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I. CERTIFICATION OF THE CONTINUED VALIDITY OF THE DEVELOPMENT ASSISTANCE PROGRAM FOR INDONESIA

Summary Narrative Statement

Although the Development Assistance Program for Indonesia was prepared after the oil price increases of 1973 and early 1974, most of the information on oil revenues and budgetary projections is now out of date. The principal themes and broad development issues identified in the DAP Summary Narrative Statement, however, remain generally valid. The following is current Mission thinking on U.S. economic assistance policy toward Indonesia.

In the past year, Indonesia's development prospects have improved significantly. The Indonesian economy is estimated by the IBRD to have grown by 9-10% in real terms and the development budget (net of subsidies) grew by approximately 67%. This favorable impact, however, is hardly sufficient to have transformed Indonesia into a country where the essential needs for a rapidly expanding population are being met. The amount of financial gain and degree of economic improvement resulting from oil sector earnings are small in absolute terms, even though relatively large given the very low base.

The World Bank, in consultation with the Government of Indonesia, has just completed a major review of Indonesia's development goals, self-financing potential, and foreign financial inflows required for the

balance of this decade. The basic qualitative goal of the Indonesian development effort as recognized in the Bank report is a doubling in the standard of living by 1985. This is to be achieved by priority concentration on employment generating investments while avoiding any further deterioration in the distribution of income. The World Bank has estimated that annual foreign financial inflows for public sector development programs during the next several years will be \$2 billion of which \$300 to \$500 million per year will be in bilateral concessional assistance.

Agriculture and population control are the keys to balanced growth outside the petroleum sector. Despite the agriculture sector's great potential, production has been sluggish in comparison with other developing countries and will remain so until such time as Indonesia's oil revenues can be translated into adequately trained staff capable of undertaking much greater planning and implementation. In recognition of Indonesia's enormous development problems and foreign financial requirements, the U.S. should structure an assistance commitment which, while recognizing both limited aid availabilities in the U.S. and the accelerated pace of development in Indonesia, responds to the urgent need of improving the standard of living of Indonesia's poor through population control, manpower training, and improved agricultural production.

U.S. Assistance

For the past eight years, the U.S. has provided large amounts of economic aid to Indonesia, predominantly in highly concessional forms.

In the wake of the change in Indonesia's financial situation, U.S. economic assistance has been adjusted downward and shifted in part to less concessional programs.

It is recognized that the subject of terms and amounts of assistance to be provided to Indonesia during the next several years is a controversial one. We believe the U.S. has sufficient political, strategic, and economic and developmental interests in Indonesia to warrant an active bilateral donor role, particularly in view of the current less favorable foreign exchange outlook. Foreign exchange reserves fell at a precipitate rate during the last six months of the recently concluded GOI fiscal year to \$921 million, \$9 million below the comparable figure for the preceding year. Moreover, the prospect is for no further increases in 1975/76 and there is a strong possibility that import coverage will continue below three months minimum throughout CY 1975. This evidence, when added to the above described conclusions of the IBRD/IMF assessment on Indonesia's development prospects, leads us to recommend a moderate level of U.S. economic assistance to Indonesia in FY 77 (\$50 million in development lending, \$15 million in development grants including approximately \$8 million in population control Title X funds and \$3 million in PL 480 Title II).

The amount of concessional assistance for FY 1976 has been reduced significantly compared with the amounts provided in FY 1975. FY 76 will probably be a relatively lean year in U.S. assistance, reflecting a period of further adjustment to Indonesia's greater foreign exchange wealth and increased project development work leading to a higher level of development loan and grant activities in FY 1977. In FY 1976 we will continue to explore opportunities for meeting Indonesia's needs on a reimbursable basis in those sectors where this is appropriate. We also will concentrate on implementation of projects authorized in prior years.

Sector Assessments

The Mission's review of the sector assessments in the DAP shows that they are still largely valid, particularly those sections describing priority development problems and the proposed strategy for AID involvement. It should be noted at the outset that two sector papers in the DAP (agriculture and education) represent summaries and analyses of major sector papers prepared by the World Bank while sector papers in health, population, rural development, and power represent Mission assessments. We suggest that the power sector review paper be retained as part of the DAP in view of AID's large pipeline investment in this area. Since we do not intend to provide any new financial commitments for power generation or distribution facilities, in keeping with the Congressional Mandate, a detailed review of the power sector assessment has been omitted from the Annual Budget Submission exercise.

-- Agriculture: The agricultural sector paper presented in the DAP and the World Bank Agricultural Sector Analysis dated June, 1973, continue to be largely valid and applicable to current conditions. The basic strategy outlined in the DAP paper is being pursued by the Mission in both the formulation of new projects and in the execution of ongoing activities. Among the former are several activities directed at the small brackish water fish producer. While this sub-sector was not specifically mentioned in the DAP as an area for U.S. assistance, the document does recognize the greatly under-utilized resource represented in fisheries. The Mission considers new project activity in fish production by smallholders entirely consistent with the major themes of the sector strategy.

The Indonesia program is now concentrated in the Agricultural Sector. The major projects authorized in this sector since the preparation of the DAP include the rehabilitation and construction of small-scale irrigation works, the development of a region with great agricultural potential in an under-populated part of South Sulawesi, and the construction of rural roads in the province of Aceh where the potential for increasing production has not been fully developed due to the lack of access to markets.

The Mission chose to treat Agriculture and Rural/Regional Development as separate sector studies in the DAP because at the time of writing the Government's broad strategy for developing the rural areas was in an early stage. The current view of the Mission is that the Government

still has not adequately identified programs or organizational policies for a meaningful integration of the two sectors. GOI development activities, including those with donor assistance, are all "projectized" in either one sector or the other. There is a growing effort, however, in regional planning for development, with the recognition that future projects in a given region should, at a minimum, be selected on the basis of complementarity. The Mission will again review the state of GOI planning early in 1976 with the purpose of possibly combining both the agricultural and regional/rural development papers into a revised single paper on rural/agricultural development.

It should be noted that the critical issue of managerial and technical leadership for the agricultural sector was not stressed in the Mission's sector paper because it is fully covered in the World Bank's Agricultural Sector Analysis.

-- Regional/Rural Development: The Regional/Rural Development Sector Analysis identified four specific regional/rural development problem areas at which proposed U.S. assistance would be aimed: (1) inadequate data collection and analysis as a basis for region-oriented decision making; (2) shortage of technical and professional planning capabilities; (3) administrative difficulties in coordinating and carrying out a number of complementary projects; and (4) insufficient financial and manpower resources allocated to high priority land development and rural physical and social infrastructure projects.

These problem areas remain valid targets for U.S. assistance efforts. Moreover, no significant changes have occurred in respect to either the general direction of GOI rural/regional development efforts or the Mission's perception of the primary constraints to successful implementation of these programs. A modest beginning has been made at further focusing development efforts at the lowest levels (Padat Karya/Rural Works Project), integrated area development (Luwu Area Development Project), and increasing regional planning capabilities (General Participant Training - Urban and Regional Planning and Area Development/Agricultural Resources Assessment). In FYs 1976 and 1977 further efforts will be directed towards developing an appropriate information base and an increased local capacity to respond to rural needs---Kabupaten Rural Development Management and Northern Sumatra Regional Planning Project. A second integrated area development project is also planned for FY 77.

While the Government of Indonesia has publicly stated on numerous occasions its commitment to improving the lives of the rural populace, it has yet to develop either comprehensive doctrine or an implementational strategy integrating agricultural and other rural development activities. A SEADAG-sponsored seminar to examine the issues involved in the development of a rural development strategy appropriate to the Indonesian situation is scheduled for August, 1975, and hopefully will help advance the thinking of several key Indonesian participants in this general area.

The Mission recognizes that the Regional/Rural Development Sector Assessment contains less than adequate treatment of the equity issue and that a good sector analysis should explore much more fully the possible alternative approaches to more equitable rural development in Indonesia. However, primary research in such areas as rural unemployment is considered highly sensitive by Indonesian authorities and, without empirical surveys, serious analysis of rural poverty cannot be undertaken. As long as Government policy prohibits social research in the rural areas, particularly when foreigners are involved, there is little likelihood that the Mission will be able to go much beyond the cursory treatment of equity issues contained in the current sector paper. In the meantime, the Mission will make every effort to involve the rural poor to the maximum extent possible in every new project initiative.

-- Education: The sector paper on education in the DAP was based on a draft of an extensive sector analysis prepared by the World Bank in early 1974. The Mission believes that the Bank's analysis represents a quality piece of work which is still generally relevant to the status of development in the education sector. Of particular significance in education planning are the major recommendations of the sector report regarding educational opportunity. They include: (1) the elimination of school fees in primary schools, (2) the channelling of new government resources into a nation-wide scholarship program for able but poor students, and (3) studies on ways to make the extensive infrastructure

for nonformal education (PENMAS) more effective. The Second Five-Year Plan (1974-1978) gives prominent place to the expansion and improvement of education and training and increases the allocation to the Ministry of Education twelve-fold over the first plan period. The Plan, however, does not deal with the causes of massive dropouts in the existing system.

The Mission's strategy in education focuses directly on the problems of equity. Two new research oriented projects are being initiated in FY 1975. One in Nonformal Education will explore opportunities in two defined geographic areas for innovative ways of improving selected productive skills of 10 to 24 year old rural youth. Another in Educational Finance will examine such issues as the inequitable fee structure for students and inadequate teachers' salaries.

Based on a highly favorable evaluation of the Higher Agricultural Education Project, the Mission is proposing to continue this project on a loan basis for another five years, with certain changes in emphasis and direction to make it more responsive to the needs of the rural areas.

The primary donors in the education sector are UNESCO and UNICEF in the area of technical assistance with the World Bank being the major outside source for capital financing. The Mission does not foresee major additional involvement on the part of AID in the education sector, although several new technical assistance projects will be proposed for FY 77

financing. The Ministry of Education has been asked to develop programs to make use of several channels in Indonesia's new communications satellite for instructional programs to reach wide audiences, both in school and out. The Ministry of Education has expressed an interest in U.S. technical assistance for the development of these programs. The Ministry has also asked us to consider a small experimental activity dealing with the social and economic causes of school dropouts. The Mission plans to continue assistance in human resource development through the continuation of the General Participant Training project in FY 77.

-- Population: The Population Sector Assessment continues to be a valid working document. The wisdom of the Government's conclusion to expand the national program into the outer islands as outlined in the sector paper has been questioned by a few observers. The Mission supports the outer islands effort because the population growth rate there is considerably higher than on Java and Bali and because the step-by-step expansion on the outer islands is in no way jeopardizing the program on the inner islands.

Of particular note during the period since preparation of the sector paper is the completion of an important cost-effectiveness analysis of the Indonesian National Family Planning Program. This study concludes that the overall program has already paid for itself in terms of what it would have cost to import rice to feed the children who were not born over the past five years.

The Mission recognizes the need for further activities in the general area called "beyond family planning" and is helping to finance a number of activities to gauge cultural factors under a small technical assistance project in Population Research and Development.

The central issue in the area of USAID assistance to Indonesia's population control effort is how long the U.S. should continue to grant-finance contraceptives for the national program. Although the Mission concurs with the concept of increased GOI procurement and funding of contraceptives, we believe the shift should be graduated over time in order to have reasonable assurance that the program will not be jeopardized due to the inability of the Indonesian Government to procure and fund at a rate required to maintain the full momentum of the program. Plans are being developed in cooperation with the Indonesian Family Planning Authority for a three year transition in oral contraceptive assistance at the end of which USAID would be phased out of supplying oral contraceptives.

-- Health: The Health Sector Review is still valid in terms of USAID's assistance activities. Policies and program priorities of the GOI in the health sector continue to stress low-cost delivery systems. Indonesia has the budgetary resources for major investment in low-cost health delivery; we can be most helpful working experimentally with the GOI to help realize this potential. Our strategy is to assist the Government

investigate and improve preventive and clinical services at the local level and to select several key areas for possible project development. One such area is rural sanitation and a project currently is being prepared in cooperation with the GOI which will provide for the ongoing training of a cadre of sanitarians and sanitarian technologists for the implementation of rural water/sanitation schemes. Projects in community immunization and primary health nurse training, which offer the potential of improving the health status of a large portion of the Indonesian population, also will be proposed in FY 77.

II. CENTRALLY FUNDED RESEARCH

The following is a list of at least some of the key development problems which could be dealt with through research efforts centrally funded in AID/W, as well as by any of the several other AID-supported research programs: RED/EARP, NSF/SEED, and research/project development activities with the USAID:

- (1) Effects of small-scale credit programs (Badan Kredit Kecamatan, etc.) on economic activity and welfare in rural areas.
- (2) Supplementary income sources for rural families (as land holdings diminish in size, what are people doing to increase income and how plentiful are the still unutilized opportunities?).
- (3) Effects of infrastructure projects, food-for-work programs, and other rural labor-intensive development projects on long-term level of economic activity in these areas (are such programs really creating lasting new economic patterns, or are they basically only short-term welfare programs? What, e.g., does a new road do to change attitudes of the local population towards development and life in general?).
- (4) Factors affecting price levels of basic commodities and the equity implications of regionally different price levels.
- (5) Identification of new areas within the country for both inland and sea fisheries development. (What are the most effective ways to organize Indonesian inland fisheries development projects? Where and how can tidal areas be converted to productive fishery developments?)

- (6) The organization structure of various types of cooperatives (how do we get the co-op system to support development goals?).
- (7) An anthropological look into the role of the Indonesian woman in her society, and how that role might be used or altered more effectively to integrate her into the national economy.
- (8) What are effective methods of extending on-the-job training to Indonesians?
- (9) Transmigration study (what are the most serious constraints to development of the transmigration areas, particularly as viewed by the transmigrants themselves?).
- (10) Rural Health (what are the essential ingredients for an integrated approach to rural health and hygiene in Indonesia?).

While suggesting these as useful topics for research in Indonesia, we must at the same time point out that the GOI probably would be reluctant to concur in a number of the proposals because of its general policy against permitting foreigners to conduct social and economic research in the rural areas (see page 8). The most feasible manner of conducting research in the rural areas is by supporting efforts of Indonesian researchers. A limited number of foreign researchers are working in Indonesia through a collaborative arrangement with Indonesian research institutions.

III. SUMMARY FUNDING TABLES

In accordance with AID/Washington guidance in AIDTO Circular A-241, the Mission is submitting more PIDs for FY 77 than will probably result in PRPs and PPs. This is being done on the assumption that some PIDs may be rejected on programming grounds while others may not prove feasible.

SUMMARY TABLE

FY 1976

(\$ 000)

	<u>F & N</u>	<u>PP & H</u>	<u>E & HR</u>	<u>S D P</u>	Development Assistance <u>Total</u>
<u>ONGOING GRANTS</u>					
Family Planning Assistance Services		6,088 ^{1/}			6,088 ^{1/}
General Participant Training			955		955
USAID/VolAg Co-Financing Project	417				417
Educational Finance			172		172
POP/Family Planning Research and Development		450			450
Maternal Child Health/Family Planning/Population		85			85
Health Research and Development		300			300
Area Development Agricultural Resource Assessment	216				216
Nonformal Education			440		440
Narcotics Control				108	108
Sub-total:	(633)	(6,923)	(1,567)	(108)	(9,231)
<u>NEW GRANTS</u>					
Inland & Brackish Water Fisheries Expansion	266				266
Kabupaten Rural Development Management	115				115
Secondary Crops Intensification	82				82
Project Development & Support ^{2/}	170 ^{3/}	40	30	20	260
Sub-total:	(633)	(40)	(30)	(20)	(723)
<u>LOANS</u>					
Rural Sanitation Manpower Development		3,300			3,300
Higher Agricultural Education			5,000		5,000
Citanduy/Ciseel River Basin Flood Control, Irrigation & Drainage	9,500				9,500
Technical Assistance & Consultants			2,200		2,200
Sub-total:	(9,500)	(3,300)	(7,200)	(-)	(20,000)
Total:	10,766	10,263	8,797	128	29,954
<u>P.L. 480</u>					
Title I (non-add)	(30,000)				
Title II (non-add)	(4,000)				

^{1/} Includes \$5.847 million in AID/W funded contraceptives.

^{2/} Project Development excluded from ranking by funding priority.

^{3/} Includes \$85 thousand for Lampung Brackish Water Pond Development Feasibility Study which may be funded under Project Development Loan 027, depending on availability of Loan 027 funds.

SUMMARY TABLE

I.Q.

(\$ 000)

	<u>F & N</u>	<u>PP & H</u>	<u>E & HR</u>	<u>S D P</u>	<u>Development Assistance Total</u>
<u>ONGOING GRANTS</u>					
Family Planning Assistance Services		1,762 ^{1/}			1,762 ^{1/}
General Participant Training			100		100
USAID/VolAg Co-financing Project	100				100
Educational Finance			50		50
Inland & Brackish Water Fisheries Expansion	37				37
Maternal Child Health/Family Planning/Population		-			-
POP/Family Planning Research and Development		-			-
Health Research and Development		75			75
Kabupaten Rural Development Management	45				45
Area Development Agricultural Resource Assessment	-				-
Secondary Crops Intensification	148				148
Nonformal Education			10		10
Narcotics Control				25	25
Project Development & Support ^{2/}	37	10	-	5	52
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total:	367	1,847	160	30	2,404
P.L.-480: Title II (non-add)	(800)				

^{1/} Includes \$1.702 million in AID/W funded contraceptives.

^{2/} Project Development excluded from ranking by funding priority.

SUMMARY TABLE

FY 1977

(\$ 000)

	<u>F & N</u>	<u>PP & H</u>	<u>E & HR</u>	<u>S D P</u>	Development Assistance <u>Total</u>
<u>ONGOING GRANTS</u>					
Family Planning Assistance Services		7,526 ^{1/}			7,526 ^{1/}
General Participant Training			1,000		1,000
USAID/VolAg Co-Financing Project	311				311
Inland & Brackish Water Fisheries Expansion	318				318
POP/Family Planning Research and Development		579			579
Area Development Agricultural Resource Assessment	81				81
Health Research and Development		491			491
Kabupaten Rural Development Management	190				190
Secondary Crops Intensification	184				184
Narcotics Control				93	93
Sub-total:	(1,084)	(8,596)	(1,000)	(93)	(10,773)
<u>NEW GRANTS</u>					
Northern Sumatra Regional Planning	350				350
Educational Research-Dropouts			150		150
Education Technology			500		500
Irrigation Training and Management	350				350
Agriculture Planning	130				130
Project Development & Support ^{2/}	60	30	30	15	135
Sub-total:	(890)	(30)	(680)	(15)	(1,615)
<u>NEW LOANS</u>					
Lampung Brackish Water Pond Development	4,000				4,000
Primary Health Nurse Training		12,000			12,000
Integrated Area Development	10,000				10,000
Kanjiro Irrigation System	3,100				3,100
Sederhana Irrigation II	20,000				20,000
Sedang Kecil Irrigation	20,000				20,000
Community Immunization		3,000			3,000
Sub-total:	(57,100)	(15,000)	(-)	(-)	(72,100)
Total:	59,074	23,626	1,680	108	84,488
<u>P.L.480</u>					
Title II (non-add)	(3,200)				

1/ Includes \$7.236 million in AID/W funded contraceptives.

2/ Project Development excluded from ranking by funding priority.

IV. ONGOING GRANT ACTIVITIES

A. Food and Nutrition

-- Area Development Agricultural Resources Assessment (497-11-199-238):

The Project Paper was approved in AID/W on June 8, 1975, and a Project Agreement will be signed before the end of June obligating FY 1975 funds for two BAPPEDA studies. Several BAPPEDAs are being contacted directly to accelerate the process of submitting study proposals to the central steering committee. Proposals will be screened promptly, and the two studies selected for initial funding will be described in the appropriate sub-obligating documents within the next three to four months.

-- Voluntary Agency Co-Financing Pilot Project (497-13-899-225):

This project was designed in response to AID's new directions guidelines. Under the project the Mission works in a collaborative style with Private Voluntary Organizations in supporting socio-economic development at the grass roots level. Funding is provided to selected PVOs to expand developmental activities within Indonesia which are in consonance with GOI development plans and AID's priority development goals. The USAID has approved 22 sub-projects encompassing such fields as credit union development, nutrition, rural public works, public health, irrigation, and vocational training. The project paper contemplated the granting to PVOs of \$315,000 by the end of FY 1975. Actual grants during this period will reach \$345,660. The life of project budget which involves a total obligation of \$1 million by the end of FY 77 is still valid. A PAR evaluation and review of the co-financing project is scheduled for September, 1975.

B. Population and Health

-- Family Planning Assistance Services (497-15-580-188.0):

The specific outputs of this project are the development and continuation of both public and private sector contraceptive distribution schemes. The planned outputs are being achieved and the project is moving ahead in accordance with the schedule set forth in the PROP. The following output indicators were registered during FY 1975. Three thousand eighteen clinics capable of providing oral contraceptives, IUDs and condoms were registered---2,482 on Java and Bali and 536 on the outer islands. Condom distribution was initiated through over 30,000 herbal medicine outlets and a mail order scheme covering Java and Bali. Condom distribution schemes via village leaders and through pharmaceutical distributors to retail drug outlets were tested in Jakarta Province. Sub-clinical, village level re-supply of both oral contraceptives and condoms through over 10,000 village distribution centers was begun in the three most populous provinces of East Java, West Java, and Central Java (combined population of 73.5 million).

The progress in achieving the planned outputs was instrumental in realizing the project purpose of increasing the prevalence of use of all legal types of contraceptive methods. During FY 75 it is estimated that contraceptive prevalence (as a percentage of married women age 15-44) increased from 13.1% to 18% as follows:

	Start FY 75	End FY 75
Pill	7.3%	10.1%
Condom	.7%	1.4%
IUD	5.1%	6.5%

These increases in contraceptive prevalence will help achieve the project goal of decreasing the natural rate of population increase by reducing fertility.

A newly revised Project Paper to provide funding for FY 1976 and FY 1977 was forwarded to AID/W for approval on March 4, 1975. Since that submission we have been informed (STATE 110393) that of the U.S. \$7.0 million in contraceptive inputs planned for FY 1975, only \$2.608 million can be funded with the remaining requirement being shelved (subject to the unanticipated availability of funds). Proposed inputs for FY 76 and FY 77 will have to be increased accordingly in order to avoid a break in the momentum of the program. Since contraceptive inputs were approved under this project but funded by AID/W, this change in scope will be reflected in tables VIII-A and VIII-B rather than the project budget table for this project.

-- Maternal Child Health/Family Planning/Population (497-15-580-188.2):

A PAR was submitted for this project on February 5, 1975.

-- Population/Family Planning Research and Development (497-15-580-188.3):

This three-year project was approved and initiated in FY 1975. The outputs are 10-15 research and development projects per fiscal year plus short and long-term training experiences aimed at developing a cadre of trained Indonesians capable of undertaking independent population/family planning research and project development.

Since the PROP was approved in AID/W on October 23, 1975, 10 research projects have been designed and are currently being implemented. Examples are the evaluation of the trial vasectomy program in Yogyakarta, a Jakarta fertility/KAP survey to evaluate the progress of the Jakarta family planning program, and the West Java clinic information program. In addition, 7 participants have completed short-term training experiences and 7 participants have been programmed for long-term training in population studies.

The funded and planned research activities will assist the GOI in improving the current national family planning program through problem solving and the testing of new approaches to better harmonize the program with community needs. The participants will strengthen manpower support---still critically short---for the population/family planning efforts of the Government of Indonesia.

The project is essentially on schedule and no significant changes are expected in its purpose, scope, or overall funding from the PROP.

-- Health Research and Development (497-11-599-230):

This three-year project was initiated in FY 1975. The output is a series of rural health care research, evaluation, or pilot sub-projects. The results of the research will be available to GOI planners for use in making critical policy decisions. The specific indicators of the project outputs will be the design and implementation of approximately 7 - 10 specific sub-projects per year.

Four sub-projects have been funded and initiated. By the end of FY 1975 an additional three to four will be under way. The implementation of the sub-projects will provide more reliable health system data by which the GOI can accelerate improvements of the health care system. Implementation of these sub-projects will also contribute to the secondary project purpose; strengthening the institutional growth process of the GOI's Health Research and Development Institute.

The project is on target in all its major aspects and no changes in the Project Paper are contemplated. Overall funding levels are reasonable.

C. Education and Human Resources

-- General Participant Training (497-11-690-183): A PAR for this project was submitted on April 22, 1975.

-- Educational Finance (497-11-680-229): The Project Paper for the Educational Finance Project was approved in Washington. A Project Agreement has been drafted and will be signed before June 30, 1975. Sub-obligating documents are under preparation and it is hoped that the principal project advisor will be on board by September 30, 1975, under a personal services contract. There have been no revisions in project strategy since the PP's submission several months ago.

-- Nonformal Education (497-11-670-234): The Project Paper for a small research project in nonformal education was submitted to Washington on May 16, 1975. At the time of this writing, the paper was still under review in Washington. On the assumption that the project will be approved for initial funding this fiscal year, a project agreement has been prepared for signature prior to June 30, 1975. Project implementation will get under way in early FY 1976.

D. Selected Development Problems

-- Narcotics Control Project (497-11-995-226): The Narcotics Control Project aims at establishing an effective national body to coordinate all activities relevant to drug abuse in Indonesia, plus rehabilitative drug dependency units in Jakarta, Surabaya, Medan and, possibly, Bandung.

A National Narcotics Coordinating Board has been established by presidential decree and is beginning to establish working relationships with GOI non-enforcement agencies concerned with drug abuse problems (Departments of Education, Health, and Social Affairs) to supplement its established role vis-a-vis the narcotics activities of traditional enforcement agencies. An effective detoxification drug dependency unit, partially staffed with AID participants, has been established in Jakarta and another is in the process of being established in Surabaya. While project implementation in this respect is basically on schedule, a significant constraint to further training inputs is the lack of candidates (particularly from enforcement agencies) sufficiently qualified in English to benefit from either U.S. or third country training. Another, though temporary, constraint is the failure of most agencies to budget for international transportation costs connected with overseas training. Despite these constraints the life of project funding remains valid though the bulk of expenditures will tend to occur in fiscal years 77 and 78.

V. PL 480 TITLE I

During the period of Indonesia's first Five-Year Development Program (1969-1974) the United States provided, within the framework of the IGGI, over \$600 million in agricultural commodities under PL 480 Title I. In addition to helping Indonesia meet critical commodity shortages, particularly food grains, PL 480 Title I as balance of payments assistance contributed significantly to achieving and maintaining economic stability.

Indonesia is now benefiting from increased export earnings although import costs have also increased substantially. In recognition of Indonesia's improved financial position but continuing great need to accelerate its development effort, AID program lending was discontinued in early 1974 and increased priority was assigned to project development lending activities. The United States continues to be strongly interested in Indonesia's development effort and at the May, 1975, meeting of the IGGI the U.S. delegation pledged to provide, subject to the standard caveats regarding the availability of funds, \$50 million (including \$30 million in PL 480 Title I), in support of Indonesia's 1975/1976 development program.

The PL 480 program for FY 76, accordingly, should be viewed within the context of our IGGI pledge which, in turn, is part of a broader U.S. Government strategy of demonstrating continued support to the Indonesian government and its development program. By FY 1977, project development efforts now under way should enable us to achieve our priority goal of an expanded project lending level of \$50 million and thereby permit us to terminate PL 480 Title I activities.

With regard to the commodity composition of FY 1976 PL-480 Title I assistance, we believe cotton is the most appropriate commodity for the U.S. to finance. Current information indicates that domestic rice production, existing stocks, and already agreed to commercial imports are adequate to cover Indonesia's rice needs in the coming year. We believe it would be undesirable to provide wheat under Title I given current GOI policies regarding wheat subsidies and milling profit margins.

PL 480 Title 1 Agreements and Shipments

Commodity	FY 1975 Estimate		FY 1976 Request		Carryover to Interim Quarter (\$)				
	Agreements (bales)	Shipments (bales)	Agreements (\$)	Shipments (\$)					
Cotton	195,000	25,383	195,000	30.0	118,000	55.0	250,000	15.9	63,000

Commodity	Interim Quarter		FY 1977 Request		Carryover to FY '78 (\$)				
	Agreements (\$)	Shipments (bales)	Agreements (\$)	Shipments (bales)					
Cotton	-0-	15.9	63,000	-0-	-0-	-0-	-0-	-0-	-0-

V. (Continued)

PL 480 TITLE II

As noted elsewhere in this budget presentation, the Government of Indonesia has become increasingly aware of the need to direct greater development resources for programs which benefit the poorest majority of its population. At the same time, however, the GOI is limited in its ability to respond to these needs by shortcomings in organizational capacity and the scarcity of resources. It is in these regards that Title II contributes most effectively to the attainment of overall GOI priority goals and is in keeping with overall Mission policy of concentrating U.S. assistance on the rural poor as stated in the FY 1975 Development Assistance Program.

Title II resources, provided through CARE, Church World Services and Catholic Relief Services, are focused directly on the development and human needs of significant segments of Indonesia's poorest majority. CARE, for example, is especially emphasizing maternal and child health programs and is assisting the Government of West Java to develop a more meaningful involvement with all aspects of nutrition. This effort is also supported through the VolAg Co-financing Project and is illustrative of the manner in which Title II activities are integrated into other assistance resources to solve priority development problems. CRS and CWS Title II programs also give due emphasis to MCH and general nutrition activities and additionally encourage the implementation of food for work projects which will help to increase food production among smallholders. All VolAg Title II efforts are specifically directed at the program priorities of maternal and child health and food for work except that CWS continues to provide very limited assistance to orphans in selected institutions throughout Indonesia.

MISSION REVIEW OF CARE/INDONESIA FY 77 TITLE II PROGRAM PLAN
(See Attachment B-1 per AIDTO CIRC-287, para F.3.)

References: (A) TOAID A-45 (date sent 4/11/75)
(B) STATE 039119

This review follows closely the time of issuance of reference A in which the CARE FY 76 program plan was reviewed. The FY 76 review should be read in conjunction with this one.

The FY 76 AER would provide 10,239,000 lbs. with a commodity mix of WSB, WSD, GR SORGH., CORN and SOY OIL. The FY 77 program plan calls for the same commodity mix with total weight of 7,503,000 lbs. However, the proportions in the commodity mix for FY 77 reflect a planned progression to eventual substitution of indigenous commodities for the Title II inputs. For FY 77 there is a much greater proportion of unprocessed grains which are to be used in "demi-indigenous multi-mixes." This would be transitional to "fully-indigenous multi-mixes."

It is noted that the total cost of commodities for FY 77 would be \$1,249,000 compared to \$2,817,000 for FY 76 based on unit values stated in reference B.

The Mission considers that the distribution and use of Title II commodities planned by subject document reflect only essential requirements for priority programs.

The USAID favorably endorses CARE's planned use of Title II commodities for the FY 77 period. We are of the opinion that CARE is realistically designing a complementary interaction between Title II utilization and their USAID Co-Financed Integrated Nutrition Project which should result in increased interest and efforts on the part of the GOI to support unilaterally an effective MCH program.

Country: INDONESIA

Sponsor: CARE

Maternal and Child Health - Total Recipients 180.0

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds</u>	<u>Dollars</u>
180.0	WSB	2,700	303
180.0	WSD	1,503	676
180.0	GR. SORGH (bagged)	1,500	78
180.0	CORN (bagged)	1,500	87
180.0	SOY OIL	300	105
	TOTAL MCH	7,503	1,249

MISSION REVIEW OF CRS/INDONESIA FY 77 TITLE II PROGRAM PLAN
(See Attachment B-2 per AIDTO CIRC-287, para F.3.)

References: (A) TOAID A-33
(B) STATE 039119

The CRS FY 76 AER and Program Plan were forwarded by reference A on 3/24/75. That Mission review is pertinent to the FY 77 Program Plan and should be read in conjunction with the following comments:

The FY 77 Plan contemplates the distribution of 18,307,000 lbs. of commodities made up of S.F. BULGUR and WSB for 122,000 recipients. The FY 76 program calls for 18,912,000 lbs., including S.F. BULGUR, WSB and S.F. ROLLED OATS, for the same number of recipients.

CRS/Indonesia has encouraged its counterparts to conduct nutrition programs integrated with or complemented by Title II distributions. The USAID/CRS Co-Financing projects identified as "Jakarta Nutrition Program" and Surabaya Intensive Nutrition Education Program" contemplate the following combined results: (1) 22,000 mothers trained in basic family nutrition, (2) rehabilitation and treatment of 19,000 mal-nourished children, (3) 72 nutrition center operators trained, and (4) 900 volunteer nutrition workers trained. The Mission considers these nutrition activities to be highly significant and that they probably will serve as a model for future GOI efforts in the field of nutrition.

The Mission considers that the proposed distribution of Title II commodities reflects only essential requirements for priority programs. We favorably endorse CRS's planned use of Title II foods for the FY 77 period.

Country: INDONESIA

Sponsor: CRS

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Pounds</u>	<u>Dollars</u>
<u>Maternal and Child Health - Total Recipients 72.0</u>			
72.0	S.F.BULGUR	3,456	294
72.0	WSB	<u>2,851</u>	<u>320</u>
TOTAL MCH	-	6,307	614
 <u>Food for Work - Total Recipients 50.0</u>			
50.0	S.F.BULGUR	12,000	1,020
TOTAL FFW	-	12,000	1,020

CWS/INDONESIA FY 77 TITLE II PROGRAM PLAN
(AIDTO CIRC-287, para. F.3.)

The position of Director CWS/Indonesia has been vacant for some weeks. The newly appointed Director is scheduled to arrive in Jakarta before the end of June and the Mission will request the submission of the FY 77 program plan by August 1. At the same time, the Mission has conferred with CWS staff in Indonesia and has determined the general magnitudes of Title II support necessary to successfully carry out the modest CWS program through FY 77. Those figures are presented in the following table.

Country: INDONESIA

Sponsor: CWS

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Pounds</u>	<u>Dollars</u>
<u>Maternal and Child Health - Total Recipients 15.0</u>			
15.0	BULGUR	48	4
12.0	S.F.R. OATS	<u>288</u>	<u>32</u>
TOTAL MCH	-	336	36
<u>Other Child Feeding - Total Recipients 6.1</u>			
6.1	BULGUR	484	39
4.0	S.F. FLOUR	317	34
4.0	S.F.R. OATS	317	35
4.0	S.F.SORGH.GRITS	<u>317</u>	<u>29</u>
TOTAL Other Child Feeding	-	1,435	137
<u>Food for Work - Total Recipients 20.0</u>			
20.0	BULGUR	<u>1,760</u>	<u>143</u>
TOTAL FFW	-	1,760	143

VI. SUMMARY TABLE

A.I.D. Financial Support for Private Voluntary Organizations

Country: INDONESIA

		(\$ 000)	
		INT.	
ONGOING GRANTS:	<u>FY 1976</u>	<u>QTR.</u>	<u>FY 1977</u>
A. Ongoing OPG (initiated FY 75)	0	0	0
Subtotal of which cooperatives	(0)	(0)	(0)
 B. Non-OPG			
VolAg Co-financing Project	417	100	311
Subtotal of which cooperatives	417 (75)	100 (10)	311 (62)
 NEW GRANTS:			
A. OPG	0	0	0
Subtotal of which cooperatives	0 (0)	0 (0)	0 (0)
 B. Non-OPG	0	0	0
Subtotal of which cooperatives	0 (0)	0 (0)	0 (0)
 LOANS:	0	0	0
Subtotal of which cooperatives	0 (0)	0 (0)	0 (0)

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number
497-11-810-237

4. Bureau Code
EA 2

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PP

Proposed Date of Submission:
November 1975

5. Project Title
A. Kabupaten Rural Development Management
B. NA

6. Estimated Initial/Final Obligation
FY 76 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1=414.5)
AID Approp. 350.
Other U.S. _____
Total U.S. 350.
Host Govt. 125.
Other Donor(s) _____
Total 475.

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes
NA

10. AID Appropriated Funds (\$000)

11. Other U.S.

Appropriation		Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs.
Symbol	Code		Grant	Loan	Grant	Loan			
NA	NA	NA	115	-	350	-	H.I.G.	-	-
							PL 460-Title II	-	-
Total			115	-	350	-	Total	-	-

12. Project Goal
Improved management and planning of rural development at the sub-district level.

13. Project Purpose(s)
To develop and introduce techniques for quickly and accurately defining the needs of the rural poor, and responding to them through existing governmental structure and programs.

14. Planning Resource Requirements (Staff/Funds) 1.25 mm of assistance from AID/W TDY or Project Development and Support resources.

15. Originating Office Clearance
Signature: *William G. Bully*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

KABUPATEN RURAL DEVELOPMENT MANAGEMENT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Prior to the First Five Year Development Plan (Pelita I) in 1969 the GOI administrative structure was primarily concerned with the carrying out of routine and political activities, the nation's goals at that time being national integration, stability and security. With the inauguration of Pelita I, however, the government administration was given the additional task of "promoting and directing society toward development." In keeping with the primary goals of Pelita I the central government instituted a number of programs designed to increase agricultural production and to rehabilitate and expand the agricultural infrastructure. Principally due to the lack, at the central level, of information required to identify suitable projects, but also in recognition of an underutilized layer of government, it was decided to delegate implementation of a number of these programs to the bupati and the various "dinas" (representatives of Central Ministries) at the kabupaten (district) level. The largest of these centrally funded programs directed at rural needs is the Kabupaten INPRES Program which now provides Rp. 400/capita for development efforts at the kabupaten level and which places upon the kabupaten the tasks of planning, selection, design and implementation of a sizeable number of small to medium sized projects.

Pelita II has continued and generally intensified these agriculture and infrastructure programs and has added a new demand on the kabupaten -- improved delivery of social services. New social sector programs include construction of primary schools and upgrading of educational facilities through the "Education INPRES" program and construction of PUSKESMAS/BKI and rural water supplies through the "Health INPRES" program. These economic development and social service programs require that the kabupaten quickly develop a minimal planning capacity sufficient to determine priorities based on adequate and timely base-level information as well as continuous monitoring to assure constant adequacy of supplies (books, fertilizers, pesticides, chlorine, etc.) and regular maintenance of facilities (irrigation canals, school buildings, rural roads, etc.).

The primary objective of this project is to develop and introduce techniques for quickly and accurately defining the needs of the rural poor and responding to those needs through the existing governmental structure and programs. The proposed two-year grant project is a pilot effort to apply a systems approach to the management and planning of rural development efforts at the kabupaten level. It is predicated on

the assumption that it is the capacity of the system as a whole rather than isolated parts which must be the focus of attention in planning and implementing a rural development program. The project views the kabupaten administrative structure as the central institution in the implementation of any rural development strategy and therefore places emphasis on the development of processes which link planning with effective implementation at the local level and which facilitate feedback of information from the base level to the kabupaten government. The capacity of kabupaten officials to diagnose problems in light of accurate information on local conditions is a primary concern.

Under the project a team of consultants will be based at a selected provincial capital and, at the direction of the governor, will be assigned to work with four or five specified kabupaten. The team will be comprised of two U.S. management consultants (at least one of whom will already be familiar with GOI local administration), two representatives of an Indonesian rural research institute (e.g., from GAMA or Satya Wacana), and two representatives of the Ministry of Public Works at the provincial level. The makeup of the team is designed to assure that the project will focus both on increasing the kabupaten capability to respond to the needs of its rural populace and on increasing the effectiveness of the kabupaten administrative system in terms of the needs of provincial government planners and administrators.

Since knowledge concerning the present kabupaten level decision making process does not exist at any higher level of government, the first phase (4-6 months) of the project must be devoted to conducting an analytical review of planning, implementation, and management policies and practices in the kabupaten to be assisted. Examples of issues which would be examined in this phase include:

- a) the method by which information is presently fed into the current decision making system and the manner in which it is utilized in the planning process;
- b) the method by which targets are set and the extent to which these targets are appropriate;
- c) the extent and method of coordination of the various programs implemented at the kabupaten level;
- d) the extent and method of coordinating the various elements within specific projects;
- e) the existence of major bottlenecks, the levels at which they occur, and their primary causes;
- f) identification of local officials in key positions to affect the lives of the rural poor.

With this information in hand the consultant team will work with kabupaten officials to help determine the kabupaten's immediate informational needs and develop feedback systems to provide the required information in a timely and accurate fashion. Throughout this process the team will be guided by the data-absorbitive capacity of the kabupaten decision making machinery as well as by its need to make reasonably well-informed decisions regarding the utilization of centrally-funded inputs. The team will also work with local officials in developing systems to facilitate the accurate monitoring of development programs and crucial sectors, develop realistic job descriptions where the lack of these appear to be a constraint to the smooth functioning of the administrative apparatus, identify specific training needs for key local officials and develop short-term courses (perhaps at an Indonesian management institute) to meet these specific needs, and introduce the use of appropriate low-cost visual tools into the planning and monitoring process.

The project life will be approximately two years in order to allow sufficient time for experimentation and the completion of two planning cycles. In this regard, the project should be viewed primarily as a non-academic practical workshop offering kabupaten officials opportunities to work through actual planning exercises, utilizing problem-solving and goal-setting techniques, under the guidance of the combined consultant team. Funds will be made available under the grant for purchase of training instruments, construction of such visual tools as simple illuminated map boards, flow charts, etc. Funds will also be made available for planning and carrying out one or two small "test projects" such as a village road, a small irrigation canal, or the like.

The achievement of project success assumes that the system as it now exists is capable of responding more effectively to the needs of the rural poor and that kabupaten officials are willing to work with the consultant team both in identifying constraints to the system and in seeking and applying means to alleviate these constraints.

While development of the overall government apparatus has not been completely ignored, improvements in government administration to date have been directed principally toward a reduction in the bureaucracy, simplification of the Central Government's administrative structure, improvement in the relations between the Central Government and the provinces, and a better definition of the main duties of government organizations. The GOI has recently begun to develop a planning capacity at the provincial level and efforts in this area are being supported by USAID's Area Assessments Agricultural Project. No realistic alternatives, however, exist for developing the capability of local governments to respond to rural needs. Systems adopted as a result of this project will be chosen because of their direct benefit to the rural poor. Certain inputs, such as training of key local officials, however, will directly benefit those officials and only indirectly benefit the target population. The project is a pilot effort and is intended to explore the possibilities for improvement in the response capability of local government. The GOI has already indicated a desire to apply successful interventions in kabupatens outside the scope of this project.

II. FINANCIAL REQUIREMENTS AND PLANS

The project is estimated to require \$350,000 of USAID grant support while the GOI is expected to contribute requisite housing and vehicles for the expatriate consultants and to make available to the team the time of local officials concerned with the project. It is expected that the total GOI contribution will exceed 25% of project costs.

III. DEVELOPMENT OF THE PROJECT

As noted above, almost no information now exists on the manner in which kabupaten governments function, the processes by which decisions are reached, or the potential capabilities of that layer of government. The project includes a preliminary survey to assist in clarifying some of these issues. However, it is believed that the in-depth knowledge essential to effecting significant improvement in the implementation of rural development programs can only be obtained through extended contact and interaction with kabupaten officials and small farmers.

Although no PRP is intended for the project, five weeks of TDY assistance beginning early September, 1975, will be required to undertake final negotiations with the GOI and the rural research institute, and to assist in the preparation of the PP to be submitted in November, 1975.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

It was originally intended that the GOI Department of Home Affairs be the counterpart agency for this project. While this Department has expressed strong interest in and a positive regard for the project, it has declined to officially endorse the project and will not be a co-signatory to any project-related agreements in accordance with its overall policy of not entering into direct agreements with foreign aid agencies. BAPPENAS, the national planning agency, in conjunction with the Department of Home Affairs, however, has approached the Department of Public Works in this regard and that Department has expressed willingness to serve as the counterpart agency. At the same time, we have been assured of the fullest cooperation of the Department of Home Affairs within the scope of the project.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code
Add Delete Change

1. Country/Regional Entity/Grantee INDONESIA		2. Document #1 -- PID Status: New <input checked="" type="checkbox"/> Revision # <input type="checkbox"/> Proposed Next Document: PP Proposed Date of Submission: June 1976	
3. Project Number 497-11-699-259	4. Bureau Code EA 2	6. Estimated Initial/Final Obligation FY 77 _____ FY 78 _____	
5. Project Title A. Educational Research - Dropouts B NA		7. Estimated Cost (Life of Project) (\$000 or equivalent. \$1=414.5) AID Approp. 400. Other U.S. _____ Total U.S. 400. Host Govt. 200. Other Donor(s) _____ Total 600.	
8. Purpose Code Category NA Code NA			
9. Special Concerns Codes NA			

10. AID Appropriated Funds (\$000)							11. Other U.S.		
Appropriation Symbol	Code	Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs.
			Grant	Loan	Grant	Loan			
NA	NA	NA	150	-	400	-	H.I.G.	-	-
							PL 480-Title II	-	-
Total			150	-	400	-	Total	-	-

12. Project Goal
To increase educational opportunities for children from rural poor families.

13. Project Purpose(s)
To examine the existing economic and social causes of high primary school dropout rates, and to propose a strategy of remedial measures for the dropout problem.

14. Planning Resource Requirements (Staff/Funds)
2 mm of assistance from AID/W TDY or Project Development and Support resources.

15. Originating Office Clearance
Signature: *Walter J. Ballyer*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975
Date Received in AID/W, or for AID/W Documents; date of Distribution:

EDUCATIONAL RESEARCH - DROPOUTS

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Most Indonesian youths receive some primary education but few complete the six-year cycle. About 85 percent of the primary age group enter primary school. About a third of the entrants drop out by grade three, 60 percent by grade six; only about one-fourth of the initial entrants successfully complete the sixth grade. In absolute terms the number of dropouts ranges from 1.2 to 1.5 million children a year.

It is estimated that approximately 7 million eligible children are not attending primary school in Indonesia because they dropped out or never enrolled. Females and children from the rural areas make up a disproportionately large percentage of this figure. There are also major inter- and intra-provincial imbalances in primary school attendance which will be perpetuated unless a concerted effort is made to overcome them.

The proportion of children from low income families decreases rapidly as one moves up the educational ladder. Dropouts at each level tend to come mostly from families with a comparatively low socio-economic profile. The World Bank Education Sector Analysis observes that although this is often the case in many other countries, in Indonesia the process seems particularly pronounced in the early years of primary education. A comparison between the adult population and parental background of primary students reveals a disproportionate participation of relatively wealthier families.

Parents frequently cannot afford the direct (tuition) or indirect (loss of labor) costs of sending their children to, or keeping them in, school. Although a new proportionate fee structure based on family income was introduced in 1971, absolute fee levels remain high and effectively bar children from rural or urban poor backgrounds. Other than an occasional remission of fees on an individual basis, there is no program of scholarships or bursaries to assist the education of talented but poor students.

Project Purpose:

The purpose of this project is to examine the existing causes, both economic and social, of high primary school dropout rates and propose a strategy of remedial measures for the dropout problem. The proposed research would experiment with several strategies to deal with dropouts that could possibly be adopted in Repelita III. These might include (a) elimination of school fees; (b) improving school services; (c) changing curriculum content; or (d) changing student-teacher ratios.

Project Outputs:

- A greater institutionalized capability for planning and carrying out research activities related to major policy issues in the field of education.
- A strategy proposal for dealing with the large number of primary school dropouts that could be included in the Third Five-Year Plan.

Project Inputs:

- Advisory/consultancy assistance for conducting experimental studies and developing an overall strategy to deal with dropouts.
- Small amounts of commodities and supplies related to pilot study activities.
- GOI permanent senior staff and office space.
- Local currency support for field studies and in-country training.

Project Duration:

The estimated disbursement period would be two and one-half years from the time of the initial obligation.

Major Assumptions:

- The Government of Indonesia will continue to emphasize concern for the disadvantaged in its education planning.
- Recurrent and operational budgets will increase to support new programs recommended for inclusion in the Third Five-Year Plan to reduce the number of school leavers.
- Personnel identified for training are assigned to the project on a work study basis.

Host Country and Other Donor Activity:

The Second Five-Year Plan assigns the highest priority to primary education. As evidence of the priority, the Government has undertaken a crash program to build six thousand new primary schools and appoint 29,000 new primary teachers. UNICEF, the Canadian Government, and the World Bank are assisting an effort to improve the quality of primary education through an integrated program of textbook production, teachers'

guides, and in-service teacher training courses. The relationship of school fees and educational opportunity will be examined as part of the AID-funded project in educational finance.

Spread Effect:

Although this project is experimental in design, it is expected that the research results will lead to policy decisions that affect the entire primary school system.

Beneficiaries:

Although the initial beneficiaries will be the Government planners associated with carrying out the research on dropouts, the major beneficiaries will be the 1.2 to 1.5 million children (primarily female and rural) a year who drop out at the primary level and who, as a result of the project, should have greater access to a primary school education.

II. FINANCIAL REQUIREMENTS AND PLANS

The best estimate of the cost of the project is approximately \$600 thousand. AID would provide \$400 thousand for all foreign exchange costs and a portion of the local currency costs and the Government of Indonesia would contribute \$200 thousand in staff time, and logistical support costs.

III. DEVELOPMENT OF THE PROJECT

Since this project will be below \$500 thousand, it is proposed to move directly to preparation of the Project Paper. This will be accomplished with the assistance of two month-long AID/W TDYs -- the first in September 1975 to help with the general design of the Project Paper and the second in January 1976 to help put together the basic research design including recommendations as to specific research activities, timing, and resources (both technical and financial) to carry out the proposed work. Since the Mission has no education officer on its direct-hire staff, additional TDY assistance may be necessary.

The Project Paper will be submitted during June 1976.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee INDONESIA		2. Document #1 -- PID Status: New <input checked="" type="checkbox"/> Revision # <input type="checkbox"/>	
3. Project Number 497-11-199-246	4. Bureau Code EA 2	Proposed Next Document: PRP	
5. Project Title A. Northern Sumatra Regional Planning B NA		Proposed Date of Submission: January 1976	
6. Purpose Code Category NA Code NA		6. Estimated Initial/Final Obligation FY 77 FY 79	
9. Special Concerns Codes		7. Estimated Cost (Life of Project) (\$000 or equivalent. \$1 = 414.5) AID Approp. 860. Other U.S. _____ Total U.S. 860. Host Govt. 300. Other Donor(s) _____ Total 1,160.	

10. AID Appropriated Funds (\$000)				11. Other U.S.					
Appropriation Symbol	Code	Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs
			Grant	Loan	Grant	Loan			
NA	NA	NA	350	-	1,160	-	H.I.G.	-	-
							PL 460-Title IX	-	-
Total			350	-	1,160	-	Total	-	-

12. Project Goal
To increase rural income and participation in the development process.

13. Project Purpose(s)
To develop an institutionalized planning organization for Northern Sumatra with the objective of furthering inter-provincial cooperation and facilitating regional consultations as well as strengthening communications between the region and the central government.

14. Planning Resource Requirements (Staff/Funds)
No assistance anticipated.

15. Originating Office Clearance
Signature: *William J. Bolger*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W. or for AID/W Documents; date of Distribution:

NORTHERN SUMATRA REGIONAL DEVELOPMENT PLANNING

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

The Problem:

Given the successful achievement of the two dominant objectives of the first five year plan -- political unity and economic stability -- new sets of development problems have forced themselves into national attention. These are mainly concerned with the more equitable distribution of the benefits of economic progress -- and the increasing social and political importance of bringing a more organized and energetic development program to those regions clearly lagging behind in the national development effort.

As established by the Indonesian National Assembly and the National Planning Agency, the Repelita II regional development objectives are:

- (1) To reduce inequalities in the rate of development between regions.
- (2) To reap the highest possible benefits from the potentials of the different regions, both from the national development point of view and from that of individual regions.
- (3) To develop mutually profitable economic connections between provinces in the context of a unified national economy.
- (4) To provide special emphasis to regions whose inhabitants are relatively poor and are not participating in the country's development.

Laudable as these goals are in the current Indonesian development situation, it is fully recognized that neither the institutional structure nor the skilled professional manpower currently exists to the degree required to translate these objectives into effective development action.

The Proposed Response:

The USAID Rural and Regional Sector Assessment stresses that AID assistance efforts will supplement GOI programs. The project in this PID addresses some of the primary institutional constraints to coordinated development efforts which are identified in the DAP -- (1) inadequate base of "decision making" information for the northern Sumatra region, (2) shortage of technical and professional planning capabilities, (3) difficulties in coordinating the implementation of various projects, and (4) insufficient financial and manpower resources allocated to high priority land development and rural physical and social infrastructure projects.

Project Goal

The project's goal is to bring about an institutionalized planning organization with the capability to develop policies, programs and projects which more effectively respond to the needs of the 13 million people in the northern Sumatra region. Although predominately agricultural, the region's economy is quite diversified. The result is numerous pockets of poverty and under-employment. To date development planning has not addressed the economic relationships of these areas with the rest of the region, nor has it developed a plan for integrating them into the development process. The purpose of the project is to further inter-provincial cooperation and facilitate practical regional consultations and policy deliberations, and to strengthen links and communication between the region and the central government, and in the process help (1) identify development problems and potentials, (2) determine existing and anticipated constraints, (3) analyze and propose development alternatives, and (4) recommend programs and projects.

Project Outputs

1. A long-term regional development strategy.
2. A systematic selection and coordination of high priority area development projects that are integrated into the long-term strategy.
3. Organization of a permanent regional information system.
4. A stronger more regionalized planning apparatus through the provision of sustained assistance to the four provincial planning bodies, (BAPPEDAS), and the establishment of a training program for their planning staffs and the planning staffs of provincial level sectoral agencies.
5. Practical development evaluation and monitoring procedures.

Project Inputs

1. Three full-time advisors for three years to further the development of a planning office for the region and to work systematically with planners of the sectoral agencies and general planning bodies at the provincial level (\$600,000).
2. Short-term technical expertise (\$100,000).
3. Training for provincial and sectoral planners (\$80,000).
4. Facilities, equipment and supplies to facilitate the development of a regional information center (\$80,000).
5. Establishment of regional project office facilities, provision of full-time Indonesian staff, and support costs (\$300,000).

Other Donor Activities

A number of other donors are involved in regional planning activities for various geographical locations. The objective of all of these efforts is to develop a master development plan for a specific area. They are not oriented to either the evolvement of a sustained planning activity or the development of an institutional planning capacity and the GOI has become increasingly concerned about the usefulness of this approach. They are quite willing to try an innovative approach that has the potential of increasing their own planning capacity.

Relationship with Other AID Activities

This project differs from USAID's Agricultural Area Assessment project in that it involves sustained, day-to-day, long-term multi-sectoral, inter-regional and sub-regional program and policy planning for a specific region rather than planning for individual projects which are readily implementable and high priority but are area and beneficiary specific. A PID is also being submitted for an agricultural planning project at the central government level. The Mission will continue to evaluate these planning activities assessing the potential for future integration.

Beneficiaries

The project's beneficiaries include to some degree all of the region's thirteen million residents. More of an impact will be felt by workers in those sectors where inadequate or uncoordinated planning is deterring the exploitation of development potential, e.g., diversification of agricultural production, light industry to supply agricultural and industrial inputs as well as consumer goods. Many of the region's 11 million rural people (larger than the population of Malaysia) live in pockets of poverty and do not have the opportunity to participate in Indonesia's development. It is expected that planning and execution of projects, implemented at lower than usual administrative levels will result in an improved response to their needs.

II. FINANCIAL REQUIREMENTS AND PLANS

The project would have a duration of three years. The current cost estimate is \$1,160,000. Foreign exchange costs comprise approximately 70% of the project and would be financed from a technical assistance grant. The GOI will provide the local currency cost components of the project.

III. DEVELOPMENT OF PROJECT

In the past year USAID supported the GOI in its effort to design a more effective regional planning framework by providing assistance for a Northern Sumatra Regional Planning Design Study. The resulting report was well received by the GOI. It is expected that the GOI will initiate a regional planning effort in the northern Sumatra region during the coming year and will request specified short-term technical assistance in establishing a regional planning office and determining its staffing needs. USAID plans to support this activity in FY 76 through an allocation of funds from project development loan 027.

The proposed project's PRP will be submitted in January, 1976, and the PP in September, 1976.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

None.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

2. Document #1 -- PID
Status: New Revision #

3. Project Number
497-11-699-258

4. Bureau Code
EA 2

Proposed Next Document:
PRP

Proposed Date of Submission:
December 1975

5. Project Title
A. Educational Technology
B. NA

6. Estimated Initial/Final Obligation
FY 77 FY 79

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1 = 414.5)
AID Approp. 800.
Other U.S. -
Total U.S. 800.
Host Govt. 500.
Other Donor(s) -
Total 1,300.

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes NA

10. AID Appropriated Funds (\$000)

11. Other U.S.

Appropriation Symbol	Appropriation Code	Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs
			Grant	Loan	Grant	Loan			
NA	NA	NA	500	-	800	-	H.I.O.	-	-
							PL 480-Title II	-	-
Total			500	-	800	-	Total	-	-

12. Project Goal
Greater access to skill generating education and training for Indonesia's rural poor.

13. Project Purpose(s)
To improve learning opportunities for, primarily, out-of-school rural youth by means of developing a new education delivery system emphasizing mass communication techniques.

14. Planning Resource Requirements (Staff/Funds) Approximately 1 mm of assistance from AID/W TDY or Project Development and Support resources.

15. Originating Office Clearance
Signature: Walter J. Bolby Date Received in AID/W, or for AID/W Documents; date of Distribution:
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

PID

EDUCATIONAL TECHNOLOGY

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

The Government of Indonesia has contracted with a U.S. corporation for the purchase of a domestic communications satellite which is expected to be in orbit and functioning by early 1977. The satellite will greatly improve communication linkages among the thousands of islands in the Indonesian archipelago.

The Ministry of Education is anxious to use radio, both for classroom instruction and nonformal education throughout Indonesia, but its efforts have been hampered by incomplete radio transmission linkages. Two channels in the new communications satellite have been allocated to the Ministry of Education. Although large scale educational radio will soon be technically feasible, there is only a limited capacity in the Government to prepare "software," i.e., programs. Moreover, the Ministry of Education's facilities in the Jakarta headquarters for centralized production of good educational radio programs are of very poor quality.

The educational use of radio could provide better daily lessons based on uniform curriculum at primary and secondary school levels with instruction in Bahasa Indonesia; upgrading of under-qualified teachers; and access to widespread audiences. If supported by suitable printed materials, radio broadcasting could also make a valuable contribution to rural development in such practical subject areas as farming, marketing, health, family planning, child care, and nutrition.

Project Purpose:

The purpose of this project would be to improve learning opportunities for out-of-school youth in rural areas through the development and testing of programs designed to increase the recipient's capability to identify problems and develop appropriate solutions.

Project Outputs:

-- A series of field tested program packages (about 1,000) including radio scripts, printed materials, and video and film segments for out-of-school youth.

-- Ministry of Education staff competency to develop, test, and reproduce programs for transmission via the communications satellite to out-of-school youth in specific areas of Indonesia.

-- Acquisition of problem solving skills for target elements (out-of-school rural youth) of the Indonesian population.

Project Inputs:

- Two technical experts in communications media with strong background in out-of-school education.
- Consultancy assistance in communication arts (film, video production, animation, etc., and technical operations).
- Equipment and supplies (e.g., mobile video and film unit, tapes, films, etc.).
- Local currency

The estimated disbursement period for the project would be three years -- FY 1977 through FY 1979.

Major Assumptions:

- The Government of Indonesia will continue to emphasize social welfare in general, and specifically for the rural poor.
- The hardware side of the project, i.e., the placing of the satellite in orbit and the availability of channels for the Ministry of Education, encounters no unexpected technical problems.

Activities of Indonesian Government and Other Donors:

The Ministry of Information controls Radio Republic Indonesia (RRI) which has 47 stations throughout the country. In addition, most of the 26 provincial governments and some districts operate small radio stations. When the satellite is in place, Radio Republic Indonesia's central station signal will be beamed at the satellite and re-transmitted to any point in Indonesia. Strategically located stations equipped with large antennas will then relay the signal which listeners can pick up with simple receivers. Although the RRI has not yet started educational broadcasting on a systematic or continuous basis, the Ministry of Information has recently concluded agreements with the Ministry of Education stipulating that, in the production of educational broadcast programs, the Information Ministry will be responsible for all necessary technical facilities while the Education Ministry will be responsible for program content. This policy has paved the way for concentration of Indonesia's available resources on the production of good quality programs.

UNESCO is providing one expert on the use of educational broadcasting via satellite, and is assisting in the evaluation of several experimental radio broadcasting programs.

Beneficiaries:

The major beneficiaries will be the approximately 12 million rural youth at the bottom of the income ladder who will benefit directly from exposure to new techniques for solving problems faced in their daily lives.

II. FINANCIAL REQUIREMENTS AND PLANS

Project costs are estimated at \$1,300,000 of which the AID contribution would be \$800,000. Approximately \$300,000 in AID funds will be used for expatriate advisory services, \$200,000 for equipment and supplies, and \$300,000 for local currency costs.

III. DEVELOPMENT OF THE PROJECT

The Mission will need one man month AID/W TDY assistance in Educational Technology in order to develop the analytical sections of the PRP. It is expected that a PRP will be submitted by December 31, 1975 and a Project Paper by June 30, 1976.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee INDONESIA		2. Document #1 -- PID Status: New <input checked="" type="checkbox"/> Revision # <u>0</u> Proposed Next Document: PRP Proposed Date of Submission: January 1976	
3. Project Number 497-15-110-250	4. Bureau Code EA 2	6. Estimated Initial/Final Obligation FY <u>77</u> FY <u>79</u>	
5. Project Title A. Irrigation Training and Management B. NA		7. Estimated Cost (Life of Project) (\$000 or equivalent. \$1 = 414.5) AID Approp. <u>1,100.</u> Other U.S. <u>--</u> Total U.S. <u>1,100</u> Host Govt. <u>325.</u> Other Donor(s) <u>-</u> Total <u>1,425</u>	
8. Purpose Code Category NA Code NA			
9. Special Concerns Codes NA			

10. AID Appropriated Funds (\$000)							11. Other U.S.		
Appropriation Symbol	Code	Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs.
			Grant	Loan	Grant	Loan			
NA	NA	NA	350	-	1,100	-	H.I.G.	-	-
							PL 460-Title II	-	-
Total			350	-	1,100	-	Total	-	-

12. Project Goal
Increased food production

13. Project Purpose(s)
To improve the GOI's capability for managing and implementing planned irrigation construction programs.

14. Planning Resource Requirements (Staff/Funds) Approximately 1-2 mm of assistance financed from AID/W TDY or Project Development and Support to develop PRP to PP.

15. Originating Office Clearance
Signature: *William A. Boly*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975
Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

IRRIGATION TRAINING AND MANAGEMENT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Indonesia currently is unable to produce enough food to meet its requirements, and the Government, in accordance with its Second Five Year Plan (Repelita II), is making a strong effort to correct the deficiency. Land and water are available in plentiful supply, especially in the outer islands. Technology required to increase land under irrigation is of a relatively low level and is well known in Indonesia. The missing components necessary to sharply increase new irrigation construction are trained manpower and management talent. This problem is well understood by the Directorate General of Water Resources Development (DGWRD), and on several occasions AID has been requested to provide assistance to help improve management systems.

Solution:

The solution to the problem is to improve the GOI capability for managing and implementing the large amount of irrigation construction planned for the next several years. The assistance will take the form of training, in the classroom, on-the-job and overseas in all aspects of the work from management through design and construction techniques. Another element of AID assistance will be improving the DGWRD as an institution by assistance in establishing standards, procedures, and planning methods.

Output:

A greatly improved DGWRD better able to plan and implement a vastly increased irrigation construction program during the final years of Repelita II and into Repelita III.

Inputs:

Five irrigation and management experts for three years plus overseas training and commodities costing about \$50,000 per year. It is anticipated that the services would be obtained from a U.S. management consulting firm in conjunction with the U.S. Bureau of Reclamation and the U.S. Soil Conservation Service. An Indonesian private consulting firm would also be retained to assist the expatriates and act as counterpart.

Disbursement Period: Three years.

Assumptions:

The major assumption is that the GOI will continue its emphasis on food production in general with land and water development in particular. Also, it is assumed that the ever increasing requirements of construction funds and personnel suitable for training can be made available.

Host Country Activities:

AID has authorized \$20 million for the Sederhana (Simple) Irrigation Program for Indonesian fiscal years 1975/76 and 1976/77, and part of the \$15 million Luwu Development Loan is for irrigation projects. Both loans include project-specific technical assistance. USAID is also preparing a PP for irrigation works in the Lower Citanduy River for FY 76 and is submitting PIDs for other irrigation projects (Sedang/Kecil) for the FY 77 budget.

The other large donor in irrigation has been IDA/IBRD which has loaned about \$160 million in the sector through January, 1975, mostly for rehabilitation of older systems. The IBRD plans to make about \$100 million per year in irrigation loans over the next few years. Beginning in 1976 most of the IBRD loans will be for large and small dams which are handled by the Rivers and Swampy Areas Directorate within DGWRD, rather than the Irrigation Directorate. All of these projects include technical assistance and some include training which is now being phased out.

Beneficiaries:

Direct beneficiaries will be the employees of the DGWRD who will gain training and experience. Ultimate beneficiaries will be the thousands of small farm families which will be provided with irrigation for their land through accelerated development of irrigation systems. The project will have a large spread effect and the benefits will be diffused not only through a large organization to the Public Works employees in the provinces but ultimately to village officials and farmers.

II. FINANCIAL REQUIREMENTS

Cost estimate:

		(\$ thousands)		
		<u>AID</u>	<u>GOI</u>	<u>TOTAL</u>
FY 77	5 Experts, Training, Commodities	350	100	450
FY 78	" " "	400	125	525
FY 79	" " "	<u>350</u>	<u>100</u>	<u>450</u>
		\$1,100	\$325	\$1,425

Part of the GOI contribution will be local support provided from the USAID Trust Fund. Costs of the Indonesian consulting firm would be in addition to the above.

III. DEVELOPMENT OF THE PROJECT

1. The project will be developed with the DGWRD. GOI and USAID experience on the Sederhana Irrigation and Luwu Development projects will be important in shaping project design. The U.S. Bureau of Reclamation technical advisor, who will assist the DGWRD under an existing PIO/T in 1975, will assist also in formulating the PRP. No other studies or surveys will be needed.
2. The PRP will be submitted in January, 1976, and the PP in May, 1976. Funds should be available to begin project activity in October, 1976.
3. AID resources necessary to develop the project are three man months of DH program, engineering and agriculture time. AID/W or project development input of one or two man months may be needed to develop the PRP into a PP.

IV ISSUES

None known.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number
497-11-199-256

4. Bureau Code
EA 2

5. Project Title
A. Agriculture Planning
B. NA

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes
NA

2. Document #1 -- PID
Status: New Revision #

Proposed Next Document:
PRP

Proposed Date of Submission:
April 1976

6. Estimated Initial/Final Obligation
FY 77 FY 78

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1=414.5)
AID Approp. 255.
Other U.S. -
Total U.S. 255.
Host Govt. 321.
Other Donor(s) -
Total 576.

10. AID Appropriated Funds (\$000)

Appropriation		Tech. Code	1st Year		All Years	
Symbol	Code		Grant	Loan	Grant	Loan
NA	NA	NA	130	-	255	-
Total			130	-	255	-

11. Other U.S.

Program Type	1st Yr	All Yrs
H.I.G.	-	-
PL 460-Title II	-	-
Total	-	-

12. Project Goal Increased agricultural production and farmer income through a qualitative improvement in planning for development of the agricultural sector.

13. Project Purpose(s)

Establish, within the Bureau of Planning, Ministry of Agriculture, a systematic framework that will continue to provide substantive guidance and identify alternative courses and strategy for use of agricultural development resources.

14. Planning Resource Requirements (Staff/Funds) 1.5 mm of technical assistance to prepare PP, estimated \$8,000 from Project Development and Support or AID/W TDY resources.

15. Originating Office Clearance
Signature: *Walter B. Billy*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

AGRICULTURE PLANNING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Indonesia is strongly committed to government planning for economic development. Planning for all sectors, including agriculture, is conducted within a tightly structured administrative system. Within such a system, there will be a strong relationship between the quality of planning and the amount and type of economic development that occurs.

In Indonesia, planning activities at the sectoral level suffer from the lack of specific policy guidance from the central planning agencies. At the central level current planning for the agricultural sector is primarily focused on consumption requirements and export development. At the provincial level, planning is based heavily on the production potential of the local land resource, with little consideration given to agricultural activities in other provinces and regions. At both levels, whether central or regional, what is termed "agricultural planning" is actually "project planning."

Good overall planning, at least to the extent of specifying realistic production goals, targets, and priorities for the regions, is a prerequisite for improved project selection, formulation, and development at the regional level. Guidance of this quality from the Agriculture Ministry's central planning staff is not available.

The DAP identifies agriculture sector planning as a potential area for U.S. assistance. Further, the DAP statement recognizes that the outline of an implementable project was not yet apparent as of that date. The agriculture planning consultancy just completed under the Assistance to Agriculture Project (180) does provide such an outline and recommends the newly reconstituted Bureau of Planning within the Ministry of Agriculture as the logical implementing agency. The resolution of the issues and policy considerations shown in Section IV of this PID will determine the feasibility of future USAID assistance.

Purpose of the Project:

The purpose is to assist the Department of Agriculture, Bureau of Planning, establish a planning system for the development of an overall strategy for the agricultural sector which would include the capacity to analyze alternative courses of action. The strategy, and the planning system developed to pursue it, would examine Indonesia's agriculture in terms of comparative advantages, optimum quantity and mix of agricultural commodities, and the regional advantages in production.

The Bureau would accomplish this goal first by examining systematically the vast, but largely uncoordinated, amount of data and information on Indonesian agriculture, and then re-defining and restructuring that information and data into a more manageable system. The resulting planning system would more clearly specify Indonesia's agricultural resources, and more clearly define production, distribution, exchange, and consumption relationships among those resources, among agriculture sub-sectors, and among regions within the country. The eventual ongoing system would, therefore, define reasonably well the major relationships that exist among the major variables in Indonesian agriculture, and allow simultaneous analysis of them given a set of "what if" assumptions. Moreover, the emphasis during the design and implementation of the system would be on its capacity to assess comparative advantage and impact on Indonesian agriculture as its resource base is altered, or as specific variables within a given resource base are altered.

A more informed idea of what the planning system itself would be composed of will be developed over the next several months within the Bureau of Planning. Yet to be determined, for example, are such questions as: To what extent will the system rely on the computer and machine-readable data as opposed to the desk calculator and manually manipulated data?; What will be the basic commodities and geographic units on which data and information will be compiled?; Should there be any attempt to include subjective information, or information on the opinions and attitudes of farmers, in the planning system?; To what extent would other agencies be an integral part of the planning system?

The planning system would be a major new undertaking of the Department, and the Bureau, and would be performed within the existing organizational structure of the Bureau. If undertaken, it would become the dominant activity of the Bureau, and would require some redefinition of its tasks. It would also involve close collaboration with other Directorates General, and the agricultural and planning officials of the provinces.

Estimated Outputs:

By the end of two years, the system would begin to generate specific planning guidance which, with regular updating, would continue into the future.

The specific planning guidance could take the form of, for example, regular published reports updating key agricultural indicators, profiles of specific geographical or administrative areas, comparative advantage by commodities mix and regions, and as-requested financial and economic analysis of major agricultural projects being considered by the Department. In whatever form, the intention of the system's output is to provide a more factual basis for public policy decision making, and to ultimately produce sets of recommendations for courses of action appropriate to achieve such selected objectives as maximization of agricultural income, self-sufficiency in food production, and increased employment.

Output from the planning system would also provide the guidance that is needed for improved project selection and formulation within sub-sectors of agriculture, in the provincial planning units (BAPPEDA), and other technical agencies. Improvement in planning of the magnitude described could provide a significant stimulus to agricultural development.

Project Inputs:

1. Bureau of Planning: About 15 full-time professional staff members.

4 sub-professional staff (in addition to secretarial, clerical, etc.).
2. Other agencies in Agriculture and provincial technical and planning staffs: Substantial contribution in data development effort; amount cannot be specified at this time.
3. AID: Maximum: Five man/years of advisor support.

 Minimum: 3½ man/years of advisor support.

 Equipment: Two sets of key-punch equipment.

 Computer Services: Available in-country.

 Travel: Considerable in-country.

Host Country Activities:

The status of current agricultural development planning is discussed briefly in Section I. Several donor organizations are engaged in regional planning activities. These are typically at the macro level and are multisectoral in approach. To date, they have tended to reflect limited interregional relationships and are only partially contributory to a national framework for the agricultural sector.

Host country personnel will be the major executors on all activities within this project, with advisor guidance and assistance, except the initial pass at analytical framework development. They will be expected to learn by doing and assume full responsibility for the activity after two years.

Direct and Indirect Beneficiaries

-- Bureau of Planning: Qualitative improvements in guidelines for agricultural development.

-- BAPPENAS: Inputs for improving national plans.

-- Agriculture Sub-sectors: Guidance for improving programs and project development. Improved project effectiveness. Increased agricultural output and income.

-- Provinces: Guidance for improving program and project development. Improved project effectiveness. Increased agricultural output and income.

-- National Economy: More output, higher farm incomes or lower consumer prices, or both. Improved trade balances. Better distribution of regional development.

II. FINANCIAL REQUIREMENTS AND PLANS

Estimated total project cost	- \$ 576,000
GOI contribution as staff, travel expenses, facilities and local services	- 321,000
USAID contribution as advisor, participant training and commodities	- 255,000

III. DEVELOPMENT OF THE PROJECT

A USAID financed two-man consultancy team, under a PASA with USDA/ERS, completed a review of agricultural planning in Indonesia in June of 1975. This PID is based on the recommendations of that team.

Evidence of positive action on the issues presented in Section IV of this PID will need to precede further documentation, i.e., PRP and PP. Assuming the Bureau of Planning obtains the necessary support to proceed, a PRP would be submitted by April, 1976, a PP by July, 1976, and project implementation would begin in early FY 77.

Assistance from outside the Mission would involve approximately 45 days of consultancy during the preparation of the PP, either returning the USDA/ERS consultant previously involved or using a TDY from within the Agency.

IV. ISSUES AND POLICY CONSIDERATIONS ESSENTIAL TO INITIATION OF PROJECT

1. Clear indication that Bureau of Planning has BAPPENAS' and the Department of Agriculture's full support. Even with nominal approval, Bureau of Planning cannot accomplish the task without the cooperation of other agricultural agencies.

2. Designation of staff for the project; relief from other duties, and clear understanding that they will be full time on the project.

3. Having on board at least three additional staff members with sound training in economics who are capable of assuming leadership roles in the activity. Two of these should be slated for assignment in the Planning Formulation and Program Implementation Division, one as Division Head.

4. Assignment of facilities, office space, and adequate clerical and secretarial staff.

5. This project will focus primarily on agricultural planning activities at the central level of government. The Area Development Agricultural Resource Assessment Project, initiated in FY 75, focuses primarily on improving the institutional capability at the province level for planning, project development and evaluation. The Mission would continue to evaluate these two activities assessing the potential for future integration based on the quality and timing of outputs achieved. Assuming that the Bureau of Planning does accomplish the objectives stated herein and that the provincial planning units (BAPPEDA) acquire the competence to fulfill their responsibilities, the opportunity may arise for AID to assist in the application of a planning system that interrelates central planning function with provincial development activities.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number
497-21-180-243

4. Bureau Code
EA 2

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PRP

Proposed Date of Submission:
June 1976

5. Project Title
A. Lampung Brackish Water Pond Development
B. NA

6. Estimated Initial/Final Obligation
FY 77 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1=414.5)
AID Approp. 4,000
Other U.S. -
Total U.S. 4,000
Host Govt. 5,750
Other Donor(s) -
Total 9,750

8. Purpose Code
Category NA Code

9. Special Concerns Codes
NA

10. AID Appropriated Funds (\$000)

Appropriation Symbol	Appropriation Code	Tech. Code	1st Year		All Years	
			Grant	Loan	Grant	Loan
NA	NA	NA	-	4,000	-	4,000
Total			-	4,000	-	4,000

11. Other U.S.

Program Type	1st Yr	All Yrs.
H.I.G.		
PL 460-Title II		
Total	None	None

12. Project Goal

Increased agriculture production.

13. Project Purpose(s)

To settle and accommodate brackish water-pond farm families from Java in a new area, covering approximately 3,000 ha. of tambak (brackish water pond) complex in Lampung, South Sumatra, in order to provide increased production from unused resources, and to improve the standard of living of the rural population.

14. Planning Resource Requirements (Staff/Funds) 16 mm of technical services costing approximately \$85,000 of Project Development funds (497-11-999-233).

15. Originating Office Clearance
Signature: *William J. Kelly*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

35
Date Received in AID/W.or for AID/W Documents; date of Distribution:

PID

LAMPUNG BRACKISH WATER POND DEVELOPMENT

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

The USAID Agriculture Sector Assessment Summary stresses that the basic agriculture requirement for Indonesia is increased agriculture production, and recognizes the potential for increased output from brackish-water-pond fishfarming. USAID presently is assisting the Government of Indonesia (GOI) in attaining this goal by the introduction of improved technology, irrigation construction and renovation, institutional building programs, expansion of upland cropping area, regional rural development studies and projects, fertilizer technology and marketing, and intensification of existing brackish water fish pond production.

Lampung province is in southern Sumatra, adjacent to the highly populated and developed western portion of Java. Lampung has a low level of economic development and possesses resources that could be used, with improved technology and capital, to increase its level of well being.

During the past several years, the Directorate General (DG) of Fisheries of the Department of Agriculture has been structuring a new approach to brackish water fish pond production. Brackish water fisheries are currently located largely on Java where land is a limiting factor. Most of the fish farmers here are subsistence farmers and have little chance to expand and/or use modern technology. The basic concept behind the "New Approach" plan is that there are other areas of Indonesia that have the resource base to create truly economical units where technology can be introduced.

The initial effort for the "New Approach" projects is a Jakarta/Pekalongan marketing project, with up to eight satellite producing areas supplying this activity. One of these satellite areas is Lampung. Lampung is presented in the 1975 "Blue Book" as Project ATA-130. USAID has been requested to assist in a U.S. FY 1976 feasibility study of the project and an FY 1977 loan to implement the feasibility study recommendations.

The Jakarta/Pekalongan marketing activity is supported by the ADB. Under this project, a quasi-governmental company has been formed (P.T. Tirta Raya Mina). This company has been funded; is presently being organized; and is expected to be fully operational by FY 1977. Its terms of reference state from its operational headquarters at Pekalongan, it will (1) develop

* Pekalongan is located in Central Java

and make operational, by truck and/or ship, a collection system from the various satellite producing areas; (2) establish facilities to grade, store, and wholesale market fish products to the highly populated areas of west and central Java; and (3) engage in retail marketing, either on a demonstrational or commercial basis. This company will not enjoy monopolistic status but will be one in a community of marketing organizations. USAID is informed that ADB support is limited to internal marketing, but the DG of Fisheries argues that this should be changed because of the state of symbiosis that exists between milkfish and shrimp, which will result in an oversupply of shrimp and these will have to be marketed internationally. The DG states that the company can wholesale to other exporters if the ADB will not support it in this business. The DG, however, prefers to use the company in this endeavor.

The Lampung satellite area is located near Bahakuni, which is near the southern tip of Lampung province. The two areas selected are in currently unoccupied government land on the coast, where rivers from the mountains flow to the sea. The elevation is less than one meter and unusable for other agriculture production. The area is now covered with mangrove-type vegetation; will require land clearing and shaping, and a water (irrigation) system. Extensive development costs will be encountered. These costs, however, are not expected to be higher than for tidal rice irrigation projects. The GOI is presently developing a hard surface road near the area with the primary intent of moving the present ferry connection from Java to Sumatra. It is expected that the majority of the exportable fish from Lampung will travel by truck to Jakarta but the company's small, refrigerated vessels can stop at Lampung on their trips from other satellite stations on Bangka and Belitung Islands.

The DG of Fisheries desires to establish the Lampung sites with public capital and then move settlers into the area. This type of operation has been used extensively in irrigation development; has proven highly successful in smallholder estate development; but has not been utilized in pond fishery development in Indonesia, to date. The system does have a historical record in the Philippines. In the initial stage, the project will be operated on the smallholder estate principle wherein the government organizes input supply and marketing. The long term goal will be private ownership, with title passing after repayment through a lease/purchase agreement.

The project is expected to produce replicable results that could be used in further development of Indonesia's largely unexploited coastal land resource. It would also further demonstrate the economic and organizational viability of linking smallholder fish pond farmers into a marketing system not otherwise accessible to the producer.

Project Goal

Increased agriculture production.

Project Purpose

To settle and accommodate brackish-water-pond farm families from Java (and other areas of Indonesia where fish farm populations are high) in a new area, covering approximately 3,000 hectares of tambak (brackish water pond) complex in Lampung, in order to provide increased production from unused resources and to improve the standard of living of the rural population.

Project Output

- (a) Milkfish and shrimp production from approximately 3,000 hectares of presently unused lands. Yields under present management systems would be 1,200 MT per year, but, with improved management systems, 2,250 MT per year is possible. Approximately 1,500 families will benefit as either laborers or owners/laborers. Secondary beneficiaries will be the construction labor force and local business community.
- (b) Increased animal protein provided for the Indonesian population.
- (c) Increased economic and social benefits for the farming population.
- (d) Introduction of new technology through extension activities, including cultural practices, marketing, and enterprise management.
- (e) Effective and dynamic extension service in the area, which has been provided in-country and/or formal training.

Project Inputs

- (a) Technical assistance (project operation; technology improvement and introduction; and training), \$60,000 (university contract - FY 1977 and FY 1978).
- (b) Irrigation (water control and supply) construction, 3,000 Ha., estimated \$9,750,000; and infrastructure, such as offices and housing.

- (c) Transportation and demonstration equipment (transportation---two jeeps and four motorcycles) \$18,000.
- (d) Training (ten short course participants in the Philippines, \$30,000; and two in-country training programs of four months each, Rp. 300,000).
- (e) GOI recurrent costs, Rp. 12,000,000 per year.
- (f) Facilities provided by P.T. Tirta Raya Mina (not budgeted at this time).
- (g) In-country expenses of advisors (trust fund, loan element, or GOI recurrent budget; source to be determined during negotiations), Rp. 10,000,000 per year.

II. FINANCIAL REQUIREMENTS AND PLANS

(1) Estimated total costs of project (Foreign exchange component to be delineated by feasibility study.)	\$9,750,000
(2) Anticipated USAID loan component	4,000,000
(3) Government of Indonesia	5,750,000

Other donors include ADB (P.T. Tirta Raya Mina) and UNDP (Brackish Water Stream and Milkfish Culture Applied Research and Training).

III. DEVELOPMENT OF PROJECT

- (1) Detailed feasibility study will be required.

It is proposed that the Agency enter into a contractual agreement with Auburn University (which institution is presently party to an AID contract relating to inland water fisheries), or a private consulting firm, to perform the feasibility study.

(2) Suggested time-frame is as follows:

- (a) August, 1975 Feasibility study documentation prepared and consultant selection initiated.
- (b) January, 1976 Consultant contracted and feasibility study initiated.
- (c) May, 1976 Feasibility study completed.
- (d) June, 1976 PRP completed.
- (e) September, 1976 Project Paper completed.

The above implementation schedule contemplates the use of Auburn University, which, at present, enjoys a relationship with AID on fisheries activities, to perform the feasibility study. If alternative consultants are used, the implementation schedule will require time adjustments, due to the consultant selection and contracting procedures.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number 497-22-540-254
4. Bureau Code EA Code 2

5. Project Title
A. Primary Health Nurse Training
B. NA

3. Purpose Code
Category NA Code NA

3. Special Concerns Codes
NA

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PRP
Proposed Date of Submission:
January 1976

6. Estimated Initial/Final Obligation
FY 77 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1 = 414.5)
AID Approp. 12,000.
Other U.S. -
Total U.S. 12,000.
Host Govt. 12,000.
Other Donor(s) -
Total 24,000.

10. AID Appropriated Funds (\$000)

Appropriation		Tech. Code	1st Year		All Years	
Symbol	Code		Grant	Loan	Grant	Loan
NA	NA	NA	-	12,000	-	12,000
Total			-	12,000	-	12,000

11. Other U.S.

Program Type	1st Year		All Years	
	1st Yr	All Yrs.	1st Yr	All Yrs.
H.I.O.	-	-	-	-
PL 480-Title II	-	-	-	-
Total	-	-	-	-

12. Project Goal
To improve health status of the Indonesian rural populace.

13. Project Purpose(s)
To develop primary health nursing schools at the kabupaten (sub-district) level within a given geographical area.

14. Planning Resource Requirements (Staff/Funds) Approximately 3 to 4.5 mm of assistance from AID/W TDY or Project Development and Support Resources for developing the PRP and PP.

15. Originating Office Clearance
Signature: *Walter G. Bolly*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W. or for AID/W Documents; date of Distribution:

PID

PRIMARY HEALTH NURSE TRAINING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The provision of reasonably adequate primary health care services to the Indonesian populace, particularly for the rural poor, is constrained by inadequate physical facilities, shortages of drug supplies, poorly trained manpower, and insufficient understanding of modern health concepts by the minimally educated rural populace.

This proposed project will address specifically the rapid expansion of trained health personnel (non-physicians) who with the recent improvements in physical health facilities and drugs will be in a better position to provide primary health care services to rural areas.

The GOI Ministry of Health believes that primary health care services for the rural areas can be expanded greatly by increasing the number of appropriately trained primary health nurses. Their training normally comprises 9 years of basic education plus 3 years health training. These nurses will form the backbone of rural village health care services which will impact primarily on infant and childhood morbidity and mortality; maternal morbidity and mortality; nutritional diseases, particularly Vitamin A deficiency blindness (Xerophthalmia); protein-calorie malnutrition; and currently high fertility rates.

The availability of these primary health nurses in an ideal ratio of one per 2,000 population should result in greater utilization of the health facilities and resources; increased use of contraceptives; improvement of household sanitary conditions, i.e. water supply and waste disposal; and increased use of available nutritious foods.

Project Description:

Within a five-year period the Government of Indonesia with foreign assistance and national resources proposes to build or rehabilitate 200 primary health care nursing schools, each school accommodating a total of 150 students (50 students per class). The primary health nurse graduate output upon completion of project implementation would be 7,500 new primary health care nurses per year. USAID proposes to support the development of approximately 40 schools or 20% of the total requirement.

Simultaneously, the proposed project seeks to retrain the majority of the current nursing manpower pool in the selected geographic area up to the standards and skills of the primary health care nurse. Current judgement indicates that approximately 75% of the current nursing manpower now totalling 56,000 can be appropriately retrained. This retraining activity implemented through an additional 50 schools, of which AID would support approximately 10, would provide approximately 4,000 retrained primary health care nurses per year.

This project has been initiated through an IDA/UNFPA assistance package provided to strengthen the national family planning program. Encouraging results to date motivated the proposal to rapidly expand the primary health nurse concept.

Inputs required for this proposed project are as follows:

- (a) New construction and/or rehabilitation of 20% of the 200 proposed schools including dormitory, classroom, library, office and faculty housing.
- (b) Equipment for classes, libraries, dormitories, offices and field work, i.e. 4-wheel and 2-wheel vehicles.
- (c) Operational costs, fellowships (internal and foreign).
- (d) Technical advisory assistance to supplement current efforts to improve curriculum guides, training manuals, and education evaluation efforts.

The estimated disbursement period would be 3-4 years.

Assumptions

The major assumption pertinent to project success are (1) that the Ministry of Health will agree to condense the majority of current nursing categories into the primary health nurse category, and (2) that local government in the long run will assume financial responsibility for the employment of the primary health nurses in their area.

Current and Planned GOI and Other Donor Activity

As noted above, assistance from the IDA/UNFPA initiated this activity in nine schools. New Zealand has expressed willingness to assist the schools in the Yogyakarta Province (population of approximately 2.5 million). The Government of the Netherlands has expressed willingness to provide grant/loan assistance of approximately \$6.25 million. Whether this assistance is functionally or geographically allocated is not clear at this time.

Alternatives

USAID/Indonesia over the past eight FYs (FY 68-75) has developed/implemented considerable health and population assistance programs. Specifically in the health field, projects providing for malaria control and rural health research and development have been approved. In the final preparation stage is a project to accelerate the training of rural sanitarians. In the early design state is a project to accelerate and improve the protection of children against immunizable diseases, particularly tuberculosis, tetanus, diphtheria and whooping cough.

Simultaneously, the GOI and other donors are assisting with the expansion of health center facilities, health center equipment, rural water supply and health planning.

We believe, however, that an investment in appropriately trained, rurally oriented medical manpower is essential to the improvement of the health status of Indonesia and that there are no viable substitutes or alternatives to the proposed primary health nurse training approach.

Beneficiaries

The direct beneficiaries are the junior high school graduates who are accepted into the nursing program. At the present time, higher educational or immediate job opportunities for this relatively abundant educational group are quite limited.

The indirect beneficiaries of the proposed project are Indonesia's rural poor populace who at this time do not have adequate understanding or availability of primary health care services. While there will be primary health care nurses in urban areas, the primary health care nurse will not have the same immediate contact and impact on middle or upper class Indonesians because they generally seek physician supplied services which are increasingly available to the urban middle and upper classes.

Spread Effect

USAID/Indonesia recommends that AID provide \$10-12 million on a loan basis only for a to-be-determined specific geographic area, e.g. West Java or several provinces in the Outer Islands. It is expected that the total GOI program would gradually spread throughout Indonesia.

As with the proposed AID-assisted project to accelerate the training of rural sanitarians, this manpower development project may have an effect upon other health training programs.

II. FINANCIAL REQUIREMENTS AND PLANS

The current estimates for the total five-year program in all geographical areas is estimated to be \$150 million of which \$60 million would be provided by foreign donors. A \$10-12 million AID loan is contemplated to assist the GOI in financing 50-70% of the costs of the schools to be constructed in a selected area of Indonesia.

We expect that the GOI will approximately match the donor inputs. As noted above, the World Bank and the UN Fund for Population Activities have already provided assistance to this project, and New Zealand and The Netherlands have tentatively agreed to assist.

III. DEVELOPMENT OF THE PROJECT

The proposed project has already benefited from the IDA/UNFPA assisted project and the considerable planning inputs of the GOI. The basic feasibility of the proposed project has been demonstrated.

To move forward with the proposed AID assisted portion of the project, USAID staff and modest TDY assistance will need to examine the manpower availability, i.e. junior high school graduates and projected needs of primary health nurses in the selected geographic areas. In concert with other donor and assistance agencies, USAID will then determine the necessary physical and technical requirements from both GOI and AID.

Project Development Schedule

- (a) PRP submitted by January, 1976.
- (b) PP submitted in October, 1976.

Required Resources for Development

(a) Approximately 2 to 3 man months of project development assistance will be required to develop the PRP. A nursing educator with LDC experience will be required to further assess the proposed project and the necessary requirements.

(b) Following the submission of the PRP an additional 1.0 to 1.5 man months of assistance will be required to finalize equipment and construction requirements for the PP.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code
Add Delete Change

1. Country/Regional Entity/Grantee INDONESIA			2. Document #1 -- PID Status: New <input checked="" type="checkbox"/> Revision # <input type="checkbox"/> Proposed Next Document: PRP Proposed Date of Submission: June 1976						
3. Project Number 497-22-121-257	4. Bureau EA	Code 2	6. Estimated Initial/Final Obligation FY 77 _____ FY 77 _____						
5. Project Title A. Integrated Area Development B. NA			7. Estimated Cost (Life of Project) (\$000 or equivalent. \$1=414.5) AID Approp. 10,000 Other U.S. _____ Total U.S. 10,000 Host Govt. 10,000 Other Donor(s) _____ Total 20,000						
8. Purpose Code Category NA Code NA									
9. Special Concerns Codes NA									
10. AID Appropriated Funds (\$000)				11. Other U.S.					
Appropriation		Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs.
Symbol	Code		Grant	Loan	Grant	Loan			
NA	NA	NA	-	10,000	-	10,000	H.I.O.	-	-
							PL 480-Title IX	-	-
Total			-	10,000	-	10,000	Total	-	-
12. Project Goal Increased agricultural productivity, and improved standard of living for the rural poor.									

13. Project Purpose(s)

In a sub-district sized geographical area (1) increase the participation of the rural populace in their own development and (2) develop a network of rural infrastructure which emphasizes accelerated agricultural development.

14. Planning Resource Requirements (Staff/Funds) Approximately 6 mm of assistance from AID/W TDY or Project Development and Support resources.

15. Originating Office Clearance

Signature: *[Handwritten Signature]*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

INTEGRATED AREA DEVELOPMENT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Although rural development is being increasingly emphasized in the development strategy for Indonesia the GOI still has not adequately identified programs or organizational policies for fully integrated rural development efforts. Some progress has been made in inter-ministerial coordination for planning and execution of rural development projects, e.g. USAID's Luwu Area Development Project (LADP); however, the tendency of the GOI is still to centrally plan rural development activities and in the process "projectize" them in either one sector or another. As noted in the DAP, U.S. assistance in the rural/regional development sector should be aimed at the problems of (1) inadequate data collection and analysis as a basis for region-oriented decision making; (2) shortage of technical and professional planning capabilities; (3) administrative difficulties in coordinating and carrying out complementary projects; and (4) insufficient financial and manpower resources allocated to high priority rural development projects.

The sector goal of this project is the improvement in the well-being of the rural poor living in a selected project area. The project will capitalize upon the experience gained in USAID's first rural development project (the LADP), and is expected to make additional improvements in GOI planning and execution efforts in the rural development sector.

Project Purpose:

The purposes of the project will be to (1) increase participation in the development process through involvement in rural non-governmental institutions, and (2) increase agricultural productivity.

The proposed rural development project will include a number of separate activities. Each will have its own purpose but all activities will be closely interrelated. The activities will be complementary and their execution as a package will intensify the total project's impact upon the sector goal.

The project will be carried out in a defined geographical area, probably the size of a kabupaten, (district). The area will be chosen on the basis of a number of considerations relating to the development needs of the area, impact on beneficiaries, and the receptivity and capability of local leadership. The Mission and GOI are studying several alternative geographic areas, but no decision has been made as yet.

Project Outputs:

The project's outputs may include infrastructural investments in the area, such as feeder roads, irrigation and flood control, and village water supply systems, as well as institutions such as self-supporting credit unions and health insurance programs, marketing associations and market news services, agricultural extension centers, and small-scale agro-industrial initiatives.

Project Inputs:

The project's inputs will include expatriate, Indonesian non-GOI and GOI technical support for community development, education and motivation for credit unions and health insurance program, extension activities at lower levels, and administration of taxes and other local government revenues and of the provision of local government services. Physical resource inputs may be required for irrigation and feeder roads and for village water supply systems.

Disbursement:

Project implementation and disbursement will take three years and is expected to begin the latter part of 1977.

Major Assumptions:

The major assumptions for project success include: (1) continued improvement in the GOI inter-ministerial coordination and the integration of sectoral project planning and execution, (2) realistic and appropriate plans made for the project's organization, budgeting and implementation, (3) physical, technical and communication access to the area are not a problem, (4) at least rudimentary local informal and formal leadership exists which can be worked with in the planning and execution of the project, (5) adequate numbers of technical Indonesian personnel are available, either locally or from higher levels of the Government to implement the project, (6) locally initiated institutions can be developed in the project area, and (7) acceptable land tenure situation.

Beneficiaries:

The beneficiaries of the project, by the nature of the project and the criterion for selecting the specific area, will be low income rural people.

Spread Effect:

As in the case of the LADP, it is expected that the concept of integrated rural development in defined geographical areas can and will be duplicated in other areas of Indonesia as the GOI learns more about the rural development process as it relates to the Indonesian situation and as it improves inter-ministerial and inter-disciplinary coordination.

II. FINANCIAL REQUIREMENTS AND PLANS

Since the specific project area has not yet been selected, a good cost estimate is not possible. However, based on GOI, other donor, and USAID experience, it is believed that the cost of the type of project envisioned will be in the range of \$15-25 million, and that is the current target. AID would loan finance approximately \$10 million of the cost and the GOI would pick up the remainder.

III. DEVELOPMENT OF THE PROJECT

The United Nations has conducted preliminary studies and The Netherlands government has agreed to provide technical assistance in a number of the alternative areas being considered for the project. Further study by the Mission staff and the GOI will be the basis for the selection of the area. Most developmental aspects of the project will involve organizational considerations although several feasibility studies of small capital sub-projects may also be required.

Selection of the project area is expected to take place by December, 1975, and the PRP would be submitted by June 30, 1976. Project development work would continue for approximately six months with the PP submission occurring approximately December, 1976.

The organizational aspects of the project's development will primarily be the responsibility of Mission staff since it will require continuous, long-term dialogue with the host government as well as well-founded understanding of the Government's underlying philosophy towards rural development activities. Outside consultant requirements are not certain at this time, but it is estimated that at least 6 man months of technical assistance will be required for preparation of the PP.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

The major constraint to the successful execution of this, or any other integrated rural development project involving local participation by those at the village level, is the central government's emphasis on centrally controlled planning and execution of rural development activities. However, the decentralization of the rural development effort in one or more defined geographical areas is considered feasible and constitutes an important objective of this project.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code
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1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number
497-22-120-255

4. Bureau Code
EA 2

5. Project Title
A. Kanjiro Irrigation System
B. NA

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes
NA

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PRP
Proposed Date of Submission:
December 1975

6. Estimated Initial/Final Obligation
FY 77 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1 = 414.5)
AID Approp. 3,100.
Other U.S. _____
Total U.S. 3,100.
Host Govt. 6,200.
Other Donor(s) 1,000.
Total 10,300.

10. AID Appropriated Funds (\$000)

Appropriation Symbol	Appropriation Code	Tech. Code	1st Year		All Years	
			Grant	Loan	Grant	Loan
NA	NA	NA	-	3,100	-	3,100
Total			-	3,100	-	3,100

11. Other U.S.

Program Type	1st Yr	All Yrs.
H.I.O.	-	-
PL 480-Title II	-	-
Total	-	-

12. Project Goal
Increased food production.

13. Project Purpose(s)
To assist in the rehabilitation and betterment of approximately 8,800 hectares of irrigable land in the Kanjiro irrigation system within the sub-district of South Sulawesi.

14. Planning Resource Requirements (Staff/Funds)
Non-anticipated.

15. Originating Office Clearance
Signature: *Walter S. Borby*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

KANJIRO IRRIGATION SYSTEM

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The Indonesian Government (GOI) is trying to improve the lives of poor people in the most overcrowded areas of Java and increase production on the outer islands through a transmigration program which relocates families from the high density areas of Java to some potentially productive, but greatly under-developed, areas of low population density on the outer islands. The people living in these newly opened areas are among the country's poorest and require assistance to provide the basic necessities of life for themselves and their families

The Indonesian Government has requested AID assistance in the rehabilitation and betterment of five irrigation systems within the Luwu region of South Sulawesi, partly in support of the transmigration program. In response to the request, AID provided the services of two irrigation engineering specialists for a period of three months ending in December, 1974, to study three of the five systems proposed for AID assistance (Kanjiro, Bone-Bone and Kalaena). Based on the three months engineering study, along with concurrent agricultural and economic analysis, the Bone-Bone and Kalaena systems were selected for immediate AID support as a part of the Luwu Agricultural Development Project (scheduled for authorization in June, 1975). The Kanjiro system is not included in this project, as it required more complete and updated mapping along with greater detailed study and planning. Presently The Netherlands Government is in the process of assisting the GOI with mapping and planning the Kanjiro as well as other systems. As is true of the two irrigation systems included in the Luwu Agricultural Development project, the construction/rehabilitation of the Kanjiro Irrigation System will contribute significantly to the development of the high agricultural production potential of the Luwu area.

Project Description:

The Kanjiro Irrigation System is situated about 80 kilometers east of Palopo, South Sulawesi, along the Palopo/Malili Road, in the sub-district of Bone-Bone.

The gross area of the Kanjiro system is estimated at 12,500 hectares, of which about 8,800 hectares could be irrigated. Presently some 800-850 hectares are being irrigated. The irrigation water for the system is diverted by a low gabion weir from the Kanjiro River. The proposed project would improve the existing weir, extend and rehabilitate primary and secondary canals, and design and partially construct tertiary canals for additional areas of approximately 8,000 hectares.

There are presently 2,294 transmigrant families living in four villages on the system area. A total of 3,450 are scheduled for settling the area, and it is likely that others from the surrounding areas will occupy and farm the Kanjiro project lands as well.

Project Outputs:

- Approximately 8,000 hectares of new reliably irrigated land in the Kanjiro Irrigation sub-project area.
- Expanded agricultural extension services in the Kanjiro area.
- Improved operation and maintenance capability for the Kanjiro system.

Project Inputs:

- One expatriate specialist to assist in construction, operation and maintenance for a period of two years.
- 20 man-months in-country training and 6 man-months third country training in operation and maintenance of the system.
- 6 man-months of U.S. short-term training.
- Survey design and construction services by local firms.
- Equipment for construction and maintenance as needed.

Disbursement Period: FY 1977 to FY 1980

Major Assumptions:

- A significant increase in rice production will improve the overall welfare of the rural poor in the Luwu area.
- The Netherlands technical assistance program with DGWRD will have produced reliable and suitable maps and will have made substantial progress on an overall specific sub-project plan for the Kanjiro sub-project by FY 1977.
- GOI personnel for the project will be made available on a timely basis and in numbers sufficient for training and project work.
- Contract services with adequate equipment and skills will be available on schedule.
- The GOI and The Netherlands technical program will give reasonable priority to the project, as related to the entire Luwu irrigation project development.

Host Government and Other Donor Activities:

There are an estimated 100,000 hectares of potential irrigation area within this region, a high percentage of which had irrigation systems started by the Dutch in the 1930's. War conditions prevented these systems from being completed and utilized.

The Netherlands Government is providing a team of technical people to work on all the irrigation projects of Luwu, with the understanding that U.S. or other foreign donor assistance will be solicited at the construction stage.

The Dutch have agreed to concentrate priority efforts on the sub-projects which AID is contemplating financing by loan. The Dutch team is now being formed and initial arrangements are under way to get the mapping started at an early date. The schedule of the team is compatible with the proposal of this PID.

Alternate Activities:

Mention was made earlier within this paper that other irrigation projects within the Luwu area had been considered and two selected for an earlier loan. Others are being examined for development by the Indonesians and the Dutch. It is possible that some or all of the systems being studied may be developed at some later date. The Kanjiro should be at the implementation stage by FY 1977.

Beneficiaries:

Farm families of the Luwu transmigration area, mostly transmigrants, will be the direct beneficiaries of this project because of the expected increase in production. However, it is anticipated that the area will produce a food surplus beyond local needs. Transportation and processing of the food surplus to other areas will provide jobs and supply nutritional needs in food deficit areas.

Spread Effect:

At least seven additional irrigation projects similar to Kanjiro exist in the Luwu region. The planning, design and construction of the Kanjiro system with AID and other foreign assistance should strengthen the GOI's ability to undertake similar work in the remaining irrigable areas of Luwu and other areas. Training provided in the context of the Kanjiro project will also help to strengthen the DGWRD's capability to undertake major irrigation projects elsewhere in Indonesia.

II. FINANCIAL REQUIREMENTS AND PLANS

	(\$ thousands)			<u>Total</u>
	<u>AID</u>	<u>GOI</u>	<u>Farmers</u>	
DGWRD	1,900*	1,900		3,800
Department of Agriculture	500	500		1,000
Director General Transmigration:				
Land clearing	600	600		1,200
Transmigrants		2,300		2,300
Farmers (labor)			1,000	1,000
Project Organization	<u>100</u>	<u>900</u>		<u>1,000</u>
	3,100	6,200	1,000	10,300

*Includes direct purchase of equipment and partial reimbursement of local cost construction services.

III. DEVELOPMENT OF THE PROJECT

Mention was made earlier in this paper that an engineering study with- in the Luwu area included the Kanjiro sub-project. It is anticipated that an engineering evaluation will have to be made of the sub-project by an American engineer after the Dutch and Indonesian plans are developed. The agricultural utilization study of the area has not been completed. USAID has entered into an agreement with the Institute Pertanian Bogor (IPB) to conduct an agriculture-based social economic survey of Luwu Kabupaten and this study is presently in an early stage. One of the agriculture intensi- fication projects being delineated encompasses the Kanjiro sub-project area. This survey is expected to be completed in August, 1975, and the findings of the survey will be incorporated in this project at a later date.

PID submitted to Washington	- June 30, 1975
USAID irrigation engineer on job in Indonesia	- September 1, 1975
PRP presented to Washington	- December 31, 1975
PRP approved by Washington	- January 31, 1976
PP presented to Washington	- May 31, 1976
Loan authorized by Washington	- October 15, 1976
Loan agreement signed	- November 30, 1976

It is estimated that four man-months of a loan officer's time plus about six man-months of engineering, economic advisor and controller time total will be required to prepare the PRP and PP.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee INDONESIA		2. Document #1 -- PID Status: New <input checked="" type="checkbox"/> Revision # <input type="checkbox"/> Proposed Next Document: PRP	
3. Project Number 497-22-120-252	4. Bureau Code EA 2	Proposed Date of Submission: September 1976	
5. Project Title A. Sederhana Irrigation - II B. NA		6. Estimated Initial/Final Obligation FY 77 _____ FY 77 _____	
8. Purpose Code Category NA Code NA		7. Estimated Cost (Life of Project) (\$000 or equivalent. \$1=414.50) AID Approp. 20,000. Other U.S. _____ Total U.S. 20,000. Host Govt. 22,450. Other Donor(s) 3,800. Total 51,250	
9. Special Concerns Codes NA			

10. AID Appropriated Funds (\$000)							11. Other U.S.		
Appropriation Special Code	Tech. Code	1st Year		All Years		Program Type	1st Yr	All Yrs.	
		Grant	Loan	Grant	Loan				
NA	NA	-	-	-	20,000	H.I.G.	-	-	
						PL 460-Title II	-	-	
Total		-	-	-	20,000	Total	-	-	

12. Project Goal
Increased food production

13. Project Purpose(s)
To improve and develop approximately 100,000 ha of irrigable land.

14. Planning Resource Requirements (Staff/Funds)
None required.

15. Originating Office Clearance
Signature: *William S. Kelly*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W. or for
AID/W Documents; date of
Distribution:

PID

SEDERHANA IRRIGATION

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Indonesia is a food deficit country. There are a number of programs sponsored by the GOI which address this problem---use of high yielding varieties of seed, increased application of fertilizers and pesticides, the opening of new high potential lands on the outer islands, and adding irrigation to existing areas under cultivation. All these programs have problems of cost and logistics. Potentially the most beneficial approach is to increase the productivity of land already under cultivation. This can be done, in many instances, by the rehabilitation or construction of very simple irrigation systems. The main problem with this approach is the country's limited capability to develop several hundred, and eventually several thousands such small irrigation systems. The present institutions, including available trained manpower, simply cannot perform the enormous task on a timely basis.

Under the recently authorized Sederhana Irrigation and Land Development Project (Loan 497-T-037), AID is helping the GOI to resolve this basic problem by providing assistance to the agencies within the Ministry of Public Works and the Ministry of Agriculture charged with development of irrigation systems. AID also is financing equipment for construction and maintenance of the systems and is reimbursing a portion of the local cost of upgrading and/or new construction of major works (weir, primary and secondary canals) and farm level implementation activities of individual systems. The project provides 33 months of consulting services and finances primarily projects planned for construction beginning in Indonesian Fiscal Years 1975/76 and 1976/77. It is proposed in this PID that AID make a follow-on loan which would add one more year to the consultant's services and finance projects scheduled for construction beginning in Indonesian FY 1977/78. The primary justification for AID involvement for the additional year is the very high rate of increase in scheduled projects each year and the need for the assistance to meet the planned schedule.

Description of the Project

(a) The project is as described by the logical framework for the Sederhana Irrigation Loan (037). Outputs will be as described by the log frame. An estimated 100,000 hectares are scheduled for construction for IFY 77/78 but the exact amount will be determined following an analysis of the costs and DGWRD implementation capability.

(b) The type of technical and physical resources required will be as described under inputs in the log frame for loan 037. The amount of each will depend on the number of hectares to be irrigated.

(c) Disbursement period will be three years which allows two years for completion of construction of major works and another year for completion of and reimbursement for tertiary canals, farm ditches and terracing.

Major Assumptions

Assumptions are identical to those in the log frame for loan 037.

Host Government and Other Donor Activities

The Irrigation Division of the Directorate General of Water Resources Development (DGWRD) has three primary irrigation programs. The Sederhana Irrigation program, the Sedang/Kecil (Small/Medium) Irrigation Program which includes technically irrigated systems (permanent and complicated structures) and the special projects including large rice estates. Other donor activities are described in the Project Paper for loan 037.

Realistic Alternatives

At the present time, there is no realistic alternative to the proposed approach of the DGWRD and Department of Agriculture undertaking this program on a nation-wide scale with actual implementation carried out at the province level.

Major Beneficiaries

The direct and indirect beneficiaries of the project were described in detail in the Project Paper for loan 037.

Spread Effect

The Sederhana program is already a national program. The principal spread effects are expected to flow from the proposed approach to farm level implementation, viz. the organization of farmers into farmers' associations, increased farmers' participation in the construction of the tertiary systems, and the greater emphasis on the operation and maintenance of these systems.

II. FINANCIAL REQUIREMENTS AND PLANS

Based on a tentative estimate of 100,000 Ha of achievable irrigation construction under the Sederhana Program for Indonesian FY 1977/78, the project costs are summarized as follows:

	(\$ thousands)			<u>Total</u>
	<u>AID</u>	<u>GOI</u>	<u>Farmers</u>	
A. DGWRD	18,200	18,475		36,675
B. Department of Agriculture	1,800	4,475		6,275
C. Ministry of Interior (land certificates)		1,200		1,200
D. Bank Rakyat Indonesia (credit for land leveling)		3,300		3,300
E. Farmers (contribution in kind)	_____	_____	<u>3,800</u>	<u>3,800</u>
F. TOTAL	20,000	27,450	3,800	51,250

III. DEVELOPMENT OF THE PROJECT

1. Since the project is a follow-on to the recently authorized project (Loan 037), no major development work is anticipated. It is expected that the consultants retained for the original project would be extended through one more year.

2. Schedule for preparing project:

PRP	- January 31, 1976
PP	- April 30, 1976
Loan Authorized	- October 15, 1977
Loan Signed	- December 15, 1977

3. Estimate of AID Resources to Prepare PRP and PP: It is estimated that one-half time for one loan officer for six months and one-half time total for other members of the project committee (engineering, economic advisor and controller), for the same period will be sufficient for preparing the PRP and PP. No resources are expected to be required outside those provided by the consultants under the first loan, supplemented by available Mission staff.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

None.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number 497-22-120-251
4. Bureau Code EA 2

5. Project Title
A. Sedang/Kecil Irrigation
B NA

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes
NA

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PRP

Proposed Date of Submission:
March 1976

6. Estimated Initial/Final Obligation
FY 77 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1 = 414.5)
AID Approp. 20,000
Other U.S. -
Total U.S. 20,000
Host Govt. 46,615
Other Donor(s) 3,800
Total 70,415

10. AID Appropriated Funds (\$000)

Appropriation Symbol	Appropriation Code	Tech. Code	1st Year		All Years	
			Grant	Loan	Grant	Loan
NA	NA	NA	-	20,000	-	20,000
Total				20,000	-	20,000

11. Other U.S.

Program Type	1st Year		All Years	
	Grant	Loan	Grant	Loan
H.I.G.	-	-	-	-
PL 480-Title II	-	-	-	-
Total	-	-	-	-

12. Project Goal
Increased food production.

13. Project Purpose(s)
To assist the on going GOI Sedang/Kecil Irrigation project to improve and develop approximately 100,000 hectares of off-Java irrigable land.

14. Planning Resource Requirements (Staff/Funds)
None anticipated

15. Originating Office Clearance
Signature: *Walter J. Boly*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975

Date Received in AID/W, or for AID/W Documents; date of Distribution:

PID

SEDANG/KECIL IRRIGATION

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The Government of Indonesia recognizes that the future growth and stability of Indonesia is dependent on increasing agricultural production and improving rural farm income. Irrigated rice cultivation is a well-established practice in Indonesia, and is largely based on gravity flow of water directed from streams with little or no storage capacity. Wide-spread use of improved varieties and production practices to increase the yield of rice and the intensification of land use through more multiple cropping both require a much better control of water at the field level than is possible with the existing system and practices. Improved surface storage will increase the dry season capacity of the irrigation systems and should result in significantly greater yields.

The GOI Sedang/Kecil (small and medium size) Irrigation Project was begun during Indonesian FY 1969/70 with the purpose of (1) increasing agricultural production and farmer income; and (2) stemming migration from rural areas to urban centers. It is estimated that there are about 340,000 hectares in Indonesia which could potentially be affected by the Sedang/Kecil program. The project target, however, was set at 194,000 hectares to be placed under improved or new irrigation between FYs 1969/70 and 1978/79 (the period covered by the First and Second Five-Year Development Plans).

A comparison of this target broken down by year indicates that project implementation to date has slipped by approximately 30 percent in terms of hectares brought under irrigation. The GOI recognizes that external assistance is needed to help improve the capacity of the GOI Directorate General of Water Resources (DGWRD) to carry out a national program of small and medium scale irrigation activities.

Project Description:

a. Project Outputs:

- Improve and develop irrigation systems on an area of approximately 100,000 hectares during Indonesian FY 77/78 and FY 78/79 -- in-service training for existing and new staff members of the Provincial Public Works Water Resources Division for a total of approximately 480 man-months.

- Third country training of approximately 100 man-months for GOI technical personnel in SEAsian countries with similar programs.
- U.S. short-term training of approximately 60 man-months for GOI administrative personnel.

b. Estimated Required Inputs:

- Services of a direct-hire irrigation specialist for a period of two years.
- Two U.S. advisors (contract) and an Indonesian sub-contract for a team of 25 technical people to conduct on-the-job training.
- Hydrologic and construction equipment.
- Design and construction services provided by Indonesian firms.

c. The disbursement period is expected to be from FY 77 into FY 80, the project construction period to be FY 77 to FY 79.

Major Assumptions:

- a. Improved irrigation systems will increase farmer's income, achieve some redistribution of wealth and thereby decrease the tendency for the rural population to migrate to urban centers.
- b. A desirable schedule for completion of irrigation system improvement (approximately 100,000 hectares over FY 77 and FY 78) can be achieved by diligent application of the proposed inputs along with commensurate efforts by the GOI agencies involved with the project.
- c. Survey, design and construction contracts can be obtained and executed on schedule.
- d. Contractor and sub-contractor services can be made available of the requisite quality and quantity and on a timely basis.
- e. Needed equipment can be purchased and delivered to the jobs on schedule.
- f. The GOI will hire and make available for training employees on a timely basis as required for project implementation.

Activities of Indonesian Government and Other Donors:

Activities of the GOI Directorate General of Water Resources are widespread within the country. Most of the Sedang/Kecil sub-projects are located outside Java where many transmigration areas exist. The smaller number of projects located on Java are presently receiving technical assistance as a by-product of a training program being conducted by a three-man team from the U.K. No further assistance is expected by the team after the present training project is completed, and no other donor is assisting with the Sedang/Kecil project.

It should be noted that another irrigation program of a somewhat different size and character, but covering the whole of Indonesia, is just getting underway with U.S. support. This is the Sederhana (Simple) Irrigation and Land Development Project, which will be partially financed by a U.S. loan of \$20 million. The Sedang/Kecil (small and medium) Irrigation Development Program differs from the Sederhana (Simple Irrigation and Land Development Program in that the former are more technically sophisticated. That is, the diversions and other main structures are permanent structures (concrete or masonry) and meet higher technical standards. They serve in areas where the simple type project is unsuitable because of more difficult topographic or soil conditions, stream flow or other physical characteristics related to project construction. Both projects employ labor intensive construction techniques and are intended to benefit small farmers.

Realistic Alternatives:

There is no known alternative to undertaking/^a program of irrigation of an intermediate level of technology on a nation-wide scale.

Beneficiaries:

This project is directed specifically at improving the well being of the Indonesian farmers and their families. These are among the poorest segment of the Indonesian rural population.

II. FINANCIAL REQUIREMENTS AND PLANS

Based on the GOI estimate of about 100,000 hectares of irrigation construction in the two Indonesian Fiscal Years 77/78 and 78/79, the following summary of costs for the proposed AID loan project can be estimated (in thousands of U.S. dollars):

	AID	GOI	Farmers	Total
A. DGWRD (consultants, training, equipment & construction)	18,200	37,640		55,840
B. Dept. of Agriculture (consultants, training, equipment & farm ditches)	1,800	4,475		6,275
C. Ministry of Interior (land certificates)		1,200		1,200
D. Bank Rakyat Indonesia (credit for land leveling)		3,300		3,300
E. Farmers' (in kind) contribution			3,800	3,800
F. Total	20,000	46,615	3,800	70,415

III. DEVELOPMENT OF THE PROJECT

1. No formal feasibility study is required. However, USAID expects to visit enough of the project sites to assess the level of design and construction technology required, and the extent of DGWRD project organization and management requirements.

2. Schedule for preparing the project:

PRP	March 31, 1976
PP	June 30, 1976
Loan authorized	July 31, 1976
Loan signed	October 1, 1976
CPs met	November 30, 1976
Completion of construction	March 31, 1979
Completion of on-farm work	March 31, 1980
TDD	June 30, 1980

3. Estimate of AID resources to prepare PRP and PP.

It is estimated that it will take one loan officer and one engineer four man-months with appropriate support from USAID staff offices to prepare the PRP and PP.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

None anticipated at this time.

Agency for International Development
Project Identification Document Face Sheet

Transaction Code

Add Delete Change

1. Country/Regional Entity/Grantee
INDONESIA

3. Project Number 497-21-510-253
4. Bureau Code EA Code 2

5. Project Title
A. Community Immunization
B NA

8. Purpose Code
Category NA Code NA

9. Special Concerns Codes
NA

2. Document #1 -- PID
Status: New Revision #
Proposed Next Document:
PRP

Proposed Date of Submission:
April 1976

6. Estimated Initial/Final Obligation
FY 77 FY 77

7. Estimated Cost (Life of Project)
(\$000 or equivalent. \$1 = 414.5)
AID Approp. 3,000.
Other U.S. _____
Total U.S. 3,000.
Host Govt. 1,000.
Other Donor(s) _____
Total 4,000.

10. AID Appropriated Funds (\$000)

Appropriation Symbol	Appropriation Code	Tech. Code	1st Year		All Years	
			Grant	Loan	Grant	Loan
NA	NA	NA	-	3,000	-	3,000
Total			-	3,000	-	3,000

11. Other U.S.

Program Type	1st Year		All Years	
	Grant	Loan	Grant	Loan
H.I.G.	-	-	-	-
PL 480-Title II	-	-	-	-
Total	-	-	-	-

12. Project Goal
To improve the health of Indonesia's populace via prevention of immunizable diseases.

13. Project Purpose(s)
To increase within 5 years the level of tetanus, diphtheria, and whooping cough immunization protection to at least 50% of all children age 10-15, and pregnant women, and to provide BCG protection against tuberculosis for 90% of children under 14.

14. Planning Resource Requirements (Staff/Funds) Approximately 2-3 mm of assistance from AID/W TDY or Project Development and Support resources for developing the PRP and PP.

15. Originating Office Clearance
Signature: *William G. Bollyn*
Title & Date: Program Officer
USAID/Indonesia
June 20, 1975
Date Received in AID/W. or for AID/W Documents; date of Distribution:

PID

COMMUNITY IMMUNIZATION PROJECT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The priority placed by the GOI and USAID on improving the health status of the rural populace is addressed in the Development Assistance Program, (see DAP, pp. 180-187 and FY 1976 FBS, p. 138). Rural health programs have received greater attention by the GOI as manifested by: the priorities of the GOI Department of Health's Second Five-Year Plan (summarized in the FY 1975 USAID/Indonesia DAP Health Sector Assessment, p. 182); the budgetary allocation to the Department of Health; and through the special Presidential Budgets (INPRES) for rural health (including clinics, sanitation facilities, nutrition and health education).

In the Second Five Year Plan, the GOI has begun major efforts to improve primary health care to the rural populace. The first two years will focus on the development of additional health clinics and rural sanitation facilities. During the latter half of the Second Five Year Plan, the Ministry of Health's Directorate General of Community Health Service plans to focus prime attention on the basic health services provided by the widespread rural clinics.

High on the priority of any major health impact program is the necessity to maximize the prevention of disease. The cost/benefit ratio of disease specific prevention measures generally are far more favorable than the cost-benefit ratio of treating the specific disease.

As was emphasized in the Health Sector DAP, Section V, "Effecting Improved Health in Indonesia," there are only a few diseases which can be prevented by specific technologic intervention. These diseases include tuberculosis, tetanus, smallpox, diphtheria, whooping cough, typhoid, measles and poliomyelitis. The prevention of cholera by immunization alone has proved to be of marginal value.

This proposed project will focus specifically on prevention of some of the aforementioned diseases among children by improving the quality and quantity of locally produced vaccine, improving the logistical system for supplying refrigerated vaccines to rural areas, improving refrigerated storage facilities in rural areas, and providing training for improved clinical and health education aspects of a rapidly accelerated community vaccination program.

Current constraints to immunization activities exist in every component of the theoretical scheme:

1. Insufficient production of Diphtheria, Pertussis (Whooping Cough) and Tetanus Vaccine (DPT) and BCG (for Tuberculosis).
2. Insufficient refrigerated transport.
3. Insufficient refrigerator facilities in rural clinics.
4. Insufficient community awareness of need/availability of immunization against common life threatening childhood diseases.

However, several favorable factors do exist:

1. Clinic personnel have been trained in clinic-based provision of immunization services.
2. Clinics are being constructed so that nearly every kecamatan (sub-district) will have a new or improved facility by 1980.
3. BCG production has been improved through assistance from WHO and bilateral donors.
4. An improved health education scheme is in operation. A successful smallpox eradication program and a yaws control effort have demonstrated that immunization programs can be effected through the Indonesian health system.

More specifically, the proposed project will result in a marked improvement, perhaps five to ten-fold, in the immunization status of:

- (a) BCG for prevention of life threatening tuberculosis;
- (b) tetanus;
- (c) Diphtheria;
- (d) whooping cough (pertussis);
- (e) smallpox (to maintain Indonesia's smallpox free status).

Depending upon the results of further analyses the following additional vaccines may be considered:

- (a) typhoid
- (b) measles (rubeola)
- (c) poliomyelitis, particularly for urban areas

However, because of the low morbidity of clinical poliomyelitis and low complication rate of measles (rubeola) these two vaccines will probably not be included in the proposed scheme.

Outputs:

Project outputs will be nation-wide disease specific vaccination schemes, delivered primarily by local health center (PUSKESMAS) staff. These will be implemented on a nation-wide basis through over 3,000 PUSKESMAS. To the extent mandated by focal areas of very high incidence of tuberculosis and/or tetanus, community mass vaccination schemes may be utilized. The major thrust of the expanded vaccination program will be to incorporate proper immunization as an essential component of primary health care.

To achieve major impact on tuberculosis and tetanus specifically, 90% of children under age 14 should receive BCG and 50% of all pregnant mothers and children under age 2 should receive a combined tetanus-diphtheria-pertussis vaccine series within 5 years of the initiation of this project.

To accomplish the above, the keystone for project success is the establishment of a "cold chain," i.e., an adequately maintained refrigeration logistics system from the point of local manufacture to the point of vaccination in the PUSKESMAS.

This will require a small number of refrigerated vans for transport and small kerosene operated refrigerators in each PUSKESMAS throughout Indonesia.

To a lesser extent syringes and needles may be required. Local vaccine production must be improved both in terms of quality control and quantity. Modest technical services may be required for vaccine production improvement efforts, field vaccination implementation programs and national monitoring of the relevant diseases.

Disbursement:

The estimated disbursement period will be approximately 3-4 years. Following this period, Indonesia is expected to be self sufficient in terms of both the production and distribution of essential vaccines.

Assumptions:

The major assumption pertinent to project success is the GOI management of vaccine production and the feasibility of establishing a "cold chain" for the exclusive use of vaccine transportation and storage.

Activities of Other Donors

During the First Five Year Plan, Indonesia with WHO assistance placed major emphasis on smallpox vaccination. This effort was of sufficient magnitude and quality that Indonesia was declared smallpox free in April, 1975. However, other diseases for which artificial immunizations are available were not emphasized due to the lack of vaccine and an appropriate and extensive vaccination delivery system.

WHO and UNICEF have provided short-term consultants specifically for smallpox and BCG programs. UNICEF in the past provided imported BCG vaccine. A bilateral donor is now assisting in the improved quality and quantity of BCG vaccine.

Technical inputs by consultants with regard to the delivery of vaccine services has been small and piecemeal.

Alternatives to the Project:

USAID/Indonesia has aggressively developed relevant health sector assistance projects along the guidelines originally set forth in the DAP. To date, a malaria control project and a health services research and development project have been designed, approved and initiated. In the final stages of development is a rural sanitation manpower development project. Alternatives to the proposed project include major investments in building and equipping rural hospitals. Our judgement is that efforts to strengthen manpower and prevent disease will improve the lives of Indonesia's rural poor faster than investing in efforts to treat diseases through in-patient facilities.

Beneficiaries

The beneficiaries will be millions of rural and urban children. By 1985, 40-45% of Indonesia's 150-180 million population will be under the age of 15. The great majority of these children are the progeny of poor, minimally educated farmers, fishermen and manual laborers with extremely low income. At this time the infant mortality rate in rural areas is approximated at 140 per 1,000 live births and in urban areas, 100 per 1,000 live births. Analysis of late 1960s data indicate that from 15-18% of all children die before the age of 5.

Current analyses indicate that approximately 3% of pediatric hospital admissions are for tetanus. The overall case fatality rate (CFR) of tetanus is approximately 40%. In neonatal infants (0-4 weeks) the CFR approaches 70%. Diphtheria and tetanus, too, have a significant case fatality rate.

Accurate data on active tuberculosis is not available. The clinic impression, however, is that no less than 1% of the populace have active tuberculosis. Nearly all of these cases had their primary infection during childhood.

The proposed project would be nation-wide. No specific "spread effect" is expected.

II. FINANCIAL REQUIREMENTS AND PLANS

The current estimate of project costs is approximately \$4.0 million of which the GOI would provide approximately 25% over the 3-4 years of the project.

Costs include:

- (a) \$1.0 million for costs associated with vaccine production; 1-2 man years technical services; equipment and imported vaccine until local manufacturing capability is adequate.
- (b) \$1.5 million for "cold chain" equipment, syringes/needles and 1-2 man years of technical assistance.
- (c) Approximately \$500,000 for improvement of the national communicable disease reporting system.
- (d) \$1.0 million equivalent from GOI for vaccine production and refrigeration chain maintenance. Field personnel costs will be borne entirely by the GOI.

III. DEVELOPMENT OF THE PROJECT

The project will be developed by the GOI Department of Health and USAID staff. Project development staff assistance of approximately 2-3 man-months will be required in FY 76. It is expected that such assistance will be provided either under a PASA with the Center for Disease Control/Atlanta, or contracted.

During this phase of development the following will be accomplished:

1. Review of vaccine quality and quantity production.
2. Review of available data regarding incidence of infant and childhood tetanus, diphtheria, whooping cough, typhoid, tuberculosis, measles and poliomyelitis.
3. Review of available refrigerator facilities in clinics.
4. In-depth review of current clinic and community immunization program.

The PRP will be submitted by April, 1976. The PP will be submitted in October, 1976.

CARE - INDONESIA
ANNUAL PROGRAM PLAN
FY 1977

Country : INDONESIA
Submission Date : June 10, 1975

I. ELEMENTS OF OPERATIONS

A. Identifications

1. This Program Plan has been prepared by CARE (Cooperative for American Relief Everywhere, Inc.) as the distributing agency in compliance with the "Program Plan Coverage Outline and Checklist" included in AID Handbook 9, Exhibit D, pp. D-1 and D-2, effective December 31, 1974. The counterpart agencies are the Provincial Government of West Java and the Directorate of Plantations of the Central Government's Department of Agriculture.
2. The functions and assigned duties of the three American CARE staff members responsible for PL 480 Title II nutrition feeding programs in Indonesia are as follows:
 - a. Ralph B. Montee - The Director of CARE-Indonesia is ultimately responsible for all CARE activities in Indonesia. As such he devotes a portion of his time to the supervision of PL480 Title II programs including elements of long-range planning and new program development. He supervises the overall CARE activities in Indonesia from CARE's main office located at Jalan Kiyai Maja 65, Kebayoran Baru, Jakarta and his mailing address is P.C.Box 2718, Jakarta.
 - b. Bruce Strassburger - As the Administrative Officer of CARE-Indonesia, he is responsible for general administration and spends a portion of his time supervising PL 480 Title II program with respect to commodity clearance, accounting, and self-auditing procedures. He also works out of the CARE main office in Jakarta.
 - c. Paul H. Hartenberger - As the Director of CARE-West Java, he spends the majority of his time in the supervision of PL 480 Title II and related applied nutrition program. He is directly responsible for day-to-day operational supervision including commodity allocation, distribution, and end-use checks. In addition he is also jointly responsible for the long-range planning and new program development of PL 480 Title II programs. The CARE-West Java office is located at Jalan Karang Tinggal 28, Bandung.

- d. The following additional staff assist in the effective implementation of the PL 480 Title II nutrition feeding programs, either on a part time or full-time basis:

	<u>NAME</u>	<u>JOB TITLE</u>
Jakarta:		
	1. Aida Nuh	Nutritionist (INP)
	2. L. Karnadi	Port Clearance
	3. Fred Wijaya	Inventory Accounting
Bandung:		
	1. Tirta Sasmita	Financial Comptroller (INP)
	2. Arifien Atmadjakusumah	Feeding Program Supervisor (INP)
	3. Dana Krisna	Feeding Program Assistant (INP)
	4. Athol J. Kilgour	Agricultural Advisor (INP)
	5. Maman Sudirman	Agricultural Field Assistant (INP)
	6. Jantien Wisselink	Program Advisor (INP)
	7. Nanang Sadarsyah	Field Observer (INP)
	8. Maruli H. Sitorus	Field Observer (INP)
	9. Suparman	Field Observer (INP)
	10. Rachmat S. Wijaya	Field Observer (INP)
	11. Mimi Damamini	Field Observer (INP)
	12. Retno Harsono	Secretary (INP)
	13. Nunuk Pitoyo	Secretary (INP)
	14. Rachmat Suhandana	Office Assistant (INP)
	15. Effendi	Driver (INP)
	16. Aleh Solihin	Driver (INP)
	17. U m a r	Driver (INP)
	18. Suparman	Driver (INP)
	19. R.J. Soemijanto	Driver (INP)
	20. Dudung Abdurachman	Mechanic (INP)
	21. Djunaedi	Office Watchman (INP)
	22. Andi Sulaeman	Office Watchman (INP)

B. Agency Agreements

page 3

1. CARE-Indonesia operates under a Basic Country Agreement signed with the Ministry of Foreign Affairs on May 6, 1967. In addition, the MCH/Pre-SCH Nutrition Feeding Program in West Java operate under annual agreements negotiated with the Provincial Government and also with the individual West Java Plantation Estate Groups under the Directorate of Plantations.
2. CARE does not operate under a "blanket" agreement between the Government of Indonesia and the United States Government.
3. CARE's Basic Country Agreement incorporates by reference or inference the conditions set forth in AID Regulation 11, Section 211.3 and includes the provisions set forth in M.O. 1571.1 paragraph VI.B.1.

C. Area - Scope - Conditions of Operations

1. The PL 480 Title II Nutrition feeding programs are limited to the Province of West Java.
2. The distribution method to be utilized in making food available to each category of recipients is as follows :
 - a. MCH - A targeted 48,000 recipients will be provided with WSB and WSD at the rate of 2.5 lbs. and 2 lbs., respectively, per recipient per month for 12 months. Both commodities will be interchangeable and recipients will be authorized to receive a total of 4.5 lbs. per recipient per month for 12 months in any combination.
 - b. Pre-SCH - A targeted 87,000 recipients will be provided with the same ration under the same conditions as described in 2.a. above.
 - c. Local developed Multi-Mixes - Approximately 45,000 recipients - 10,000 in the MCH Category and 35,000 in the Pre-School category will receive rations of a similar level using a locally processed mix of PL 480 grains and locally grown grains and lentils.
3. All costs relative to the admission, storage, transportation, distribution, and utilization of the PL 480 Title II commodities are borne by the Provincial Government and the Plantation Estate Group for their respective programs.
4. Since CARE is non-sectarian agency, the potential recipients under the CWS and CRS PL 480 Title II nutrition feeding programs are not duplicated.

D. Control and Receipting - Records, Procedures, and Audits.

1. CARE-West Java maintains ledger accounts for the flow of commodities from the port in Jakarta, Tanjung Priok, until it is received by the end-use institutions. During each month's deliveries from Central Kabupaten (District) and Plantation warehouse, receipts are signed for the previous month's distribution, generally as a pre-condition for receiving the current's month's allocation. A physical inventory of commodities in each Kabupaten warehouse is usually conducted on the last day of each month by the warehouse keeper and the CARE Field Observer. At the end-use level, inventories and daily consumption are reported on a Monthly Consumption Report which ultimately is sent to CARE. CARE-Indonesia accounting systems are set up to provide for continuous audit of its programs. This activity is summarized annually in the form of a Self-Audit Report which is submitted to the FFPO.
2. All losses of PL 480 Title II commodities incurred from time of port entry until final distribution are recorded in the following manner: Independent surveys are made and a spot-check count is periodically done by a CARE Representative. Damages and short landings are then.

verified, and documented evidence is sent to CARE's New York office for adjudication with the carrier if the claim involves a marine loss. Losses incurred at Custom's, or resulting from internal transportation are documented by Custom's and or the local internal transporter's delivery receipts. Interior losses above \$100 in value are collected directly from the third parties in Indonesia. All uncollectable interior losses above \$100 in value are covered by the Provincial Government and the Plantation Estate Group under the CARE annual contracts.

E. Port facilities - Practices.

1. Offloading facilities at Tanjung Priok (Jakarta) are generally adequate to handle the PL 480 Title II commodities for the CARE nutrition feeding programs in West Java.
2. Duty-free entry of the food commodities is assured by contract.
3. Surveys by an independent survey company understanding instructions from CARE are performed for every consignment of PL 480 Title II commodities entering Indonesia.
4. Port charges are met by the Provincial Government of West Java and the Plantation Estate Group.

F. Storage facilities

1. The Kabupaten governments in West Java generally provide a central warehouse in the capital city of the kabupaten which is adequate for the storage of PL 480 Title II commodities under existing conditions at this level. The next level of warehouse usually serves as a transit point in the distribution chain, since the commodities are normally not stored for longer than one week before further distribution to the end-use institutions. Storage facilities at the end-use feeding centers are limited, but adequate for the small amount of commodity held at any one time.
2. Generally acceptable storage facilities are available at each level in the distribution chain for PL 480 Title II commodities, given the type of warehousing generally available within West Java. And the relatively small amounts of commodities to be stored in the individual plantations present no special problems, since warehousing is abundant and uniformly good.
3. It is stipulated in the annual CARE contract with the respective counterpart agencies that the title to the commodities remains with CARE until they are consumed by the ultimate recipients. This condition gives CARE adequate control over commodities in storage.

G. Inland Transportation

1. In West Java, the Provincial Government and the Plantation Estate Group provide transportation from the port in Jakarta to their respective intermediate distribution levels at the Kabupaten (district), kecamatan (sub-district), and at individual plantations. It is the responsibility of the end-use institutions to take delivery of their PL 480 Title II commodities from the immediate level above them.
2. The main problem related to inland transportation is the occasional late receipt of funds for transportation at the Kabupaten level.

H. Processing - Reprocessing - Repackaging

In conjunction with the PROP Agreement for co-financing between USAID-Indonesia and CARE-Indonesia and the TA/N-USDA contract with CARE-Indonesia

to test the Brady Crop Cooker, a low cost cooker extrusion machine in CARE-West Java's Integrated Nutrition Project (INP), CARE-Indonesia imported whole grain sorghum and corn (bagged), and soybean vegetable oil. These commodities will be used to augment the food grains and oil seeds which are locally-grown and locally-purchased in the attempt to determine what type or types of LDMMs (Locally-developed Multi Mixes) are suitable for eventual substitution of processed PL 480 Title II commodities such as WSB and WSD. It is planned that a "demi-indigenous Mix" using PL480 grains, vegetable oil and locally grow foods will be a transition to a full locally grown and produced processed mix suitable for MCH and other child recipients. It is possible also that CARE-Indonesia may consider requesting the technical assistance in developing alternative foods for supplementary feeding programs offered by USAID/W in AIDTC CIRCULAR A-831 to complement our INP. CARE's professional experience and expertise with the development of similar projects in other countries will be utilized to the fullest possible extent.

I. Financing

1. An estimate of the funding levels from the GOWJ and the Plantation Estate Group necessary to implement this program is presented in paragraph III.
2. Local food preparations made from the PL 480 Title II commodities provided by USAID through CARE including the cost of fuel, utensils, supplementary ingredients, book's salaries, and other incidental expenses are borne by local institutions. The nutrition feeding programs at present operate on a non-profit basis and the charges are uniform to each recipient. Those who cannot afford to pay the fee are not deprived of the meal or publicly embarrassed by their inability to pay.
3. After removal and/or obliteration of identification marks, empty commodity containers are sold to local merchants and the proceeds are utilized in support of the PL 480 Title II programs. CARE independently operates the empty container salvage fund and a full accounting of receipts and disbursements is maintained.

J. Acceptability of available foods - Computation of food requirements

1. We plan to import an adjusted total requirement (Line 17 of the FY 77 AER) of PL 480 Title II commodities as follows: 2,700,000 lbs of WSB and 2,500,000 lbs. of WSD for direct programming with an estimated 135,000 MCH and Pre-SCH recipients. 1,500,000 lbs. each of bagged grain sorghum and corn and 300,000 lbs. of soybean vegetable oil will be requested for use in the locally developed Multi Mix component of the Integrated Nutrition Program for use involving the Brady Crop Cooker (refer paragraph H).
2. Our commodity requirements are listed below:

a. MCH Nutrition Feeding Program

Target : ~~100,000~~^{58,000} recipients for a period of 12 months. The average number of feeding days is 26 per month.

<u>Commodity</u>	<u>Daily Ration</u> (grams)	<u>Daily protein</u> (grams)	<u>Daily calories</u>	<u>Total Annual</u> <u>Requirements</u> (Line 8 of AER)	<u>Lbs.per</u> <u>month</u>
WSD	25	7.0	152.25	1,522,500 lbs	126.88
WSB	44	8.8	158.40	1,174,400 lbs	97.87
	79	15.8	310.65	3,112,900 lbs	255.75
WSD	20	4.0	87.0	905,000 lbs	1.16
WSB	22	4.4	79.2	871,000 lbs	1.25
	42	8.4	166.2	1,676,000 lbs	2.41

b. Pre-SCH Nutrition Feeding Program

Target : ~~27,000~~^{122,000} recipients for a period of 12 month. The average number of feeding days is 26 per month.

<u>Commodity</u>	<u>Daily Ration</u> (grams)	<u>Daily protein</u> (grams)	<u>Daily calories</u>	<u>Total Annual</u> <u>Requirements</u> (Line 8 of AER)	<u>Lbs.per</u> <u>month</u>
WSD	35 20	7x9 4.0	352x25 87.0	1,698,000	1.16
WSB	44 22	8x8 4.4	358x40 79.2	1,830,000	1.25
	79 42	35x8 8.4	359x65 166.2	3,528,000	2.41

c. Locally Developed Multi-Mix for MCH/Pre-School Recipients

As noted in paragraphs H and J.1. above, we shall import bagged grain sorghum and corn together with soybean vegetable oil to complement the locally-grown and purchased foodgrains oil seeds, and lentils to produce a demi-indigenous food mix using the Cooker technology. The approximate total of grains and soybean vegetable oil as per Line 8 of the FY 77 AER is 3,300,000 Lbs.

d. Thus the grand total of PL 480 Title II commodities requested is 8,500,000 lbs. as per Line 8 of the FY 77 AER.

e. The combination of WSB and WSD should be acceptable since these commodities can be prepared separately or in combination in culturally acceptable recipes and WSD can be easily programmed with the most difficult category of recipient to reach-the pre-school child under one year of age.

3. a. Refer to paragraph J.2.

b. According to the Government of Indonesia standards, the average targeted caloric and protein intake per person is 55 grams of protein and 2100 calories. The proposed rations will provide approximately 29% of the protein and 15% of the caloric requirements, and should reduce most of the dietary deficiencies among the eligible recipients.

K. Program Publicity

1. It is standard procedure for all CARE Field Observers when making field inspections at distribution centers to inquire about program identification and explain to the recipients that the commodities have been donated by the people of the United States.
2. It is the opinion of CARE-West Java that overt and ostentatious program publicity which mentions either the U.S. Government or CARE is ultimately detrimental to the effectiveness of the program and this fact can and does at times adversely affect publicity.
3. See paragraph K.1 above.
4. See paragraph K.2 above

Despite growth in the export sector of the economy and increased Government revenues the income of most Indonesians have increased little if at all, Health and Nutritionat levels are not automatically raised with rising GNP. Improvements in the social development sector take time, it is against this background that CARE will continue to dramatize through the progamming of PL 480 Title II commodities the need to find pragmatic and realistic solutions to nutritional problems, for the most vulnerable groups. The development of indigenous and ~~semi-~~indigenous LDMMs through the judicious use of PL 480 Title II commodities will remain one of the prime objectives of our West Java Nutrition feeding programs. Given the difficulty and the length of the normal time element involved in the successful introduction of any new supplementary food, it is not expected that the Government of Indonesia will be able to assume complete responsibility for the MCH and Pre-SCH nutrition feeding programs until FY 81. If PL 480 Title II commodities are withdrawn prior to FY 81 without effective alternatives such as we seek under the INP (Integrated Nutrition Project), an untenable situation will exist.

II. Plans of Operation for Specific Types of Projects

According to a 1974 survey of the nutritional status of pregnant and nursing women and pre-school children under 6 years of age prepared by the Home Economics Department of the Bogor Agriculture Institute on a representative family sample of 10⁴ families which included 92 children (1-3 years) and 71 children (4-6 years), the following distribution of Protein-Calorie Malnutrition (PCM) in West Java according to the world-wide Gomez classification was noted :

Degree of Malnutrition	Age Group vs. (1-3 yrs.) % of total	Age Group vs. (4-6 yrs.) % of total	Total average % of Pre-school children (ages 1-6 yrs.) with some form of PCM
1st Degree (76%-90% of normal body growth)	17%	26%	21.5%
2nd Degree (61%-75% of normal body growth)	10%	17%	13.5%
3rd Degree (Below 60% of normal body growth)	25%	37%	31%
Normal (Above 90% of normal body growth)	48%	20%	34%
Totals	100%	100%	100%

It should be noted that approximately 21.5% of the pre-school children (ages 1-6 yrs.) suffer from 1st degree PCM, 13.5% of the pre-school children suffer from 2nd degree PCM, and a significant 31% of the pre-school children (ages 1-6 yrs.) suffer from 3rd degree PCM - below 60% of normal body growth. Thus 66% of the pre-school children from ages 1-6 yrs. suffer from some form of PCM. CARE views our PL 480 Title II program as perhaps the only viable means of providing a synergistic infrastructure as a vehicle for all components of an effective health system. The five main objectives of the PL 480 Title II MCH and Pre-SCH nutrition feeding programs in West Java for the estimated 180,000 recipients are:

- a. To improve the physical and mental development of pre-school children through better nutrition
- b. To extend applied-nutrition education for these pre-school children and their families.
- c. To improve the health of the pregnant and lactating mothers and pre-school children, in order to promote optimum fetal development and good infant health at birth and to stimulate effective lactation.
- d. To encourage mothers to accept the entire range of MCH services, including family planning.
- e. To educate the mothers on the better use of locally-available foods for children and for the family as a whole.

These objectives among others will be pursued through the CARE Integrated Nutrition Project (INP) as described in the FY 75 Program Plan, with some variations to reflect changed conditions.

III. Contributions to Program

For FY 77, we estimate the following:

- A. Estimated total PL 480 Title II commodity and ocean freight cost of the program (as per Line 17 of the FY 77 AER)

1.	2,700,000 lbs. of WSB at.1122 ¢ per lb.	= \$	302,940
2.	2,500,000 lbs. of WSD at.4500 ¢ per lb.	= \$	1,125,000
3.	1,500,000 lbs. of bagged grain sorghum at.0518 ¢ per lb.	= \$	77,700
4.	1,500,000 lbs. of bagged corn at.0577 ¢ per lb.	= \$	86,550
5.	300,000 lbs. of soybean vegetable oil at.3500 ¢ per lb.	= \$	105,000
6.	Total estimated ocean freight	= \$	488,408
	Sub-total (Column A)	\$	2,185,598
B. Government of Indonesia			
1.	Integrated Nutrition Project Estimated Inputs	= \$	35,000
C. Government of Australia			
1.	Integrated Nutrition Project Estimated Inputs	= \$	25,000
D. CARE Indonesia			
1.	Integrated Nutrition Project Estimated Inputs	= \$	50,000
E. Plantation Estate Group (West Java)			
1.	Integrated Nutrition Project Estimated Inputs	= \$	12,000
2.	Clearing and transportation of commodities	= \$	4,000
3.	Administration and Operational costs	= \$	11,500
4.	Condiments, fuel, preparation cost	= \$	62,500
5.	Land, buildings for local food development	= \$	2,500
	Sub-total (Column E)	\$	92,500
F. Provincial Government of West Java			
1.	Integrated Nutrition Project Estimated Inputs	= \$	115,000
2.	Clearing and transportation of commodities	= \$	48,000
3.	Administrative and Operational Costs	= \$	75,000
4.	Kabupaten (District level) inputs for warehousing and commodity transportation	= \$	17,500
5.	End-use institution inputs for commodity transportation, condiments, fuel, pre- paration costs, etc.	= \$	195,000
	Sub-total (Column F)	= \$	450,500

G. AID input through Co-Financing for Integrated Nutrition Project	= \$ 125,000
Sub-total (Column B-F)	= \$ 653,000
Total Column A	= \$ 2,185,598
Total Column G	= \$ 125,000
Grand total (Columns A - G)	2,963,598


Matt Diamond
Assistant Director
CARE/Indonesia


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Chief, VA/HA Staff
U.S.A.I.D.

3. CRS/I implements its program under PLANS OF COOPERATION with the MINISTRIES OF HEALTH AND SOCIAL AFFAIRS.

C. AREA - SCOPE - CONDITIONS OF OPERATIONS

1. The program is country wide. CRS/I operates in the whole country.
2. Title II Food Commodities are channelled through diocesan social action directors and other counterparts directors to health centers, nutrition centers, hospitals, clinics and project sites of various types engaged in community development. The selection of counterparts is based upon human need regardless of origin, religion, belief and political view. Nutrition education program and community development work are carried out in line with the Five Years Plan of the GOI, now the second FYP.
3. The government ministries that actively participate in the program, especially those at local and provincial level, are cooperative. The GOI helps CRS/I for the clearance of Title II Food Commodities.
4. CRS/I conducts consultations with other voluntary agencies, UNDP and WFP to improve the implementation of the program and to avoid duplication in areas of operation. The government departments, especially the departments of health, social affairs and transmigration, are advised in this matter.

D. CONTROL AND RECEIPTING - RECORDS, PROCEDURES AND AUDITS

1. In order to maintain control of the commodity distribution and to provide accountability from the time the commodities arrive at the ports until they are moved to the end-consumers the following forms and reports are used :
 - a. Survey reports from the Superintending Company Of Indonesia (Sucofindo), outturn reports and cargo reports are the basic documents which show the amount and condition of the commodities received at the ports. The cargo reports indicate the quantity and the condition of the food moved from the deepsea warehouse to the trucking company.

- b. CRS/I counterparts receive notification from their clearing agents on the total amount of commodity received and its condition; losses and or damages, if any, are indicated/the document. /in
- c. After receiving the commodity in their own warehouse the counterparts prepare a delivery receipt notating completely the quantity received, the condition of the food, and, any loss and or damage.
- d. In the warehouse a stock card showing inventory, commodities received and distributed is kept for control. In their office the counterparts maintain a ledger on food received and distributed.
- e. The counterparts issue delivery orders when they send food to their distribution centers supported. The delivery orders are in four copies: the original for the counterpart, the second piece for the warehouseman, two for the trucking firm to be carried to the distribution centers for signature; one of the signed delivery orders must be kept by the distribution centers concerned and the other returned to the counterpart for comparison with the original. During field trip CRS/I field representative check the delivery orders and compare them with the ledger at the counterpart's office.
- f. Each distribution center keeps a daily record of food received and distributed to the ultimate recipients. At the end of each month a detailed report is forwarded by the centers to the counterparts showing the amount of food received, distributed and inventory. Loss / damage is also reported.
- g. The counterparts send a monthly report to CRS/I indicating the amount of food received, distributed and the balance at the end of the month concerned. Financial report is also included in it.
- h. Agreements between CRS/I and its counterparts and, between the counterparts and their distribution centers, are signed stating full responsibility for handling and distribution in accordance with Title II regulations.

- i. Distribution centers participating in nutrition education programs keep a complete list of recipients registered and enrolled. In addition, body weights charts or growth charts have been introduced on which the results of monthly weighing are noted carefully.
 - j. Reports on completed and on-going food for work projects are filed by the project holders with the counterparts at the end of the month. The counterparts in turn submit monthly reports to CRS/I.
 - k. For evaluation of the implementation of nutrition education programs, the counterparts hold regular meeting every month with their nutritionist assistants. Short upgrading courses are conducted.
 - l. For evaluation of the program's implementation in its totality, CRS/I has field representatives who make regular visits to the fields and inspect records, reports on the execution of the program. Their reports are filed at the CRS/I office. CRS/I evaluates the reports of the field representative and send warning and or correction to its counterparts if deemed necessary.
 - m. The counterparts have their own field representatives who are responsible for visiting distribution centers to help the latter in carrying out the program.
 - n. Quarterly reports, commodity status reports and recipients status reports are forwarded regularly by CRS/I to US-AID.
 - o. All documents, records and reports are filed at the CRS/I office or counterparts offices for examination and or audit for three years after the close of the program year to which they pertain.
2. Ocean losses are reported by an on board survey. This survey report is sent to the CRS/New York office for action against the ocean carrier. All losses of Title II commodities are reported to USAID. Claims are filed for all inland losses exceeding US \$ 100. and for any loss of a lesser amount caused by gross negligence or deemed detrimental to the program. Money received from inland claims and/or from the selling of unfit commodities is paid to the US disbursing officer.

E. PORT FACILITIES - PRACTICES

1. Offloading facilities at ports are adequate.
2. There are no duty free entry problems.
3. CRS/I has independent surveys made on board the vessel by a recognised survey company for each shipment of Title II PL 480 commodities.
4. Port charges other than duty present no special problems.

F. STORAGE FACILITIES

CRS/I commodities are discharged from first or final ocean carriers into deepsea godown (warehouses) operated either by shipping lines or the local government. In the ports where CRS/I commodities are discharged the deepsea godowns are well-constructed and made of cement.

CRS/I has no warehouse of its own. All counterparts own adequate warehouse space to store the commodities. The godowns are of cement with sufficient ventilation and lighting.

CRS/I retains control and accountability of goods from the time of arrival to the time of distribution to the end-consumers.

CRS/I has been trying to obtain GOI's viz. the Ministries of Social Affairs and Health, approval to bring the deepseawarehouse rent into consideration for alleviation.

G. INLAND TRANSPORTATION

All inland transportation is performed by truck except for some ports of West Kalimantan where river boats and coastal motor vessels are utilized. Transportation costs vary from province to province and from time to time depending on the condition of roads, availability of trucks and or busses and, availability of spareparts and sources of energy, such as fuel.

The GOI does not assist CRS/I and its counterparts in payment of inland transportation. On the contrary, extra charges must be paid sometimes to the police on the road which increases the cost.

H. PROCESSING - REPROCESSING - REPACKING

- Processing and reprocessing are not applicable. Repacking is only applicable when (1) Containers are broken or torn and (2) the distribution centers give the commodities to the end consumers. The food is usually put into small size plastic packages.

I. FINANCING

CRS/I counterparts have been responsible and will continue to be responsible for meeting all expenses related to the program: offloading charges, godown rent, clearing charges, inland transportation, distribution charges, administrative costs, office expenses and salary.

The counterparts are permitted to recover the expenses paid through unassociated charges. In addition, both the counterparts and the distribution centers are allowed to sell empty containers.

CRS/I meets administrative costs which include salaries, travel expenses and per diem for all headquarters staff.

J. ACCEPTABILITY OF AVAILABLE COMMODITIES

1. Available foodstuffs are acceptable to recipients.
 - a. SFB Wheat is used as an extender to rice, the staple food of Indonesia. In new transmigrant areas bulgur is used to replace rice. It is consumed with or without mixture of rice.
 - b. WSB is mostly served as a porridge mixed with water and sugar. It is baked in cookies and cakes or made into native delicacies. /li Sometimes it is prepared as beverage. WSB is distributed to MCH Programs while bulgur is served to all categories.
2. Food requirements are estimated on the basis of the counterparts' requests and ability to run the program. Their previous implementation is analyzed and evaluated against CRS/I's field representatives' findings.

Rates of distribution in pounds per month :

Category	Soy Fortified		Wheat Soy Blend
	Bulgur	Wheat	
Maternal Child Health Program (Nutrition Education Program)	4		3.3
Economic/Community Development/Worker	20		
Economic/Community Development/Dependents	20		

DISTRIBUTIONS

MCHP : will be carried out in South Sumatra, Jakarta - the Metropolitan City - including West Java, Central Java, East Java including Bali and Lombok, West Kalimantan and possibly Flores.

FFWP : will also be performed in the above areas, excluding Jakarta, with the emphasis on transmigrant areas such as South Sumatra and West Kalimantan.

K. PROGRAM PUBLICITY

CRS/I Counterparts are made aware of program requirements, responsibilities and the preparation of Title II commodities through guidelines for each program; in addition, recipes were distributed and discussions during the regular visits of CRS/I field representatives were conducted with the counterparts and their distribution centers.

The counterparts in their turn, hold periodic meetings with their distribution centers' supervisors, especially of the MCHP centers, and explain all matters related to the program. Cooking demonstration, classes and home visits are conducted by the distribution centers' supervisors.

L. ESTIMATE OF PROGRAM DURATION

The program duration, both MCHP and FFWP, depends upon two principal factors : (1) actual need and, (2) availability of food commodities. MCHP and FFWP will continue as long as they are still deemed needed to combat malnutrition especially in the preschool group and to accelerate the development in the most needy areas.

The programs cannot be continued if food commodities will not be available. The present situation shows that the program may continue at least for the third five years plan.

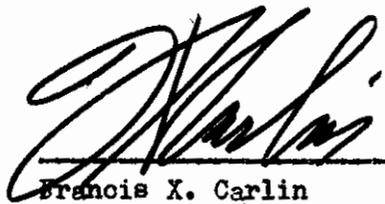
II. PLANS OF OPERATION FOR SPECIFIC TYPES OF PROJECTS

See appendix.

III. CONTRIBUTION TO PROGRAM

The anticipated cash contributions to the program are as follows :

<u>Amount</u>	<u>Source</u>	<u>Purpose</u>
US\$ 86,000	Catholic Relief Services, U.S.C.C.	Administrative and Support costs including salaries.
US\$ 68,000	CRS/I Counterparts	Anticipated income from unassociat- ed charges; this money will be budgeted to cover expenses incurred in inland transportation and handl- ing, in program control and in hiring nutrition aides for the MCHP And NEP.


Francis X. Carlin
Director CRS/Indonesia


Charles J. Gill
Chief, VA/HA Staff

CRS/I FY 1977

PROGRAM PLAN

STATISTICAL SUPPLEMENT
FOR
VOLUNTARY AGENCIES AND INTERGOVERNMENT ORGANIZATIONS
FY 77 TITLE II PROGRAM

Please provide the following information :

I. Maternal/Child Health

- A. Number of mothers participating : 20,000
- B. Number of children participating (age 5 and under): 52,000
- C. Number of persons served prepared foods through health clinic and nutritional education centers : 5,000
- D. Number of persons served bulk or unprepared commodities for home consumption through distribution centers : 67,000

II. SCHOOL FEEDING - None

III. OTHER CHILD FEEDING (Preschool and school-age) - 15 in a (6 - 14)
None

IV. FAMILY PLANNING

The counterparts and their distribution centers help the government in propagating the program by conducting classes and explanations on family welfare, child care, and hygiene.

MATERNAL CHILD HEALTH PROGRAM & NUTRITION EDUCATION PROGRAM

- A. In Appendix I of the program Plan FY 75, it was already noted that nutrition surveys in this country show evidence of widespread malnutrition. The Government of Indonesia is aware of the nutritional deficiencies here and the President issued a Presidential Decision on December 13, 1973 which was followed by a Presidential Instruction of September 13, 1974.

Both decrees emphasize the importance of welfare for all people in the country regardless to religion, belief, origin and political factor. To be more precise, the first decree authorizes the Minister of People's Welfare to take any measure deemed necessary to improve people's welfare in all aspects of life. In his instruction, mentioned above, the president urges all inhabitants of the state to varyify their diet in order to make sure that daily protein and calory intake will be sufficient.

As a follow of the decree government sponsored seminars on nutrition were held in Jakarta, respectively on July 21 - 25, 1974, on November 25 - 29, 1974 and on December 16 - 22, 1974.

CRS/I has been giving and will give top-priority to MCH. Enrollment and selection of malnourished pre-school children and pregnant and lactating women will continue to enlarge the program reached during FY 75 and FY 76.

During FY 77 CRS/I in cooperation its counterparts will support 72,000 recipients in MCHP. The operation will be based on the result of program's implementation during FY 75 and FY 76 with new policies for improvement.

B. OPERATION

- a. Eligibility for participation.

- Infants, 6 - 11 months of age, who are 90 % or less of normal weight for their age may be enrolled.

- Children, 12 - 60 months of age, may be enrolled if their body weight is 80% or less than normal for their age.
- Pregnant and lactating mothers, in particular those who have undernourished infants and or children already enrolled in the program.

b. Duration of participation.

- Infants aged 6 - 11 months are enrolled for 24 months.
- Children aged 12-60 months are enrolled for 18 months if their body weight is 60 - 80% of normal at the time of their enrollement. The period will be extended to 24 months if their weight is below 60% of normal upon enrollment.
- Pregnant and lactating women will be enrolled for the duration of their pregnancy and lactation.

c. Selection of recipients.

Recipients are selected through a weight survey. Individual weights are then compared with standards weight for the age group and only severely and moderately malnourished pre-school children, ages 6 - 72 months, pregnant and lactating women are eligible for the program. Modified Stuart Standards have been and will be employed. At least once a month the infants and children enrolled must be weighed and the results noted on a weight chart.

d. Distribution of commodities.

Food supplement will be distributed once or twice a month at the distribution centers in dry ration to mothers for preparation in their homes. The same recipients will be served continuously for the duration of their participation. In some cases, commodities will be prepared at the center and served daily to recipients.

e. Nutrition Education.

Along with the distribution of commodities the mothers will be taught the value of proper diet for their families. In addition, they will be encouraged to use high quality local food, and in rural areas, to begin home gardens to supplement their family needs. To this end, trained nutrition aides will be employed. Qualified nutritionists will be employed by each counterpart and nutrition aides will be trained. During FY 75 the counterparts hired 6 nutrition aides and during FY 76 their number will be increased up to 50. (Jakarta : 31, Pontianak : 6; Surabaya : 8; Tanjungkarang : 5)

C. PARTICIPATION

72,000 recipients are programmed for FY 77. The approximate breakdown is 20,000 pregnant and lactating mothers and 52,000 children.

D. ANNUAL REQUIREMENTS

Soy fortified Bulgur Wheat	- 3,456,000 lbs.
Wheat Soy Blend	- 2,851,200 "
	<hr/>
	6,307,200 lbs.
	<hr/>

E. CONTROL

Receipting procedures, control and supervision of distribution are contained in section ID.

F. SOURCE OF FUNDS

Funds required for control of the program, for educational materials and for nutrition aides are received primarily from unassociated charges upon recipients. The CRS Jakarta Counterpart has recently received approval for cofinancing its program from USAID/I. More funds are requested to USAID to support all counterparts in NCHP.

VOLUNTARY WORK PROGRAM (FOOD FOR WORK)A. OBJECTIVE

The Food for Work Program is an incentive to voluntary workers who participate in economic and community development projects of various types and a vital support to transmigrants while clearing new lands.

B. OPERATION

The counterparts receive applications submitted by project holders in the field. The counterparts evaluate the applications and inspect the projects described.

There are two kinds of projects : one is a work project, such as opening new land for cultivation, building roads etc.; the other is a manpower training project or course. Projects utilizing less than 150 workers and projected for a period of less than 3 months can be approved by the counterparts concerned before asking approval from CRS/I. Applications for projects greater in scope than the above must be submitted to CRS/I for approval.

At the completion of each project a report is forwarded to CRS/I and at the end of each month the counterpart sends full reports to CRS/I. Forms and records are provided by the counterparts themselves in accordance with samples prepared by CRS/I. The project holders keep a daily record on food received and distributed along with an attendance list of workers.

Commodities are distributed unprepared at the rate of 5 lbs. per each manday of work. The distribution is usually conducted once in a week.

C. EDUCATION

Recipe booklets are distributed to the counterparts which enable them to explain the use of the commodities. In addition, cooking demonstration is sometimes conducted. People know how to cook bulgur.

D. PARTICIPATION

10,000 workers and 40,000 dependents are programmed for FY 77

E. RATION

5 lbs. of Soy Fortified Bulgur Wheat is allocated for a manday of work which, on a 20 day work month, totals 100 lbs. per month for one worker and 4 dependents.

F. ANNUAL REQUIREMENTS

Soy Fortified Bulgur Wheat :	D.	2,400,000	lbs.
	E.	9,600,000	lbs.
		<u>12,000,000</u>	<u>lbs.</u>

G. JUSTIFICATION

Notwithstanding the relatively good position of the Indonesian foreign exchange the country still does need community development activities in many areas especially the transmigrant areas.

CRS employs Food for Work among the poorest of Indonesians to accomplish small scale development projects and to assist in relocation of transmigrants from overcrowded Java and Bali to virgin lands in the less populated islands.

This food support not only permits accomplishment of worthwhile projects, it also provides a very much needed supplement to the income of the participating family, whose average income per capita still remains at less than \$100 per year.

H. CONTROL

Receipt procedure, control and supervision of distribution of commodities are contained in Section ID.

PROGRAM STRATEGY

The total number of recipients planned to be reached during FY 77 in MCHP will be 72,000 enrollees as a result of the program implementation during the previous years upon which FY 77 is based. MCHP is a multi - year program. The result cannot be achieved within a few months. Therefore important changes will only be made for improvement of the program implementation.

FFW Projects will more carefully be selected with the intention to accelerate the community development. Big projects will be carried out in cooperation with other voluntary agencies or with the government. Ten thousand workers are planned to be employed during FY 77.

HOW THE PROGRAM IS STRUCTURED TO CREATE INSTITUTIONS

The CRS/I counterpart in Indonesia is the Catholic Church. At the national level, the CRS counterpart is the Institute for Social Research and Development (L.P.P.S.). At the provincial level, the dioceses have their own Social Committees headed by Social Delegates who are the CRS/I counterparts. A National Secretariat for Social Action is not yet established but firm steps have been taken to that end. In an attempt to help establish a National Secretariat, CRS/I has transferred its project supervisor to L.P.P.S. All project applications must now be submitted through L.P.P.S. rather than directly to CRS/I in aid of increasing the scope and authority of that office.

HOW PROGRAM RELATE TO COOPERATING COUNTRY PRIORITIES AND GOALS

The second Five Years Plan, starting in April 1974, emphasizes human development and improvement of the people's standard of living. Top-priority is also given to the improvement of people's welfare and diet. CRS/I and its counterparts will continue to support these goals with programs under Mother Child Health Program, and FFWP. Close cooperation with other organizations working for the same goals will be maintained and improved.
