19	Greene (G)	Departure France
20 Sunday (S)	G	Arrival Jakarta
21	G	USAID Logistics
22	Burns (B), Murphrey (M)	Depart USA
23	G	USAID
24	G, B, M	Arrival Jakarta
25	G, B, M, K(Kamili)	USAID Project Committee
26	Team	Project Analysis
27 (S)	Team	Project Analysis
28	Team	MOI;MOA;DAI
29	B, (G, M, K)	Surabaya, (Jakarta)
30	Team	BAPPENAS/MOA;MOI
Dec 01	Team	DAI, MOA
02	Team (G)	IAMA Conference; Associations (AB Club.)
03	Team (G)	Associations; NAFED
04 (S)	G, B, M, (K)	Arr. Medan (Arr. Pontianak)
05, 06	G, B, M, (K)	Medan, Pontianak
07, 08, 09	Team	Arr. Bali, Seaweed Conference
10, 11 (S)	G, M, K, (B)	Sulawesi (Bangka)
12	G, M, K	Return to Jakarta
13	B (G, M, K)	Return Jakarta (Visit Bogor Ag. I & Bandung)
14	G, K	Bandung, return to Jakarta
15, 16	Team	Jakarta Report Preparation
17	M	Depart Jakarta
18 (S)	G, B, K	Report Preparation
19	G, B, K, B, (B)	Draft Presentation USAID (Depart Jakarta)
20, 22	G, K	Draft Correction
23	G, K (G)	1st Draft presented to USAID (Depart Jakarta)

Dec 19, 20, 21, 22	M	Final Report Preparation
27, 28, 29, 30		
Jan 09 - 13		Final Correction

Dec 20, 27, 28	B	Final Report Preparation
Jan 10 -13		Final Correction

Dec 27, 28, 29, 30	G	Final Report Preparation
Jan 14 - 18		Final Report Preparation

Jan 18	G	Final Report to CARGILL
23		Final Report to USAID/Jakarta

K = Syahmardan Kamili
G = Brook A. Greene, Team Leader
B = Robert Mc K. Burns
M = Clarence J. Murphrey

APPENDIX : 9

AGRIBUSINESS DEVELOPMENT PROJECT (ADP) PUBLICATION SERIES

1. Strategis for Promoting Broad-based Agribusiness Growth in Developing Countries. James J. Boomgard. ADP Working Paper No. 1 September 1993.
2. Action Plan for Business Services. Claire E. Starkey. ADP Working Paper No. 2. December 1993.
3. Overview of the Fisheries Sector in Indonesia . Charles F. Greenwald. ADP Working Paper No. 3 December 1993.
4. Case Studies of Small Farmer-Processor Relationships in Indonesia. Gary Kilmer. ADP Working Paper No. 4. March 1994.
5. Overview of the Livestock Sector in Indonesia. Michael G. McEvoy. ADP Working Paper No. 5. December 1993.
6. Review of Agribusiness Lending in Indonesia. David A. Lucock. ADP Working Paper No.6.*
7. An Overview of the Horticulture Sector in Indonesia. Rusdian Lubis. ADP Working Paper No. 7. December 1993.*
8. Report on the January 1994 Association Development Workshop. Wilford A. Butler. ADP Working Paper No. 8. March 1994.
9. Assessment of Indonesian Afgribusiness Associations. Jerry P. Herman and Eddy H.A. Bahfen. ADP Working Paper No.9. January 1994.
10. Market Prospects for Selected Indonesian Agricultural Products and Produce with an Emphasis on Horticulture. Henry C. Harmon. ADP Working Paper No. 10 . April 1994.
11. The Singapore Market for Fresh Fruits and Vegetables. Henry C. Harmon. ADP Working Paper No. 11. June 1994.
12. Frest Vegetable Sector Background Paper. Merle R. Menegay, Budiman Hutabarat and Masjidin Siregar. ADP Working Paper No. 12. December 1993.*

ADP Newsletters:

ADP Agribusiness News: Market News Report No. 1. September 1993.
ADP Agribusiness News: Market News Report No. 2. October 1993
ADP Agribusiness News: Market News Report No. 3. November 1993
ADP Agribusiness News: Market News Report No. 4. December 1993
ADP Agribusiness News: Market News Report No. 5. January 1994
ADP Agribusiness News: Market News Report No. 6. February/March 1994
ADP Agribusiness News: Market News Report No. 7 April 1994

ADP Technical Reports:

1. Which Moisture Meter Is The Most Suitable For Me? ADP Technical Report No. 1. October 1993.
2. How Do I Properly Sample My Stored Product and Shipment. ADP Technical Report No. 2. February 1994.
3. Passionfruit/Marquisa Production Processing and Marketing. David Quane. ADP Technical Report No. 3. January 1994.*
4. Pepper Production Processing and Marketing. David Quane. ADP Technical Report No. 4. January 1994.*
5. Fruit and Vegetable Post-Harvest Handling and Marketing Manual. ADP Technical Report No. 5. Work in Progress.**
   5.1 Rambutan **

ADP Resource Directories:

1. Agribusiness Association Directory. ADP Resource Directory No.1. May 1994.
2. ADP Agribusiness Short Course Catalogue. ADP Resource Directory No.2. May 1994.

ADP Project Reports:

1. ADP Life-of-Project and Year One Workplans. ADP Project Report No. 1. July 1993.
2. Quarterly Report, Year 1, Quarter 1. ADP Project Report No.2. July 1993.
3. Quarterly Report, Year 1, Quarter 2. ADP Project Report No.3. October 1993.
4. Quarterly Report, Year 1, Quarter 3. ADP Project Report No.4. January 1994.
5. Quarterly Report, Year 1, Quarter 4 and Annual Report - Year 1. ADP Project Report No.5. May 1994.

ADP Activity Reports - Training:

1. Workshop on Small Scale Agribusiness of Seaweed. Directorate General of Fisheries. ADP Activity Report No.1, 25-27 October 1993.
2. Workshop on Hazard Analysis Critical Control Point (HACCP). Directorate General of Fisheries. ADP Activities Report No.2, 1-27 November 1993.
3. Training Financial Management for Small Scale Agribusiness di Ujung Pandang, Surabaya, Medan dan Bandar Lampung. PT Amartha Widya. ADP Activity Report No.3, 6-18 December 1993.
4. Technical Meeting on Indonesia Fish Quality Control Network System. Directorate General of Fisheries . ADP Activity Report No.4, 11-16 January 1994.
5. Implementation of Attachment Training on HACCP in USA. Directorate General of Fisheries. ADP Activity Report No.5. January - 15 March 19, 1994.
6. Temu Konsultasi Aparat Departemen Pertanian sebagai Fasilitator Pengembangan

agribisnis. Biro Perencanaan, Departemen Pertanian. ADP Activity Report No. 6, 7 - 9 February 1994.

7. Seed Policy Training. Missisipi State University. ADP Activity Report No.7. 12 - 27 February 1994.
8. Indonesian Horticultural Post Harvest Technology Training Program. Elon Rachlan. ADP Activity Report No.8 February 12 - March 12, 1994.
9. Pelatihan Lead Assessor ISO 9000. PT Topas Lestari Jakarta. ADP Activity Report No.9. 21-28 March 1994.

ADP Training Materiais:

1. Workshops on Hazard Analysis Critical Control Point (HACCP). Directorate General of Fisheries. ADP Training Materials No.1. 22-27 November 1993.

ADP Trip Reports:

1. Singapore and Kuala Lumpur. Henry C. Harnon. ADP Trip Report No.1. 8-14 August 1993. +
2. Palembang and Bangka Island, South Sumatera. David Quane and Henry C. Harmon. ADP Trip Report No.2. 25-28 August 1993. +
3. Lampung Province. David Quane, Joe Welsh, Henry C. Harmon, Mimi Santika and Adi Nusantoro. ADP Trip Report No.3. 7-10 September 1993. +
4. Pangkalan BUN-Central Kalimantan. Henry C. Harmon and David Quane. ADP Trip Report No.4. 13-15 October 1993. +
5. Field Visit Report to Medan Rusdian Lubis. ADP Trip Report No.5. 28-31 October 1993.+
6. The ICCE International Conference on the Cocoa Economy. David Quane and Henry C. Harmon. ADP Trip Report No.6. 20-24 October 1993. +
7. Lombok and Bali. Henry C. Harmon. ADP Trip Report No.7. 8-13 November 1993.+
8. North Sumatera Hosticultural Exporters Association. Henry C. Harmon, David Quane and Yadi Suriadinata. ADP Trip Report No.8. 12-15 December 1993. +
9. Training Trip Report. Robert J. Haggerty. ADP Trip Report No.9. Dec 1993. +
10. Menado-North Sulawesi - the Export Products Exhibition of North Sulawesi. Henry C. Harmon and Yadi Suriadinata. ADP Trip Report No. 10. 7-9 February 1994. +
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KEY

* In preliminary draft

** In preparation

\+ Not available for public distribution

APPENDIX : 10

AGRIBUSINESS DEVELOPMENT PROJECT

Proposed Action Plan beginning 12 October 1994

1. New project description with defined processes, roles, and requirements for ADP, with AID/PIU/TA Team.

2. Base upon 1. above, a new scope of work and budget classifications for the DAI contract.

3. Support to th PIU to reinforce leadership role in ADP:

   A. Clarification, documentation and information requirements for project activity selection criteria.

   B. Design and implementation of a project management system for the PIU oversight of all ADP activities, using computer networks with documents in Bahasa.

   C. Establishment of a translation capacity so that ADP documents submitted to the Steering Committee and the PIU are in Indonesian.

   D. Ranking new project activity proposals based upon the criteria developed in A above for submission to the Steering Committee.

   E. Review and Revision of Year II activities to conform to new project description and processes.

   F. Preparation for the establishment of field offices based upon the regional priorities of the Steering Committee.

RESULTS OF TAT FOCUSING EXERCISE
OCTOBER/NOVEMBER 1994

(Source: ADP TA TEAM)

AGRIBUSINESS DEVELOPMENT PROJECT

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APPENDIX : 12

KADIN : UJUNG PANDANG ACTIVITIES 1994

* Temu Usaha (Business Forum) held in various locations
  . 4th Annual Meeting on Cashew Industry, April 30, 94, Kima
  . 5th Annual Meeting on Shrimp, July 2, 1994, Bone Utara
  . 3rd Annual Meeting on Horticulture, Aug 6, 1994, Sinjai
  . 4th Annual Meeting on Coffee, Aug 13, 1994, Tator
  . 4th Annual Meeting on Cocao, Aug 27, 1994, Marannu City
  . 2nd Annual Meeting on Silkworn, Nov 10, 1994, Wajo
  . 3rd Annual Meeting on Fisheries, Oct 20, 1994, Maros
  . 4th Annual Meeting on Livestock Feed, Sept 29, 1994, Gowa
* Typical Structure of Forum (example of Fisheries Temu Usaha Report prepared by Kadin):
  . Organizing Committee
  . Regional Coordinators (Local Kadin in each district)
  . Resource persons (representatives from regional/provincial office of MOA, MOI, Cooperators, Fisheries Service, Regional Investment office, Provincial Planning, Harbor Administration, Fisheries Association, Survey Department, BRI, Bank of Indonesia, Naval Command).

Papers presented

(1). Fisheries Information (Provincial Planning Agency)

(2). List of investment in South Sulawesi (SS) over last year (Investment Office)

(3). Fishery Commodities that can be competitive in the Export Market (SUCOFINDO)

(4). Fisheries Information for Key Products in SS. (MO Cooperatives) list of Cooperatives involved in Marketing, Landing Facilities.

(5). Fisheries Information: MO Trade

National Exports 1988-92, SS Exports by Commodity Vol. Value % Share 91-93; share of Importing Countries - Country value (from NAFED);

Importing countries for Filleted Fish (Fish/Frozen).

(6). Fisheries Information: Provincial Fishery Service

Potential in each category, performance, programme details incl. materials

provided, evaluation of Repelita V 1969 - 1992, Regional Exports.

(7). Fish Product Processing: Industrial Research Center/MOI (Balai Industri)

. Activities; Analysis of Agar-Agar

. Annexes: (By Kadin, SS)

- Conclusions from previous meeting
- Technical Information on techniques, credit systems, ideas for a central marketing facilities; shop plans

- Keynote address by Ministry of Agriculture to the ASEAN Fisheries Federation, June 1994.

APPENDIX : 13

SUMMARY OF PP INITIAL POLICY OBJECTIVES AND SUB-OBJECTIVES
(Source: PP, Annex C)

NO.1: DIVERSIFY AG PRODUCTION AND PROMOTE DEVELOPMENT OF AGRO-INDUSTRIES

* allow farmers to choose form alternative production possibilities
* make the Nucleus Estate System program in horticulture more attractive to private enterprise
* remove restriction on importation of planting materials; promote local production
* improve food quality control

NO.2: IMPROVE COORDINATION BETWEEN THE MOA/MOI

* improve staff quality
* improve capacity to meet needs for agrobusiness development
* synchronize agriculture with agro processing
* improve research and extension for horticulture crop's

NO.3: PROMOTE AGRIBUSINESS ASSOCIATION

* promote effectively export of their products
* remove restrictions inhibiting access to government of private sector

NO.4: IMPROVE FINANCIAL & INVESTMENT CLIMATE FOR AGRIBUSINESS

* ease retictions on collaterale requirements
* review GOI "negative list"
* improve investment climate for domestic & foreign investors
* explore viability of crop insurance

NO.5: ENHANCE BARGAINING POSITION OF SMALL SCALE AGRIBUSINESS THROUGH COOPERATIVES

NO.6 : RE-PRIORITIZED GOI EXPENDITURES TO SUPPORT PRIVATESECTOR AS PRINCIPAL SOURCE OF INCOME & EMPLOYMENT GENERATION

* decrease subsidy levels on fertilizer
* promote off-Java developed by improved transportation
* increase Civil Service salaries

NO. 7: INCREASE EFFICIENCY AND COMPETIVENESS OF AG TRADE

* lower import tarifs
* promote Ag exports
* reduce trade barriers
* reduce constraints on import/export of perishable commodities
* improve method of distributing import/export licences

* GOI review current duty drawnback scheme

APPENDIX : 14

CHARACTERISTICS OF SELECTED AGRIBUSINESS ASSOCIATIONS

NO.	NAME	NO OF ACTIVE MEMBER	PERMANENT OFFICE/M2	NO. OF PROFES SIONAL STAFF	OPERATIONAL BUDGET (RF. 000)	FREQ. OF MEETINGS	MEMBERS WITH EMPLOYEES		
							5-10	11-50	>50
1.	GAPKINDO	100	150	8	490000	4	0	38	87
2.	ASKINDO	125	YES	3	240000	6	-	168	42
3.	AEKI	360	1500	30	480000	2	-	960	240
4.	ASPEMTI	150	70	2	250000	12	11	120	30
5.	APCI	40	YES	-	120000	22	0	28	112
6.	GAPPINDO	14	YES	4	480000	4	0	0	14
7.	ABC	120	40	-	80000	11	0	0	0
8.	AEHI	25	-	-	10000	2	8	7	0
9.	AELI	20	100	5	40000	12	47	21	0
10.	APBIRI	13	20	-	3000	1	0	18	0
11.	GAPMMI	20000	YES	4	240000	4	0	0	0
12.	INDESSOT	2	20	1	120000	4	2	22	3
13.	APSARI	10	-	-	-	-	19	5	1
14.	ATI	55	10	-	249000	3	0	0	55

SOURCE: ADP ASSESSMENT, JAN 1994